



Northern Ireland
Assembly

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Ramsey, Pat (Foyle)
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Robinson, Peter (East Belfast)
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Storey, Mervyn (North Antrim)
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Wells, Jim (South Down)

Northern Ireland Assembly

Monday 7 December 2015

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

Members observed two minutes' silence.

Assembly Business

Mr Campbell: On a point of order, Mr Speaker. I seek your advice and guidance on a matter that has come to my attention. Last week, the Finance and Personnel Committee continued to conduct its investigations as part of its inquiry into the National Asset Management Agency (NAMA) sale. My understanding is that, at a previous meeting, a member of the Finance Committee, Mr Máirtín Muilleoir, failed to declare his interest in a company that does financial dealings and financial transactions with a bookmaking firm whose director was in front of the Committee to give evidence. While I know, Mr Speaker, that these matters may well be entered in the Register of Members' Interests, as I understand it, there is a duty and an obligation on Members to register at the outset of any meeting where a person is appearing whether they have such an interest to declare. None was declared. I seek your guidance and advice on how to proceed on this matter.

Mr Speaker: Thank you for that point of order. I saw the news coverage of that particular exchange, and I did hear the Member give a reassurance that his declarations of interest had been appropriately recorded. I do not have any further advance on that. This has to be very clear: it is a matter for individual Members, not the Speaker, to ensure that their registered interests and, in fact, the detail of them are at all times up to date.

Mr Campbell: Further to that point of order, my understanding is that the Member has a declaration in the Register of Members' Interests, which is one thing. However, another issue is that it is requirable, as I understand it, that, whenever a Member's company or an association with a company is on the record and a person is coming before a Committee that that Member serves on, they should declare that interest, whatever the business, at the outset of any discussions. That was not done last week.

Mr Speaker: I am not going to become directly involved in this since it is more a matter for the Standards and Privileges Committee. The Members' handbook details the manner in which matters of interest should be recorded. It is a duty — absolutely — of individual Members to ensure that they do that. Those who have a complaint — you may feel that you have a complaint — have recourse, as the handbook states, and it is not the Speaker.

Ms Ruane: On a point of order, Mr Speaker. I notice that the Member, when he named the individual, did not give him his correct title. For the record in the House and for the Member: his name is Máirtín Ó Muilleoir.

Mr Lyons: On a point of order, Mr Speaker. I understand that not every Member can take part in every debate that they want to take part in. Last week, however, I indicated to the top Table that I wished to take part in the debate on climate change. Standing Orders are very clear:

"The Speaker shall determine the order of speaking and the number of speakers in any debate having due regard to the balance of opinion on the matter, the party strengths in the Assembly and the number of members who have indicated a desire to speak."

I wanted to take part in that debate, and, having gone to the top Table, it was my clear understanding that I would be allowed to do so. As the debate progressed, my name was not called, but a second SDLP Member was called. I do not begrudge the SDLP the right to have its say, but only two Back-Bench contributions were allowed from my party. When you consider the way in which the debate carried on, it was clear that many people who were in favour of the motion and the amendment got the opportunity to speak. There were seven in that category, but only four Members were able to speak against the amendment. Mr Speaker, can I ask you to rule whether Mr Beggs, who was in the Chair at the time, gave due consideration to Standing Orders and the convention of the House, which is that

Members who wish to speak are decided on party strength and balance of opinion? Do you agree that that did not happen as it should have?

Mr Speaker: There is also another important criterion, which is that the Speaker has discretion to take account of the balance of discussion. I am absolutely satisfied that the Deputy Speaker ensured that there was a balanced debate. Putting your name on the list, whether you approach the Table or your party Whip submits your name, is not a guarantee that you will be called. We work to Business Committee decisions for debates. At the top Table, at times, we face difficult and invidious choices between those who do get to speak and those who cannot because of time constraints. With the balance, we attempt, over weeks and months, to ensure that every single Member is given the opportunity to make contributions to the work of the House. For obvious reasons, that cannot happen in every debate.

Mr Lyons: Further to that point of order, Mr Speaker —

Mr Speaker: I am sure that you will be very careful about challenging the Speaker.

Mr Lyons: I will absolutely not be challenging the Speaker on this occasion.

Mr Speaker: Or on any occasion. *[Laughter.]*

Mr Lyons: I am raising the issue with the Speaker only for the first time, so could I ask him to look at it again? This is, in fact, the second time that this has happened while Mr Beggs was in the Chair. During a ministerial statement, I was the only Member who was not called to speak. Perhaps I have done something to offend Mr Beggs. Perhaps it is because I am from the same constituency as he is, and he would prefer that I did not speak.

Mr Speaker: You are getting closer and closer to the line.

Mr Lyons: I will not cross it.

Mr Speaker: Do not cross the line. I am not making a judgement that you did so on this occasion, but I think that it is appropriate that you sit down at this point.

The matter was brought to my attention, and I took the time and trouble to look at the transcript. I am satisfied that Deputy Speaker

Beggs did his job very appropriately and competently. I was not aware that, in your view, this was the second time that this had happened. I have recorded that in my memory bank, and we shall see. I think that you will agree that you have been given many opportunities since you graced the House with your presence.

By the way, you are a very good contributor and I think that, on balance, you are treated as fairly as any other MLA in the Chamber.

Standing Orders 10(2) to 10(4): Suspension

Mr Ramsey: I beg to move

That Standing Orders 10(2) to 10(4) be suspended for 7 December 2015.

Mr Speaker: Before I put the Question, I remind Members that the motion requires cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

That Standing Orders 10(2) to 10(4) be suspended for 7 December 2015.

Mr Speaker: As there are Ayes from all sides of the House and no dissenting voices, I am satisfied that cross-community support has been demonstrated. The motion is agreed.

Ministerial Statement

North/South Ministerial Council: Aquaculture and Marine

Mrs O'Neill (The Minister of Agriculture and Rural Development): Go raibh maith agat, a Cheann Comhairle. With your permission, I wish to make a statement in compliance with section 52 of the 1998 Act regarding the twenty-eighth meeting of the North/South Ministerial Council (NSMC) in aquaculture and marine sectoral format, held in Armagh on Wednesday 11 November. The Executive were represented by Minister Mervyn Storey and me, and the Dublin Government were represented by Joe McHugh TD, Minister of State at the Department of Communications, Energy and Natural Resources. Minister McHugh chaired the meeting. This statement has been agreed

with Minister Storey, and I make it on behalf of us both.

Ministers welcomed the presentation by Art Niven, fisheries biologist at the Loughs Agency, on Atlantic salmon research in West Greenland. The significance for us is that salmon stock from Ireland can migrate to West Greenland. Ministers noted the importance of international partnerships, such as that with the North Atlantic Salmon Conservation Organization (NASCO) in developing scientific advice on Atlantic salmon and its application to the Foyle and Carlingford Areas.

Ministers received a progress report on the work of the Loughs Agency from the vice chairperson, Alan McCulla, and the chief executive, John Pollock. We were advised that agency staff have continued to lead environmental protection in the Foyle and Carlingford catchments, working with agencies including the PSNI, An Garda Síochána, the Environment Agency and relevant local authorities. There have been a number of seizures of nets, fishing rods, oyster bags, boats etc. There have been a significant number of successful prosecutions resulting in convictions for a range of offences, such as unlicensed angling; killing salmon on the River Finn, which is a catch and release only area; and obstruction of fishery officers. Whilst organised salmon poaching involving a large number of individuals remains a challenge for the agency, I am pleased to report that there have been no violent attacks on staff this year.

The NSMC noted the position of the survival of the native Lough Foyle flat oyster. Ministers were pleased to hear that the Loughs Agency met fishermen on three occasions prior to the opening of this year's fishery in an effort to fully engage them in the decision-making process. A weekly assessment of the spawning activity in the oyster stocks on the five main oyster beds has been continuing since early June. Unfortunately, the unseasonably cold summer weather has not afforded the population much chance of spawning. The agency continues to monitor the stock for signs of additional spawning potential, and water samples are being assessed. So far, densities have been low compared with previous years, with good settlements of spat. The autumn stock assessment was completed at the end of September. An assessment of the mortality levels of adults, as well as the survival of the spat from 2014, was made along with the densities and overall biomass levels.

The agency opened the fishery on Tuesday 6 October 2015, and fishing will be on a

staggered basis until 18 December 2015, when it will close. This arrangement overcomes the main concerns from 2014 by ensuring that viable and equitable economic opportunities for fishermen are available up to Christmas. It also strikes the correct balance between the economic opportunities and the conservation imperative, while seeking to ensure viability in the fishery for the medium to longer term.

Ministers also discussed how to progress the management agreement. The Department of Foreign Affairs and Trade in the South is still awaiting a response from the Foreign and Commonwealth Office (FCO). Ministers expressed their frustration at the delay as updates from the FCO have been sought on a number of occasions. Minister Storey and I agreed that we will write jointly to the First Minister and deputy First Minister in an attempt to move the matter forward. Meantime, the Loughs Agency continues to progress the operational aspects of the management agreement.

The Greencastle to Magilligan ferry was also discussed. The Loughs Agency has held a number of meetings with Minister McHugh, local councillors and the Lough Foyle Ferry Company to explore the wider operational and development opportunities for the service. The initial discussion focused on its sustainability. The agency has carried out a preliminary scoping exercise aimed at facilitating a broader, more in-depth study of the service by a consultant to be engaged by the local authorities.

The chief executive agreed to facilitate a meeting to discuss the Foyle ferry. As a starting point, he has contacted the CEOs of Donegal County Council, Causeway Coast and Glens Borough Council and Derry City and Strabane District Council, with a view to holding an initial meeting. Ministers commented that it is important for the development of the Wild Atlantic Way and the Causeway coast that we protect the current infrastructure, including the ferry service between Greencastle and Magilligan.

12.15 pm

The agency's success in recent awards was acknowledged by the Council. Those awards included employability champion at the Business in the Community awards and the Sentinus Ambassador of the Year Award. The Council also acknowledged the positive comments of Nicholas Martyn, the deputy director-general for regional and urban policy at

the European Commission, following his visit to the Loughs Agency to review the integrated aquatic resources management between Ireland, Northern Ireland and Scotland (IBIS) project.

The Council noted that the Loughs Agency has applied the required efficiency savings to the 2016 budget, in accordance with agreed guidance issued by Finance Departments across the island. Ministers approved the Loughs Agency's 2016 business plan and recommended the 2016 budget grant provision of £3.829 million.

The NSMC welcomed the report on the activities of the Loughs Agency in promoting and marketing the Foyle and Carlingford areas, including angling-club development initiatives such as the angling academy, angling hubs and the angling app on Google Play; marine tourism initiatives, including Sailability, which supports participation in sailing by persons who have a disability, and the Celebrate Water event held in Greencastle; and education and outreach events and activities, including the maritime ambassador programme and the Foyle ambassador project, and events such as World Oceans Day, Biodiversity Day and River Discovery Day.

Ministers also welcomed the Loughs Agency's success in securing in excess of €15 million of EU funding for maritime tourism, angling development and the IBIS research project. They noted the agency's plans to avail itself of future funding initiatives such as the European social fund, the Heritage Lottery, INTERREG V and the rural development programme, for the benefit of the Foyle and Carlingford Areas.

The NSMC praised the efforts of the chief executive and his team in securing alternative sources of funding in the current economic climate.

Mr Anderson: I thank the Minister for her statement. I note that Ministers discussed the ongoing issue of the lack of progress made on the management agreement. As the Minister is aware, that issue does not seem to be going anywhere, and the Agriculture and Rural Development Committee shares those frustrations. Can she confirm how many years have passed since we first sought to get the management agreement, and will she elaborate on what exactly she thinks writing jointly to the First Minister and the deputy First Minister will achieve?

Mrs O'Neill: I do not know the exact number of years, but suffice it to say the situation has

been ongoing probably since the Loughs Agency was established. To put it in context and to explain exactly what it is, aquaculture licensing is one of the Loughs Agency's functions. To date, it has not been able to assume that function because of jurisdictional, legal and policy issues. When we discussed it — we discuss it regularly at our meetings — we were all equally concerned and frustrated about the delays. Unfortunately, the Foreign and Commonwealth Office (FCO) has not expedited the matter in the way in which we want it to happen. Minister Storey and I therefore agreed to raise it to OFMDFM level and ask that that office now engage with the British Government on how we can take the matter forward, because it is hindering the work that the Loughs Agency wants to do. It is important that we continue to keep the pressure on. It is a function that the Loughs Agency is legally required to take forward, but, as I said, it is hindered by the ongoing problems. We need to continue to put the pressure on and make sure that we can get to a stage where we are able to have an operational agreement implemented and have the issue dealt with once and for all so that we can protect the fishery and all interested people.

Mr McAleer: Go raibh maith agat, a Cheann Comhairle. Can the Minister give her assessment of how successful she feels the Loughs Agency has been in securing EU funding?

Mrs O'Neill: It has been excellent at securing EU funding. As I said in my statement, the agency has, to date, secured in excess of €15 million through working with its partner organisations. The most significant element of that is the €4 million for marine tourism and angling development and the €8 million that it was able to secure for the IBIS project, which has been acclaimed as a really successful programme.

The agency is currently looking towards strengthening. It is further looking at how it can develop partnerships with our new councils, communities, businesses and other stakeholders. I applaud its efforts, in times of serious financial constraints, in being able to secure that additional funding, and I am quite sure that, in looking to the future, it is considering options under the European social fund, the Heritage Lottery, INTERREG V and the rural development programme for opportunities that will benefit the people of the Foyle and Carlingford areas.

Mr Rogers: I thank the Minister for her answers thus far. Aquaculture plays an increasingly important role in our agrifood industry and, like agriculture, it is very weather dependent. Can you give us an update on the research done to ensure that our oysters become more weather resistant? Last year, we had issues with the water being too warm in Carlingford lough, and now the water is too cold for spawning.

Mrs O'Neill: Obviously, the industry is very weather dependent. During that incident last year, we saw quite a significant body of stock lost due to weather conditions. I am delighted that we are progressing this conversation on an all-island basis. Our aquaculture conference in 2016 will be an opportunity for our scientists in the Agri-Food and Biosciences Institute (AFBI), Bord Iascaigh Mhara and the Loughs Agency all to come together to bring in international experts in aquaculture and to look at how we can have sustainable fisheries into the future. That conference will, I think, be hugely significant in trying to support the industry and identify other areas of research that we may need to take forward. It will also be an opportunity to look at what other supports we need to have in place to help the industry to flourish and to be sustainable in the future.

Mrs Dobson: I thank the Minister for her statement and answers so far. However, I note that there is not any reference to the December Fisheries Council. Minister, given that you said in a recent press release that the Council will be difficult and highly complicated, can you give the House an update on your views ahead of the Council and what discussions you are holding with industry representatives to protect our industry?

Mrs O'Neill: The issue of fishing quotas and my approach to negotiation do not come under the remit of the NSMC; it is obviously sea fisheries that we are referring to. Whilst outside the terms and the discussion of the NSMC, just to give you an update, I have been engaging with the industry on how we will take forward our priorities. I intend to travel to Brussels next week, where we will participate in the negotiation. I have said that it will be a difficult negotiation, but we will certainly go out well equipped, with the best science. Our AFBI researcher is coming with us to make sure that we can argue our case. Any outcome that we try to secure will be taken forward based on the needs of the local industry, in agreement with it. Obviously, nephrops prawns are our mainstay and are the most significant fishery for local fishermen, so that has to be our top priority again in this negotiation. Obviously, I will fight

the corner once again, for the fifth year, in the fishing negotiations in Europe.

Mr McCarthy: I thank the Minister for her statement this afternoon. We very much welcome the fact that there have been no violent attacks on staff this year. However, is the Minister convinced that staff are safe, with no verbal attacks or threats being made against them at any time?

Mrs O'Neill: Obviously, the safety of the staff is of the utmost importance. As I said, I am delighted that we have not witnessed any attacks this year. You will know that, over the past number of years, we have seen attacks in which bricks and all sorts of objects were thrown at Loughs Agency staff. I think that there is still a significant threat to the fishery from people involved in illegal activity, particularly salmon poaching. As I said in the statement, I am delighted that the staff have not been attacked this year. There has been very much a combined effort, with the Loughs Agency, the PSNI and an Garda Síochána, to weed out and to try to deal with illegal activity, and that is obviously ongoing. It is a welcome and necessary engagement to protect the fishery and, obviously, the staff.

Mr McMullan: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for her statement this afternoon. In the last season, some fishermen expressed concerns about some of the fishing efforts. Can she tell us whether those concerns have been resolved?

Mrs O'Neill: I know that, last year, there were some concerns about why we had to close the oyster bed early. This year, I think that, with ongoing engagement with the fishermen, we have been able to have discussions at an early stage. Whilst the Loughs Agency and fishermen will not always agree on the way forward, what we have struck this year is a balance between trying to protect the fishery to make sure that we have a sustainable fishery into the future and allowing the fishermen to avail themselves of the economic opportunity of being able to fish right up to 18 December. This year, we have certainly had a lot more communication with fishermen, which has obviously improved the situation, and that is very welcome. I know that they are content that they have been allowed to have a sustainable fishery up to 18 December.

Mr Swann: Minister, I will go back to paragraph 7. Mr McCarthy focused on the attacks on staff. You admit and acknowledge that salmon poaching still involves a large number of

individuals and remains a challenge for the agency. What steps is the Minister taking to eradicate salmon poaching in Northern Ireland?

Mrs O'Neill: It is exactly as I have just said. We have a multi-agency approach. We are working with an Garda Síochána and the PSNI on how we can collectively work together to eradicate this. It is illegal activity. It is crime. Therefore, the responsibility falls to policing. However, our Loughs Agency staff have a policing and enforcement role in trying to protect the fishery. We have to continue in that vein with that collective effort and that cross-working structure. That is the only way that we will be able to drive out what is obviously criminal activity.

Mr Allister: At paragraph 19, the Minister speaks of the Loughs Agency having applied the required efficiency savings to its 2016 budget. Could she therefore explain why, in the 2015 business plan, the indicative budget for 2016 was €4.8 million but, in fact, the budget now approved in the 2016 business plan is €5.5 million, which is an increase of 14%? How does that fit with the protestation of meeting the required efficiency savings?

Mrs O'Neill: As I said, I was delighted that, at the meeting, we were able to sign off and agree on the business plan and the budget grant. That plan was drafted in accordance with DFP guidance and was approved by both Finance Ministers, here in the Executive and in the Twenty-six Counties. The agency continues to function despite significant pressures on its budget. It has been able to deliver on its 4% per annum cumulative savings and has done so particularly in relation to the 2014-16 corporate plan. I do not have with me the detail on the breakdown of the figures that you refer to, but I am very happy to respond to you in writing on that.

Mr I McCrea: Paragraph 20 of the Minister's statement refers to:

"the report on the activities of the Loughs Agency in promoting and marketing the Foyle and Carlingford Areas".

Neither of those is in my constituency. Nonetheless, the bit that intrigues me is the angling app on Google Play. Can the Minister provide some detail on how she feels that that is beneficial to the work of the Loughs Agency in promoting those areas?

Mrs O'Neill: The Loughs Agency has been very successful in raising the profile of angling, and

a lot more people are choosing to holiday here because of the angling opportunities. The app is quite inventive and is quite a new way to market what we have to offer. It gives people an opportunity to look at where the fishing opportunities are, how to go about getting a licence and how to avail themselves of the sport. It is a very positive and significant contribution in marketing the angling product on this island.

Executive Committee Business

Employment Bill: First Stage

Dr Farry (The Minister for Employment and Learning): I beg to introduce the Employment Bill [NIA 73/11-16], which is a Bill to make provision relating to conciliation and other matters in connection with industrial tribunals and the Fair Employment Tribunal, including power to refer to chairmen as employment judges; to amend the law relating to protected disclosures; to confer power on the Department for Employment and Learning in connection with careers guidance and apprenticeships; to correct references relating to statutory shared parental pay; to make other provision relating to employment; and for connected purposes.

Bill passed First Stage and ordered to be printed.

Fisheries Bill: First Stage

Mrs O'Neill (The Minister of Agriculture and Rural Development): I beg to move the Fisheries Bill [NIA 74/11-16], which is a Bill to make provision about fisheries.

Bill passed First Stage and ordered to be printed.

Houses in Multiple Occupation Bill: Second Stage

Mr Storey (The Minister for Social Development): I beg to move

That the Second Stage of the Houses in Multiple Occupation Bill [NIA 60/11-16] be agreed.

12.30 pm

Findings from the fundamental review of the houses in multiple occupation (HMO)

registration scheme identified weaknesses in the regulatory system, not least the difficulty in identifying HMOs and the approach to enforcing management and physical standards. The results of the public consultation indicated overwhelming support for a new regulatory scheme. HMO licensing schemes exist in other parts of the United Kingdom.

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

HMOs are often an important part of the housing mix and can provide affordable rented housing for a range of tenants, including students, migrant workers and single people on low incomes. Because of the higher risks of living in an HMO, they are subject to a higher level of regulation than other rented housing. Latest Housing Executive figures show nearly 5,500 HMOs registered, many of which are in the Holylands and the Coleraine University area. The number of people living in that tenure could be as many as 30,000.

The purpose of the Bill is to enable the better regulation of houses in multiple occupation by doing three things. First, by streamlining the definition of an HMO. Secondly, introducing licensing to promote effective housing management. Landlords will be required to have a licence before an HMO comes into existence. To obtain a licence, planning permission will have to be in place, the landlord's fitness to let an HMO established, and important quality and safety checks of the home completed. Thirdly, the Bill will clarify existing law and make current regulation and enforcement more effective.

The key aim of our new regulatory regime is to take a risk-based approach designed to better protect tenants living in HMOs by ensuring that landlords and managing agents meet important obligations about the quality and safety of HMO accommodation. Because of the importance of linking HMO regulation with other critical government functions, such as planning, building control and environmental health, the Bill will transfer the responsibility for regulating HMOs to councils. As council environmental health departments already lead on all other aspects of regulation of the private rented sector, HMO regulation will sit neatly with those functions.

It may be helpful if I spend a few minutes outlining the key provisions in the Bill. The new HMO definition and associated exemptions will provide clarification and guidance on what is or is not to be classed as an HMO. That is an important change that will remove from the

HMO banner a number of properties never intended to be classed as HMOs.

Buildings or parts of buildings not considered HMOs are listed in schedule 1. Examples include establishments regulated by the Regulation and Quality Improvement Authority (RQIA) and buildings occupied by students and managed by educational establishments. That is the right thing to do and will allow councils to focus resources on licensing and enforcing appropriate standards in HMOs where there is a potential risk to the well-being of their occupants.

The introduction of mandatory licensing of HMOs will ensure that higher physical and management standards are adopted before an HMO can be classed as licensed. The Bill will address the future risks of HMO over-provision. The introduction of licensing will mean having to have a licence before a landlord can legally operate an HMO. The Bill will give a council the discretionary power to refuse to grant an HMO licence if it considers that there is, or that the granting of a licence would result in, over-provision in the locality. As planning is now devolved to the 11 local authorities, the Department will liaise with councils on how HMO over-provision can be prevented.

The most straightforward way of achieving that is likely to be the inclusion by councils in local area development plans of thresholds similar to those in operation in the HMO subject plan for Belfast. An HMO inspection will ensure that the property is not overcrowded and has suitable amenities and facilities for the number of people occupying it. Landlords will be required to apply for a licence to rent out the home lawfully, with licences granted subject to management conditions and conditions requiring any work necessary to meet current amenity and/or safety standards. Councils will be able to impose a works requirement, which may result in a licence having to be revoked in certain circumstances.

The introduction of a fit and proper persons test will ensure that those people who are unsuitable to hold a licence and to operate an HMO are identified at the earliest opportunity and prevented from doing so. The aim of the test is, I trust, to weed any bad landlords out of the system.

The Bill includes a power to open statutory information-sharing gateways with a number of government and non-government organisations and bodies. Those gateways will provide for relevant information to be shared to assist in the identification and regulation of HMOs.

The introduction of greater and more comprehensive enforcement powers will ensure that councils have the power to take timely and proportionate enforcement action. Fixed penalty notices will avoid the need to proceed directly to court action for lesser offences. Introducing fines will provide a more cost-effective and less time-consuming means of enforcing HMO legislation, with benefits both for councils and occupiers.

Further guidance on the use and operation of fixed penalty notices will be produced in collaboration with councils and will mirror the existing guidance on fixed penalty notices for other areas where they work well, such as on litter, graffiti and noise pollution offences

The Bill will also create a new power to issue a prohibition notice on a property if the council deems there to be an imminent risk to the health and safety of the occupants. In addition, councils will also be given powers to obtain information from various specified persons in the house. It can require any occupier to disclose the nature of their relationship with any other occupier where that information is required to determine whether the accommodation is an HMO that requires to be licensed. In general, this revised system of regulation will, I trust, allow the targeting of houses in a way that is proportionate to the risk presented and will address the added risk to safety associated with living in HMOs.

I turn to the Social Development Committee's unofficial call for evidence. Taking account of evidence provided by interested parties to the Committee, I am considering five potential amendments. They will cover the following issues: ensuring adequate protection for seasonal workers housed in HMOs; reducing the risk of some student HMOs being inappropriately excluded from regulation by removing the word "cousin" from the definition of family for the purposes of determining what is an HMO; some minor changes to address concerns expressed by landlords on the availability of their personal details; some modest modifications to the fit and proper person test to ensure that it fully reflects the outcomes of a judicial review; and, finally, some changes to licensing arrangements for HMO properties whose ownership is transferred.

It is my intention to publish a code of practice and guidance for the licensing scheme for councils and landlords to help them to meet the requirements of the regulations. Further monitoring arrangements for HMOs will be discussed and agreed with councils. It is

envisaged that a new reporting/governance framework for councils will be put in place. Subject to the successful passage of the Bill, district councils will, thereafter, need some time to complete the preparations necessary to administer the new licensing scheme. Therefore, the main provisions of the Bill will come into operation on a date appointed in an order made by my Department, following liaison and agreement with councils.

Mr F McCann (The Deputy Chairperson of the Committee for Social Development): Go raibh míle maith agat, a Phríomh-LeasCheann Comhairle. I thank the Minister for bringing the Houses in Multiple Occupation Bill to Second Stage.

The Committee for Social Development received a pre-introductory briefing from the Department on 14 May 2015. Officials provided an overview of the Bill, and members raised initial queries and comments in relation to various aspects of the Bill.

Since then, in an effort to make progress in advance of the Bill reaching Second Stage, despite obstacles outside of the Committee's control that prevented it from reaching Second Stage until now, the Committee has taken evidence from a range of stakeholders on a wide range of issues, as well as from the Department. In fact, the Committee has concluded its evidence sessions, and, as with the Housing (Amendment) Bill, we find ourselves in a position where, in process terms, we are at Second Stage, but, in practical terms, we are already in discussion with the Department about changes to the Bill. That is not a satisfactory position, particularly if you are not a member of the Committee and therefore have no insight into the ongoing discussions. But, given the time pressures on the legislative programme, had we not taken this approach, we would be facing the possibility of not completing this Bill on time. That was the stark reality. However, a Phríomh-LeasCheann Comhairle, I do not intend to try to turn this into a de facto Consideration Stage by going into every detail that we have so far addressed — even if you were inclined to allow it. I will still focus on the principles of the Bill.

As a result of the progress made by the Committee to date, I would assure Members that it would be our intention to conclude Committee Stage by the third week in January, so that we can realign the progress made with the processes of this House in short order.

To get to the point, the Committee supports the principles of the Bill. Its purpose is to enable

better regulation of houses in multiple occupation, by introducing a system of licensing and new provisions about standards in housing, as well as streamlining the definition of a house in multiple occupation and clarifying existing law. The proposed licensing system will mean that a person is acting illegally if they are not licensed to operate a property as a house in multiple occupation, and this is a fundamental change to the existing system of voluntary registration.

While the Committee welcomes the principles of the Bill, we have sought to ensure it will deliver a new, more robust system of regulation for houses in multiple occupation. HMOs are an important part of the housing mix in the North. With a seemingly deepening housing crisis, HMOs are an option for those who cannot rent or buy a property of their own. They provide affordable housing for a range of tenants, including students, migrant workers and single people on a low income, but there are issues with the standards of some HMOs. The apparently hands-off management of properties by some landlords coupled with a lack of responsibility from some landlords and tenants alike, has given this particular housing type a bad name. As a result, to many, they are accommodation of last resort. That should not be the case. To my mind, this is evidence that light-touch regulation has failed, and the Bill offers the possibility to address those failings.

HMOs should be subjected to greater regulation than other housing, not only because of the higher risks associated with living in an HMO, but because of the negative impact that over-provision of HMOs in residential areas can have on communities. An overabundance of HMOs can change the nature of a residential area. It can leave the indigenous residents feeling like strangers in their own community, but Members should bear in mind, of course, that this is ostensibly a planning issue and outside the scope of this Bill. We cannot look to this Bill to rectify the errors of the past or to set planning restrictions on HMOs in the future.

However, the Committee has noted the definition of HMO in the Bill and the exemptions from this definition.

We want to ensure that there are no unintended consequences from redefining HMOs. For example, a redefinition might officially reduce the number of HMOs in an area. Would that increase the potential for HMOs, as defined by the Bill, to increase in such an area? That is the fear that residents have, and we have to be clear how we intend to address it. To that end,

definitions and defining the objective of the legislation in the Bill are essential. The Committee has engaged with the Department on that issue and will continue to do so over the next few weeks.

12.45 pm

Under the proposed legislation, 353 current premises of student accommodation will be exempt for the definition of a HMO. Just over 300 of those are in Belfast and house around 3,300 students. Members will be aware that there are plans to increase the provision of student accommodation in Belfast. Indeed, there are currently 17 planning applications for Belfast, which equate to just over 8,000 bedrooms for student accommodation.

In preparation for the debate, it was interesting to read the HMO subject plan for Belfast, which was prepared in 2008. It stated:

"The demand for HMO accommodation is likely to be sustained as a consequence of changing patterns of household formation. However, the signs are that the market for student accommodation may have peaked."

Obviously, predicting the future does not fall under the Planning Service's remit. Who knows what the demand will be in another seven years' time.

We do not want to regulate accommodation when there is already appropriate alternative regulation in place, and the Committee has been advised by representatives from Queen's that this is in place for their accommodation. We also expect that any proposed student residencies from any educational establishments would also be subject to that regulation.

When determining the percentage of houses in a specific area or street that can be HMOs, as per the HMO subject plans, student accommodation, as long as it is managed by or on behalf of educational establishments, will not be taken into account. Technically speaking, that makes sense. However, to residents who live close to such buildings and who see their streets or areas full of houses that have been converted to HMOs, it makes no sense at all. They see only the outworking of the legislation that can redefine the demographics of areas such as the Holylands in Belfast.

In making this legislation, we have to be mindful not only of its limitations but of its potential impact. We must have a cross-departmental

approach to the issue to develop a vision for the planning for and regulation of HMOs. In all cases, we must ensure that, where there is an increase in HMO accommodation in residential areas, those are managed to a high standard and that the lines of responsibility and, more importantly, accountability are clear.

The Committee notes that transferring the responsibility for regulating HMOs to local councils should facilitate joined-up working with planning, as well as building control and environmental health. The Committee will wish to be satisfied that sufficient support is given to local councils to ensure that that joined-up working is in fact realised and that relevant agencies and Departments do not work in silos.

As acknowledged by the Department, councils will require time and support to prepare for the administration of the new licensing scheme before the main provisions of the Bill come into operation. In that regard, there is a responsibility to provide councils with as much support as possible to facilitate the effective transfer of the proposed new regulatory responsibilities. The Committee will undoubtedly come back to this issue in due course.

As I said, the Committee is content with the principles of the Bill. Some of the issues we already raised with the Department have, broadly speaking, been taken on board by the Minister. There are other issues in the Bill that the Committee must content itself with, and we continue to work with the Department and departmental officials to do that. However, for the purposes of today's proceedings, the Committee is content to support the Bill at Second Stage.

I want to say a couple of words from a party point of view. First, I welcome the Minister saying that he has considered a number of issues and will make a number of amendments to the Bill.

At every stage that the Houses in Multiple Occupation Bill has come to the Assembly, we have argued that there should be robust legislation. The failure to implement robust legislation means that you have to continuously go back to the issue, and that creates difficulties.

There are huge communities — I know that Adrian raised it at the Committee a while ago — in his area and in other areas like Belfast where we have seen steady changes in the residential nature of many communities, and we need to protect them. I raised a question at last week's

meeting, and, at some stage, we need to take on board the fact that the HMOs are another arm of the private rental sector, and we need to look at that in totality. Whilst we are about to decide that percentages of HMOs can fit into other areas, they may have already been oversaturated by the private rented sector in that area. That needs to be taken into consideration in the loop.

I believe that the licensing of this accommodation will prove useful. The Minister said that 5,300 have registered, but there could be up to 30,000. I remember one of the gurus in the Housing Executive of HMOs said a number of years ago that, within that 30,000, many elements of the accommodation are poor. They are overcrowded and are difficult for the people who live there. They turn to us to look at providing legislation that can end that. Not only robust legislation but robust enforcement needs to be part of the Bill. It is only when we bring this in that we can start to deal with what has been a serious problem for many years.

Ms P Bradley: I support the general principles of the Houses in Multiple Occupation Bill at Second Stage. The Bill will endeavour to better regulate HMOs by introducing a system of licensing and new provisions about standards of housing. As a representative for North Belfast, I see an ever-changing social demography. Those changes, along with other factors, have led to an increase in demand for HMOs as an affordable housing option in the rental sector. It is therefore important that we get the Bill right, as many who rent in the sector have vulnerabilities of some kind, should that be age group, ethnicity or income.

The Bill is also of specific importance to me as a North Belfast representative, looking towards the future of housing for the students of the Ulster University and the concerns of nearby residents. I note that, in Part 2 of the Bill, which is the licensing part that the Minister has gone into in detail, councils and planners will have the powers to ensure that over-provision does not occur in any one condensed area. Given some of the problems that have happened in the past in south Belfast, which the Deputy Chair has outlined, that has to be very welcomed.

As this is a debate on the general principles, I do not intend repeating what the Deputy Chair or Minister have said, but I will say that I endorse the remarks that the Deputy Chair has made, and I welcome the Minister's comments on amendments. I agree with the Deputy Chair when I say that this has to be robustly scrutinised, and I look forward to it coming back

at Consideration Stage. I welcome the Bill, and I hope that it addresses the issues that tenants face and, more importantly, that it gives those tenants protection, which I feel is the crux of the Bill. I support the Bill.

Mrs D Kelly: Like my colleague Ms Bradley, I endorse the comments of the Deputy Chair of the Committee and welcome the Bill. It has received widespread support from all the stakeholders who responded to it. It is right to say that the Department and, indeed, the Minister have listened to those comments and consultation responses and have given an indication that there will be further amendments to the Bill which will take account of some of those responses. I think that the Minister is right in saying that, whilst it is important to provide further regulation to better protect communities and, indeed, tenants in houses of multiple occupation, it is important not to use a sledgehammer approach, because we are living in a society where more and more people, because of high rents, are having to share accommodation.

There has to be a common-sense approach that safeguards the rights and interests of others.

The Minister and his Department have a busy day. There is a meeting across the way at which the Department is giving a briefing on the Syrian refugees, which is to be welcomed. I congratulate the Minister and his Department for the approach that all the households offered to those refugees will have to be from registered landlords. That is the right approach, and I commend the Minister on it.

I know that we do not want to get into too much of the detail, but I welcome other aspects of the Bill. It is very much a Belfast and Derry approach, largely because of the amount of student accommodation and the chronic housing shortage in those areas. We should also be mindful of some of the more rural areas where there are seasonal and migrant workers, who need to be better protected. There are comments and views from stakeholders on that, and I understand that the Minister will take further account of them.

The lessons that have been learned from judicial reviews on church institutions, hostels for the homeless etc and large educational establishments are being taken account of in the consideration of the Bill, which I welcome. There is no point in labouring points that have all been well articulated by the Deputy Chair. I reiterate my and my party's support for the Bill.

Mr Beggs: I share the comments made by other Members in welcoming, on behalf of the Ulster Unionist Party, the general principles of the Bill. Clearly, it deals with an issue of some importance. It concerns an area that has not been regulated appropriately and where we can improve lives and remove risks that may exist in houses of multiple occupation.

I declare an interest in that I have a son who is a student and may be in a house that will be covered by the Bill. Thankfully, he is in a good house, but I think back to previous student days and accommodation that I have seen. It is very clear that there is a need for legislation to cover the private sector. I can think of one example of student accommodation that I visited where there was a basic amenity, a fridge, connected to an electrical plug via a block terminal connector that sat on top of a kitchen bench. That was not particularly safe. Such basic amenities should be connected safely to the power supply and should not endanger the lives of the occupants of shared accommodation.

I also welcome the linkage of the regulations with other government functions, namely planning, building control and environmental health, because local government can play quite an important role there. It will come across difficulties in the community through a range of complaints about damp or a lack of planning approval etc. I welcome the fact that local government could play a key role in the legislation, providing joined-upness in government, if all that is eventually brought together so that it can use its expertise in other relevant areas to ensure that appropriate planning permissions are achieved and that individuals can live safely in their accommodation.

It is disappointing, of course, that the Regeneration Bill did not proceed, because it would have been useful if it had been passed to local government. How are we going to identify the under-registration that exists, even in landlord registration? There are landlords out there who, regardless of whether they own homes of multiple accommodation, should be registered as landlords. Can we avoid duplication? If you register as owning housing in multiple occupation, will you automatically be registered as a landlord? Can we try to minimise the level of bureaucracy and ensure that we capture all relevant information in as efficient a mechanism as possible?

1.00 pm

Another aspect of houses in multiple occupation, whether for students or others, is

that, on occasions, they are houses from not particularly good stock. They can be damp or cold and may even have very poor energy efficiency. Is the Minister thinking along the lines of putting in minimum standards? Will he require, particularly when new applications are made, that certain basic modern standards are adopted in order to ensure that those who may be more vulnerable and have limited choices are in reasonable accommodation?

I accept — I think that it is widely accepted — that houses in multiple occupation can pose a higher risk. I agree with the principle of the Bill in concentrating in this area initially. It would be easy to widen it to all houses that are being let, but I welcome the fact that this is being concentrated on houses in multiple occupation because of the higher risk factor that exists there. It is right that the authorities should work with those houses and improve them and minimise the risks to tenants who may be more vulnerable. I also see in the explanatory notes to the Bill that this is likely to become an area of increasing importance related to the ongoing welfare reform. If we are going to have more people living in such accommodation in the long term, it is important that we provide them with the necessary protections.

Why is a house in multiple occupation a particular risk? The very basic question to ask is this: who is in charge of the house? Often, and certainly in the case of students, everybody thinks that it is somebody else. They may even think that it is the landlord. In that type of situation, nobody thinks that they are responsible. It is important that someone takes responsibility and ensures that no unsafe conditions pertain. It is also important that it is possible to contact the person responsible for the house. On occasions, you hear of stories where the owner of a property cannot be contacted, so how do you solve the problem that exists, whether for the tenant or the neighbouring tenants or occupants? It is right and proper that there are appropriate management systems in place to enable contact with either the appropriate landlord or someone who has clear responsibility and can solve the difficulties that are being experienced.

I agree with putting some exemptions in the Bill. The example of student accommodation has been given to us. We are being advised that there is already a high degree of scrutiny and checking of fire exits etc and that the risks do not justify a further level of bureaucracy and costs on top of the checks that already happen. What would be gained by adding to the provisions accommodation that is managed by universities etc? I agree with that exemption.

We want to minimise bureaucracy that we are creating, and we have to justify the area of scrutiny. It has been shown to us that there is a particular issue with supportive housing. Housing that is managed by housing associations and is of a good standard has, on occasions, significantly higher levels of protection than is envisaged in this legislation. If they are already operating to a high standard, why would we add another layer of bureaucracy and include them in this provision? I agree with the principle of trying to minimise both the involvement of government and costs and of being able to justify those areas that will be included.

I am supportive of the general principles of the Bill and look forward to more detailed scrutiny, which, as others have said, has already commenced.

Mr Dickson: I thank the Minister for introducing the Bill's Second Stage today. Perhaps it is somewhat belated, but we are here. As others have said, and as the vice Chair very eloquently set out in his remarks, the Committee has been looking at aspects of the Bill in preparation for this stage and the next stage of the Bill.

I do not wish to say very much that has not already been said by colleagues. Perhaps one or two areas have not been covered. With the transferring of this function to local authorities, there is concern about whether the local authority will have adequate resources and funding to carry out the task. That is an essential area if the Bill is to be meaningful. We have heard Members comment on the ability to enforce and the ability to inspect. In order for those things to happen, those services have to be adequately resourced. The Alliance Party welcomes the Bill, in principle. As the Minister and officials will be aware, we have been examining specific areas that we have been looking at in the Committee. I hope that, with cooperation between the Committee and officials, we will be able to deal with all those issues without the Committee having to put forward amendments and creating pressure for those things to happen.

Mr Beggs made reference to how fit-and-proper persons are identified and whether other people can act as front persons for fit-and-proper persons. In other words, what happens if the owner of the property is not a fit-and-proper person and they pass that responsibility on to agents or to other family members? I am concerned about whether those areas are adequately covered. I am also concerned that we get the balance right in respect of the ability to carry out enforcement with regard to

landlords who require that to be done. We also need to mark the fact that many landlords go above and beyond that which is required of them to provide decent accommodation for people living in this type of accommodation.

I am concerned about whether the Bill will adequately deal with antisocial behaviour from within the property and the way in which behaviour in that property has an effect on neighbours. Again, as the vice Chair and others said, there are concerns that there are areas that are already saturated with particular types of housing. We need to be sure that what we do here does not add to those burdens but attempts to bring those issues under control.

Finally, like others, I have health and safety concerns. There needs to be adequate control in the Bill to allow for high-quality health and safety checks, particularly for gas and electricity, and carbon monoxide, to ensure that those in this type of accommodation have the best-quality health and safety standards delivered to them.

Work on the Bill will continue in the Committee. At this stage, the Alliance Party is happy to support the principles of the Bill.

Mr Storey: I thank the Members who contributed to the debate. I am glad that at least one Member said that the Minister is listening, but one other Member decided to accuse me of yet further delay. However, I appreciate Members' comments and will endeavour to work my way through some of them. If I do not cover them all, I assure you that we will come back with definitive answers, post today's debate.

I appreciate the work of the Social Development Committee. As ought to be the case when legislation comes through the House, there is a good working relationship with the Committee. That enables us to come to a point and place where we will have covered and done, in the best possible way, all that we can to ensure that we have the best legislation. I would be the first to say that, in the first draft of any legislation, you are never able to capture everything that you would like and that it takes that two-way process. As we look at our legislative process, we can see that, sometimes, yes, it can be challenging and cumbersome. I am regretful that we have not been able to work that process because of our previous difficulties in a way that would give us a better time in doing this. However, we are where we are now. I think that we ought to take all the opportunities that we possibly can to try to address the issues.

The Deputy Chair of the Committee, Mr McCann, said that the exemptions from the HMO definition as suggested in the Bill would increase the number of HMOs. During the policymaking process, the Department took account of the judicial review, which was critical. It criticised the definition that was used in the registration scheme as being too wide-ranging and for bringing houses into regulation where it was not warranted. I am content that the outlined exclusions from the definition have a sound policy rationale and that many of the exclusions are due to the fact that other, more appropriate regulation exists that is tailored to those types of accommodation. It is recognised that the Bill cannot address the over-provision of properties that are not classed as HMOs. If there is concern that a certain type of accommodation is prevalent in an area to the detriment of pre-existing residents, that is a matter that can be better dealt with through planning policy and legislation. I think that that gives us a suite of policies that tries to address that particular issue. Obviously, the new powers that the councils have on planning give them an input and a day-to-day working experience of what is happening in their own area.

Mr McCann also raised the issue, which I think was also alluded to by Mr Dickson, about the support that the Department will provide to councils prior to and after the transfer of the function. The Department will assist councils with new requirements to allow the smooth introduction of the new regulatory regime and will publish a code of practice and guidance for the licensing scheme to help them to meet the requirements of the regulations. The Department will also work with councils on the proper resourcing of the new HMO function. That was raised by Mr Dickson. It will also require there to be a business case on that. It is an issue, and we have already had discussions with some councils on it. It is my intention to ensure that councils are properly addressed on and made aware of what is happening on this particular piece of legislation.

The other issue that Mr McCann raised was the over-provision of private rented accommodation in some areas. I know that the Member raises that issue in a number of forums. He is right to do so to make sure that there is a wider point on the over-provision of other forms of private rented accommodation. I will just remind the Member that recently I launched the consultation on the role and regulation of the private rented sector. That will be considered in part during the consultation period. I look forward to the responses that undoubtedly we

will have from the Committee and other interested bodies on that.

I will also raise the issue of the importance of the matter for us. Sometimes we get a sense when we come to a piece of legislation that it will not have an important impact. This is an important piece of legislation that gives confidence not only to landlords in ensuring that they are stepping up to the mark but, more importantly, to those locations that have been mentioned in the House and potentially to other new locations where there would be this type of property. We want to ensure that things are being done in a way that gives everybody confidence and where everybody has buy-in to what is happening.

1.15 pm

Mr Dickson also raised the issue of gas safety and whether a person can ask their landlord to provide a gas safety record. Landlords of rented properties have a legal duty to ensure that a gas appliance is installed and maintained and that an annual safety check of the appliance and the flue is carried out. On completion of any safety check, contractors are required to provide the landlord with a houseowner gas safety report, a CP12, which must be retained for at least two years as a record of this check. Tenants must also be provided with a copy. Contractors must inform the landlord or the homeowner and their tenants if any appliance is found to be unsafe, and agreement will be sought to disconnect the appliance. A gas appliance or fitting that is known or suspected to be unsafe must not be used. We want to ensure that that is provided for and complied with.

We will go through Hansard to see whether there are any other specific questions that have not been covered, and we will respond to Members accordingly.

Question put and agreed to.

Resolved:

That the Second Stage of the Houses in Multiple Occupation Bill [NIA 60/11-16] be agreed.

Mr Principal Deputy Speaker: That concludes the Second Stage of the Houses in Multiple Occupation Bill. The Bill stands referred to the Committee for Social Development.

Enterprise Bill: Legislative Consent Motion

Mrs Foster (The Minister of Finance and Personnel): I beg to move

That this Assembly endorses the principle of the extension to Northern Ireland of provisions dealing with public-sector exit payments contained in the Enterprise Bill.

The Enterprise Bill was introduced in the House of Lords on 16 September 2015. It contains provisions on a range of business-related initiatives. It also contains measures that would end six-figure public-sector exit payments by capping the maximum payment that an individual exiting the public service on early exit or redundancy terms can receive at £95,000. The Bill has completed its Report Stage in the House of Lords and is expected to receive Royal Assent by April 2016, with the necessary regulations being in place by summer 2016.

The matter before us today poses a relatively straightforward choice. How much do we wish to spend on exiting public servants, and how much do we want to spend on providing public services? While exit payments must be reasonable and fair to public servants, we have to be mindful that these costs are met by employers and, therefore, have an impact on what can be spent on the delivery of services. The measures in the Enterprise Bill will ensure that principles for fairness, proportionality and value for money should determine how these choices are to be made.

It is proposed that the early exit payments in the scope of the restriction will include the range of employer-funded exit payments made on exit, including those made on account of dismissal by reason of redundancy, for voluntary exit, and to reduce or eliminate an actuarial reduction to a pension paid early. It should be noted at the outset that the restriction being proposed will not affect any pension that an individual has already accrued and paid for by member contributions. What is proposed is a cap on any additional funding paid for by the employer as part of an exit package. This has not been paid for by the member. It is an additional cost that is met solely by that employer and, ultimately, the taxpayer.

Other payments that are outside the scope of the cap will include payments for incapacity or death as a result of injury or illness; payments made under regulations for the firefighters' pension scheme where the Northern Ireland Fire and Rescue Authority has determined that

an individual should be retired with an early retirement pension in accordance with the fitness provisions; payments for leave due under a contract of employment where that leave is not taken; bonus payments otherwise due under a contract of employment; and payments made in compliance with an order of any court or tribunal.

Members will be familiar with the press coverage earlier this year given to large exit packages associated with the merger of local councils. That demonstrated the public interest in what were seen to be excessively generous levels of redundancy pay-offs available in the public sector. There is a genuine need to ensure that exit payments funded from the public purse are seen to provide value for money for the taxpayer. The vast majority of individuals working in the public sector will not be affected by this restriction; only those with the very highest value exit packages would be affected by the cap. By way of example, in the current Northern Ireland Civil Service voluntary exit scheme, only 1% of over 7,000 applicants would have breached the cap.

Members will recall that the Assembly agreed a legislative consent motion (LCM) in January this year to ensure that the highest earning public servants, those who earn in excess of £100,000, should repay all or part of a publicly funded exit payment when they leave the public service and are re-employed there shortly afterwards. The exit cap restriction will complement those reforms by amending the Small Business, Enterprise and Employment Act 2015. The Westminster Enterprise Bill will provide the overarching provision to apply a restriction to the type of payments that I have outlined in my opening remarks. However, I am proposing that the policy should be administered locally through our own Northern Ireland regulations. These regulations will be brought forward by my Department. They will be subject to affirmative resolution in the Assembly. Members will therefore have further opportunity to consider the detail on how a cap on payments should be applied in the public sector here.

I thank the Committee for Finance and Personnel for its scrutiny of the proposed LCM. I note that the Committee highlighted some concerns that have been raised by trade unions and other stakeholders. I especially thank the Minister of Education and the Minister of Environment who responded with comments to the paper I circulated on 19 October. I welcome Minister O'Dowd's comments agreeing, in principle, with the policy to restrict exit payments. I also appreciate the concerns

raised by both Ministers, who have responsibilities for local government and education, on how those sectors will be affected. I emphasise that, should we agree the motion today, we will be agreeing to the principles of the framework provision in the Enterprise Bill so that public-sector exit payments should be capped. As we will be producing our own regulations, I consider that all other concerns that they have raised can be addressed.

I will briefly address some of the main concerns that have been raised. First, I do not wish to comment more widely on the arrangements that Her Majesty's Treasury put in place for its consultations beyond the fact that it received over 4,000 responses to the consultation on exit payments between 31 July and 27 August this year. My Department publicised the commencement of the consultation to the main unions' representatives of public-sector bodies here as well as to the Northern Ireland public service employers. Indeed, the main public service unions and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) submitted substantial responses to Her Majesty's Treasury's consultation.

To address any additional concerns for consultation, I am proposing that my Department undertakes a 12-week consultation on draft regulations early in 2016. As I have pointed out, these regulations will also be subject to affirmative resolution procedure in the Assembly. This provides a further enhanced level of scrutiny on the detail of the policy before the regulations can be passed by this Assembly.

Secondly, on equality considerations, the Committee's report on the LCM relayed some points raised by the Northern Ireland Equality Commission. My Department has now addressed these concerns in writing to the Committee on 26 November, and I would like to cover a few points. In the first instance, contrary to what is stated in the letter from the Equality Commission, I can confirm that the proposed restriction does not impact on accrued pensions that have been paid for by employee contributions. The Equality Commission comments on the position taken in the equality screening statement that it is possible that some older staff with very long service could be affected.

In such a scenario, it is length of service, especially in those schemes that effectively provide an uncapped employer-funded contribution to an unreduced early pension,

which is the contributing factor. Across the public sector, length of service is taken into account when calculating pension and redundancy payments and when applying pre-existing restrictions. The age of the member is largely incidental.

The cap will be set at a fair and proportionate level to safeguard public finances. Even for those with the highest-value packages who could be affected, £95,000 will still provide long-serving members of staff with a considerable financial cushion to facilitate their transition to alternative employment or, indeed, retirement. I mentioned that DFP regulations on the detail of the policy will also provide an opportunity to consider what flexibilities might be appropriate in how the restriction is operated in the devolved public sector here.

Concerns have also been raised on the proposals to exempt those banks and financial institutions currently in public ownership, and other publicly owned media organisations. Whilst regulations will provide that certain bodies may be exempted from the cap, I can confirm that I have not proposed that any devolved public institution be given an exemption in DFP regulations. My understanding is that, where the Westminster Government have proposed exemptions for some publicly owned banks, they expect to return those institutions to the private sector in the near future. In the case of broadcasting bodies such as the BBC, those bodies are expected to introduce their own equivalent restrictions on exit payments.

It is recognised, however, that, under exceptional circumstances, it may be desirable that the effect of the restriction can be waived. That is especially pertinent, given the restructuring being undertaken in the public sector and where exit schemes may already be under way. DFP regulations will provide for that flexibility. In that regard, I note the concern raised by the Environment Minister for those severance arrangements already in progress in the local government scheme under RPA. Under DFP regulations, the flexibility to relax the application of the cap will be delegated to the responsible Minister. Therefore, whether a waiver should be appropriate in those or other difficult cases can be a matter of judgement for the relevant Minister to decide.

In addition to the important flexibilities to relax the restriction or to apply an outright exemption, the regulations will also provide scope to allow for a different amount to be substituted for the £95,000 restriction set by the Act. At this stage, I do not propose that there is any need to

deviate from the norm for the rest of the public sector on the baseline level of the cap, but the regulations will provide this flexibility, should there be a compelling argument for its use here in the future. My officials will consult with each of the Departments with responsibility for the Northern Ireland public-sector schemes on these details before the regulations are finalised.

Concerns have been raised about the impact for the local government scheme, where current rules enable staff to receive an unreduced early payment of pension on early exit. I acknowledge that, when employers are offering early exit packages that include immediate payment of unreduced pensions with an effectively uncapped employer contribution, some staff with very long service can currently be eligible for exit payments above the cap. It is important to be clear that, where individuals who leave the public service under an exit scheme are currently entitled to take payment of an unreduced pension, that option will remain open to them. These measures, however, will ensure that the employer contribution to reduce the actuarial reduction for early payment is within the limits of the £95,000 cap.

The large majority of local government workers will not be impacted by this restriction. In recent local government exits in Great Britain, less than 2% of exit payments would have exceeded the cap. The small percentage of those who could be affected will be those who receive the highest exit packages. In those cases, £95,000, in our opinion, remains a substantial payment in any terms and a significant employer contribution to the costs that come with early access to an unreduced pension where this is part of the exit package. It is nearly four times the public-sector average and almost six times the maximum available under statutory redundancy terms.

Finally, I return to the primary powers of the Enterprise Bill and the rationale for an LCM to introduce the overarching provision on which the Northern Ireland regulations will be made. It is now very clear that an Assembly Bill to effect the policy could not be enacted in a comparable time frame to the Enterprise Bill, which is expected to become an Act in April or May next year. If the Assembly wished to legislate on this matter, it is extremely unlikely that it would even be commenced before dissolution in March 2016 for elections planned for May. That would result in the policy being implemented to a much later timescale for public service employees in Northern Ireland. If our choice today is for public servants in Northern Ireland to continue to be treated more

generously than the rest of the public sector, it will inevitably come at a cost and impact available funds. In the current climate, the Assembly has a responsibility to minimise any additional financial pressures that could result in any diversion of departmental funding from other important public services.

1.30 pm

In summary, we seek agreement today to the principles for applying a fair and reasonable restriction on public-sector exit payments. The measures in the Enterprise Bill will provide the necessary framework to achieve this intent while providing the flexibility of our own regulation-making power to ensure that the application is measured and responsive to local circumstances in the Northern Ireland public sector.

Mr McKay (The Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a Phríomh-LeasCheann Comhairle. On behalf of the Committee for Finance and Personnel, I wish to outline the extent of the Committee's work on the LCM. The finer details of the Committee's deliberations are set out in a short report that was circulated to all Members on 18 November. I shall, however, summarise the key points for Members' convenience and for the Assembly record.

As outlined, the Enterprise Bill at Westminster contains a number of government initiatives intended to support the growth of enterprise. In the Bill, however, are measures to restrict public-sector exit payments, most notably capping the total value of exit payments at £95,000.

On 16 September, the Committee was first informed about the relatively short consultation carried out by the Treasury during the summer on proposals for a cap on exit payments. Given the conventional approach followed here of providing broadly comparable pension and compensation arrangements for equivalent public service employment, it was noted that this could have implications locally.

Further correspondence highlighted the fact that the Minister was minded to agree with the Treasury's preference for a single legislative approach, which could be achieved by means of an amendment to the Enterprise Bill and a corresponding LCM through the Assembly. The Committee was further told that the Minister had sought agreement to this approach from the First Minister and deputy First Minister

through the urgent procedure in the ministerial code. The memorandum accompanying the LCM was subsequently laid on 22 October, thus beginning the short 15-day period for the Committee to scrutinise the provisions of the LCM.

In line with the Committee's previous approach when scrutinising LCMs, it sought an urgent briefing with the Department and written briefings from relevant stakeholders, including the collective consultation working group, the Equality Commission and Assembly Statutory Committees. Furthermore, and in light of the apparent level of discontent with the proposals, members agreed to hold an additional Committee meeting to take oral evidence from a trade union panel. First, however, the Committee took evidence from the Department on 4 November, and members raised a number of issues and concerns with the proposed LCM. Further detail can be found in the Committee's report but, briefly and for the record, they included concerns about the use of the LCM process; the limited nature of the Treasury consultation; concerns over equality impact and screening; the impact of the cap on current voluntary exit schemes in the local public sector; concerns about potential legal challenges should the cap come into effect; and the potential for lower-paid public servants to be impacted by the cap.

Departmental officials clarified some issues for members, including an assurance sought by the Fire Brigades Union that the cap would not impact firefighters who cannot maintain operational fitness beyond the age of 55. In response to concerns raised about specific circumstances in which the cap would impact on lower- or moderately paid public-sector workers, however, the Department made no promises. When pressed, the officials commented that there was scope for the Department or employing authority to grant certain flexibilities and waivers in certain circumstances. However, they did not give an assurance that such a waiver would be applied in the case of the specific example, which was cited by members, of a 55-year-old female public-sector worker with 35 years' service and earning £27,000 who could be impacted by a cap of £95,000.

In follow-up correspondence, the Department gave members further information on the possible application of a waiver process. For example, if there is clear evidence of a justified business need to disapply the cap:

"in order to achieve a required restructuring outcome. Or, for example, it may be applied

to a programme of reform which was already underway such as the Review of Public Administration."

The departmental officials also advised that the power to apply a waiver would be delegated to individual Departments or employing authorities and that the Department of Finance and Personnel would issue appropriate guidance. On the latter point, however, no such guidance was provided, even in draft form, by way of further explanation. Moreover, it is not clear what the implications might be from a differential application of the waiver and how the costs of applying it would work.

Some of the other issues raised by stakeholders were addressed, at least to some extent, by the Department. It was confirmed that there would be no implications, in the Department's view, for the protection conferred by the Transfer of Undertakings (Protection of Employment) Regulations (TUPE). The Department also underlined the point that the cap would not affect any pension that an individual has already accrued and paid for by member contributions. DFP also stated that it did not agree with NILGOSC's concern over the effect of a cap on employee-funded early pensions, which are currently a feature of local government schemes.

I am afraid that, given the time pressure created around the whole issue, Members are going to have to judge for themselves the extent to which those and other substantive issues have been addressed by the Department. It was certainly the view of various stakeholders, most particularly the trade unions who gave evidence to the Committee, that there remained unresolved concerns.

In the evidence session with them, trade union representatives raised a number of concerns, among which were that the consultation carried out by Treasury did not apply the Woolf-Gunning principles on fair consultation, leading to what they believed was a limited opportunity for local discussion and consultation; the potential impact that the cap would have on any voluntary exit schemes carried out in other areas of the public service, including the health service and the Education Authority, after the cap comes into operation on 1 April 2015; and the inconsistent application of the cap on local government workers, particularly the lower-paid who have already agreed entitlements under the review of public administration.

The Committee noted in particular the concerns over the wide range of public servants in diverse roles who could be disadvantageously

impacted on as a result of the cap. To put it simply, there is a worry that the cap could in practice affect more long-serving public servants than it does highly paid ones.

That particular concern was raised in correspondence from the Education Committee. Members may wish to reflect further on the education worker on a moderate salary who would be affected by the cap. The Education Authority is particularly concerned about the impact that the cap will have on its ability to facilitate staffing reductions through voluntary severance, as well as about the difficulties that the cap could present if it were to lead to a surge in staff wanting to exit before it came into effect. The authority also raised the issue of the potential fairness and equity treatment of staff exiting with different severance packages, depending on whether they were released before or after the cap was introduced. The LCM clearly poses issues for the sector.

We received correspondence this morning from Lisburn and Castlereagh City Council that stated that the introduction of the cap is likely to create a major issue — potential equal-pay claims or compulsory redundancies in the case of staff scheduled to leave cancelling their request to do so. The council is requesting that an exemption be applied to local government or that, if it is approved, the cap be delayed for local government until January 2020 to allow completion of the RPA severance scheme. Obviously, that correspondence was received after the Committee had completed its consideration of the LCM.

The Committee was also concerned about the lack of clarity provided by the Department on the projected savings from implementing the cap locally, particularly when it was informed by the trade union representatives that Scotland was not minded to apply such a cap to public-sector exit payments.

Members were also concerned that there was an indication from trade union reps that they would consider legal challenges to the cap, should it be introduced. The Committee has asked DFP for assurances that the risks in that regard have been fully assessed.

The Equality Commission highlighted a number of points relating to the Department's equality screening and the decision not to carry out a full equality impact assessment (EQIA). It pointed out that equality-screening decisions must be informed by evidence, whether that be qualitative or quantitative. The DFP screening exercise noted an adverse impact on long-serving older members of staff and no impacts

on any of the other equality categories. However, the Equality Commission has highlighted that the Department provided no evidence for how those conclusions had been reached. The commission queried that, especially in light of the wide range of data available to the Department, given that it completes the NICS article 55 fair employment review and gender reviews.

The Equality Commission also highlighted the "significant financial impact" on individuals who could be subject to the cap in a compulsory redundancy situation. In addition, the commission highlighted the current NICS voluntary exit scheme and the potential for equality data analysis after the first three tranches of staff leave that could be used to inform future requirements for positive/affirmative action measures.

A departmental response to the various outstanding issues was not received in time for members agreeing the Committee report on the LCM; therefore, a majority of members agreed that the Committee would reserve its position. The subsequent response from the Department was noted following the Committee agreeing its report. It reiterated that the cap will not impact on any accrued entitlement or benefits that an individual has built up and paid for in pension contributions to a public-sector pension scheme. While the Department acknowledged that some lower-paid staff with very long service could be affected, it maintained that the policy was:

"considered fair, proportionate and represents value for money for ... tax payers as a whole."

At its meeting on 2 December, the Committee discussed the fact that this plenary debate was scheduled for today and noted that a number of issues and concerns were still outstanding, as highlighted in the Committee's report on the LCM and subsequent correspondence. That concludes my comments on the Committee's position on the LCM.

My position and that of my party is that we strongly support the principles of the Bill, but we believe that it fails to deliver. This is not obviously targeted at lower-paid workers, but they will certainly be impacted by its introduction. That may not have been the intention when the legislation was drafted for England, but it certainly would be the effect if it were copied and pasted here. Of course, we are all well aware of examples of public-sector workers on low to medium pay who will be impacted adversely after working in the public

sector their entire career, and I outlined some of those earlier. There are quite a number of examples of that in education, as Members will know.

To conclude, we in Sinn Féin are in agreement with the Minister that there should be a cap on exit payments. However, given the local factors that have been brought to our attention, it is clear that we need a local solution, and this LCM is not fit for purpose in this circumstance.

Mr I McCrea: My comments will be short, given that the Chair has outlined in depth the Committee's position following its evidence sessions.

I thank the Minister for bringing the LCM to the House today and for giving us the opportunity to decide where our priorities lie. Do the Assembly's priorities lie in spending large amounts of money on severance payments etc for public servants, or does it believe that we should spend our finances on public services?

I, for one, believe that it should be on our public services. While public servants ensure that the public service exists and many do an excellent job in their day-to-day employment, I believe that the cap that the Minister is bringing forward, which is, of course, bringing us into line with the rest of the United Kingdom, is worthwhile, and I commend her for that.

1.45 pm

I know that the Chair raised this issue briefly. During the Committee's discussion, I raised the concern about the firemen, and women, I suppose, to be politically correct, who are unable to maintain the operational fitness aspect beyond the age of 55. The Minister's willingness to deal with them in the Bill is certainly welcome for those in the Fire Brigades Union and those who are affected. That is certainly welcome news.

Like most other Members, I received a letter from the assistant general secretary of NIPSA, Bumper Graham, who outlined his objection to this legislative consent motion. A few of his comments intrigued me. He said that NIPSA considers it to be an abuse of process, as it was added to the Bill late in the day, and that it has frustrated the Assembly's consultation process and left many questions unanswered. One part that I find quite appalling is when he refers to the letter of 11 November, which I presume came from the Department, as erroneous, as it impacts upon accrued pension entitlements in NILGOSC and the LGPS. I ask

the Minister to respond to those comments, because I think that putting a letter out saying that the Finance Department's letter is "erroneous" certainly needs to be addressed.

Given that our members voted in favour of the cap at the Committee, I believe that this is a good thing and that the House should vote in favour of it. It is not something that anyone is trying to do anything to in order to undermine public-sector workers. I think that it is certainly a good approach. I welcome it being before the House today and urge Members to vote in support of it.

Mr D Bradley: Go raibh míle maith agat, a Phríomh-LeasCheann Comhairle. Thank you very much, Mr Principal Deputy Speaker. Yes, there have been a number of reservations expressed about the use of the LCM in this context. The belief is that an LCM should not be used to bring forward such controversial changes and that it denies the Assembly full scrutiny of a matter that is of huge public importance and that impacts on the lives of many people here in Northern Ireland. The short period of, I think, 15 days given to the Finance Committee and other stakeholders to scrutinise the proposals in the LCM is far too short and comes on the back of a restrictive Treasury consultation that was held during the summertime, which many believe did not conform to the Woolf/Gunning principles for fair and adequate consultation.

Obviously, the £95,000 cap is at the heart of the matter. As others mentioned, there is concern amongst the representatives of public service workers about this issue. The Committee heard from several trade unions, including UNISON and NIPSA. They argued that the LCM would lead to a breach of contract, the denial of statutory entitlements and the breaking of the 25-year no change on public service pensions agreement. They agree that legislation of this type would be better in the form of a Bill, which could be fully scrutinised by the Finance Committee and the Assembly.

NIPSA argued that the use of the LCM may bring about indirect discrimination under section 75 of the Northern Ireland Act. It further warned, as the Chair pointed out, of the potential for many legal challenges if the cap is implemented. Those challenges could be on the basis of breach of contract, unlawful deductions of earnings based on the contractual right to payment, and on the unfair application of waivers, which could lead to inconsistency across employing authorities.

The Equality Commission believed that, in a situation of compulsory redundancy, there could be significant financial impact on individuals who were subject to the cap. Those would be largely older people. As was pointed out, older people who have long public service and are not necessarily the highest-earning civil servants would be disproportionately affected. The commission pointed out that the screening document did not consider the full implications of the situation. It also said that the Department of Finance and Personnel's decisions were not based on evidence, either qualitative or quantitative.

Responses to the original consultation argued that the current changes would impact negatively on older people. Hymans Robertson, one of the UK's largest pension professionals working in the public sector, argued that there would be early retirement strain costs within the cap, the statutory entitlement of unreduced benefits, and that the cap's purpose would be unfulfilled as it would target mostly low- and not high-earning public servants.

Many groups argued that the consultation process was incredibly limited and that the concerns of the majority of respondents were not taken account of fully. The Bill as it stands will negatively impact on many public servants and change their contractual rights. The proper legislative authority on this matter should remain with the Assembly here, and the LCM does not give the Assembly the opportunity to exercise its authority fully and to scrutinise, according to its role, the detail.

We will not be supporting this LCM on the grounds that I outlined. I thank you for the opportunity to contribute. Go raibh míle maith agat.

Mr Principal Deputy Speaker: Before I call Mr Leslie Cree, I remind the Member that Question Time is at 2 pm, and I may need to interrupt you.

Mr Cree: Yes, Mr Principal Deputy Speaker, hopefully we can do that. The enterprise restriction on public-sector exit payments was introduced to the House of Lords on 16 September 2015.

The Bill deals with a number of Government initiatives intended to support the growth of enterprise in the United Kingdom. These are fine, but the Bill also contains measures to restrict public-sector exit payments. Under these measures, the total value of exit

payments that an individual, who exits public sector employment through redundancy or early exit, may receive would be capped to £95,000. The Committee for Finance and Personnel was advised on the same date, 16 September 2015, by the Department that HM Treasury had consulted on these proposals from 31 July to 27 August, a mere four weeks in the height of summer. In my opinion, this is inadequate, and it has also led to the whole process being rushed. The Government also screened out a full equality impact assessment. The Department advised the Committee that the Treasury's preferred position was for a single, United Kingdom-wide legislative approach to implement the policy, and that this could be achieved by means of an amendment inserting the relevant clauses into the Enterprise Bill.

The Minister has agreed to that approach in principle, which necessitates the agreement of an LCM. The Office of the First Minister and deputy First Minister has also agreed to the process. Despite the tight time frame, the Committee has engaged with the Department and other stakeholders, including the trade unions. Again, as has been said, there was discontent with the proposals, which centred on various points. The main ones were these: the exemptions to be granted to certain publicly funded bodies; the lack of detail in the regulations to be introduced by the Department; the impact on the current voluntary exit scheme; the effect on lower-paid public servants; the risk of legal challenges; TUPE protections; and the situation with respect to firefighters.

There was subsequently some correspondence with the Department about the use of exemptions and waivers, but many questions remain. We were assured that the cap will not impact on any accrued entitlement or benefits, which an individual has built up and paid for, in pension contributions, in a public-sector scheme. The Northern Ireland Local Government Association (NILGA) and the Equality Commission also highlighted concerns, some of which have been addressed by the Department.

A major concern for many is that full details of guidelines on the flexibility to relax the exit payment cap will not be issued by the Department until after the LCM has been agreed. The Ulster Unionist Party is not opposed to the setting of a cap, but it must be done in such a way that the consequences have all been considered in advance. The current situation is that this has not happened. There is indecent haste, and the Finance Committee is not satisfied that sufficient time

has been afforded to scrutinise the issue fully. It is important to ensure that employees who do not earn large salaries and have long public service are not disadvantaged by the proposed cap, which will happen under the present proposals.

Everyone can understand that, in the present difficult times, money has to be saved by the public purse; but it should not be taken from those who have worked and are entitled to it under existing contracts. That is not fair.

The Department needs to clarify the outstanding issues as quickly as possible but, at this point, the Ulster Unionist Party will not support the proposed legislative consent motion.

Mr Principal Deputy Speaker: As Question Time begins at 2.00 pm, I suggest that the House takes its ease until then. The debate will continue after Question Time, when the next Member to speak will be the Minister of Finance, to conclude and wind up the debate.

The debate stood suspended.

2.00 pm

(Mr Speaker in the Chair)

Oral Answers to Questions

Office of the First Minister and deputy First Minister

Mr Speaker: I inform Members that no questions have been withdrawn from this session, you will all be glad to hear.

Freedom of Information Responses

1. **Mr Swann** asked the First Minister and deputy First Minister to outline how many freedom of information requests received since May 2011 have been answered within 20 working days. (AQO 9261/11-16)

Mr M McGuinness (The deputy First Minister): Since May 2011 our Department has received 664 freedom of information (FOI) requests. We answered 320 of them within 20 working days. Many of the requests that we receive are sensitive or complex in nature, and it is important that we take time to get them right. However, we recognise that our

performance could be better, and we are working very hard to try and improve it.

Mr Swann: I thank the deputy First Minister for his answer. I think that "could be better" is an understatement, round at 50%. Deputy First Minister, in regard to answering questions for written answer from the Assembly, OFMDFM has about a 15% success rate of answering Assembly questions in time. What is the Minister going to do to increase the transparency and accountability of that office?

Mr M McGuinness: Quite clearly, there is an acknowledgement that, in relation to the freedom of information requests, more work needs to be done. We appreciate the difficulties that flow from that, but I think that the Member has to understand that, given the sensitive nature of a considerable proportion of the FOI requests processed by OFMDFM, it is imperative that due consideration is given to responses to such requests. This may involve consultation with other Departments that have an interest in the subject matter of the information. Consultation with third parties necessarily extends the period of time taken to compose appropriate responses. In addition, many more of the FOI requests that come to OFMDFM are from the media and interest groups, rather than from the general public. OFMDFM is not like any other Department, as the Member will know: there are two parties in the Department, and that complicates matters, I think considerably.

Disability Strategy: Update

2. **Mr McQuillan** asked the First Minister and deputy First Minister for an update on the Executive's strategy to improve the lives of people with disabilities 2012-2015. (AQO 9262/11-16)

Mr M McGuinness: Mr Speaker, with your permission, I will ask junior Minister McCann to answer this question.

Ms J McCann (Junior Minister, Office of the First Minister and deputy First Minister): The Executive's disability strategy was launched by the then junior Minister Bell and me in February 2013. The strategy provides a high-level policy framework for all Departments to drive improved service delivery, increase awareness of the needs of people with disabilities and improve opportunities for people with disabilities across all policy areas. The strategy includes priorities and actions to address identified inequalities experienced by people with

disabilities and to tackle the barriers that they continue to face in their daily lives.

A 2013-14 annual report on the delivery of the disability strategy has been published on the Department's website. It sets out the actions that all Executive Departments have undertaken under the strategy in the first year. We will shortly be approaching Departments for information on the actions that they have taken during the second year of the implementation of the strategy.

In May, junior Minister McIlveen and I announced the extension of the life of the strategy until 2017 to provide additional time to fully implement the recommendations. The extension is our commitment to continue to protect and promote the rights of people with disabilities in our community and will have the additional benefit of providing adequate time to develop, and to consult on, the new strategy.

Mr McQuillan: I thank the junior Minister for her answer. Will the junior Minister give a guarantee to the House today that by extending the strategy it will not be diluted in any shape, form or fashion?

Ms J McCann: I certainly can give the guarantee that it will not be diluted in any fashion. I said that we have already taken forward a number of programmes and projects since it was first announced in 2013. We hosted a major conference in May of that year. We also worked in partnership with Disability Action to develop a DVD resource pack, and that was for teachers and youth workers to provide information to pupils.

We have contributed funding totalling £459,000 to Special Olympics Ulster and have also sponsored a symposium event. We continue to carry that through. It is an Executive strategy and all Departments have a commitment to input into its implementation and delivery.

Mr McCarthy: When will the deputy First Minister or the junior Minister be able to provide clarity on welfare reform mitigations that were promised but not outlined in the recent so-called Fresh Start Agreement — maybe it should have been called the "false dawn report" — which will undoubtedly affect people with disabilities?

Ms J McCann: The Member makes a very valid point; those welfare cuts will impact on people with disabilities. As the Member will know, we have secured a £585 million fund, £345 million

of which is earmarked for people who will lose money through welfare cuts.

As you know, Eileen Evason, who is a sterling campaigner for people on disability benefits, disability rights and all sorts of other areas, will bring forward her proposals after consulting her panel of experts in January — next month. We are hopeful that she will be able to use the envelope of money that we secured in the Fresh Start Agreement to alleviate some of the wider impacts, particularly for those who will lose out from welfare cuts and, as the Member mentioned, those with disabilities.

Ms Sugden: Does the junior Minister or the deputy First Minister recognise that the failure of Departments to work together for the needs of those with disabilities has led to a loss of provision? How do they plan to address that?

Ms J McCann: As I said, it is an Executive strategy and OFMDFM has specific areas of work in bringing that forward. One of those areas is monitoring and evaluating what other Departments are doing. We have published a baseline indicator set, which uses data from 2006 to measure the outputs that are coming forward.

We work with the stakeholder groups and, last week, junior Minister Pengelly and I were at an event in the Long Gallery. At that event, people with disabilities told us that they want to be part of any delivery mechanisms going forward. We are putting that in place at OFMDFM level so that it is not just people who are representing the sector who are involved, but those who are facing those disabilities, barriers and challenges every day of their lives. We will make sure that they are involved in any implementation of the strategy, and certainly in any forward thinking. That will be across all Departments because, as I said, we have responsibility for the monitoring and evaluation of that strategy.

Legacy Issues: Final Resolution

3. **Mr Campbell** asked the First Minister and deputy First Minister to outline their efforts to reach a final resolution on legacy issues following A Fresh Start. (AQO 9263/11-16)

Mr M McGuinness: During the talks process, good progress was made in many aspects relating to the past but we were unable to agree a way forward on a number of the key issues within the timescales to which we were working. That was unfortunate but it is recognised that it is not an issue on which there can be a half-

hearted or partial agreement for the sake of expediency.

The Fresh Start Agreement commits the British and Irish Governments to reflect on options for resolving the legacy issues, building, therefore, on the sound basis that already exists. Following our earlier discussions, we will engage fully with the two Governments on the options that they may bring forward to deal with that particular issue.

Mr Speaker: I call Mr Campbell for a supplementary question. I hope that that was not your answer in advance.

Mr Campbell: Thank you, Mr Speaker. The deputy First Minister referred to good progress being made, and that is true. Does he not agree that better progress would be made if, for example, he tried to shore up whatever credibility he has with his past? On a number of occasions in the Chamber, I have alluded to his possession of a sub-machine gun, as was contained in the Saville report; his involvement, if he had any, in the shooting dead of two policemen three days before Bloody Sunday; the Claudy bomb; and the murder of a prison officer a few years after Bloody Sunday. Those things all happened when the deputy First Minister was the 2IC of the Provisional IRA in Londonderry, yet he denied knowledge or involvement in any of them. So, where does his credibility stand?

Mr M McGuinness: I never imagined for one minute that the fresh start would extend to the Member who has just spoken. The Member is often, in this Chamber, prepared to quote all sorts of falsehoods and innuendo about my past. I am glad that the Member mentioned the Saville report. The reality is that the most significant ruling made by Lord Saville was that he believed the IRA's evidence. I went forward as a member of the IRA, and my evidence was believed by Lord Saville, and the evidence of the paratroopers and the British Army was rejected. So, it is not a great issue for the Member to raise in this House, particularly as someone who comes from the city of Derry.

From my perspective, I look at all this on the basis that, over the next while, the Member will have a big decision to make in relation to his future and whether or not he will remain in this House or go to another place. I hope that he remains in this House and continues to enjoy sharing power with Sinn Féin.

Mr Attwood: In an attempt to ask a more balanced question than the previous MLA, I ask

this: does the deputy First Minister agree that the blanket of national security that the British Government wrapped themselves in during the talks recently was a further example of their resistance to the truth and of truth-telling on their terms only? Does he also agree that the evidence of many years is that republican and loyalist organisations do exactly the same? They resist the truth and will only tell the truth on their terms. How can you reconcile the needs of victims and survivors if that is the attitude of so many?

Mr M McGuinness: First of all, it is critical in the weeks ahead that we see a situation where a very determined effort is made by the Government and the parties to find a way forward. The particular blockage during the Stormont House negotiations was the refusal of the British Government to accede to the requests of many victims' groups in relation to disclosure and the blanket of national security, as the Member talked about. The big test, I suggest to the Member for West Belfast, is to establish the structures and mechanisms that we agreed and reached considerable agreement on in the talks. That will be the test as to whether or not people are prepared to come forward and contribute. I have just cited in my previous answer my willingness on behalf of being asked by the Bloody Sunday families to come forward as a member of the IRA to talk about the situation in relation to Bloody Sunday. I think that is a very clear indicator of where I am coming from in relation to all of it. I have done it; I have been there; I have worn the T-shirt.

Mr Allister: The T-shirt that he wore at Saville was to take refuge in the republican code of honour. Does the republican code of honour still trump for the deputy First Minister, who demands wholesale disclosure from Government, the telling of the truth? How does that play with lesser participants in the IRA terrorist campaign if someone of the deputy First Minister's leadership and status in that campaign takes refuge in not telling the truth under the so-called code of honour?

Mr M McGuinness: This Member is one who has never made any positive contribution to any of the difficulties that we have been trying to deal with in the overall policy in the Assembly and the working of the Executive. This is someone who is totally hostile to the institutions that have been so much an integral part of the peace process. From the perspective of the contribution that has just been made — the big challenge is to find a way forward to deal with the legacy issues. When we find that, and I

believe that we will find that in the time ahead, there will be a test for everybody: the British Government; the IRA and other armed groups on the republican side; loyalist organisations; and those people in British intelligence who controlled loyalist death squads and, indeed, controlled some republicans in their agenda to try and defeat the legitimate demands of the nationalist and republican community for equality, justice and peace.

The Member needs to try to focus on making a more positive contribution to this place. I am glad that he is here making a contribution and, like the Member for East Derry or, as the electoral authorities call it, East Londonderry, continuing to enjoy sharing power with Sinn Féin.

2.15 pm

Shackleton Site, Ballykelly

4. **Mr G Robinson** asked the First Minister and deputy First Minister to outline the timescale for details of the successful bidder for the Shackleton site at Ballykelly being announced. (AQO 9264/11-16)

Mr M McGuinness: The Department received seven proposals to purchase and develop the Shackleton site as part of the open competitive sale process. The proposals are being assessed, and it is expected that the preferred purchaser will be notified shortly. We hope to be in a position to make an announcement about the successful purchaser early in the new year, once the legal work has been completed.

Mr G Robinson: Considering the potential job creation at Ballykelly, will the Minister outline what discussions he has had with Executive colleagues regarding the provision of good vehicular access and public transport provision, including a small rail halt, to the Shackleton site?

Mr M McGuinness: I know that the Member has a tremendous interest in the site, as do other Members from the constituency. It is a site that, at the beginning, was seen by many as one that would be difficult to sell. The fact that we were able to negotiate in the Executive the relocation of the Department of Agriculture and Rural Development to the site brought a huge focus on it, which is why we have seven bidders. That decision will be made in due course.

In relation to DARD relocating there, there is, as the Member suggested, an issue of access. That is being worked on. The advice from Transport NI is that accommodating DARD on the site will require a new access road, which will mean additional land being acquired adjacent to the site on the A2, which is the main Derry to Limavady road. That has required negotiations with the landowners, and DARD officials have engaged with Land and Property Services, which is responsible for the negotiations on behalf of the Government.

The new access arrangements will be designed sensitively, taking into account the listed structures close to the site, such as the church and the graveyard, to maintain the character of the area. The Central Procurement Directorate is working with the NI Environment Agency and DOE to agree the optimum position for the access road. The advice to date has been that there are no major issues that would prohibit development, as long as the new build and infrastructure are sensitive to the surrounding area.

It is an exciting piece of real estate, and we are very hopeful that whoever acquires the new site will use it to achieve the primary aim of most Members, namely securing much needed employment for the north-west.

Mr Ó hOisín: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an leasChéad-Aire fosta. Does the Minister agree with me that, given the level and diversity of interest, there may be an opportunity to accommodate more than a single bidder on the site?

Mr M McGuinness: We all know that that would principally be a matter for the new owner of the site and is something that they would have to consider in due course. We would encourage the new owner to explore all opportunities to maximise the developmental potential of the site. Some of the proposed uses identified in other proposals could well be compatible with the new owner's intended use.

When the assessment process has concluded, the First Minister and I will encourage and facilitate the new owner in exploring opportunities for strategic partnerships with other proposers. We regard the development plan of the new owner very much as the beginning of development on the site and hope that it will be the springboard for wider development activity to generate much needed economic benefits for the north-west.

Mr Dallat: I am sure that people in East Derry will be listening with great interest. It is an area of very high unemployment, where those who have not emigrated live in hope that something significant will emerge out of this former army camp. Can the Minister, in the mouth of Christmas, when we are supposed to be full of cheer, give us some indication of the number of jobs that will potentially emerge out of this wonderful asset that was bequeathed to us?

Mr M McGuinness: It is very difficult at this stage and would even be presumptuous on my part to do that, but it is important to stress that the preferred proposal for the Shackleton site will be that which attains the highest score. Scores will be allocated on the basis of the number of jobs to be created, the financial offer for the site and the extent to which proposals will deliver community and environmental benefits. We have attached additional weighting to the creation of jobs. That is our priority for the site.

It is a very exciting prospect, and I think the Member knows that. At the very beginning of the process, not too many people held out much hope that there could be anything of real value on the site. It has now become a very exciting opportunity for people in the north-west. The relocation of DARD, with hundreds of employees moving to the site in 2017, will be a major attractor, as will the environmental project that NIW is involved in, as it will serve the interests of the local community.

There is a huge priority on the preferred bidder being able to assure us that jobs will be the key target in all this. That brings into play the question asked by the previous Member about whether whoever acquires the site is prepared to work with others to develop it to its full potential. The First Minister and I have taken a keen interest in the site, and we are keen to see the creation of as many jobs as possible there. I am very confident about the future for the site.

Ms Sugden: How has the Department been encouraging bidders to consider the community and voluntary sector as part of their proposed plans?

Mr M McGuinness: The First Minister and I have been to the area. We have met people in the local community, and we understand the interest that they have. We absolutely wish to ensure that the community in Ballykelly and the surrounding area benefits from the development of the Shackleton site. For that reason, proposals to purchase the site are being assessed on the extent to which their

plans to develop it will deliver community benefits. It is an important subject. It is critically important that, when you have such a major development on a site so close to a village area, the local community feels that it has ownership of and a stake in that site. We are determined to ensure that, however the site is developed, it is developed in the interests of the local community.

Childcare Strategy: Update

5. **Ms P Bradley** asked the First Minister and deputy First Minister for an update on the childcare strategy. (AQO 9265/11-16)

Mr M McGuinness: With your permission, Mr Speaker, I will ask junior Minister McCann to answer this question.

Ms J McCann: Consultation on the Executive's draft childcare strategy took place between 28 July and 13 November this year. Departmental officials engaged widely with stakeholders during the consultation period to promote awareness and understanding of the draft strategy and to encourage feedback on draft proposals. The childcare strategy will build on the success of the 15 key first actions launched in 2013 to address priority childcare needs identified through early research and consultation.

The school-age childcare grant scheme was developed to address priority need. The grant scheme is creating new, low-cost quality school-age childcare places and sustaining the places that we already have. To date, the grant scheme has held two calls for applications and has committed £3 million to projects that will sustain or create approximately 2,200 low-cost quality childcare places, mostly in disadvantaged areas.

A third call for applications was launched on 26 November. Other key first actions have enhanced the childcare services for children with a disability and improved the information available to parents on the childcare services available locally. Officials are collating and analysing responses to the public consultation. We will give careful consideration to the range of views put forward to us. We will continue to work in partnership with other Departments through the childcare strategy programme board, and we will aim to finalise the strategy in early 2016.

Ms P Bradley: I thank the junior Minister for her answer. The junior Minister will know how the uncertainty over the introduction of welfare

reform and the wreckage that was the ESF affected the women's sector and the women's lobby. Does she agree that we need to be doing everything within our power to empower parents, especially women, to get back into the workplace and to continue with education, because that will have a great knock-on effect on our economy as well?

Ms J McCann: Yes, I think the Member is right. As you know, the childcare strategy has two high-level aims: to promote child development and to enable parents to get back into the workforce. That has to be, in a sense, parental choice. You made a very valid point regarding the DSD women's centre childcare fund. I have had a number of meetings, and our officials are working very closely with the Minister for Social Development. We want to ensure that the childcare settings that would be adversely affected by the closure of that fund would be open to the new childcare strategy funding, because it is essential. I know from talking to some of the providers of women's centre childcare, for instance, that a lot of the mothers who are returning to education or training, or even going into employment, like to be on sites where their children are being looked after. That is very important. Certainly, we will continue with our deliberations with the Minister for Social Development and officials to ensure that there is, hopefully, a seamless move from that funding to the childcare funding, when that has to happen.

Mr F McCann: Go raibh maith agat, Cheann Comhairle. I thank the junior Minister for her answers thus far. Can the Minister clarify what is meant by "sustainability" in respect of the childcare strategy?

Ms J McCann: Sustainability is one of the principles underpinning our childcare strategy. As I said, during the consultation, I heard from many, not only childcare providers but parents, who are concerned about that. Sustainability does not have to mean non-subsidised childcare. For some childcare organisations, subsidies may not be required. However, no subsidies would mean the eradication of childcare provision, especially in some areas across the North where there are high levels of deprivation, particularly areas within my constituency of West Belfast. It is unrealistic, at least in the foreseeable future, to see how some of these areas with extremely high levels of multiple deprivation could support childcare provision without some sort of subvention.

So, when I refer to "sustainability", it is within the context of recognising that government

needs to work in partnership with childcare providers to address our shared objectives of addressing child poverty, meeting children's social and emotional developmental needs and providing much-needed employment for childcare workers in areas where there is high unemployment. As I said, "sustainability" does not necessarily mean that those providers have to go on without any subvention. Certainly, there are some provisions that will always need that type of subvention.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. Mo bhúiochas leis an Aire as a freagra. I thank the Minister for her answer. What aspects of family poverty, in particular, are taken into consideration? We have, obviously, heard about child poverty issues and the development of the child being addressed. They are worthwhile and integral parts of the strategy. What aspects of the strategy are dealing with situations where families, particularly young mums, are being forced, because of the exorbitant costs of childcare, to leave their workplace? In other words, what support is there for working families who are on the breadline?

Ms J McCann: As I said to the Member in my previous answer, we have two high-level aims. One is to enable parents to join the workforce. We want to enable this strategy to be affordable for people, because that is a key part of it. We have seen some of the responses to the consultation, and affordability is a key issue. We need to be able to ensure that any subsidies that we give to childcare provision, particularly in areas of disadvantage and need, and where there are families on low income, keep costs very low for parents, as they are in the like of the women's centre childcare fund. In going forward, we will look at all the schemes across the piece to ensure that those parents can avail themselves of that quality childcare.

Mr Speaker: That brings us to the end of the period for listed questions. We now move to topical questions.

2.30 pm

Civil Contingencies Policy Branch

T1. **Mr Hilditch** asked the First Minister and deputy First Minister for their assessment of the work of the civil contingencies policy branch across the public sector. (AQT 3241/11-16)

Mr M McGuinness: I presume that this question is asked in the context of Storm

Desmond and the implications for society of severe flooding all over the North. If I am wrong, then the Member can correct me in his supplementary question.

Obviously, we have seen fairly widespread flooding, indeed all over the island of Ireland and particularly in certain parts of the North. Rivers Agency has been working very diligently on the ground, cooperating with other Departments, to ensure that respite is brought to the local community. The Department of the Environment has already allocated support of £1,000 per household. Quite clearly, the contingency approach that we need to adopt across the public sector has to be to deal with natural consequences, such as those of Storm Desmond, but some contingencies go wider than that. The branch could conceivably be required to be called on in any eventuality.

Mr Hilditch: My question was more general on the work of the policy branch. In the light of recent events globally, can the deputy First Minister assure us that Northern Ireland is at a level of readiness and preparedness in the event of a civil emergency?

Mr M McGuinness: I certainly think that all the emergency services, given the experiences we have seen in other parts of the world, are very conscious of their responsibilities should something untoward happen. It is predicted that the likelihood of something untoward happening here is very remote. My own sense of it is that it is very remote. If you are speaking about the activities of this group ISIS, ISIL, Daesh or whatever you want to call it, it is quite obvious that its focus appears to be on major centres like Paris, London and other parts of Europe. From our perspective, I certainly think that it is very important that we be prepared for any eventuality. As we saw in California last week, something could happen anywhere at any moment. I have no doubt that the emergency services — the Police Service, the Fire and Rescue Service and other services under the control of Departments — have plans in place to deal with any eventuality.

Jobs: NI Skill Set

T2. **Mrs Hale** asked the First Minister and deputy First Minister whether the deputy First Minister agrees that the skill set available in Northern Ireland was a contributing factor to the job announcement by the American company OneSource Virtual. (AQT 3242/11-16)

Mr M McGuinness: I was very pleased to be at the official opening along with the Minister for

Regional Development, Michelle McIlveen, on Friday. There is no doubt that the educational capabilities of young people emerging from the different educational institutions did have a big impact. It is no mean achievement to acquire that company, which is obviously a young but growing company and will provide anything up to 290 jobs over the course of the next while. Over 40 people are presently employed. Hiring has now started for another 45, and it is building to 290. I think that this has been based on the culture in the city where it has set up, my own city; the quality of the education system and the willingness of a company like this to recognise that, particularly in the context of the European dimension.

For example, what they are opening in the city of Derry is, effectively, their European headquarters. That is a big decision for such a company, but I think that it sends a very powerful message to other companies that are looking at the prospect of locating in the North that we have the quality and quantity of people that they require to fulfil their needs. Obviously, that represents a challenge for the Executive and the Department for Employment and Learning, but we will have to take account of that in any future budgetary discussions as a prerequisite for what these companies need.

Mrs Hale: I thank the deputy First Minister for his answer. Does he agree, then, that the reduction in corporation tax gives Northern Ireland an unprecedented opportunity for thousands of new jobs in future, sending out a loud and clear message to the rest of the world that Northern Ireland is the place for business?

Mr M McGuinness: Anybody who read my article in the 'Belfast Telegraph' or 'The Irish News' in the course of the last week will see that, with the other parties in the Executive, we have stood by our belief in the reduction. Obviously it will all centre around our budgetary challenges and affordability and all the rest of it, but we are working on the basis that we will be able to do this. To put in the region of 30,000 to 35,000 people into jobs is a huge thing for our Executive and for the development of our economy.

The First Minister and I have been involved in all sorts of economic missions to the United States, and for a very long time we have recognised that many companies in the United States are only too keen to locate here in the North. Having an island-wide 12.5% rate of corporation tax is highly advantageous for us because of what we think are the attributes that we have in attracting people to the North and,

particularly, to areas of high unemployment, where those figures of 30,000 to 35,000 jobs would clearly have a massive impact on what are unacceptable unemployment figures at the moment. We have to keep our nerve in all this. I know that there are people who are ready to criticise this, but we have made an assessment that we want to put our people into meaningful jobs, and we are very determined to do that. The way in which we work our budgets over the course of the next number of years will be critical to how we can do that.

Weather Conditions: Task Force

T3. **Ms P Bradley** asked the First Minister and deputy First Minister — following Mr Hilditch's earlier question and the deputy First Minister's answer about the adverse weather conditions, in light of the bad weekend just past when businesses were ruined, roads closed and human life was at risk, albeit that, thankfully, we have very good people in our statutory agencies — whether we have an overarching task force that looks at the potential risk from our weather conditions, given that the adverse weather will continue. (AQT 3243/11-16)

Mr M McGuinness: The answer to that is yes. Under the stewardship of the head of the Civil Service, these people meet regularly on a consistent basis, not just at a time of crisis but in order to ensure that we are well prepared for any eventuality.

Ms P Bradley: I thank the deputy First Minister for his answer. He has partially answered what I was going to ask next. I welcome that, and it is good to see that we have that in place. We still have the worst part of the winter to come and we know that problems will arise. How often does this task force meet? Does it meet regularly to discuss updates?

Mr M McGuinness: Off the top of my head I cannot say how regularly they meet, but we will get you an answer to that. This is an opportunity to pay tribute to everybody in the emergency services who, at a time of crisis, are only too ready to put themselves out in all sorts of weather to ensure the safety of the public and to remediate the challenges that we face.

The Member is quite right that we have been through a very bad experience over the last short while. When we look at how this affects us here, where we do have roads blocked, thankfully, the most important thing is that nobody has lost their life. When you look at mudslides in the Philippines or in India, you see that people are losing their lives by the

thousand. The fact that our emergency services are on the ball when something happens is a credit to all of them. At the same time, we have to legislate for the fact that there were unprecedented levels of rainfall over the last short while due to Storm Desmond, and some parts of the country have been worse affected than others. We will come out of it. We have always had the experience that the clean-ups happen very rapidly and that the insurance companies kick in to support those who have insurance. Particularly in the case of households that do not have insurance, the £1,000 per household kicks in from the Department of the Environment.

Benefits: DWP Control

T4. **Mr Rogers** asked the First Minister and deputy First Minister whether, having surrendered welfare reform to Westminster, and bearing in mind the extra financial commitments made by the British Government when they decided last week to go to war, the deputy First Minister concedes that we are totally at the mercy of the Department of Work and Pensions in the imposition of a benefit freeze and a reduction in the benefit cap. (AQT 3244/11-16)

Mr M McGuinness: The vote that took place in this House was to deal with what I regarded as a technicality, which has a sunset clause that ensures that the power resides with this Executive. I thought that the most significant and interesting aspect of that, given this latest question from the Member for South Down, was that only eight Members from the SDLP bothered to turn up to vote. The new party leader was not present for any of the debate, and the new party leader did not even vote. That is how seriously the SDLP took the decision that was taken in the Assembly.

As a result of our negotiations, we have put in place a fund of £585 million to ensure that we will support the people who are worst affected by the British Government cuts. We will do that under the tutelage of Eileen Evason, who is very experienced in dealing with all of these matters. That is a practical contribution towards alleviating the plight of those people, and it is something that happening nowhere else. It is not happening in England. It is not happening in Wales. It is not happening in Scotland. It is happening here.

Mr Rogers: I thank the deputy First Minister, and I am not surprised at the attack on the SDLP. I ask him, as an Irish republican, first, whether it was a mistake to surrender this to

Westminster, and, secondly, whether he sees it as an attack on devolution.

Mr M McGuinness: As I said in my earlier answer, I regard it as a technicality that saved us £40 million. I think that the Member needs to get real and that the SDLP needs to get real. The fact that we took that technical route, which has a sunset clause that ensures that powers reside in this Executive, saved our institutions £40 million, which we can put to good use on behalf of the people who send us to this House.

OFMDFM: Legislative Programme

T6. **Mr Beggs** asked the First Minister and deputy First Minister whether the deputy First Minister will acknowledge the weakness in the Northern Ireland Executive and, in particular, the Office of the First Minister and deputy Minister in that, although they have produced reams of consultations and strategies, they have been less able in their legislative programme. (AQT 3246/11-16)

Mr Beggs: Question 6, is it? Sorry, topical question 6.

Mr M McGuinness: Junior Minister McCann will take this question.

Mr Speaker: Let me apologise to you and to Roy. Karen McKeivitt withdrew her question in good time and appropriately, but I forgot to alert the House.

Ms J McCann: The Member will be aware that it is set out in legislation that we do have to consult so, with any legislative programmes that we are bringing forward, there is a statutory responsibility on all Departments to set out their consultation within a period of time. No matter what area you are working in, you still have to consult with people and put that out for public consultation. That will be happening.

Mr Speaker: You will be glad to hear that time is up.

I apologise again, Mr Beggs, that you did not have time for your supplementary question.

2.45 pm

Finance and Personnel

Rates Levy: Vacant Premises

1. **Mr McMullan** asked the Minister of Finance and Personnel, in relation to the review of the non-domestic rating system, for her assessment of the additional rates income that could be generated by introducing a 100% rates levy on vacant business premises. (AQO 9275/11-16)

Mrs Foster (The Minister of Finance and Personnel): Additional revenue of up to £30 million to £35 million could be raised through the introduction of the rating of empty commercial premises at 100%, including empty factories. Those figures assume that other features of non-domestic vacant rating remain intact, such as the minimum valuation cap of £2,000 and the three-month initial exemption to allow owners to let a property once it becomes vacant.

I say "up to" because the introduction of such a measure could have unintended effects here, given the proportion of vacant properties compared with other parts of the United Kingdom and the relative weakness of the property market here. Those effects could include many property owners taking steps to avoid liability through rendering their property incapable of being let or by encouraging charities to take up occupation.

My Department is consulting on those matters, among others, as part of the review of the non-domestic rating system.

Mr McMullan: I thank the Minister for her answer. Does she believe that, by doing away with the 50% relief for empty business premises, there would be a downward pressure on rents charged by landlords?

Mrs Foster: No, I do not, but there may be other consequences. As I said, some landlords would take precipitative action to make sure that they would not have to pay 100% rates. Maybe they would destroy their premises or let them out in other fashions. The way in which we handled non-domestic vacant rating is a balanced way forward. We are saying to owners that we will charge them rates, but, in recognising the difficulties of the property market in Northern Ireland, we will charge at only 50%. In many cases, 50% rates on non-domestic properties is not insubstantial. That

money really is dead money to landlords, yet they still have to pay it. If we were to increase rates to 100%, as has been the case in England and Wales, it would in many instances be a very difficult amount of money to recover.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. Mo bhuíochas leis an Aire. I thank the Minister for her answers. She was moving into the territory where I was going to go, in that many of our town centre shops are vacant because of critically high rates, which many businesses find extremely difficult to sustain. Does she agree that it would be a detrimental move for those businesses, particularly in the town centres that we are hoping to revive in order to get people back into those premises? If you were to add another 50% in rates or whatever it is that Mr McMullan has in mind with his anti-business proposal, that would be detrimental to those town centres and would not act as a catalyst for their development.

Mrs Foster: I agree with the Member. Business organisations would, frankly, be appalled at any suggestion that I would move to 100% rates on non-domestic vacant properties. At the moment, a lot of people struggle to pay 50% rates and are looking for other sorts of rebates. The Member mentioned town centres. I recently had useful conversations with Chamber of Commerce members about what else we can do to help those town centres and how we can be innovative and move forward. The ongoing review initiated a lot of thought, which I welcome. I look forward to meeting other groups to see what else we can bring forward.

One of the more innovative proposals is about window dressing and having rates rebates for that. That idea came from the Buttercrane shopping centre in Newry. It is only a small element, but it is something additional for the people there, and I hope to include it in the Rates (Amendment) Bill, which will, I hope, come to the House very soon.

Mr Dunne: I, too, thank the Minister for her answers today and welcome the ongoing review of commercial rates. Will the Minister assure us that she has looked at the option of extending the rates concession to recently vacated properties?

Mrs Foster: Yes, I have. As I said, I am looking at all options to see how we can make a real difference to town centres. The Member will recall that it was after meeting business organisations that my predecessor brought in the small business rate relief scheme, which

has been a great enabler for town centres and helped many, many businesses to stay afloat during difficult times. We are looking at that whole area to see what else we can do to help businesses. Whilst it is not necessarily the role of my Department to take the lead in helping town centres, I think that we can assist; therefore we will work with DSD and DETI to see whether there is anything that we can do.

Mr Ó Muilleoir: Go raibh maith agat, Cheann Comhairle. I thank the Minister. Minister, you mentioned landlords being able to avoid business rates by letting to charity shops, which, of course, do not pay rates. Have you given much thought to that? Is that a loophole being used by landlords, and are we ending up with too many charity shops in our high streets? Can something be done in the rates review to tackle that?

Mrs Foster: It is fair to say that the subject has already come up in the consultation; it has been raised directly with me and in responses to the Department. I do not think that all landlords use it as a way of escaping rates liability. There are some very good charity shops that provide a function and a service to the community; they have regular opening hours, are open every day and provide a service. I have seen examples where that is not the case, and a charity shop might be open for a limited number of hours one day a week. By doing that, the landlord has avoided rates liability. We will have to look at that in more detail. Many town-centre operators have raised with me that they feel very aggrieved at the fact that people can avoid rates by using charity shop exemptions. Other charity shops, however, provide a real service.

Ms Sugden: I think that one of the problems with non-domestic rates is the net annual value (NAV). Will the Minister tell me how she intends to review how we value properties?

Mrs Foster: That, of course, is how we decide the rates levied against each individual property. Land and Property Services has a very regulated way of working out what the NAV should be for a particular street and a particular property. I am sure that it would be happy to go through that with the Member if she would find it useful. Do we need to look at the NAV mechanism? I am quite happy to look at that in the consultation. I want it to be a wide-ranging consultation that goes to the heart of what is going on. If the Member has any ideas for other mechanisms by which to levy rates, maybe we should look at those as well. I am open to that.

Independent Fiscal Council for Northern Ireland

2. **Mr McGimpsey** asked the Minister of Finance and Personnel for her assessment of how the new Independent Fiscal Council for Northern Ireland will work with her Department. (AQO 9276/11-16)

Mrs Foster: The Stormont Agreement document set out the Executive's plans to establish the Independent Fiscal Council for Northern Ireland. It is envisaged that the council will prepare annual assessments of the Executive's revenue streams, spending proposals and the overall sustainability of the Executive's public finances.

A growing number of fiscal councils are being established around the globe, particularly in the advent of the economic downturn. In seeking to determine the detailed terms of reference for the Independent Fiscal Council for Northern Ireland, I will draw on the national and international evidence of what works best to ensure that those lessons can be applied and that arrangements are put in place that suit Northern Ireland.

Mr McGimpsey: Will the Minister explain what lessons she believes can be learned from the operation of the Office for Budget Responsibility (OBR) at Westminster, particularly on managing the Budget and on dealing with so-called financial black holes and emergency borrowing from the Consolidated Fund?

Mrs Foster: We should look not just at the OBR but at other independent fiscal councils that have been set up recently: the Irish Republic has a fiscal council, Scotland has a fiscal council and we should look at all of those to decide what is most applicable to us here in Northern Ireland.

The fiscal council will add a degree of transparency and independence to our fiscal plans. It will not interfere in any way with what we do as an Executive to drive the economy forward. Indeed, it is up to us to set the Budget, but it will aid with the transparency of the Budget, so, in that way, it will be helpful.

Mr Allister: I think I welcome the fiscal council, particularly if it is a brake on profligacy, fantasy Budgets and such matters. The fact that its membership and terms of reference have to be approved by the Treasury, presumably, is good. Can the Minister amplify a little by comparing

and contrasting it with the Office for Budget Responsibility? Is it to be a devolved structure of that sort by another name, or is it to be something different?

Mrs Foster: First, I welcome the fact that Mr Allister has welcomed something in the House today.

Some Members: Hear, hear.

Mrs Foster: It is a red-letter day for the Assembly.

It is not going to be akin to the Office for Budget Responsibility in a devolved mechanism; it is to be an independent fiscal council, set up with probably a small membership. I imagine that it will be made up of around three or four people with expertise in the area. As the Member rightly said, its terms of reference have to be agreed with Her Majesty's Treasury, but that will be done in conjunction with my Department. I think it will aid with transparency and will give the public more information about the Budget process. Just last week, I had a meeting with my ministerial advisory council, and we discussed how we could engage more with society and the public on budgetary matters so that they had a better understanding of what happens with public money and how it is spent. It will aid in all those ways and should be welcomed by the House.

Mr Ó Muilleoir: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire. Minister, I hope that it is a two-way street and that the Independent Fiscal Council will ask you for some advice as well and that, no doubt, you will give it. Can you confirm to me that, while it will advise, it will be you as Minister and the Executive who will take the decisions ultimately?

Mrs Foster: Absolutely. The fiscal council is there to advise, aid and, dare I say, shine a light on what happens here in Stormont. We will set the Budget and the trajectory. It can comment on and talk about the issues that we raise, but power will still very much rest with the Executive.

Mr Speaker: Before we move on, I inform Members that questions 7 and 8 have been withdrawn.

Autumn Statement: Budget Impact

3. **Mr Lyons** asked the Minister of Finance and Personnel to outline the impact that the

Chancellor's autumn statement will have on the resources available to the Executive. (AQO 9277/11-16)

5. **Mrs Dobson** asked the Minister of Finance and Personnel for an update on the Barnett consequential for Northern Ireland as a result of Westminster's health plans arising out of the comprehensive spending review and the Chancellor's autumn statement. (AQO 9279/11-16)

13. **Mr G Robinson** asked the Minister of Finance and Personnel to outline the impact that the recent Chancellor's autumn statement will have on the Northern Ireland Budget. (AQO 9287/11-16)

Mrs Foster: With your permission, Mr Speaker, I will answer questions 3, 5 and 13 together.

The UK spending review and autumn statement will see the Northern Ireland resource departmental expenditure limit (DEL) fall in real terms by 5% by 2019-2020. That is in spite of receiving some £1.1 billion of consequential from funding for health services in England. The capital budget fares much better, with conventional capital set to rise by 12% in real terms by 2020-21. Although reducing, financial transactions capital will still make up £410.8 million of our overall capital DEL funding over the period. The Chancellor's decision on tax credits means that the Executive will now have to take decisions on how best to utilise the funding set aside for the mitigating measures.

Mr Lyons: I thank the Minister for her answer. Further to that, will she be able to outline the process for producing a Budget for the 2016-17 financial year? Can she also give us an overview of the impact that the spending review will have on departmental budgets?

Mrs Foster: Absolutely. Following the comprehensive spending review announcement on 25 November, we now have a clearer picture of what the block grant will be over the next four years. I have indicated that there will be a 5% reduction in real terms for resource DEL and a growth, especially towards the latter end, in capital spending. Therefore, we are now going to engage with all the individual Departments. I envisage rounds of budget bilaterals between me and my ministerial colleagues before Christmas. We will then bring forward a Budget to the Executive.

I realise that we will not have time to have our usual draft Budget consultation period. I have tasked officials with speaking to individual

stakeholders and, indeed, groups of stakeholders to discuss the way forward with them once the draft Budget comes to the fore after ministerial bilaterals have finished. It is hoped that we will then have a Budget in place for the end of January next year; indeed, we need to have a Budget in place by then.

3.00 pm

Although the spending review was, perhaps, better than some people anticipated, particularly for capital, there will be difficulties for Departments, particularly if we ring-fence health spending. Health, of course, is such a big part of the Budget here in Northern Ireland. Therefore, colleagues will have to look at efficiency savings again for 2016-17. Just to be clear, we are only setting a one-year Budget at this stage, because we feel that it would be wrong to tie the hands of those in the new mandate, after May next year, who will want to set their own priorities. I hope that it is clear how we will move things forward over the coming weeks. It will be a busy time with a lot to do, and there will again be challenges for many Departments.

Mrs Dobson: I thank the Minister for her answers so far. The Executive have, in the past, treated these consequential as unhypothecated. Will she — I know that she has touched on this already, but I want to press her on it — press the Executive with a view to ensuring that those moneys are used in the health service, given the great need there?

Mrs Foster: As I have indicated, one of the reasons why we have a flat-cash situation is that we will benefit under the Barnett formula to the tune of £1.1 billion in terms of health spending, because health and schools have been protected in England and Wales. What that means in actual terms is that, in 2016-17, we will receive £133.1 million extra, and we as an Executive then have to decide how we will use that money. It is, as the Member rightly says, unhypothecated, and, therefore, it comes to us to decide what to do with the money. Of course, we as an Executive have taken steps to make sure that we favour the Health Department and look at it very sympathetically, and I imagine that we will continue to look at it in that way. That is not to say that there should not be efficiencies in the Health Department; indeed, I am told by my ministerial colleague that a wide range of efficiency plans are in place. I look forward to having those discussions with him because, whilst, I think, everyone here wants to see front-line services

protected, we also need to see efficiencies in the health estate right across Northern Ireland.

Mr G Robinson: Will the Minister outline what overall impact the autumn statement will have on our health service?

Mrs Foster: As I have indicated, if we decide to protect the Health budget — of course, that is a matter not just for me but for the whole Executive — we will have to make greater savings in the other departmental budgets. We have asked ministerial colleagues to look at a range of scenarios in their Departments. We will have those discussions at budget bilaterals to see what way we should move forward. It will be a challenging time, particularly for some of the smaller Departments, which have made savings over the past couple of years. Unfortunately, because of the way in which the Budget has come to us, with a decreasing DEL in terms of the relative situation, we have to plan for that, and we need to do so very quickly.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. Minister, given the British Chancellor's announcement pertaining to tax credits, what discussions will now take place at Executive level to reach consensus on what is done with the money that was set aside to address the needs of the most vulnerable?

Mrs Foster: Of course, we all welcomed the fact that the Chancellor moved away from his plans for tax credits. It was always difficult to understand how you could say that you wanted to encourage people into work and then undermine that argument by taking away tax credits, which were there to help them to get into work.

To me, it was a very sensible decision. We had set aside a pot of money to deal with the consequences of the cut in tax credits under the Fresh Start Agreement. We will now have to have those discussions at an Executive level. It is spread over four years, so we have some time to decide the profile of that money. It is £60 million in each year, so we can decide what we want to do with the money and how best we can help vulnerable people over that period of time. I look forward to those discussions in the coming weeks and months.

Mr D Bradley: Go raibh míle maith agat, a Cheann Comhairle. Is the Minister confirming that she agrees that at least a proportion of the £240 million originally set aside for tax credits can now be used to mitigate the impact on those who are most severely affected by welfare changes?

Mrs Foster: I do not think that that is what I said at all. If he looks back at the Hansard report, he will see that I said that we are now in a situation where we have £60 million extra that we thought we did not have because we set it aside out of the block grant to deal with tax credit pressures. That pressure is no longer there, so we should now be looking at ways in which we can help the vulnerable in whatever way we use the money, whether we use it in the Health Department, the Education Department or on welfare in the Department for Social Development. We will have those discussions around the Executive table.

Mr McCarthy: I am delighted to hear the Minister speak so often about the needs of the Health Department. In particular, she continues to use, as other Ministers do, the words, "the most vulnerable in our society". The Minister will be aware of the bombshell created last week when we heard that seven, I think, care homes are to be closed by Four Seasons. Will the Minister confirm that, if and when the Health Minister comes looking for finance to sustain the most vulnerable, her office will be sympathetic to those requests so that the most vulnerable will not be turfed out of their homes after so many years?

Mrs Foster: I will not answer Health questions today, but I welcome the fact that at least two of the homes seem to be moving to a situation where others will step in and ensure that they continue to exist. I also welcome the fact that my Executive colleague the Health Minister has called a moratorium on the closure of statutory homes in the meantime until we have an assessment of where we are in relation to elderly care. Aside from the seven homes that have been earmarked for closure, it causes a ripple throughout the care system. Whilst no homes were earmarked for closure in the west of the Province, I have taken calls from staff there who are very concerned about what might happen as a consequence of the home closures in the east of the Province. It concerns us all, and, at a constituency level, the care of the elderly and the vulnerable should be uppermost in our minds at all times. I will continue to work with the Health Minister on those matters.

Sports Facilities: Derating

4. **Mr Craig** asked the Minister of Finance and Personnel when she will introduce legislation on derating sports facilities. (AQO 9278/11-16)

Mrs Foster: My Department is not introducing legislation to derate sporting facilities. However, I intend to bring forward a Bill that will enable relief for some categories of community amateur sports club to be increased from 80% to 100%. The Bill is drafted, and I have gained the support of the Finance Committee to progress it through the accelerated passage procedure.

Mr Craig: I thank the Minister for that answer. Could she briefly outline the benefits of the new system to those clubs?

Mrs Foster: If they do not have a licensed premises on their grounds or in their club, they will be able to avail themselves of 100% rate relief. That will be wholeheartedly welcomed by those community amateur sports clubs. That is my current intention. The Bill, which I have discussed with the Committee, will contain an enabling power that will permit enhanced rate relief for sports clubs, subject to certain conditions. I want to place on record my thanks to the Finance Committee for the way in which it has dealt with the matter, and I hope that we can debate the Bill in the House very soon.

Mr Swann: I thank the Minister for her commitment. Minister, can you also give a commitment that, when you are bringing forward that regulation, you will look at the prescribed recreations that are set out in the Rates (Recreational Hereditaments) Order (Northern Ireland) 2007 for the potential of including pigeon racing?

Mrs Foster: I think I have already answered Mr Swann in relation to that in a question for written answer, so I will refer him to that answer.

Mr B McCrea: Will the Minister outline why there would be any difference between sports facilities getting rate relief and arts facilities?

Mrs Foster: I am dealing with community amateur sports clubs. They came forward and made a request. They have made an effective lobby. I have listened to that lobby, as did many in the House. This is not new. This goes back to, I think, the time of my predecessor Mr Wilson, who was first engaged with this issue. Therefore, it should not come as a surprise to the Member that this is the way in which we are moving.

Sports Clubs: Rates

6. **Ms Fearon** asked the Minister of Finance and Personnel to outline the meetings she has had with sports clubs in relation to the planned regulations for the payment of rates in 2016. (AQO 9280/11-16)

Mrs Foster: I have not had meetings with sports clubs in relation to the subordinate legislation associated with my proposed Rates (Amendment) Bill. It is premature to do so, but my Department will be consulting in the new year when the Bill is under way at the Assembly. That will be with not only sports bodies but important stakeholders who were overlooked when the failed private Member's Bill was taken forward, including business organisations, Land and Property Services and other Departments with a direct interest in the matter. My lead official on rating policy has already met representatives from the Sports Forum and the Federation of Licensed Clubs in relation to the matter and will be meeting them again during the consultation period.

Ms Fearon: I thank the Minister for her answer. I am sure that the Minister is aware that the Finance Committee has had some constructive sessions with the hospitality sector and amateur clubs. In light of the Bill having been blocked, does she agree that there may be a compromise on the bars' issue, given that the sector is not averse to that? Will she pledge to work with the Committee on the issue?

Mrs Foster: Of course I will continue to work with the Committee on the issue. As I indicated, I am pleased that we have been able to process the Bill to this stage. It is in the Office of the First Minister and deputy First Minister for clearance. I think that the Committee hearing with the hospitality sector was just last week, so I look forward to reading what they had to say in relation to the matter. The consultation period will run parallel to the Bill's being introduced into the Assembly, and we will have the opportunity to look at whether amendments can be made at that stage.

Financial Transactions Capital: Strategic Priorities

9. **Mr B McCrea** asked the Minister of Finance and Personnel to outline how the Executive will decide on strategic priorities for allocating financial transactions capital (FTC) in the next financial year. (AQO 9283/11-16)

Mrs Foster: The Executive will agree their priorities for the allocation of financial transactions capital next year through the upcoming Budget process.

Mr B McCrea: Minister, I understand that FTC is, in effect, a loan. What procedures are in place for the repayment of a loan, who is it repaid to and how is that accounted for in the Budget and accounts?

Mrs Foster: The good thing about financial transactions capital is that it does not score against capital DEL. It is a separate stream of money that comes from Westminster. In that regard, it does not score in our borrowings because it is taken forward by third parties. He will recall that recently, when we were talking about November monitoring, I indicated that a large sum had gone to co-ownership housing and Queen's University. That is the mechanism by which the money is paid back, not through DFP. It is taken off the books, as it were.

Mr Speaker: I call Mr Conor Murphy, and I am afraid that I will not have time for a supplementary.

Mr Murphy: Just my luck.

Rates Revenue: FDI

10. **Mr Murphy** asked the Minister of Finance and Personnel, following the proposed corporation tax changes, for her assessment of the additional non-domestic rates revenues that could be generated by foreign direct investment. (AQO 9284/11-16)

Mrs Foster: It is difficult to estimate the amount of rate revenue that will be generated, as that will depend on not only the number of jobs created but the sectoral mix, the nature of those jobs and the working arrangements. By way of illustration, 100 new office jobs could potentially generate up to £80,000 per year in rates if we assume that those jobs are housed in the new grade-A office space. However, it would not be advisable simply to extrapolate that figure, given the variation in the types of jobs we can expect to be created. Furthermore, the spin-off service jobs in the area, which boost economic activity, would also need to be factored in, as those would lead to higher levels of occupancy and increased rates revenue from existing vacant properties.

3.15 pm

Mr Speaker: That ends of the period for listed questions. We move to topical questions.

Economic Growth

T1. Mr McGimpsey asked the Minister of Finance and Personnel, bearing in mind the huge financial advantages that Northern Ireland gains from being a member of the United Kingdom, why it is that the economy of the Irish Republic is currently estimated to be growing at around three times the rate of the economy of Northern Ireland. (AQT 3251/11-16)

Mrs Foster: I welcome the fact that the economy of the Republic of Ireland is growing at a fast rate. I do so in the knowledge that a wide range of our small businesses will have an export market that has been missing for a number of years. They will very much welcome the fact that they will be able to export into a market that continues to grow.

The global outlook for all economies is good. Our economy is to grow on projections of about 1.2% and the Republic of Ireland — the Member is right — is to grow at a rate of over 3%; I think it is somewhere in the region of 3.6%. We have structural issues to deal with; we do not have a lower rate of corporation tax, which, of course, we are very much looking forward to being able to set in April 2018. We are working through those structural issues. I think that we can benefit from being on the island of Ireland but in the United Kingdom as well, so that we have the best of both worlds.

Mr McGimpsey: The latest reports show that the Republic's economy will grow at around 5.8%, so there is a major differential between us and the Irish Republic. What steps are we taking and what proposals does the Minister believe we can come forward with to allow Northern Ireland to play catch-up and actually close the gap, rather than us lagging behind the Irish Republic?

Mrs Foster: There was a time when we were certainly not lagging behind the Irish Republic. Indeed, the Republic has had a pretty difficult time over this past five or six years. Look at its unemployment statistics, which are still at a rate that is much higher than ours. However, the Republic has a sovereign Government and, therefore, they can put in place policies to drive forward their economy. That is why it is critical that we all endorse the principle of a lower rate of corporation tax so that we can go out and sell it to the rest of the world and take up all the other advantages that we currently have. Those other advantages, frankly, allowed us to bring in the best rate of foreign direct investment per head of population in the United Kingdom in 2014. Those are the sorts of statistics that we should now take forward in

relation to the corporation tax argument, and go into those companies that we have not been able to access in the past. We can now access them because we will have the tax product by April 2018 and that will certainly drive the economy forward.

Budget Preparations: Update

T2. Mrs Overend asked the Minister of Finance and Personnel for an update on her progress on the Budget 2026-27 preparations. (AQT 3252/11-16)

Mrs Foster: Maybe not for 2026-27; I am not quite sure that I will be here then. *[Laughter.]* I can do so for 2016-17. In the 2016-17 Budget process, as I have indicated in other substantive answers, we will have Budget bilaterals, hopefully before Christmas, so that we can take the issues forward.

Mrs Overend: Apologies for the slip; I do not know what happened to me there. Once again, the Assembly will be forced to rush through a Budget. Does the Minister agree that this is an extremely unfair way to work, given the uncertainty that it provides for so many organisations, such as local environment organisations?

Mrs Foster: I do not think that it is "once again" in terms of the Budget process. Normally, we have a 12-week consultation period. We bring out a draft Budget, there is a consultation period and then we bring forward the Budget. I accept that that is not the case in these circumstances, and that is because the comprehensive spending review came only on 25 November. Of course, Westminster is dealing with its own processes. That leaves things very difficult for those of us in the devolved Administrations, whether in Scotland, Wales or Northern Ireland. We have to bring forward Budgets in a very short timescale. I think that not to have a multi-year Budget is the right decision. We will have a single-year Budget so as not to tie the hands of the new Members who are returned to the Assembly in the next mandate so that they can set their own priorities.

Flooding: Executive Support

T3. Mr Douglas asked the Minister of Finance and Personnel, while empathising with her on the major flooding problems in her constituency of Fermanagh and South Tyrone and, indeed, in other areas of Northern Ireland, to outline what support will be offered to owners of

premises damaged by the recent flooding.
(AQT 3253/11-16)

Mrs Foster: First of all, I am very glad that he has mentioned the flooding issue, because, indeed, my constituency has suffered disproportionately on this occasion. Many areas that have not experienced it in the past have had to deal with flooding, particularly towns like Lisnaskea, which was totally unaware of flooding; and that is down to problems that have arisen in terms of the Rivers Agency. I think that we will have to have an in-depth look at what has occurred in those particular areas. There are other areas in Fermanagh where, unfortunately, flooding is no stranger to them, particularly Boho, where they have had a horrific time.

I would hope, in answer to his question, that all the agencies will give support, not only to householders but to schools, community organisations and, indeed, businesses, not only to deal with the immediate aftermath but to plan for the future. I think that that is what most of them will want to see — an effective plan for dealing with this in the future.

Mr Douglas: Lord Morrow, I think, is going to table a question for urgent oral answer about flooding, particularly in the Linen Green shopping complex in Dungannon. Could the Minister outline what specific support is available for businesses?

Mrs Foster: At present, the DOE scheme, which actually was introduced when I was the Environment Minister, back in 2007 to 2008, deals with householders; it does not deal with businesses or small businesses. I know that the Environment Minister is looking to see whether that should be changed in future. Of course, many businesses will have insurance in place to deal with the issues. As for those that do not, we will have to see how we can help them moving into the future. But I really do think that some of the causes of flooding could have been avoided. We need to look at that, and we need to make sure that there are effective plans in place to ensure that it does not happen again.

Flooding: Rates Rebate

T4. **Mr Maskey** asked the Minister of Finance and Personnel, while sympathising with her constituents in Fermanagh and South Tyrone who have suffered as a result of Storm Desmond, whether any of the businesses affected by the flooding will qualify for a rates rebate. (AQT 3254/11-16)

Mrs Foster: It is probably too early to say whether they will qualify for rates rebate. Certainly, it will be something that the Department will look at if an application is forthcoming.

I was thinking, when I heard that this is the fourth storm, I think, that we have had named in Northern Ireland, and it is the first male, that it seems to have done more damage than the three females put together, but that is a separate matter. Certainly, it has caused a great deal of pain and anguish to a lot of people right across not just Fermanagh and South Tyrone but, indeed, the west of the Province.

Mr Maskey: Go raibh maith agat. Again, I thank the Minister. Certainly, in my experience over the last number of years, Belfast City Council has been a lead agency in the response, both to homeowners and to small businesses. I know that the Minister has alluded to various agencies and Departments working together. Would it be useful if all other council areas, which may be starting to experience some of these difficulties as well, were able to avail themselves of the expertise that has been accrued in Belfast City Council?

Mrs Foster: I am a great believer in sharing expertise, and I absolutely think that Fermanagh and Omagh District Council, for example, should be pulling together all the agencies and, indeed, learning from other areas that have had to deal with specific instances of flooding. We did have a very bad case of flooding back, you may recall, in 2009. We had a task force set up at that particular time, when the former Minister of Agriculture Ms Gildernew and I were to the fore. We need to look back at that task force report and see whether it was completely dealt with at that time. But I think that it would be very useful if the lead agencies could come together in Fermanagh and Omagh District Council and work with other councils, if there is expertise there.

Rates Revaluation: Legislation

T5. **Mr Milne** asked the Minister of Finance and Personnel whether she agrees that the rates revaluation process needs to be enshrined in legislation so that we no longer have the 10-year revaluation, which, in his opinion, has an adverse effect on businesses, which like to operate with certainty and less risk. (AQT 3255/11-16)

Mrs Foster: I think that the revaluation needs to take place more frequently; 10 years is too

long. That is what caused a lot of shock for some retail businesses and, indeed, other businesses across Northern Ireland. The revaluation is not about bringing more money into the Department or to Government — it is neutral. Many people have seen their rates fall significantly, but others have seen them rise significantly. In conversations with me, some of the business organisations made the case that the revaluation should take place every three years. I do not know whether that is a little too short and whether it should be five years, but we certainly need to have more frequent revaluations than every 10 years. That is too long a period.

Mr Milne: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for her answer. Does she agree with me that the rates review needs to look at reliefs that could boost hospitality and ensure more growth and job creation in that area to prevent a similar situation happening?

Mrs Foster: We will work with any organisations that want to come forward with new ideas that are sustainable into the future.

Obviously, no one likes to pay rates — if we could get away without paying rates, we would be very pleased about it — but we have to bring rates in to our Budget. Last year, in the region of £1.175 billion came in through the rates system. That, of course, is money that we allocate to public services. Therefore, we need to be able to recover that. Actually, the recovery rate has increased. We are pleased about that, because, for too long, a lot of the rates processes did not bring forward people who were avoiding rates. We are pleased that that is being dealt with effectively by Land and Property Services.

Halo Business Angel Investment Network

T6. **Mr Sheehan** asked the Minister of Finance and Personnel, given that she will be aware that the Halo business angel investor network in Belfast has contributed £10 million from local businesspeople to start-ups, whether there is anything that her Department can do to incentivise such giving. (AQT 3256/11-16)

Mrs Foster: That is really more of a point for my former Department, the Department of Enterprise, Trade and Investment, and how it looks at how to encourage start-up and angel investors to become more involved. Northern Ireland does not have a good network of angel investors. We need to have more of that, and I

very much welcome any interest that we can gain.

In actual fact, I am meeting a young man today who was the beneficiary of investment from an angel investor. He is doing great things. He is only 18 and is striving with his innovative app — I think that that is what he has. I am meeting him later today, and he has been able to progress only because of an angel investment.

Mr Sheehan: Go raibh míle maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as ucht a freagra. Would the Minister join with me in endorsing the actions of those individuals who have invested in start-ups through the Halo network? Would she also accept that it is worth exploring additional incentives for crowd funding and angel investing in start-ups?

Mrs Foster: Of course. I am happy to look at anything that comes forward from either the Department of Enterprise or, indeed, the private sector. I worked closely with the Northern Ireland Science Park in my previous role, and I have continued to do so. I want to see more investment, not just from banks but from non-traditional methods, because that gives more flexibility, particularly for young people who may not be able to access finance from the traditional route.

Mr Speaker: Mr Trevor Lunn is not in his place. I move on to Mr Alex Atwood. I am afraid that I have only time for your initial question.

Mr Attwood: That is fine, Mr Speaker.

Welfare Reform: LCM

T8. **Mr Attwood** asked the Minister of Finance and Personnel, who may have been in the Chamber 45 minutes ago when the deputy First Minister referred to the legislative consent motion (LCM) as, to use his words, “a technicality”, and, given that, according to Mr McGuinness, that “technicality” surrendered welfare powers to London and saw this Assembly sign up to the Welfare Reform and Work Bill, which, among many things, will see a benefit freeze from 2016 to 2020, whether she thinks that, given all of that, the LCM was or was not a technicality and, given the difficulty of time, a yes or no answer will do. (AQT 3258/11-16)

3.30 pm

Mrs Foster: I congratulate the Member for getting his question and all his various points on the record. I am sure that it will be read with great interest by the people who it is meant to target. As far as the LCM is concerned, I think it was the proper method to allow us to have the debate, one that he took part in in great detail, and I am sure that the record will reflect that.

Mr Speaker: Time is up. We will now move back to the debate —

Lord Morrow: On a point of order, Mr Speaker. Many in the House will be aware that we had a serious crisis over the weekend. I attempted to bring that to the attention of the House by a question for urgent oral answer, and I accept your ruling that that is not the way to do it. However, there are some 31 retail businesses in the Linen Green in Moygashel in Dungannon virtually under siege, and I sought to bring that to the attention of the Assembly and the Minister. You have made your decision, which I accept. Will you give us some guidance on how best to bring crises before the Assembly if that is not the way to do it?

Mr Speaker: The advice is readily available to every Member. It can be done through the Business Committee, and I refer the Member back to that. The difficulty in dealing with a localised question such as yours is that a number of areas have, of course, been affected. In fact, on the issues that were brought to my attention this morning, I found that not only were a number of areas affected but three Ministers were involved. It is a bit difficult to give you a generalised answer to a localised question. So, I suggest that if you and other Members — I am one of them — have experienced flooding over the weekend and need advice, you will get it in the Business Office. I hope very much that we can come up with a multi-agency response that covers all those areas, because it is such a widespread problem in these particular circumstances.

Executive Committee Business

Enterprise Bill: Legislative Consent Motion

Debate resumed on motion:

That this Assembly endorses the principle of the extension to Northern Ireland of provisions dealing with public-sector exit payments

contained in the Enterprise Bill. — [Mrs Foster (The Minister of Finance and Personnel).]

Mrs Foster (The Minister of Finance and Personnel): I would like to be able to say that I have really welcomed the contribution today from Members on the proposed exit cap for public-sector workers, but, quite frankly, I am absolutely appalled that Members are not focused on protecting funding for the delivery of public services for the greater good of their constituents in Northern Ireland. They have instead concentrated on the impact the change may have on potentially 2% of those in the local government pension scheme. I look forward to seeing how those Members who are opposed to that measure, when they are campaigning in the elections in May, explain the choices that they made today to the electorate. I will also be interested to see how they deal with headlines when we have significant amounts of public money continuing to be paid to individuals to exit the public service. I look forward to that.

Compensation and exit payments are not paid for by the employee; they are paid for entirely by the employer. On the waiver and guidance, I made it clear, as did my officials at the Committee, that there will be power to waive the cap and that that power will be given to the respective Ministers for each scheme. Perhaps it would have been better for my Department to have that power, rather than to give the responsibility to the respective Ministers.

Lastly, contrary to what has been said, Scotland is planning to make regulations to introduce the measure, and Wales is already included in the Westminster Bill and regulations.

On consultation and equality, there will be full consultation on the Northern Ireland regulations. As I indicated in my speech, those will be made by affirmative resolution to the House, which still retains a veto on that affirmative resolution.

The consultation will also provide scope for further consideration of any equality matter, and it would also provide time for the House to consider the matter in detail. However, we are where we are. People have made their positions clear. Even at this late stage, I ask them to reflect. This policy will introduce some consistency across existing disparate arrangements in the public sector by establishing what I believe is a fair and reasonable baseline of £95,000, and the regulation —

Mr Lyons: I thank the Minister for giving way. Does she share my bemusement at the

comments made by Bumper Graham in evidence before the Committee? He said that he did not just have a problem with a cap of £95,000, he had a problem with any cap. Is it not the problem that we do not have opposition to a sum, we have opposition to any cap, and he and his trade unions are being supported by Members across the House, who do not seem to want any fiscal responsibility on these matters?

Mrs Foster: What amazed me most about the debate as I sat here listening, incredulous at some of the things that came from across the way, was the fact that I heard a lot about public servants but not once did I hear anything about public service. Public service is what we are meant to be doing for people across Northern Ireland. What Bumper Graham has to say does not really surprise me; it never does. I believe that £95,000 — £95,000 — is a fair and reasonable baseline, and the regulations being proposed by the Department —

Mr Allister: Will the Minister give way?

Mrs Foster: Yes, I will give way.

Mr Allister: Is one of the problems not that, in the past, we saw chief executives of some of the redundant local councils collecting handouts of £250,000? One of them collected on a Friday and on a Monday walked into a public post as chairman of the Education Authority. Does that not raise the question of why, if this was to be done, it was not done sooner? Can the Minister explain that?

Mrs Foster: I hope the Member is not suggesting that, because it was not done sooner, we should not do it at all. This should happen because of the very examples that he spoke of. The last legislative consent motion (LCM) that we brought forward made sure that people who left public service with a large handout could not be re-employed in the public sector. That went through the House, so that practice has been stopped, but, for some reason, people have decided that they are not going to support the £95,000 — £95,000 — baseline for public-sector workers. I am amazed by that.

However, I stand by what I brought to House today. It is for others to discuss the way that they vote. It is incredible and goes against the principles of fairness and value for money for the taxpayer, which should always be at the forefront of our minds as elected representatives.

In conclusion, the motion addresses the targeted but important need for exit payment arrangements in the public sector to be fair and demonstrate value for money. Legislative consent to those provisions will ensure that the same protections for public finances are applied consistently across the public sector while providing the fullest range of flexibility to respond to local requirements, which I have put in place in the regulations that were to come before the House for affirmative resolution. I cannot understand why Members across the way have decided to do otherwise, but I urge them, even at this late stage, to support the motion. I commend the motion to the House.

Question put.

The Assembly divided:

Ayes 40; Noes 51.

AYES

Mr Anderson, Ms P Bradley, Mr Buchanan, Mrs Cameron, Mr Campbell, Mr Clarke, Mrs Cochrane, Mr Craig, Mr Dickson, Mr Douglas, Mr Dunne, Mr Easton, Dr Farry, Mr Ford, Mrs Foster, Mr Frew, Mr Girvan, Mr Givan, Mrs Hale, Mr Hamilton, Mr Hilditch, Mr Humphrey, Mr Irwin, Ms Lo, Mr Lyons, Mr Lyttle, Mr McCarthy, Mr McCausland, Mr I McCrea, Mr D McIlveen, Mr McQuillan, Mr Middleton, Lord Morrow, Mr Moutray, Mr G Robinson, Mr P Robinson, Mr Ross, Mr Storey, Mr Weir, Mr Wells.

Tellers for the Ayes: Mr McQuillan and Mr G Robinson

NOES

Mr Allen, Mr Allister, Mr Attwood, Mr Beggs, Mr Boylan, Ms Boyle, Mr D Bradley, Mr Cochrane-Watson, Mr Cree, Mr Dallat, Mrs Dobson, Mr Eastwood, Ms Fearon, Mr Flanagan, Mr Gardiner, Ms Hanna, Mr Hazzard, Mrs D Kelly, Mr G Kelly, Mr Kennedy, Mr Lynch, Mr McAleer, Mr McCallister, Mr F McCann, Ms J McCann, Mr McCartney, Ms McCorley, Mr B McCrea, Mr McElduff, Ms McGahan, Mr McGimpsey, Mr McGlone, Mr M McGuinness, Mr McKay, Ms Maeve McLaughlin, Mr McMullan, Mr A Maginness, Mr Maskey, Mr Milne, Mr Murphy, Ms Ní Chuilín, Mr Ó hOisín, Mr Ó Muilleoir, Mr O'Dowd, Mrs O'Neill, Mrs Overend, Mr Rogers, Ms Ruane, Mr Sheehan, Ms Sugden, Mr Swann.

Tellers for the Noes: Mr Attwood and Mr McKay

Question accordingly negatived.

Committee Business

Human Transplantation Bill: Extension of Committee Stage

Ms Maeve McLaughlin (The Chairperson of the Committee for Health, Social Services and Public Safety): I beg to move

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 5 February 2016, in relation to the Committee Stage of the Human Transplantation Bill [NIA 64/11-16].

The Human Transplantation Bill was referred to the Committee for Health, Social Services and Public Safety on 16 November 2015 for its Committee Stage. The Bill should, under Standing Order 33(2), complete its Committee Stage on 19 January 2016. As is stated in the explanatory and financial memorandum, the principal objective of the Bill is to save lives by changing organ donation laws, introducing a new soft opt-out system with safeguards and placing an additional duty on the Department to educate the public on organ transplantation. The Bill has the potential to affect every one of us. There is a wide range of opinion on the subject of organ donation, and it is an extremely complex and, indeed, sensitive issue.

At our meeting on 18 November, the Committee discussed its timetable for the Committee Stage of the Bill, and an extension of Committee Stage to 5 February was proposed. This would allow for written and oral evidence from stakeholders to be requested and, indeed, considered and would still allow enough time for the Bill to complete its stages through the Assembly before dissolution. The Committee did, however, divide on the proposal. Those who were not in favour felt that an extension to 5 February would not allow adequate time for the Committee to conduct proper scrutiny of the Bill and suggested a longer extension to Committee Stage. Those who were in favour, while they were acutely aware of the limited time for scrutiny, felt that it could be scrutinised within the proposed time frame. They also felt that it was important that the Committee agree a timetable that would make it possible for the Bill to succeed in this mandate. The proposal was therefore carried.

I therefore ask, on behalf of the Committee, that the House support the motion to extend the Committee Stage to 5 February 2016. Go raibh maith agat.

Question put and agreed to.

Resolved:

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 5 February 2016, in relation to the Committee Stage of the Human Transplantation Bill [NIA 64/11-16].

Rural Needs Bill: Extension of Committee Stage

Mr Irwin (The Chairperson of the Committee for Agriculture and Rural Development): I beg to move

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 26 January 2016, in relation to the Committee Stage of the Rural Needs Bill [NIA 67/11-16].

The Committee for Agriculture and Rural Development agreed the motion to extend the Committee Stage of the Bill until 26 January 2016. The Bill was agreed by urgent procedure by the First Minister and deputy First Minister and was introduced on 9 November 2015. It had its Second Stage debate on 17 November and was referred to the Committee for Agriculture and Rural Development thereafter.

The Committee, mindful of the time constraints around getting the Bill through all its legislative stages before the end of the mandate and dissolution, has chosen to extend the stage by one week only. In doing so, we are aware that we will be relying on all involved working hard to achieve a position where all the amendments sought by the Committee will be made available in time. I am also taking the opportunity to thank Committee members for putting in the extra hours in Committee and in additional meetings to achieve this challenging time frame.

Question put and agreed to.

Resolved:

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 26 January 2016, in relation to the Committee Stage of the Rural Needs Bill [NIA 67/11-16].

Higher Education: Part-time Sector

Mr Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for this debate. The proposer of the motion will have 10 minutes to propose and 10 minutes to make a winding-up speech. All other contributors will have five minutes.

Mr Swann (The Chairperson of the Committee for Employment and Learning): I beg to move

That this Assembly acknowledges the power of part-time higher education in Northern Ireland to contribute to economic growth, to boost productivity and to increase social mobility; recognises that it enables citizens to fit their studies around their employment and caring responsibilities, apply their knowledge to the workplace immediately, and to upskill and reskill to meet the skills needs of employers in key growth areas; and calls on the Minister for Employment and Learning, and his Executive colleagues, to prioritise the growth of part-time higher education in Northern Ireland.

I am sure that Members are aware of the top-class higher education opportunities that are delivered through our universities, university colleges and further education colleges in Northern Ireland. The most recent data from the Higher Education Statistics Agency shows that last year we had 56,395 students at our higher education institutions, the majority of whom were studying on a full-time basis. One third of those students, however, were studying part-time.

The Open University (OU) is the largest provider of part-time higher education in Northern Ireland. In 2013, funding responsibility for the Open University in Northern Ireland transferred from the Higher Education Funding Council for England to the Department for Employment and Learning. Since then, the Open University has been fully accountable to the Department for its activities. Since my appointment as Chairperson of the Committee, the members and I have noted and recognised the contribution of the Open University and the other higher education institutions that provide part-time courses.

As a graduate of the Open University, I am able to say from first-hand experience that part-time study has the power to change lives. Part-time study creates enhanced employment prospects for students, increased labour market mobility and improved self-esteem and confidence. Part-time students have very different

characteristics, motivations and requirements from full-time students. They are typically older, often female, often in employment and have domestic responsibilities. In many cases, part-time study is the only way that these individuals can engage in education. I declare an interest as a graduate of the Open University. It took me eight years to complete my degree because it was sponsored by an employer and I was able to work through that; I think the phrase is "learning while earning".

The Open University is a leader in part-time higher education, opening up access to higher education to people who have previously experienced barriers to studying. Its open access policy means that students without traditional entry qualifications can access higher education. Fifteen per cent of Open University students have a disability — the largest population of disabled students at any Northern Ireland university.

Half of Open University students in Northern Ireland also receive financial support with their fees.

4.00 pm

All those measures break down social inequalities by allowing everyone the opportunity to gain the high-level skills required to increase their earnings. If we are to tackle economic inactivity in Northern Ireland, part-time higher education is key to unlocking people's potential. Research undertaken by London Economics shows that part-time higher education through the Open University increases students' earning potential and that that is greatest for those with lower previous educational attainment. Northern Ireland Open University graduates with non-traditional higher education backgrounds can experience an average uplift in earnings of up to £85,000 over their working life. These are students who would not have been able to engage with higher education except through part-time study at the Open University. Over 70% of Open University students in Northern Ireland are in work. The benefit to employers is huge as students can apply their new-found skills and knowledge immediately to the workplace. Productivity is boosted instantly and continues throughout the course.

The reason for today's motion from the Committee for Employment and Learning is that, although Higher Education Statistics Agency data shows that, in Northern Ireland, the part-time sector has remained relatively stable, we should note the tragedy of the

decline in England, where part-time undergraduate numbers shrank by 41% between 2009-2010 and 2013-14. That is nearly 200,000 life-changing opportunities that have been lost. That was due to a range of factors. In 2008, funding was removed for students studying for an equivalent or lower qualification. The new funding regime with higher fees in England in 2012 marked the start of a further significant decline in the part-time sector. In addition, research has shown that part-time students are more debt-averse than 18-year-olds and less aware of the availability of loans. We in Northern Ireland need to take note of what has happened in England and make sure that part-time higher education is not affected in the same way here.

In closing, I quote from the Higher Education Policy Institute's book called 'It's the Finance, Stupid!': The Decline of Part-time Higher Education':

"In order to ensure that we deliver the sort of societies that both Dearing and Robbins espoused, we also need to see investment in adult and lifelong learning. The ideological gap between the Department for Education and the Department for Business, Innovation and Skills does not help as both leave it to the other. It is well established that intergenerational and family learning raise aspirations and attainment for all. So we need partnerships between schools, colleges and universities to develop learning communities in local settings. This will require a move towards more joined-up thinking, which has long proved challenging in Whitehall – so it will be interesting to see if greater devolution brings more coherent policy."

It is a challenge to this institution, as a devolved institution that now has responsibility for part-time learning, even through the Open University, that it should not have the disparity that exists between the Department for Education and the Department for Business, Innovation and Skills. When we move to look at the reorganisation of our Department for Employment and Learning and Department of Enterprise, Trade and Investment to a Department of the Economy, that should not be the case for Northern Ireland. Let us look creatively at the opportunities that part-time higher education provides to those who are less economically well off and those who struggle most in the labour market.

Ms McGahan: Go raibh maith agat, a Cheann Comhairle. During a previous debate regarding our higher education sector that focused on

women and STEM, I called on our Assembly to acknowledge the key role of higher education in growing the local economy and helping to realise the Programme for Government's cross-cutting priorities in health, social development, agrifood, education and skills as well as research and innovation, while calling on the Executive to affirm their commitment to supporting and investing in our higher education sector. In the same spirit, I am pleased today to add my support to this motion. Just a few months ago, our Minister for Employment and Learning, Mr Stephen Farry, when launching his consultation on part-time and postgraduate student finance, stated correctly:

"the traditional supply of new skills from education and in migration will simply not be enough, and there must be a renewed focus on up-skilling and re-skilling the existing workforce. To this end, flexible part-time provision is paramount."

While paying tribute to the staff of South West College in my constituency for the impressive strides that it is making in enhancing its reputation in our community as a first-class provider of quality training as well as further and higher education, I want to shine a light on the fact that more work needs to be done to address some issues in relation to employment and social mobility in Fermanagh and south Tyrone. In census 2011, residents were asked for the title of their main job. Those were coded and slotted into nine standard occupational categories (SOCs) going from 1 to 9. In broad terms, salaries tend to be highest in occupations in categories 1 to 3, and, in the North of Ireland, one third — 34% — of residents aged 16 to 74 in employment work in occupations in SOC bands 1 to 3. The remainder are spread across the other two bands. In Fermanagh and South Tyrone as a whole, 29% are employed in bands 1 to 3, and that ranges from 40% in Ballygawley to 21% in Rosslea and Newtownbutler.

In the context of the figures that I have just quoted, we need to ask the Employment and Learning Minister whether Access to Success, the regional strategy to widen participation in higher education, is having a positive effect. The Minister has stated on previous occasions that the regional strategy puts a strong focus on the creation of a more accessible sector in which the people who are most able but least likely to participate are given every encouragement and support to apply to and benefit from higher education.

During Mr Farry's Big Conversation on higher education, the Open University stated that part-time education had a hugely significant impact on the economy, social justice and social mobility. It is well documented that the people who benefit most from accessing part-time higher education are women; those who are in work; those over the age of 21; those who have caring commitments; and those who are from non-traditional educational backgrounds. It added that engaging with higher education made a significant difference to the lives of those individuals, opening up a host of life opportunities that were previously unavailable to them.

Research carried out for the Open University by London Economics as part of the Big Debate showed that part-time higher education had a significant positive financial impact on our students and the state. The findings stated that the biggest economic impact was for students from a non-traditional background, which is determined as being those with five or more GCSEs at grades A* to C or equivalent but fewer than two GCE A levels. Those are students who would not have been able to engage with higher education other than by studying part time with the Open University.

The research further points to the general decrease in part-time undergraduate enrolments from a low base over the last decade. That runs contrary to the aims of Graduating to Success, which calls for a significant extension of part-time provision. Quality part-time higher education provision needs to be treated as an essential element of our drive to promote sustainable jobs with good pay and conditions that help to promote fairness at work and justice in society.

Ms Hanna: As somebody who completed her primary degree and a master's part-time, I am glad to support the motion on behalf of the SDLP, particularly my colleague Pat Ramsey, who I know has done a lot of campaigning on the issue but cannot be here today.

Learning is certainly a lifelong journey, and people find themselves in part-time higher education later in life for a lot of reasons. Members outlined some of those, which might include the need to upskill or a career change. In my case, when I was 18, I knew everything, and it was not until my mid 20s that I started to notice a few small gaps in my knowledge and was able to go back and fill them in. I can say from personal experience that, as Mr Swann said, it is a hard road for people to balance part-time study with family and work commitments. That experience of cobbling together just

enough for a deadline or a good excuse when you miss a deadline has certainly held me in good stead for being a member of this body, as, I am sure, has been the case for Mr Swann.

At the macro level, further and higher education is clearly an economic issue that ensures that our population has access to the skills and knowledge that we need to attract meaningful 21st-century jobs to Northern Ireland and to ensure that people here can compete. In that context, it is concerning if we are disinvesting in further and higher education at a time when all other jurisdictions on these islands are going in the opposite direction.

I know that others will agree with me on corporation tax. We would be fools to think that it will be a silver bullet, if, at the same time, we do not invest in infrastructure and education.

I outlined some of the reasons why people are in higher education, and most, as others said, tend to be mature students with the sort of caring and work responsibilities that you might expect. Others just do not want to leave the employment market, and the majority of them simply could not afford to go full-time.

The benefits are numerous and clear. Higher education makes a substantial difference to people's skills and employment opportunities, and we should not ignore the personal fulfilment and confidence that result from it, as well as the benefits to our economy as a whole.

I had a very positive part-time experience at Queen's and the Open University. However, the general feedback in reports that I have read by part-time students highlights the need to ensure that their specific needs are prioritised and that they are not just fitting in around the infrastructure and structures designed for school-leavers and young people. There should be specific mechanisms and targets for part-time students, and, to that end, we support calls for a bespoke higher education strategy for Northern Ireland, particularly to ensure that, when DEL goes, this issue is not lost, ending up in the wider black hole of governance here.

Elsewhere and here, people are sounding alarms about the impact of changes to fees and loan eligibility, especially the Open University, which is, I think it fair to say, the absolute expert in part-time higher education. Its UK vice chancellor has warned that policies are discouraging workers from upgrading their skills. One useful proposal that, hopefully, the Assembly can pick up is an amendment to the criteria for loans. The current criteria mean that people studying for a qualification at the same

level as one they already have are not eligible, and that might drive people away from further education. An amendment across the water means that, if it is a STEM subject or one with an obvious economic benefit, people will be eligible for a loan, if not funding.

As a former student of the Open University, I single it out as an institution that is very much in tune with the needs of part-time learners. It recognises that education is not just for the young and that it has benefits throughout life. I want to reflect on the imagination of people such as Michael Young and Jennie Lee, who created the Open University. Jennie Lee's husband, of course, created the National Health Service, which was, I think, the most imaginative and beneficial project anywhere for the betterment of a wider population. The Open University, which is, I think, in its fiftieth year, can be ranked at that level as well. It is probably the most cost-effective and effective engine for social mobility that we have at our disposal, so I hope that we will continue to fund it and other part-time education to the level required and taking account of the expertise and the understanding of the needs of students who follow that course.

Ms Lo: I support the motion. I studied part-time for my undergraduate and master's degrees. Even as a bit of a late developer, it has changed my life and opened many doors. Mind you, it was hard work, juggling studies, a job and looking after two small children, but, if nothing else, it improved my time management. For many like me, who missed the chance to go to university at the age of 18, it is not only a second chance but indicates a real commitment and desire to better ourselves.

Part-time study allows people to learn at their own pace and, very often, to embark on a career through gaining further relevant qualifications. Those with caring responsibilities or without the financial means are able to fit their studies around their different personal circumstances.

It is not just the individual who benefits. Part-time students make institutions more diverse, with mature students, those in work and people from different backgrounds bringing their life experiences and viewpoints to the academic setting.

4.15 pm

When I was head of the Chinese Welfare Association, I encouraged a number of my staff to obtain qualifications through day-release

courses, be they in social work, community work or finance, and that resulted in a better qualified team and a more professionalised organisation. Employers recognise that that system of learning improves productivity and efficiency. In my constituency of South Belfast, Kainos, an IT company, has seen success with its earn-as-you-learn scheme, which enables young people to study and work over four years. Such opportunities offer chances of gaining well-paid and sustainable employment. By studying part-time, students apply what they have learnt directly to the workplace. Of course, not everyone is able to benefit from such schemes, which is why I welcome the Minister's intention to increase participation in part-time higher education, whether through traditional routes or more high-level apprenticeships. As a legislature, we must do all that we can to enable fair access to higher education.

The Department acknowledges that finance can be a barrier to higher education, and that is why Minister Farry launched a consultation in June of this year on part-time and postgraduate student finance arrangements. DEL strategies Success through Skills and Graduating to Success emphasise the need to upskill and reskill our workforce. To achieve that, it is clear that part-time education will play an increasingly greater role. A lower rate of corporation tax in 2018 will see a rise in demand for higher qualifications, and we must ready our workforce for that. Higher education drives our skills economy and enables social mobility. Our people are our greatest asset, and I have every confidence in the Minister's commitment to ensuring that they are able to achieve their full potential.

Mr Flanagan: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas le Cathaoirleach an Choiste as an rún seo a chur roimh an Tionól inniu. Ba mhaith liom leas a fhógairt mar mhac léinn páirtaimseartha in Ollscoil Uladh faoi láthair. Cuirim fáilte roimh an rún agus beidh mé ag labhairt i bhfabhar an rúin.

I thank the Chair for bringing the Committee's motion to the House today. As a current part-time student at the Ulster University, I start by declaring an interest. I welcome the motion and will be speaking in favour of it.

All Members who have spoken so far have indicated the wider societal benefits that part-time education can provide to all our citizens and the wider benefits that it can have for the economy as a whole. Some examples have been mentioned, such as allowing parents or

those with caring responsibilities to enter or re-enter the education system. Some of those people did not get a chance the first time around, while others are taking their second chance and putting it to better use.

The whole concept of continuing professional development (CPD) is something that we should encourage. People are always trying to improve themselves, so, when an opportunity presents itself, we as legislators and policymakers should make that opportunity as accessible for them as we can. Whether somebody is a senior executive in a large corporation or in the public sector or is deemed to be a low-skilled worker, that needs to happen. There should be options for all citizens out there to improve their skills level and employability prospects and to move up another rung on the ladder. Opportunities should be made available to all, regardless of where they sit at present.

One of the problems that exists at the minute is the inability of very many people to access education at a higher education level, whether that be part-time or full-time, given that most courses are now provided in the city of Derry or in greater Belfast. That is where I commend the Minister and the South West College for their efforts to make more undergraduate courses available in places such as Enniskillen, where now, for the first time, people can start and finish an undergraduate degree, which for those who cannot travel or move to Belfast or Derry makes education much more accessible.

Those are the types of approaches that we need to see. I am sure that the Minister will continue to champion that, along with the regional colleges across the North. We have been looking for this for a lifetime; our 18-year-olds should not have to leave and travel 100 miles to access an undergraduate degree. Very many of them do not return, not least because there are not sufficient jobs for them.

There are also opportunities through organisations like the Open University and other providers that provide high-level qualifications and qualifications at all levels online. However, we then have a problem in many rural communities where families and citizens cannot access broadband. We need to make sure that, where technological barriers present themselves, they are addressed. That is why the recent investment in improving broadband is welcome. Whilst it is often championed as allowing children to do homework and to be able to access the Internet, it is also very useful for adults who want to improve their skills by taking either

formal or informal qualifications. Having access to good broadband is crucial if we are really going to maximise the benefit that can present itself through part-time education.

Anna Lo mentioned the Minister's progressive move towards exploring better funding arrangements for part-time and postgraduate students. We all welcome that, because we can all identify people who have been unable to access loans from the Student Loans Company or through Student Finance NI and, as a result, have then had to source alternative sources of funding. I went to the credit union, which was more than happy to provide me with funding, but not everybody is in a position to get funding from the credit union. The system we have where student loans are repayable once you earn over a certain threshold suit people who are not currently in employment much better than the likes of a traditional credit union or bank loan scheme. Hopefully, the Minister can bring some positive news in that regard in the very near future.

The policy we have seen in recent times of disinvestment in further and higher education needs to stop. We need to make sure that we are adequately investing in those sectors because, on a wider societal basis, it is very beneficial and, on an individual basis, it is very important that we empower people to reach their full potential. That can be done through proper investment in further education and higher education, and I just want to remind the Minister that it should not happen through increased tuition fees.

Mr Speaker: With that piece of advice, I call the Minister to respond to the debate.

Dr Farry (The Minister for Employment and Learning): Thank you very much, Mr Speaker. That was timely advice from Mr Flanagan. I very much welcome all the contributions made during the debate. They reflect the greater opportunities for individuals, our economy and our society that lie with an expansion of part-time provision, but they also underline the challenges that lie ahead in their achievement.

At the outset, I want to stress that the motion is very much in keeping with the policy direction that I am setting for my Department. I want to see more part-time provision, both in absolute numerical terms and as a relative proportion of overall higher education provision. As Members have stated, our economy requires more and more high-level skills, and we need to consider and facilitate a wide range of pathways to achieve these outcomes. Part-

time provision contributes to a more flexible and diverse system of higher education.

First of all, it helps to widen access and participation to a broader spectrum of backgrounds and, in particular, it can capture sections of the community beyond the stereotypical student between the ages of 18 and 21. Part-time study may be more appealing for mature students, students with dependents or caring responsibilities, and students with disabilities. Secondly, it can be shaped and more closely related to the immediate requirements of the workforce and, therefore, offer opportunities for people in work to upskill or reskill. In that regard, it is worth making particular note of the opportunity that lies in part-time higher education study as part of a higher-level apprenticeship, which I will discuss in further detail shortly.

In 2013-14, just over 18,000 Northern Ireland domiciles were enrolled at UK higher education institutions on a part-time basis, and just over 90% of those were studying in Northern Ireland. Part-time enrolments are almost equally split between those studying for a first degree, those studying for another undergraduate qualification and those studying at a postgraduate level. The most popular types of subjects include education, business and administrative studies, allied health and social studies. In terms of narrow STEM, part-time enrolment is relatively low, accounting for only 14% of all Northern Ireland students studying part-time throughout the UK and only 9% of part-time enrolments at our local institutions.

Over the most recent 10 years, from 2004-05 to 2013-14, Northern Ireland domiciled part-time enrolments at higher education institutions have declined by 12.9%. That reflects an overall fall in part-time study across the UK. However, over the same 10-year period, the number of Northern Ireland students studying through the Open University has increased by 3.9% and now stands in excess of 4,000. Within higher education and further education, there were over 7,000 part-time enrolments in 2013-14. Part-time study is the predominant mode in that context. The majority of enrolments were in business, administration and law; and health, public services and care.

The recently published skills barometer sets out the requirements to provide greater numbers of skilled individuals by qualification and subject area. In particular, given its ability to attract a greater diversity of people and its potential to much more closely relate to the direct needs of employers, part-time higher education is a pathway that should be encouraged and

facilitated. However, barriers to part-time study remain. Some of the greatest barriers include the course design and flexibility of provision, which will be taken into account around the new higher level apprenticeship model; the importance of careers advice, on which we have had a local review of careers policy and practice and a new strategy; and, of course, finance.

At present, part-time undergraduate students can access non-repayable grants to support them with their tuition fee costs, but they are income assessed and only a minority of students are eligible to receive them. They are also limited to students studying at an intensity of at least 50%. They are also often not sufficient to cover the full costs of the fees charged. Those fees are not regulated at present, in contrast with fees for full-time students. Almost 99% of student finance paid to Northern Ireland students was in respect of full-time undergraduates, even though they account for around only 60% of the higher education student population. In 2013-14, some 62% of new Northern Ireland domiciled part-time undergraduate enrolments had no award or financial backing for their tuition fees. It is in that context that I decided to undertake a consultation on part-time and postgraduate student finance earlier this year. I want to put on record my appreciation to all those who responded to that exercise.

Under the current model, part-time undergraduate students from Northern Ireland have no access to the student loan system. Instead, they can be supported by a package of income-assessed, non-repayable grants called fee grants and course grants. The fee-grant level is determined, first, by the student's intensity of study and is then based on the level of the student's household income, up to a maximum of just over £25,000. The maximum fee grant is £1,230, which is available to students studying at 75% of the full-time intensity and from household incomes of below £16,800. The average amount received by those eligible was just over £700 last year. The course grant, which is paid directly to students, is designed to contribute to the costs of materials. The maximum course grant is £265, and that tapers to zero with a household income of just over £28,000. There is no maintenance grant available because there is a presumption, rightly or wrongly, that most people who are engaged in part-time study have other sources of income or means of support.

Of the 20,000 enrolled students in 2013-14 who may have been eligible to apply for the part-

time grants, only just over one in five were able to avail themselves of any support. Either they were ineligible to receive a grant due to the income assessments or were unaware of the support available. By contrast, 91% of full-time undergraduates availed themselves of some form of support. Employer support for part-time study has also significantly dropped off in recent years, almost certainly as a by-product of the recession, with businesses cutting training budgets.

One opportunity to expand part-time provision lies with Northern Ireland's new strategy for apprenticeships, *Generating our Success*. As Members know, we are expanding the range of occupations for which training can be facilitated through the apprenticeship route. Basically, any professional or technical role can lend itself to this system of training. Crucially, in the context of the motion, we are expanding the range of skills or qualification levels to which apprenticeships can be applied from level 3, which is A-level equivalent, through to level 8, which is PhD equivalent. There will be opportunities at levels 5 and 6 to link training in the workplace with the completion of a foundation degree or honours degree on a part-time basis at a local college or university.

Many of those who are studying part-time will already be in work. For some, there will be some connection to their existing employment but, for others, there will be no connection, yet, even for those whose studies are related to their job, there is unlikely to be a common framework that spans what they are learning on the job and in the workplace and what they are learning in university or college. That is where apprenticeships come into their own, with the course provision in college or university serving as the de facto off-the-job training that complements the on-the-job training provided by the employer directly, with each element operating under a common agreed curriculum. In turn, that curriculum will have been devised and shaped by employers and other relevant stakeholders through appropriate sectoral partnerships.

4.30 pm

It is through that apprenticeship approach to upskilling that we will be able to achieve a better, more efficient matching of supply and demand, with employers influencing where training occurs, informed by the new skills barometer. Employers will be more likely to have access to workers who have the technical and employability skills required to flourish in the workplace, while employees will know that

they have the basis to better sustain employment.

Officials in my apprenticeship team are working on the funding model for apprenticeships at all levels, including higher-level apprenticeships. It is likely that the state will wish to make a direct contribution to at least some of the costs of the off-the-job training. However, that will take account of wider reforms to the funding regime for part-time study.

Coming back to our options for funding reform, it is important to acknowledge the current constraints on public expenditure, which is likely to remain the prevailing context for several more years. So, policy options involving significant levels of additional resource cannot be deemed feasible. Additional investment in direct funding has to be considered in the context of choices being made in reductions elsewhere or passing on the costs to the higher education institutions when they are already being expected to absorb significant funding cuts.

Student loans are however managed and accounted for differently. They are considered to be annually managed expenditure and, as such, their costs are borne by HM Treasury. It is, therefore, possible to extend student loans without detracting from resource funding. The approval of the Treasury would be required for any such scheme.

Our consultation document referred to two options. Option 1 involves a tuition fee loan. That option would introduce a non-income-assessed tuition fee loan covering the full value of the part-time student's tuition fees. It would replace the existing fee grant. The loan would be available to all Northern Ireland-domiciled part-time undergraduate students undertaking designated courses at higher education providers in the UK and Ireland. It would also be available to non-UK EU-domiciled students at Northern Ireland's higher education providers.

Option 2 involves a top-up tuition fee loan. That option would introduce a non-income-assessed tuition fee loan to top up the existing fee grant. It would be available in addition to the fee grant, covering any remaining tuition fee balance not covered by the fee grant up to the full value of the fees for those ineligible to receive any fee grant. The loan would be available on the same basis as under option 1.

The first option would more closely mirror the existing undergraduate system and not replace one current inequity with another perceived

inequity. That would also be the more cost-effective option for the Department. However, given that part-time students may be more averse to debt than full-time students, that approach could discourage wider participation rather than open it up.

The second option could be more attractive to existing and future part-time students but would involve continued resource expenditure from the Department. Moreover, if we are successful in increasing the level of participation in part-time study, that opens the Department to uncertain demand-led expenditure in a time of great budgetary instability.

I have taken a decision in principle on the way forward. Subject to due diligence around any unforeseen implications and the practicality of the way forward, I hope to announce in the coming weeks what we plan to do in this area. Subject to the capacity of the Student Loans Company to implement these changes in a timely manner, and the sooner we take decisions the better, I hope that a new system would be in place for the 2017-18 academic year.

I want to take a few moments to comment on some of the comments made by Members who spoke in the debate. I concur with all who pay tribute to our local providers, including the Open University as a major player in part-time study. I also reflect on the personal testimonials that we saw from recent, past and current students who are availing themselves of part-time study. It can be a challenging mode of study as well as being very rewarding.

We have talked heavily about widening access, and we have our strategy Access to Success.

We remain very much seized of the importance of delivering those specific targets, although it is important to stress that, through the actual reduction of places themselves, there will be challenges in the outcomes because those from the most disadvantaged backgrounds will be penalised most by there being less provision in Northern Ireland. People will be forced either to go to Great Britain and pay higher fees or, unfortunately, have no opportunity at all.

In that regard, I welcome the comments from all sides of the House about the importance of reversing the current disinvestment in higher education and having a sustainable way forward. That is very much what we are seized on in the Big Conversation and the forthcoming paper that I will circulate to Executive colleagues over the coming days. In that regard, we have to find a sustainable model of

higher education that finds favour politically, with a consensus that we can stand over for a number of years.

People talk about the importance of a higher education strategy. It is worth stressing that we have a strategy in place, *Graduating to Success*, which was published in 2012. It remains the live strategy through to 2020. In the new context that we have, with a date and a rate now set for lower corporation tax, we need a wider strategy on the back of that, in the accompanying investments, to ensure that that can be a success. It is in that regard that higher education, of all modes of study, needs to receive additional investment.

It is worth stressing that it is as we move to a much stronger employability focus in what is being achieved through our higher education institutions that part-time study really comes into its own. It's important that we appreciate that it covers a wide range of policy outcomes that, as an Executive and Assembly, we want to see, both in widening access and participation and in ensuring that we are reaching into corners of the education market that, perhaps, the full-time model does not achieve and that there is also a much stronger potential for what is studied to be directly related to the needs of the workplace.

We seek to send out a very positive message to businesses that wish to invest in Northern Ireland, so it is important that we indicate that we are making adjustments, in funding and in the type of study provided, that will make their investments a stunning success.

Mr Buchanan (The Deputy Chairperson of the Committee for Employment and Learning): It gives me pleasure to make a winding-up speech on this very important motion.

It is extremely important that we fully recognise the sheer power that part-time higher education contributes to productivity and economic growth in Northern Ireland. That can continue only when opportunities are provided for those with caring responsibilities and those in the workplace to be able to upskill and reskill to meet the needs of their employers, on a part-time basis that is suitable to their circumstances. In a rural setting, part-time higher education is a lifeline to many who are seeking to reskill and upskill. Coming from a rural community, I will certainly press the need to ensure that part-time higher education is properly funded and resourced, especially for those in rural communities.

If we are to take seriously the growth of our economy in Northern Ireland, it is important — I go further and say that it is a must — that we promote the growth of part-time higher education. With the ever-changing skills requirements in the workplace, part-time higher education has been branded the powerhouse of skills in the upskilling of our workforce. In a study by the Open University, it was found that part-time opportunities are at the forefront of widening access and employability in Wales and that it removes many barriers from those willing to upskill while, at the same time, holding down employment.

As has been mentioned by some in the Chamber today, corporation tax is being reduced in 2018. In light of that, it is vital that we capitalise on its potential benefit by investing in flexible forms of higher education. There is no doubt that this is a game changer for the economy of Northern Ireland, and we can expect to see an increase in the number of companies and businesses looking to Northern Ireland as a potential place to invest. However, there is a cloud that needs to be removed, which is the danger that, without sufficient upskilling of our population, we will not benefit from the level of investment from corporation tax that is expected. Therefore, that is the importance of making sure that we have part-time higher and further education properly resourced. This is a very real concern for the people of Northern Ireland, but I believe that we have time now to address this particular problem.

I think that one of the greatest building blocks in addressing the issue is prioritising the growth of our part-time and higher education. I think that, around the Chamber, we all agreed on that in the debate today, as most people agree that further and higher education part-time must be properly funded and resourced. Minister, I hope that you are getting the message and that you take it away and act upon it. That is why we are calling on you and your Executive colleagues today to give urgent consideration to the motion that is before the House to ensure that we have the proper resources in place to reskill and upskill those on a part-time basis who wish to partake.

As we look at some of the comments from around the Floor today, we see that the Chair of the Committee, in opening the debate, talked about the Open University being the largest provider of part-time and higher education, and, of course, he talked about his personal experience. We had that from two or three Members, who spoke about their personal experience of the Open University. They talked

about how they were able to hold down their job and study on a part-time basis and about how life-changing it can be for people — students and workers — who want to be skilled, reskilled and upskilled to do that on a part-time basis.

He talked, obviously, about the drop in England of 41% and said that we should take note to make sure that the same thing does not happen here. I think it is very important that we take note of what has happened across the water and ensure that we have the right mechanism in place so that the same thing does not happen here, that we are ahead of the game and that we have a proper mechanism in place to stop that happening.

Bronwyn McGahan called on the Executive to invest more in higher education, given its importance to Northern Ireland. She said that there must be a renewed effort in reskilling and upskilling, and she shone the light, obviously, on social mobility in her constituency and on the benefit that there is for mothers and others to avail themselves of part-time reskilling and learning.

Claire Hanna, again, mentioned the lifelong learning journey and the importance of that and of attracting meaningful jobs into Northern Ireland. Of course, that is absolutely right. Whenever we can, on a part-time basis, reskill our people and give them that learning that they need, we have the potential to attract many more important and meaningful jobs into Northern Ireland.

She also spoke of the fears about the impact on fees and loans. As a former student of the Open University, she praised again the work of the university and mentioned that part-time education was for not only the young but all age groups. I think that is the importance of the part-time and higher education sector. It opens up the door for all age groups within the community and the working-age population to avail themselves of it and reskill in the economic climate that we are in so that they can be well enough prepared to get into and move on in the workplace.

Anna Lo spoke of the undergraduate degree that she did part-time while holding down a job. She talked about how that gives people a second chance at education, because someone who perhaps wasted their time when they were young and should have done it is given the opportunity to learn and to upskill themselves. Those with caring responsibilities are able to avail themselves of courses to suit their circumstances. By studying part-time, students are also able to apply a lot of their learning to

the workplace. That is an important point. When someone is studying part-time, they are able, on a hands-on basis, to apply that to their workplace. That is one of the important issues about part-time learning. She also said that we must do all that we can to enable fairer access to the higher education system and that part-time education will play an important role in the future of the workplace. Again, I think that we all agree with that.

4.45 pm

I missed the first part of Phil Flanagan's speech, but he talked about giving people a second chance at education and said that there should be options for everyone to improve their employability. There should be that opportunity; the opportunity should exist across the board so that options are open for everyone to improve their employability skills. He commended the South West College, at which one can now commence and complete undergraduate degrees. Of course, being from the south-west, I have to mention the South West College and the excellent work that it is doing. We look to the Minister to ensure that that continues.

Phil Flanagan also spoke about the problem of learning online. In rural areas many people do not have sufficient broadband speed. That is such an important issue if we want to continue to provide part-time education. He also said that we should make sure that we had adequate investment in HE and FE. That is another very important matter.

The Minister outlined the benefits of part-time study and why it has been included in his apprenticeship strategy. He outlined his aim of continuing to encourage uptake, and, of course, that is to be welcomed. We need to continue to encourage the uptake of part-time education. He also drew attention to the low cost of part-time study in comparison with full-time education. I know, from my work in Committee and from the times that he has appeared before the Committee, that the Minister is committed to this cause. I have to give credit again where it is due, and I ask the Minister to continue to press that matter with his Executive colleagues.

I am sure that everyone will agree that it has been a useful and positive debate on an important issue. Once again, I thank Members and the Minister for their contributions. I support the motion.

Question put and agreed to.

Resolved:

That this Assembly acknowledges the power of part-time higher education in Northern Ireland to contribute to economic growth, to boost productivity and to increase social mobility; recognises that it enables citizens to fit their studies around their employment and caring responsibilities, apply their knowledge to the workplace immediately, and to upskill and reskill to meet the skills needs of employers in key growth areas; and calls on the Minister for Employment and Learning, and his Executive colleagues, to prioritise the growth of part-time higher education in Northern Ireland.

Business Crime Report

Mr Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 10 minutes to propose the motion and 10 minutes to make a winding-up speech. All other Members who are called to speak will have five minutes.

Mr Ross (The Chairperson of the Committee for Justice): I beg to move

That this Assembly notes the report of the Committee for Justice's business crime stakeholder event [NIA 283/11-16]; and calls on the Minister of Justice to work with the Chief Constable of the PSNI to address the issues highlighted in the report in a comprehensive and speedy manner.

On behalf of the Committee, I am pleased to bring the report on the Committee's business crime stakeholder event to the Floor for debate. Over the past year, we have tried to play a constructive role in the criminal justice sector by looking for ways of identifying opportunities for reform, exploring innovative policy ideas and highlighting areas of concern, and I hope that the Minister will acknowledge that. That is precisely why we held our event on business crime.

Our focused round-table event was held in response to an approach from several stakeholders who had initially asked us to hold an inquiry into business crime in Northern Ireland. Members will appreciate and the Committee was very aware that that is often a very time-consuming thing to do. However, we did not want to ignore the issue, so, instead of holding a full inquiry, we decided to do a short, focused report and have a stakeholder event. It was a format that worked particularly well and

one that the Committee could use again in the future to highlight particular issues of interest.

At the stakeholder event, many stakeholders expressed their disappointment that business crime was not included as part of the policing plan for 2015-16. Therefore, they welcomed the opportunity to discuss key issues relating to business crime and identified the actions that could be taken to address some of the particular issues. The event facilitated input from key organisations and dialogue between the PSNI, legislators and those key stakeholders. We had representatives from the following organisations: the Federation of Small Businesses (FSB); the Northern Ireland Independent Retail Trade Association (NIIRTA); the Northern Ireland Retail Consortium (NIRC); Pubs of Ulster, which is now Hospitality Ulster; Retailers Against Crime; and the Police Service of Northern Ireland. A subsequent written submission was received from the National Federation of Retail Newsagents (NFRN). All the information from the event and the report is available for Members on the Committee website.

A number of issues were raised during the event, including the challenge of identifying what business crime is, given that it can cover everything from shoplifting in a corner shop to ATM robberies, fraud to online crime, tiger kidnapping to theft of livestock. A number of common themes were raised by virtually all the stakeholders during the event, including a lack of confidence in policing and justice in relation to retail and business crime, which they argued was reflected in the high level of under-reporting of such crime, the need to strengthen and develop partnerships between relevant statutory agencies and stakeholder organisations, although there was a variance of views on what that should look like.

They highlighted the disparities in the definition of business crime and the poor quality of data collection, which has meant that it is difficult to measure the impact of retail and business crime. They highlighted the growth of organised crime and the challenge of criminals who operate across borders. Again, during our event and other events that I have attended, there seems to be a prevalence of gangs who will come over from Great Britain or even eastern Europe and concentrate on a number of stores over three or four days before returning home again. That seems to be particularly the case with supermarkets. Retailers Against Crime held an event at Belfast City Hall, at which they highlighted this as a growing problem and highlighted some of their

efforts to share information between stores to combat that.

During our event, there was also comment on the increasing impact and significant under-reporting of cybercrime, including business fraud. This is a particular issue because some of the larger companies are fearful of reporting cybercrime as they are fearful that their consumers will lose confidence in their ability to keep information safe and operate in the online world. So, how we get accurate information about the level of cybercrime is a real issue.

It is not just the big companies that suffer; small businesses suffer from cybercrime as well. That point was made by the FSB. At other events that I attended that Ulster Bank held not so long ago in Lisburn, a number of small businesses there had also been targeted by cyber criminals. So, it is impacting large and small businesses.

There was also comment from the hospitality sector and Pubs of Ulster, which is now Hospitality Ulster. They talked about some of the illegal activities around selling alcohol. Members will be aware that there is a huge cost to getting a liquor licence in Northern Ireland, and there are limited numbers of them. Many people are opening up restaurants and getting restaurant licences, and they are handing over a free bowl of chips and are, therefore, able to sell alcohol until all hours of the morning. This is a particular issue and one that, at constituency level, I have been made aware of. It is something that the police need to look at and ensure that those who spend the time and money on getting a liquor licence are not at a disadvantage against those who flout the law.

The final issue raised was around rural crime. Some of us think principally of machinery theft as being rural crime, but there is also the theft of livestock, which is on the increase. So, various members of the Committee will raise those issues during the debate today and perhaps concentrate on different sections of our report.

I want to touch on cybercrime in particular. It is an issue that the Committee has looked at several times over the last 12 months. Not only did we discuss it during our stakeholder event, it was raised at a number of the innovation seminars as being one of those issues that the legal profession is, perhaps, struggling to keep pace with and the new challenges it presents. It was also a theme of the conference that the Committee held in W5 a few months ago on social media, cybercrime and the legal response to it. We were thrilled to have

Europol, the PSNI and the Lord Chief Justice there to highlight some of the legal responses to it.

Overall statistics will continually point to the fact that crime is on the decrease. However, cybercrime is on the increase. Perhaps crime is shifting from the real world to the online world. That is something that we have to be cognisant of. A number of media reports in recent months have highlighted the level of cybercrime across the United Kingdom. Of course, it is having a big impact, but perhaps we do not quite understand how big an issue it is because, unless the target is one of the big companies that is worth millions of pounds, it is not reported in the same way.

It is a growing problem and is a definition that covers a wide range of illegal activity. It covers anything from fraudulent emails that have malware or spyware attached to them, informing you that you have won the pools in some far-off country or that you have the opportunity to invest in some sort of business scheme, to identity theft or online use of your credit card details as well as more sophisticated crime, such as cyberattacks, terrorist communications or the sharing of illegal images on the darknet. It is one of those areas that we are struggling to fully understand and that the legal profession is struggling to keep up with.

Grant Thornton reported back in November that cybercrime costs the economy in Northern Ireland somewhere in the region of £100 million a year, so it is a significant pressure on small businesses. The FSB has indicated that its research estimates that the average cost to small businesses of fraud and online crime was in and around £4,000 a year.

The police believe that the vast majority of cybercrime is not reported at all. Therefore, it is difficult to obtain an accurate picture. Again, I put it to Members that, if you were walking down the street and somebody attempted to steal your wallet or handbag, you would not think twice about reporting it to the police. However, if you received an email that had malware attached to it or that was looking to defraud you out of money by offering you a fraudulent investment, you would not report it to the police. People do not report it to the police. There is a difference between real world crime and online crime, and perhaps people do not take cybercrime as seriously as they should.

As I mentioned earlier, some smaller companies are afraid to trade online because they are not fully up to speed with the safety software that they require, and larger firms are

being attacked on an almost daily basis, including our banks and larger institutions. There is a real challenge for law enforcement in trying to identify cybercriminals, locating where the attacks are coming from and getting other law enforcement agencies from across the world to cooperate with them to find those responsible and bring them to justice. There are legal challenges from operating in a borderless world. That leads to the greater debate, which is taking place at Westminster, on getting the balance right between our need to police the internet and our right to online privacy.

I mentioned that other members of the Committee will raise other areas of our report. It is important that, when you raise an issue like this, you want to see results. The Committee made a number of recommendations, including the development of a business crime strategy, improved strategic partnership, working together with a partnership forum and a dedicated assistant chief constable for business crime to provide ongoing engagement with key stakeholders. We also asked for the adoption and use of an agreed definition of "business crime" to provide for improved and consistent data collection and analysis regarding scale and impact.

I am glad that both the Department of Justice and the Police Service of Northern Ireland have responded to our report and that we have seen progress in meeting most, if not all, of our recommendations. That shows the importance of the Committee meeting with stakeholders and highlighting issues of importance, such as business crime. It also shows that, when we focus our work on that, we can get results. I commend the report to the House.

Ms McGahan: Go raibh maith agat, a Cheann Comhairle. Thank you for the opportunity to address this important report and support the call on the Minister of Justice to work with the Chief Constable to address the issues highlighted in the report in a comprehensive and speedy way.

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

I want to major on rural crime, which is covered in the report and is an issue that I have been highlighting over the past number of years, given its prevalence in the south Tyrone part of my constituency. There is no let-up in the number of crimes being perpetuated against the local farming community. I come from a farming family myself, and this situation deeply concerns me. The figures for the first three

months of this year show that, in my constituency in south Tyrone, £140,000 of livestock and farm machinery have been stolen.

These figures, however, do not include the theft of vehicles or other property that is not connected directly to farming. That could run into hundreds of thousands of pounds.

5.00 pm

It is deeply concerning that these crimes are going virtually undetected, despite the PSNI reportedly having set up a dedicated farm crime unit nearly two years ago. I am concerned that, unless we put more resources into tackling crime against farmers, the amount of cattle-rustling and theft of expensive machinery will continue to rise. The Minister of Justice and the Chief Constable need to inform us of what they plan to do in the absence of the PSNI's rural crime unit, which had a very brief existence. They need to inform us of what resources and level of police operational capacity are being given to address this issue and of what can be done to increase their effectiveness and create a deterrent to the criminals who, at the moment, believe that they can operate with impunity.

If this rate of crime were being perpetrated against some of our biggest financial institutions or commercial businesses, more attention would be given to tackling it. We need to shine a spotlight on rural crime and, in particular, theft from our small family farms. Policing operations on the prevention of rural crime need to be enhanced. The staffing complement that the rural crime unit was given was insufficient. No stone must be left unturned in our fight against rural crime. Farm families in south Tyrone and elsewhere have enough everyday business dilemmas to face without needing to deal with heavy financial losses due to rural crimes and farm thefts.

The level of rural crime in the North of Ireland rose by 15% in 2014, according to a survey conducted by the National Farmers' Union. The other costs of business were recently outlined by Wilfred Mitchell of the Federation of Small Businesses. The cost of rural crime remains the highest. The National Farmers' Union estimated that, last year, its cost to the local economy was £3.9 million, which is up from £3.4 million in 2012. As agribusiness is a major contributor to our economy, we need to take seriously and put in place plans to deal with the serious problem of rural crime. Mr Mitchell also informed us that the FSB analysis of rural and urban businesses revealed that urban businesses are more likely to report crime than

rural businesses, with 47% of urban businesses reporting crime compared with 40.5% of rural businesses. Very recently, I spoke to a farmer who had sheep stolen. I asked him whether he reported it and he said, "What's the point? They can't do anything. They can't tackle the problem." We need to break down that mentality. We need evidence that the PSNI is tackling this crime effectively. The issue of the under-reporting of rural crime, for whatever reason, needs to be explored and dealt with.

Mr Mitchell also mentioned a BBC News report that there had been a 15% increase in rural crime across the North. We were told that this figure is growing as organised criminal gangs are securing greater profit from livestock than the distribution and sale of illegal drugs. The effects of rural crime in agribusinesses have severe implications, emotional and financial, for farm families, who are the backbone of our rural economy. This is due to the fact that most agribusinesses are home-based. The crime has a significant impact on their homes and families as well as their livelihoods.

I call on the Minister of Justice and the Chief Constable to speedily and effectively deal with all the issues raised in the report, while giving serious attention to the growing problem of rural crime.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. I speak in this debate wearing a number of hats. I speak not only as an SDLP member of the Justice Committee but as Chair of the Committee for Enterprise, Trade and Investment. I must begin my remarks by mentioning an issue that was raised during the event by each and every one of the stakeholders, namely the fact that business crime is not a victimless crime.

We all know the level of SMEs in the North. It is easy to see how they have been affected by the economic downturn. You need only walk along the main street of any town to see the number of empty properties and shops. During the engagement, we were told that one in six shops in our town centres lay empty, and that is easy to believe. The Northern Ireland Retail Consortium said that the cost of crime to the UK retail sector is £603 million, which is the equivalent of over 40,000 entry-level retail jobs. The criminals may think that they are targeting big businesses, but that is simply not the case. The consequential effects are on their neighbours and friends.

One of the major issues that appeared from this report was that of fraud. The Chair mentioned cybercrime. Cybercrime and fraud are huge

issues for business. We have been told that there is a lack of understanding of how prevalent that type of crime is. At a basic level, we all get the phone calls, every day, from someone who is looking for details about our date of birth, mother's maiden name and those sorts of things, and we get emails. That is it happening in its basic form, but there are some very sophisticated criminals. A good friend of mine who is in business saw how they operated when they cleaned someone's credit card, unbeknownst to that person until the statement came. It was a very, very sophisticated crime, which wound up on the streets of England. It is very prevalent.

The majority of cybercrime is not being reported, so it is difficult to see a clear picture or to get a clear figure for it. We were told that the annual cost of fraud and online crime is very substantial. Many businesses just cannot afford it. The report echoes the comments made on the issue that, due to businesses being required to develop e-commerce opportunities to survive, they are more at risk of fraud and, potentially, more vulnerable. The PSNI estimated the cost of fraud in the UK at £38.4 billion a year. Northern Ireland is no different for fraud potential, albeit the value is probably much less. Like retail crime, fraud is not a victimless crime. Many people who have been targeted personally by fraudsters get any money refunded by their banks and, as such, believe that fraud is a victimless crime. That is not the case; someone has to pay for it.

During our session, the Northern Ireland Retail Consortium said that cybercrime and fraud are huge issues. They said that we need:

"an effective action-fraud reporting system in place, including the development of a fit-for-purpose fraud reporting tool".

Also of great concern to us is where the money stolen in fraudulent activity goes to. It is normally used to fund serious crimes, such as drug dealing, people trafficking and money laundering. Fraud can come from outside and from within any business, and there are many ways in which a business could be targeted, through telegraphic transfer, collusive employees and cold-calling, which I referred to earlier.

In conclusion, I reiterate what has become apparent through this process: retail and business crime is not victimless; it is costing people jobs and their livelihoods, and it is costing Northern Ireland businesses. If we think about where the money goes, we see that

it is costing us a lot more in criminal activity. There are victims of the crime.

Mr Kennedy: I welcome the opportunity to participate in the debate, having just joined the Justice Committee in place of Neil Somerville. I know that the House joins me in wishing Neil well.

The debate relates to a stakeholder event by the Justice Committee that was held back in May. I had been very interested to study the report of that meeting and the evidence presented. I know from my constituency of Newry and Armagh that a number of challenges are faced by legitimate businesses as they seek to operate in an environment where they face competition from those who operate outside the law. I am talking mainly about the high incidence of fuel fraud, which, unfortunately, takes place almost on an industrial scale in the border area, but I also have concerns about the spate of ATM thefts and, indeed, rural crime, generally. I will return to those themes.

I have sympathy with the PSNI in that their numbers are often stretched, and they often find it very difficult to acquire the evidence that is required to secure prosecutions and convictions. However, Retailers Against Crime highlighted that the under-reporting of crime was an issue due to a lack of confidence and a perception that retail crime was not treated as seriously as other types of crime. The FSB contended that the under-reporting of crime was particularly evident in relation to rural crime.

I also note with interest that Retailers Against Crime raised concerns that those convicted of retail crimes received inadequate penalties, which served as no deterrent. That is a theme that I have more than a degree of sympathy with. It is absolutely imperative that the courts adopt a policy that involves sentences that act as a punishment and a deterrent. That is the case with regard to fuel fraud, particularly. The cost of fuel fraud to society is already well known. It lines the pockets of criminal gangs, puts legitimate traders out of business, endangers public health through pollution of waterways, affects the local environment and defrauds the public purse of money that could be spent on hospitals, schools and roads. I welcome the addition of the National Crime Agency to those forces ranged against this serious and organised crime. I am confident that they will prove a great support to the police and HMRC as they bid to combat the organised crime gangs who make millions of pounds from this illegal trade.

The FSB stated in May that organised crime groups operating across Northern Ireland and the Republic have been involved in crimes such as cash-in-transit robberies, ATM robberies and rural crime, including the theft of machinery, metal and livestock. Just over four weeks ago, there was a case in my constituency involving an ATM at a petrol station between Bessbrook and Camlough. It was the second such attack in six years on a well-respected family-run business. As the FSB highlighted, that puts up insurance premiums for businesses and can risk the future viability of ATMs in some rural locations.

Every Member who represents a rural constituency will have first-hand experience of tales of rural crime, particularly thefts from farms. A significant number of these takes place in border areas. As with fuel fraud, it is clear that a major part of this involves criminal enterprises operating on a cross-border basis. I welcome the good work that is already ongoing between the PSNI and the gardaí. Clearly the presence of more officers on the ground would be helpful. The enhanced role of the National Crime Agency also offers hope that life will be made more difficult for those criminal gangs that seek to make their living at the expense of the decent law-abiding majority.

I am pleased to note that the police have engaged positively. I look forward to continuing dialogue between business, the police and the Assembly —

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

Mr Kennedy: — as we all seek to reduce business crime.

Mr Dickson: I want to start by thanking the Chairperson of the Committee for facilitating the business crime stakeholder event in May, and particularly the organisations that attended, including FSB, the Independent Retail Trade Association, the Retail Consortium, the police, Pubs of Ulster and Retailers Against Crime.

As others said, the under-reporting of crime amongst businesses was highlighted as a key issue. One of the reasons stated was the low level of confidence in the criminal-justice system. While it is important to understand that those issues contribute to low confidence amongst some, we must also recognise that under-reporting crime will only make the situation worse. If anyone is listening to the debate, they should be encouraged to report even the smallest of crimes that they believe

affect their business. If they do not, they are undermining staff morale and of course ultimately the profitability of their business.

It is, however, also important to note the positivity expressed by those organisations about the work that they do with the statutory agencies, specifically the Department of Justice, the Policing Board and local PCSPs. Perhaps, in future, greater focus on such partnerships with a more specific approach could yield even greater outcomes. Recently, we heard concern about cybercrime, which also featured at the stakeholder event. It has the potential not only to undermine businesses' finance but also their data security, with the much wider concern that that causes to customers. For example, a short time ago, we saw a massive security breach at TalkTalk in which apparently some 160,000 people had elements of data stolen. It is clear that there are people who have the will and the capability to undermine the data-protection systems of businesses, large and small.

I want to speak about small and petty crime. Just over a week ago, there was a theft from a shop in the street outside my office. The help that I at least could provide through my CCTV allowed for the recovery of the goods that were stolen from the shop. Crime is all around us; we should not ignore even the smallest of events. In a world where so much commerce is conducted online, business owners and Government alike must be aware of the challenges that cybercrime poses. We heard from the FSB that the average cost of fraud and online crime to a small business is just under £4,000 per year. That is a real and serious cost to small businesses that many can ill afford.

5.15 pm

There are, however, good things that go on in combating such crime. Earlier this year, I attended a machine-marking event by the PSNI to try to counteract rural fraud. There is a great deal of theft of farm machinery, but great efforts are being made by farmers, the Ulster Farmers' Union, the PSNI and local PCSPs to attempt to combat that. Other Members made reference to the theft of animals. That is most reprehensible, because quite often some of the animals that are stolen end up in illegal food chains, which not only results in a loss for the farmer but is a great danger to the public.

In closing, I thank those who came to convey to the Justice Department the issues that face businesses in Northern Ireland. I think that the number of developments that are taking place to tackle crime can and will support businesses

across Northern Ireland. I have confidence that our Minister has been listening to these issues and that the PSNI, along with other agencies, is out there and is tackling them. It is not all a doom-and-gloom situation, and as hard as criminals may try, there are those who are willing and prepared to stop them.

Mr Frew: I support the motion. I apologise for not being at the stakeholder event when it was run back in May.

I have a lot of sympathy for any retailer or business when it comes to any sort of crime. I think that one of the problems that the PSNI has is that crime can be many things, but so can business. A business could be a farmer trying to hold down cattle, machinery and plant, or it could be a retailer who is trying to keep down the theft of stock. So, this is very wide-ranging and very hard to tackle.

When we look at the figures, should we ask whether we are going to equate the theft of a tractor worth £45,000 or more with the theft of a lipstick, lollipop or something of that nature? Those all go into the statistics as single crimes, although there are two different values. For retailers, however, any loss of stock will have a devastating impact, especially if they are independent traders with only one or two shops. They are the ones who have to get the stock themselves and return a profit on it. It is all relative in that regard.

Whenever the police or PCSPs analyse crime waves — we all have our opinions on PCSPs, and mine is not a very good one — it is clear that it would take only one habitual thief to get out of prison for a short period to create a sharp percentage rise in thefts in any one area. You have to ask, then, whether it is wise to move resources from one aspect of crime to another to fit the needs, because it could well be one or two individuals who are doing it.

I would like to speak about some of the initiatives that have been taken. Whilst I am very down on PCSPs for trying to deal with issues like this, there are instances where businesses have been involved at the core and have helped themselves. You only have to look at organisations like Ballymena Retailers Against Crime (BRAC), which I know is part of a national movement. Along with other partners, including Ballymena Town Centre Development Ltd, the Chamber of Commerce, Mercury Security Management Ltd, PCSPs and the PSNI, BRAC produced a crime-reduction package that contains advice on counterfeit fraud, retail theft, Internet theft, refund fraud, cybercrime and much more. It was the first of

its kind. I know that DOJ used some of it to produce its own retail crime-reduction package, and that document contained an acknowledgement of thanks to Trevor Parker, BRAC's development manager.

Ballymena also had the first business improvement district, whereby businesses pay into a pot and can do whatever they want with it. A very successful advertisement, featuring the Ballymena Bear, came about as a result of the work of the Ballymena business improvement district. I believe that if it feels the need to turn its attention to crime, that may well be a very good vehicle through which it can see real benefits.

Of course, Ballymena has an excellent CCTV system, the largest council-run CCTV system outside Belfast. That has helped with reassurance and has helped to make customers feel safer, and it has helped businesses to organise and defend themselves against retail theft.

In my remaining minute, I want to tackle the issue of under-reporting. How can you blame businesses for under-reporting when they go to the police and the police tell them, "If I were you, I would not push this much further"? When businesses report racketeering that happens not only in our building sites but in our shops, the police say, "Are you sure you want to report this? Are you really sure you want to report this? We won't be able to protect your business in the dead of night".

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

Mr Frew: Those are the issues that we need to get to before we can tackle the real issue of under-reporting, because I believe that our businesses are being let down by the police turning a blind eye to racketeering.

Mr Douglas: I wish Mr Kennedy well on joining the Justice Committee. Welcome to it, and I wish him the very best.

I am pleased to speak on this report into business crime, and I thank the Chair for his presentation. I want to highlight some of the problems associated with illegal trading. First, I declare an interest in that my son runs a pub in Belfast, and I am also an honorary member of Harland and Wolff Welders social club. I will not be talking about that; we will talk about social clubs later.

I begin by thanking Hospitality Ulster, which attended some of our business seminars and

also provided me with up-to-date statistics. There has been significant change in the hospitality industry as pubs, hotels and restaurants have evolved and grown in response to changing consumer trends and shifting economic climates. The hospitality industry in Northern Ireland today sustains something like 60,000 jobs. It pays £653 million in wages, and it generates nearly £89 million in tax. It also contributes £1.1 billion annually to the Northern Ireland economy as a whole. I want to put this into context.

It is important to note that, as one of Northern Ireland's largest growth industries, there is a disparity in the models by which the three main business types in the hospitality sector are rated. Public houses have one form of rates, which is based on the turnover of their premises. Hotel business rates are based on a turnover model at a given point in time, similar to public houses, with the addition of an accommodation element to the formula and banding for the star rating of the premises. Business rates for restaurants are based on square footage of the premises, similar to standard retail outlets, with no abatement for food. I am using that as an example because it is a double whammy for people who are paying very high rates and, at the same time, are being punished by illegal trading. Registered clubs typically pay 20% to 25% of what commercial licensed premises pay.

Let me come back to the main point. Illegal trading in Northern Ireland, by which I mean a business operating outside of the terms of its own liquor licence, is a very real problem in the sector. It affects all types of law-abiding premises and can take a number of forms. I will give a couple of examples.

First is a restaurant operating as a pub. A restaurant's licence states that all alcohol purchased must be ancillary to a main, sit-down, table meal and that all alcohol consumed must appear on the bill for that meal. Restaurants that operate outside of this remit take trade away from legitimate pubs, as they can almost always undercut prices due to their lower rates and overheads. It is important to note that they have paid a fraction of the cost to license their premises in the first instance. Illegally trading restaurants are also often able to poach functions from pubs and hotels. Legitimately trading, law-abiding restaurants lose out to businesses that are acting against the law in this manner also, as the illegal restaurant is able to subsidise food and overhead costs with unfairly swollen drink sales.

Hotels that breach the terms of the licence — that is, hotels that sell alcohol after hours to non-residents or their friends — impact negatively on other hotels as they are able to subsidise overheads unfairly with additional sales. It may also be an unfair way to attract trade from other hotels. Pubs that breach the terms of the liquor licence — that is, public houses that sell outside of their permitted hours — unfairly draw competition away from other law-abiding pubs, because the paying public will often choose a venue where they know that they can stay longer at night or get access earlier in the day.

Hospitality Ulster works year round with the PSNI to tackle these issues on behalf of law-abiding business owners. Issues of illegal trade are common and, according to my research, can be found right across the Province. I look forward to the Minister's response, and I hope that the PSNI is listening in.

Mr Ford (The Minister of Justice): I noticed that, in opening the debate, the Chair said that the Committee had tried to be constructive recently. It is a pity that he is not in the Chamber at the moment, because I was going to give the Committee a slight compliment. No doubt there will be some, including somebody who has just arrived on the Committee, who will report that to the Chair. The Committee has been extremely constructive in its work. There has been a strong mood of partnership with the Department, but the Committee has not been frightened to look into a number of areas. I welcome the time, effort and resources that the Committee has devoted to the issue through the stakeholder event that it held before the summer holidays, through ongoing Committee discussions and through discussions with my officials. I also note — this might be taken on board by other Committees if any are represented in the Chamber at the moment — the virtue of not necessarily doing a full inquiry but having a relatively short-term engagement, which has seen significant results in highlighting a key issue. If people read Hansard, they will learn about the benefits of this. I read with interest the report of the Committee's stakeholder engagement event, and, as members will know, I responded to the Chair about some of the proposed actions for the Chief Constable and me. I understand that the Chief Constable has also replied to the Committee.

The motion covers a number of areas, and the Committee has carefully split up its responsibilities to make it much more difficult for the Minister to respond. I have tried to deal with some of the key points, and I have no

doubt that ongoing engagement will cover all of them.

There is no doubt that business crime has a variety of guises. There was a lot of concentration of cybercrime, but there is also fraud, money laundering, counterfeit currency, intellectual property crime, armed robbery, cash-in-transit attacks, shoplifting, theft and criminal damage, all of which deserve to be mentioned. They cannot be tackled by business alone or by the criminal justice system working in isolation. The community safety strategy, which my Department leads on, recognises this simple fact: partnership working is essential if we are to reach sustainable solutions and to develop them to benefit our community. At a strategic level, that involves working with representatives from the business community and from law enforcement bodies through a range of delivery groups, including the cybercrime industry group, the intellectual property crime group, the armed robbery group and the retail and rural crime groups. I should emphasise that all those groups, which are perhaps unfortunately named, are anti those crimes rather than being groups that bring criminals together.

At a local level, the PCSPs engage with communities in different parts of Northern Ireland to address their issues of concern to ensure that, when appropriate, business crime, alongside others, is taken into account as they shape local action plans for the PCSPs. As members of the Justice Committee will know, I report each year on the work that has been taken forward to deliver on the actions in the business and rural crime action plan and the other strands of the community safety strategy. The next scheduled update is in March next year.

5.30 pm

I want to cover some of the work that has recently been taken forward to highlight some of those points. Work that has been taken forward by the Department, the police and our other delivery partners in the current financial year includes a number of issues relating to retail crime. The DOJ has assisted with the production and distribution of a retail crime reduction guide outlining a range of crime prevention advice for retailers. My Department supported the delivery of the Retailers Against Crime conference, attended by over 150 delegates, which aimed to reduce the opportunity for criminal activity through front-line education. The DOJ supported the roll-out of the PSNI Safe Shops scheme, which provides practical training for staff in retail

outlets to prevent shoplifting. The PSNI has established a text alert system and a dedicated email address to facilitate the two-way flow of information with representatives of the business community. The PSNI has also reviewed its 'Business Crime Good Practice Guide' to ensure consistency of approach to service delivery across the organisation. Police officers are rolling out a PSNI business crime reduction risk self-assessment to assist businesses in determining what preventative measures they should consider to deter crime.

Initiatives specific to the rural business community have also been taken. Assets recovery community scheme funding has been provided to the Newry, Mourne and Down PCSP to pilot a freeze-branding initiative for cattle. Funding has been provided to the Mid Ulster PCSP to develop a rural crime DVD. My Department is also in the process of developing and funding a pilot forensic marking scheme in conjunction with the Armagh City, Banbridge and Craigavon PCSP to deter the theft of farm equipment. We have seen the benefits of the tracker system subsidised by the DOJ, and this is an attempt to see what more can be done in that area. We continue to work with DARD and representatives of the rural business community to ensure that we keep abreast of technologies that may assist in tackling livestock crime.

Ms McGahan talked a lot about the specific area of rural crime and referred to the rural crime unit being stood down. It is certainly the case that the data analyst was employed for only a short term, but my understanding is that the PSNI's statistics branch has now mainstreamed that work. It is important to ensure that rural crimes are correctly defined. Not that long ago, any crime that happened in the PSNI's former urban region was categorised as urban, even if it occurred in a rural area, and crimes that occurred in major towns in the rural region were categorised as rural. We are a lot sharper on those statistics now, which enables us to look at the way forward.

Mrs D Kelly: Will the Minister give way?

Mr Ford: I will give way.

Mrs D Kelly: I am sure that the Minister will join me in welcoming the fact that the review of the policing plan set rural crime targets. In the roll-out of the next policing plan to 2017 there will be an opportunity to include further targets, and all MLAs ought to turn their attention to that.

Mr Ford: I am happy to accept that intervention, and I am sure that members of the

Committee will be pleased to know that they have such an effect on the Policing Board, as well as on the Department.

One point that came through from Ms McGahan's contribution was on reporting, which also featured in other comments. There is no doubt that, if crime is not reported, the resources to fight it are not put in place. She also talked about increasing crime rates. The reality is that, according to the figures for crimes that have been reported — I put in that caveat earlier — burglary, robbery and theft directed against agricultural interests have been on a downward trend, resulting in a reduction of one third in reported crimes since 2010-11. That is a significant decrease. When Members talk about increases, they need to ensure that reporting is carried through accurately.

Another issue is livestock crime, and it was Mr Dickson who highlighted the public health issues that arise when meat enters the food chain improperly and illegally. That is a significant potential threat, and the theft of livestock can have the same devastating effect on farm families as the theft of machinery.

The Organised Crime Task Force has existed for a number of years and has a wider role. It is a multi-agency partnership aimed at tackling organised crime in Northern Ireland, and it has subgroups relevant to business and rural crime. I think that Mr Kennedy referred to the National Crime Agency: it has been part of the OCTF since it became operational in Northern Ireland.

I would like to highlight some of the work that is being done. Cybercrime, as Mr Ross said in the opening contribution, is a major and growing problem for all sectors. The OCTF now has an enforcement group and an industry engagement group looking at the issue, and the PSNI has been working with local businesses on protection against cybercrime, both to stop it happening in the first place and to best deal with it when it occurs. Among other initiatives, the PSNI now has a cyber-reporting portal for non-emergency incidents, which is another means of assisting reporting.

There is no doubt that cybercrime is being taken more seriously. As we look to the future, and as I have said here before, the fact is that anything that can be done by way of criminal activity can now be done in cyberspace as well.

Cybercrime is a key focus for the OCTF, but there are other, more traditional activities that are also a key focus. The intellectual property crime group is addressing issues such as counterfeiting and that form of fraud. The

armed robbery group is considering strategies to stop violent thefts directed at businesses. Fuel fraud got a mention from Mr Kennedy in particular. The OCTF's fuel fraud group deals with an issue that, in addition to the loss of government revenue, negatively impacts on legitimate fuel retailers and the rural environment.

Although there have been references made to increasing crime, and I also note the references made to sentencing policy, the good news is that the new fuel marker introduced in the spring of this year appears to be leading to a very significant reduction in fuel fraud, but we will need to consider the full statistics over a longer period to see exactly how that comes through. Another group is the criminal finance group, which is looking at issues such as credit card fraud and money laundering, which, again, impact on all businesses.

I will now look at the themes that emerged from the Justice Committee's stakeholder event. A number of distinct themes merit attention: confidence in policing and the justice system; a strategic partnership approach to tackling the issues; the evidence of organised criminal activity; rural crime; cybercrime and fraud, especially some specific issues around licensing; and the role of PCSPs in tackling local business crime.

Let me highlight two of them in particular. A number of Members talked about having confidence in the system and there is absolutely no doubt that people need to have confidence to report all crimes. However, if resources are to be allocated to where those crimes are, it is important that people be encouraged to report them, whether or not they think that anything will happen in the immediate circumstances. That will ensure that there is a proper reporting of criminal activity and a proper balance struck to ensure that resources are allocated appropriately.

On the specific licensing and fraud issue that Mr Douglas highlighted, there is no doubt that those kinds of breaches of rules do major damage to legitimate businesses, and it is not just alcohol issues, as he highlighted, but things such as transport companies — coach hire, and so on — which I had a discussion on last week. There is an issue with ensuring that legitimate businesses are not damaged by a bending of the rules.

When the Committee wrote to the Chief Constable and me, it asked for a response on three specific actions: first, the development of a business crime strategy or plan; secondly,

improved strategic partnership working through either a partnership forum or a dedicated assistant chief constable for business crime; and, thirdly, the adoption and use of an agreed definition of "business crime" to provide for improved and consistent data collection and analysis of scale and impact.

As was noted in my response to the Chair of the Committee, given my Department's commitment to partnership working, I said that, in the first instance, I will provide partners on our respective delivery groups with an opportunity to consider the Committee report. That consultation is ongoing. I note, for example, references to good work being done with Retailers Against Crime, as well as Mr Frew's inevitable ability to make it very localised by talking about BRAC. Good work is being done in more than just Ballymena. My officials have met representatives from the PSNI and the Policing Board to discuss how best to deal with those specific actions in a comprehensive and efficient manner. It has been agreed that my Department will convene a workshop with the business community to explore the issues raised in the report, with a specific focus being placed on the need for a dedicated business crime strategy or plan for Northern Ireland.

As Members will know, the business community's interests are already represented at a strategic level in the community safety strategy and through the OCTF's work. I have asked my officials to discuss through the workshop what the business community expects from a dedicated strategy. Many of the themes addressed in the community safety strategy are interrelated, and it may be considered a more strategic response to have a single framework to pull them all together, as the community safety strategy currently does. That is what we will be seeking to tease out through that further engagement.

I understand that the Committee has already been advised that Assistant Chief Constable Chris Noble has been appointed lead PSNI officer for business crime and that the PSNI is taking forward work on an agreed definition of "business crime".

In the short term, I hope that the proposed workshop will provide a platform to have an open and constructive discussion on future prioritisation of resources, building on the work that has been taken forward to date. There is no doubt that, at a time of limited resources, we need to ensure that they are well used. The arrangements for the workshop are being developed and will be communicated further in the coming weeks. In tandem with the

workshop, the OCTF is reviewing its overarching strategy document and will shortly commence work on the community safety strategy beyond 2017. This report will undoubtedly help in that.

In conclusion, as I have mentioned already, partnership working is key to success. We all have a role in developing meaningful engagement to ensure greater collaboration between the wider justice agencies and the business community. In the presence of the Chair, I thank the Committee for its work on this issue and for its positive engagement generally. I am sure that Committee members will wish to join me in assuring the public that we will all play our part in continuing to work together to tackle business crime. I am happy to give the Committee and the House the assurances that they have requested that my Department will continue to work with the PSNI to address the issues highlighted in the report in a comprehensive and speedy manner.

Mr McCartney (The Deputy Chairperson of the Committee for Justice): Go raibh maith agat, a LeasCheann Comhairle. Obviously, this is an important and busy time of the year for our retailers and businesses, and the Committee's motion today, focusing on business crime, is timely and relevant. I suppose that it would be remiss of me not to mention and acknowledge the fact that many businesses, rural families and farming communities have been affected today by the adverse weather conditions.

I thank the Minister for responding to the debate. I also add my thanks to those who participated in the stakeholder event and provided written evidence, as outlined by the Chair. The Minister highlighted the need for partnership working and outlined some of the issues that will be taken forward by the Department and the PSNI, and that is to be welcomed.

The Committee event provided a very useful forum to enable the key stakeholders and the PSNI to engage with each other and the Committee on business crime, to discuss the key issues and to identify actions to deal with them. It also dispelled the myth that retail and business crime is victimless. It is not — it impacts on all of us. That was a common theme in many of the contributions today.

Following the event, the Committee wrote to the Minister and the PSNI, and I am pleased to say that both have taken on board the areas for suggested action and are proactively making improvements; indeed, the Minister outlined some of those today. One example is the

indication from the director of Retailers Against Crime at its recent conference that partnership working with the police has improved in recent times, and that should be acknowledged.

Members covered a range of issues, and I will turn to those shortly. I just want to acknowledge — I think that the Minister said this — the methodology for the report. Although it was not an inquiry, it was a very focused and timely piece of work, and it delivered well. The issues that came to the fore were well pointed up, and the business community said that they were very obvious issues for it. In his opening remarks, the Chair outlined that the Committee wanted to play a constructive and advisory role in these types of issues, and I think that the Minister, in the absence of the Chair, accepted that the Committee did that. The role of the Chair, in particular, in these types of initiatives is also to be commended.

On the report, I would like to highlight the views expressed by the stakeholders regarding the disparities in the definition of what constitutes business crime and the recording of such crimes, which leads to difficulties in measuring its extent and impact. That was a common theme among many of the people who attended; indeed, it has been highlighted today by a number of Members. It is important to have a consistent and accurate recording system so that the extent and nature of business crime is identified, as that will assist the police in targeting resources to deal with it. I, therefore, welcome the fact that the PSNI is considering how to apply the definition of "business crime" that was agreed by the National Police Chiefs' Council in mid-2015, which appears to be very comprehensive and covers any criminal offence committed against a person or property that is associated with the connection of that person or property to a business.

5.45 pm

I want to do a couple of headlines on the issues that Members raised. The Chair outlined the process but focused on cybercrime. He referred to the seminar at W5, which I think we all found very informative. It showed us, even beyond business crime, how the Internet can be used for other forms of crime.

Bronwyn McGahan focused on rural crime and gave the startling figure of £140,000 of theft in three months in her constituency. That is no doubt related to the detection rate, perhaps to the prioritisation of that crime and to how the farming community sometimes — I am not

saying that it does not see it as a crime — nearly sees it as something that it can write off and not report. The Minister said that that would be very important as we go forward.

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

Patsy McGlone made two very telling points. The first was that this cannot be defined or assessed on monetary cost alone and that the cost to jobs must be considered because the more money that is lost, the more impact there will be on small businesses in particular. Secondly, he said that fraud is sometimes not seen as affecting businesses, and I think that it is very important that he highlighted that.

Danny Kennedy made a contribution, and I want to acknowledge what he said about Neil Somerville and wishing him well. I think that that would go for everybody, not just those on the Committee but, I am sure, the Assembly as a whole. He highlighted the issues in his constituency of Newry and Armagh, such as fuel laundering and ATM robberies. He said that some of the crimes are not reported and that, if a crime is not reported, it is perhaps not treated as seriously as it should be. He also talked about sentencing practices, which is an issue that has been brought before the Committee.

Stewart Dickson again talked about the need for people to report crimes, as there is an acceptance that people sometimes do not report and that it has an impact. He outlined correctly the positive work that has been carried out by the PSNI, the Department and, in particular, the PCSPs, in trying to improve outcomes, particularly by getting people to report. With reporting, there should be detection. He outlined the cost to small businesses and said that a £1,000 theft can be a massive amount of money if you are running a very small business.

Paul Frew highlighted the definition of business crime and the impact of theft on small, independent businesses. He highlighted a number of initiatives in his area whereby traders feel that they are taking the initiative on ensuring that crime is reported and that they are seen to be doing something about it. That assists the PSNI in its efforts.

Sammy Douglas focused on the hospitality industry and described it as one of the largest employers in the North that creates a large number of jobs. His focus is sometimes on the difference between licences and how they can be abused or circumvented or circumnavigated,

for want of better words, and how that has an impact, particularly on those who pay the higher fee for licences and undermines their trade.

The Minister talked about the three issues that were raised to the Committee; he gave a very detailed response, and that is to be welcomed. The fact that Assistant Chief Constable Noble has been put in as the head will give some confidence to the business community. Hopefully, we can build on that. He also talked about the need for reporting and the role of the PCSPs in ensuring confidence because the two can go hand in hand.

Partnership has been an important theme during our discussion, and the Committee encourages the PSNI, business and retail stakeholders, the councils and the policing and community safety partnerships to work together to develop and implement local and strategic solutions to tackle all forms of business crime. The Committee will continue its work to monitor the implementation of the suggested actions to ensure that tackling retail and business crime continues to be a priority. We want again to thank the Minister for his response, Members for their contributions, and the stakeholders and those who attended and took the time to provide evidence and have taken a keen interest in this.

I hope that they see this report and our work in some way or measure as an acknowledgement of the great work and the great evidence that they provided to us. On behalf of the Committee, I commend the motion to the Assembly.

Question put and agreed to.

Resolved:

That this Assembly notes the report of the Committee for Justice's business crime stakeholder event [NIA 283/11-16]; and calls on the Minister of Justice to work with the Chief Constable of the PSNI to address the issues highlighted in the report in a comprehensive and speedy manner.

Private Members' Business

Licensing Bill: Second Stage

Mrs Cochrane: I beg to move

That the Second Stage of the Licensing Bill [NIA Bill 69/11-16] be agreed.

I welcome the opportunity to move this stage of the Bill this evening. Its proposal lies with the investment by the Executive in our national and regional stadia, namely the Kingspan Stadium at Ravenhill, Casement Park and the national football stadium at Windsor Park, as well as in the dissatisfaction with current arrangements permitting the sale and consumption of alcohol.

A significant sum of public money has been invested in upgrading those stadia, and they have been or are being developed in such a way that means that they are versatile in their use and will be fully equipped to host sporting, education, business, tourism and leisure events. Licensing at the stadia has been raised with many Members by a number of organisations and through a variety of channels.

Hospitality Ulster has been very vocal in stating the need for Northern Ireland to modernise its liquor licensing laws to reflect the needs of modern times and underpin ambitious plans to grow the tourism and hospitality sectors. They believe that our national stadia play an important role in our society and provide important venues for sport and major events that support the growth of our tourism sector.

The Committee for Culture, Arts and Leisure recently held a meeting at the newly refurbished Kingspan Stadium. It understands the current licensing restrictions and welcomes the Bill in addressing the issue. The all-party group on rugby, of which I am a member, discussed the issue at meetings over the past number of months and is supportive of a change in the legislation. Members of the IFA and GAA have set out why they would be supportive of the opportunity to apply for a licence at their stadia of regional or national importance.

Members will know that the legislation regulating the sale and consumption of intoxicating liquor is in the Licensing (Northern Ireland) Order 1996. There has been very little change to that legislation over the past 19 years. However, the hospitality industry has seen considerable change in consumer behaviour and demand. Furthermore, the £110 million redevelopment of our major sports stadia to become state-of-the-art facilities was not anticipated when the Licensing Order of 1996 was introduced. As such, an application for a liquor licence cannot be made for such premises.

Members might be aware that the building of the SSE Arena, formerly the Odyssey Arena, in Belfast triggered consideration of the need to amend the principal order in 2002. At that time,

indoor arenas were a new facility for Northern Ireland, and they had also not been envisaged when the original licensing legislation was formulated. Therefore, they were not listed as a type of premises that could hold a licence. The issue was addressed by the Licensing (Indoor Arenas) (Northern Ireland) Order 2004, and had that Order been for indoor and outdoor arenas, I imagine I would not be standing here in front of you today.

As that was not the case, our current stadia cannot apply for a full licence. The first of our three stadia of national importance to have completed its redevelopment, known as Kingspan, still has to rely on occasional licences to allow the sale and consumption of alcohol on the premises. To obtain an occasional licence, an existing licensee, which is usually a catering company, must apply to the courts for every single match, with decisions granted often very close to the time of the event. Under that occasional licence, young people, even when there is a children's certificate in place, must be away from the licensed areas of the premises by 9.00 pm, which is often earlier than the end of a sporting event. If any of you were at Kingspan a number of weeks ago in the wind, rain and hail, you would know that it is a very interesting conversation to have with parents to tell them that their children must stand outside whilst those parents can go inside to a bit of shelter, due to the demarcation of the licensed parts.

The Bill, therefore, would allow the stadia to apply for a full licence, and it would also relax the restrictions on the presence of young people in the licensed areas, putting our outdoor stadia on the same operational footing as an indoor arena in Belfast, meaning that they could deliver family entertainment in a controlled environment.

Because of the precedent that had already been set by the 2004 Order, I was able to progress a very specific consultation process. Essentially, I set out a number of options and then explained the proposal, along with details of exactly how the 1996 Order would be amended. That was to keep the consultation focused and try to achieve a specific task, rather than open up the whole debate on licensing, which has been consulted on recently by the Department.

In developing the legislation, I considered the following options. The first option is to do nothing. The second is to amend the legislation to add:

"stadium of regional or national importance",

to the definition of "Places of public entertainment". The third is to amend the licensing legislation to allow stadia of regional or national importance to be categories of premises which can obtain a licence. The fourth is to amend liquor licensing legislation as per the third option but to include amendments to remove some of the existing rules for access by children in order to recognise the unique family entertainment offered at those stadia. The fifth option is to do nothing, pending a review of liquor licensing legislation.

I made a proposal of the fourth option. It has similar costs and savings to some of the other options, but the additional freedom in relation to the presence of children would have certain benefits in that no applications would have to be made consistently for children's certificates and children or young people in the stadium, when accompanied by an adult, can remain in the licensed parts of the premises until later in the evening. That is particularly useful if a match has a later kick-off time, for example. The additional benefits of this option would be for the stadium to operate in line with its full business model and be able to bid for, and host, international sporting events. Also, maintaining and creating a family, controlled environment, without restrictions on permitted hours, could provide significant revenue to the venues and the economy as a whole through the hosting of such events and by maximising their potential.

I carried out a five-week consultation on the policies behind the Bill and the intended wording. I received 276 responses by the deadline, and a few more came in after it. Of those that came in on time, over 95% supported the introduction of the Bill, and a proportion of them recorded that they felt the Bill should go further and I should try to amend more of the licensing law.

In order to ensure that a wide variety of views were represented in the consultation, I directly approached a wide range of stakeholders who had previously responded to the liquor licensing consultation that had been carried out by the Department for Social Development. Among those in support of the proposals were, probably not surprisingly, the GAA, which was very supportive and said that it believed that the new Bill will be a very positive development which would assist it in the organisation of games and enhance the economic development of both Belfast and Ulster.

The IFA said that it was fully supportive of the proposed changes and stated that current legislation did not reflect the reality of the

situation it faced today and, in consideration of the three main stadia, their capacity to draw large crowds and add to the economic welfare of Belfast and Northern Ireland, the ability of those venues also to participate in the controlled sale of alcohol as an added facility would be greatly beneficial to their management and development.

Ulster Rugby, too, offered its full support, echoing the sentiments of the GAA and IFA and warned of the potential consequences of maintaining the status quo, which could leave Northern Ireland unable to host some major future sporting events, such as the 2017 Women's Rugby World Cup and the Rugby World Cup 2023, a fact that was also reiterated by the Irish Rugby Football union (IRFU) World Cup bid committee board.

Additionally, there were supportive responses to the proposal from the Federation of Small Businesses, which described the recommendation as a common-sense approach, aimed at improving the operational efficiency of stadia, with further benefit of increasing competition for contracts among local SMEs in the hospitality sector; and from Hospitality Ulster, which noted a clear need to modernise our liquor licensing laws. However, Hospitality Ulster felt that the Bill should be amended to include some more of the key points that the Social Development Minister agreed during his consultation.

I am happy to report that I received an overwhelming majority of responses supporting the proposals, with many respondees welcoming the common-sense nature of the intended outcome.

6.00 pm

I have already mentioned that I deliberately targeted organisations that had previously expressed an interest in licensing legislation through their responses to departmental consultation exercises. On top of that, I targeted health organisations and church bodies. Most of them came back to say that it was too narrow an issue and, as there was no proposal to actually change licensing hours etc, they did not feel the need to respond. One alcohol awareness charity — Balance, based in the north-east of England — said that it would be against reinforcing the relationship between alcohol and spectator sport.

Of the small number of other people who raised an objection to the proposal, the main issue was additional permitted hours. My original

proposal included an amendment to article 44 of the 1996 Licensing Order to allow a stadium licence to be granted to sell alcohol for extended hours, that is until about 1.00 am. Naturally, some residents had concerns about that, and some pub owners in the vicinity of the stadia expressed the view that they would lose business if that were the case. On the back of those responses, I therefore removed the proposal to allow a permanent licence with extended hours.

I turn, then, to the specifics of my Bill. It is concerned solely with the liquor licensing of our large outdoor stadia of regional or national importance; it is not to do with all the other issues around liquor licensing that have been raised. The Bill will introduce a new category of licence. It will allow the licensing of stadia that are deemed to be of regional or national importance and designed and intended to be used for a range of events and activities. There would be a new category — an outdoor stadia category — added to article 5(1) of the Licensing Order, and there would be a very clear definition. Clause 2 talks about the definition of a stadium of regional or national importance. Now, there has been a little bit of feedback even in the last week or so on how that might need to be tweaked a little more. Currently, it either has a certain capacity or has been designated as being of regional or national importance by the Department. It may need to be tweaked a little further, and I hope to be able to do that through Consideration Stage.

The other clauses in the Bill are quite routine and mirror the 2004 Order, but it is important to note that the existing safeguards in the Licensing Order would also apply to outdoor stadia. Those safeguards include that the sale of alcohol must be ancillary to the normal business carried on on the premises. That means that an outdoor stadia licence would not authorise the sale and consumption of alcohol when the stadium was not being used for an event, sporting or otherwise. It would need to be subject to the normal business of the outdoor stadium being carried on, and the general permitted hours would apply, so it would be the same as other premises. Also, any alcohol sold must be consumed on the premises; therefore, there is no eventuality of off-sales or anything else being permitted. As with the indoor arenas, the proposal is that outdoor stadia would be subject to the provisions intended to protect children and young people under the age of 18.

An important point, as well, in one of the clauses is the additional safeguard that has been put in. A court would be given the power

to attach any conditions that it considered appropriate to a licence for an outdoor stadium. This would, for example, allow the court to respond to concerns about the sale of alcohol at certain types of event, particularly those perhaps aimed at a young audience. The court could use that power when granting or renewing such a licence and at any time during the course of a licence as well. It is important to note that those safeguards are there.

At this point, I thank Members for their interest to date in the proposal and in the Bill and for the positive feedback they have given. I ask them to support the passage of the Bill this evening.

Mr Maskey (The Chairperson of the Committee for Social Development): Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Thank you very much, Mr Principal Deputy Speaker.

The Social Development Committee notes the introduction of the Licensing Bill and thanks the Member for bringing this to Second Stage in the Assembly this evening. I thank the Member particularly for her sterling work in having her own consultation and engagement with the Department and a wide range of stakeholders. She has certainly displayed a considerable amount of due diligence in this regard and has sought to engage Members at every stage while she was developing the Bill. She has sought to make sure that the Bill is narrow enough to create fewer complications. We all know that licensing laws and/or any amendments can stimulate a considerable amount of discussion, so I commend the Member for her work in bringing the Bill forward.

Mrs Cochrane briefed the Committee on the contents and purpose of the Bill on 15 October. The Committee understands that the Bill as introduced will permit outdoor stadia to apply for a licence on the same terms and conditions as an indoor arena, namely the SSE Arena. To that extent, the Bill builds on a previous amendment to the principal Order — the Licensing (Northern Ireland) Order 1996 — which was made in 2004. The Committee noted that, in the context of the Bill, "outdoor stadium" refers to a stadium designated as a regional or national stadium in regulations made by the Department. In practical terms, as the Member has outlined, that means the proposed Casement Park development, Windsor Park and the Kingspan Stadium. As was explained to the Committee by the Member, Windsor Park must operate in accordance with UEFA rules in respect of selling alcohol at matches and, clearly, with the

delay in the development at Casement Park for the current period, in the short term the Bill is only likely to have direct impact on the Kingspan Stadium. However, we should recognise the potential benefit to other stadia in the future, and I am sure the Committee will explore that in due course during its consideration. As it stands, the Kingspan Stadium must apply for an occasional licence for an event, that is each rugby game that is to be held there. That has obvious drawbacks in the bureaucracy involved. The licence is linked with the caterer, not Ulster Rugby, and, of course, there is the potential for a licence not to be issued until very close to the time or the day of the match, with the implications that that has for planning the events.

The Committee was told that, in operational terms, there will be little difference to the selling of alcohol whether a stadium holds a full licence, which the Bill will facilitate, or an occasional licence has been issued. Where the difference comes into play — no pun intended — is how the Bill makes provision when children are on the premises. Many of us will have experience of the restrictions that apply after 9.00pm when attending a family event in licensed premises with young children present. While there is no threat or danger to anyone, the licensee would be and is in breach of the law if alcohol continues to be served when children are present. Attending sporting events is often a family event, as the Member has mentioned. It is my understanding, on behalf of the Committee, that rugby games often start late and run beyond 9.00 pm. It is not necessarily the case that allowing children to remain on the premises after 9.00pm when alcohol is being sold undermines that family focus or sets a bad example to children, when adults are behaving responsibly when consuming alcohol. That is perhaps the key issue that the Committee will focus on when it considers the evidence more fully.

The Committee acknowledges that, in enabling stadia to maximise their business potential, there will likely be benefits to the wider economy. In addition, the Committee acknowledges that stadia will operate under the same law as already exists for other licensed outlets and be required to offer the same protection regarding the use and potential abuse of alcohol as other premises. Again, the Member has already described that in some detail. The Bill is, therefore, tightly drawn and the definition of “stadium” contained in it is clear.

The Committee will take time to hear stakeholder views on the Bill. Members are, of

course, aware of the enormous pressure on the legislative workload of the Assembly; indeed, the Committee for Social Development is currently considering two housing Bills. Therefore, while the Committee has noted the potential benefits of the Bill for outdoor stadia and the wider economy, it has expressed concern about the challenging timescales involved. The Member is aware of that, and that remains the case. As noted, of particular importance to the Committee will be its consideration of the amendments to remove some of the existing rules for access by children and, in general, the Committee will want to be content that a sufficiently wide range of stakeholders have been consulted within the limited time frame.

On a number of occasions, the Committee has been pressed and has supported the Drumbo racing track having an amendment to its licensing laws that, if I understand it correctly, would allow it to operate on a Sunday afternoon. The Committee was fully in support of that, and, indeed, in our engagement with the Department and the previous Minister there was a clear understanding that the Department would not stand in the way if an amendment to enable the Drumbo track to proceed as it had requested were to be tabled.

Recently, there was also a fairly significant lobby in relation to young people's discos that would be held on licensed premises but at times when alcohol is not permitted to be sold. The Committee is well aware that there are other issues that came to light at our meetings. People have lobbied the Committee, and we have taken those discussions forward, but we are well aware that this is a narrowly defined Bill and we do not want to complicate things necessarily. If we can accommodate those other matters, the Committee will look to do that, but, at this point, the Committee is content with the principles of the Bill as introduced.

Mr Douglas: I support the Second Stage of the Licensing Bill, and I commend Mrs Cochrane for bringing it to this stage to address the restrictions that are faced by large stadia. When the Member came to the Committee, she made a clear, concise and, I must say, excellent presentation. She addressed all the questions that were raised in a well-thought-out fashion. I raised the question about consultation with churches, and she certainly addressed that. There seemed to be consensus among members at the Committee that we agreed with what she said in relation to the Bill.

For me, the Bill will make a difference for outdoor stadia that are now used for a range of activities. I was at the SSE recently at the Friendship Four ice hockey tournament. There was drink there, but, in many ways, it was ancillary to the event that was taking place. There were thousands of children, and I did not see any of them or their parents involved in drinking, so I support that aspect of the Bill.

Mr Maskey mentioned Drumbo stadium. Maybe the Member will address that and let us know if there is anything in her Bill that will address some of those concerns because the management of Drumbo greyhound stadium came to us in, I think, 2012 and raised some of these issues, so I ask the Member to look at that.

Irish Rugby has applied to host the 2023 Rugby World Cup. Casement Park is part of that and, if it were to happen today, it would not be accepted because we need to address those issues. I will keep my remarks very brief and finish by saying that I support the Bill.

Mrs D Kelly: I congratulate the Member on her initiative, which is needed. In relation to people's concerns around further outlets for the sale of alcohol, it is widely recognised that, where there are such licensed premises, there is better regulation. We all know that, if young people or, indeed, adults want to drink, they can do so in the comfort of their own home or, indeed, as some may, on street corners and in our public spaces. You have the measure of it all much better in a bar or a social club, so I welcome the support of the sporting organisations. I believe that they are all responsible organisations and that they will take seriously the responsibility if it is given to them through this legislation.

Like the Chair of the Committee, I have concerns about some other aspects around Drumbo and the under-18s issue; perhaps we can look further at that and use this as a vehicle. It is fair to say that, for whatever reason, successive Ministers have failed to table the licensing regulations that have been promised for some time to many of the organisations. The opportunities and the enjoyment of games will be enhanced if the Bill does what it says it will do. At this stage, our party will scrutinise further the provisions and clauses in the Bill, but we welcome the assurances received from the Member at Second Stage today.

6.15 pm

Mr Beggs: I too welcome the Second Stage of the Licensing Bill. I congratulate Judith Cochrane on the progress of her private Member's Bill and hope that it will gain support and move on to Committee Stage for detailed scrutiny. I declare an interest as a former rugby player and member of Larne Rugby Football Club. It was some years ago that I was playing rugby; I occasionally graced the Ravenhill turf.

I notice that licensing is yet another area in which the Northern Ireland Executive and in particular, as Dolores Kelly said, the Social Development Minister have failed to address legislation in an area of need. In particular, I notice that there was a 2012 consultation on proposed changes to the law on regulating the sale and supply of alcohol in Northern Ireland. That was almost three years ago, and there were 2,500 responses. What happened after that? Is this another area where the Executive have been busy consulting and analysing but making no change to meet the needs of our community?

Some of those consultation responses would have highlighted the anomaly with, and the absence of, licensing at regional outdoor stadia in Northern Ireland. Yet, no legislative proposals were progressed in that area by the current Social Development Minister or his predecessor over that three-year period.

Going back to the point made earlier, we have produced a detailed consultation, analysed it and then failed to bring about legislative improvement. So, I commend Mrs Judith Cochrane for picking up the issue in her private Member's Bill to address one of the anomalies in our licensing laws, namely with regard to outdoor regional stadia. I also commend her for gaining a considerable public response to it, which has shown a high level of support for her proposals.

It is quite surprising to think that some of our major sporting and entertainment organisations — the way sport has gone, it is now "sport and entertainment" — have been reliant on an occasional licence as part of their business model to entertain during their regular matches. Should such a business have to operate with such temporary arrangements? It is wrong, and that applies equally to the stadium that is being developed at Windsor Park and the new GAA stadium when one is eventually built.

The requirement for a young person to be supervised on the premises as part of the licence is fine. However, the requirement for them to be off the premises by 9.00 pm, which would often be earlier than the end of the

sporting event, is just ridiculous in this day and age. We have learned that an amendment was made to enable indoor stadia to be licensed. So, we can license indoor stadia but not outdoor stadia. Clearly there is a gap in our legislation, and this private Member's Bill appears to be picking up that issue and addressing it.

I note that various sporting bodies can impose their own restrictions. In football guidance, I see that UEFA and FIFA may further limit a stadium above and beyond any local guidance or regulations. Equally, other sporting bodies can impose further sanctions and restrictions if they feel that it is necessary to do so.

I noticed in the private Member's Bill an ability for a court to attach and vary conditions following the intervention of the PSNI district commander. I welcome that. It means that, if issues arise, they can be addressed without the need for further regulations. That is a wise area to have included in the Bill. She has sought to fill a very specific gap in the current legislation: the absence of an outdoor regional stadia licence. I support the principles of the Bill and encourage Members to allow it to move forward to the detailed scrutiny stage.

Mr Dickson: I, like others, start by commending my party colleague Judith Cochrane for taking the initiative and bringing forward this necessary change to the legislation. We should also welcome the cross-party, and indeed wider community, support that the Bill has received. It is important that we move quickly and efficiently to ensure that it is passed before dissolution.

This legislation moves our licensing law with the times, recognising that the nature of our stadia — hopefully, those stadia will be joined shortly by the new Casement Park — has moved on since the creation of our licensing law structures. That will considerably increase the capacity and indeed versatility of the stadia available across Northern Ireland. Looking to the prospect of some world events, particularly the Rugby World Cup, and the need to clarify the law, it is sensible that we look at this aspect of licensing, considering that a comprehensive review of our rather outdated licensing regime is unlikely to happen. Tonight is perhaps not the time to criticise the Minister or the Department for not bringing forward those changes. Nevertheless, others have placed on the record their concern about the speed at which those changes have come forward. I add my voice to that, particularly in respect of Drumbo stadium, which is another anomaly that has got caught in the black hole of the failure to

bring forward appropriate changes to our licensing laws.

It is important and prudent that Mrs Cochrane has included safeguards in the Bill. For example, as others have said, a court may attach certain conditions to outdoor stadia licences at any time during the life of the licensing application and its operation. Common sense is applied in clauses 3 and 5 to prevent stadia running off-licences or purposely run pubs or using the licence in another inappropriate temporary stadium. Clause 7 applies the same conditions for the sale of alcohol as were implemented for indoor arenas in 2004. I do not think that there is any dispute that the licence has operated successfully in the Odyssey Arena. This means that we will see the same tried-and-tested conditions for this new category of premises. I believe that that reduces any concerns about risks associated with it, while taking seriously into consideration the need for a family-friendly atmosphere.

We have heard no dissenting voices thus far. It seems that there is a broad measure of agreement with regard to this legislation. It is a good example of how a private Member's Bill can identify and correct gaps in the licensing law. We need to move with the times. The facilities that we have in Northern Ireland need to be able to meet the modern expectations of those who use the stadia, not only today but into the future.

Mr Allister: I understand entirely the logic, thrust and purpose of the Bill. I have three questions or issues for the proposer to address. The first relates to the use of a stadium outside its normal use. For example, the rugby Schools' Cup final is habitually held at Ravenhill. It is my understanding that, whereas Ravenhill regularly applies for an occasional licence, and therefore the sale of alcohol is not uncommon at it, it has not been the practice to apply for such a licence for the Schools' Cup final. Under this Bill, there would be the availability that the licence would apply to the Schools' Cup final as much as to anything else. The Member might say that, under clause 4, it would be possible for a condition to be put on the licence by a court, and that is correct.

If people think, as I might think, that it is inappropriate at an obvious school event to have the sale of alcohol as a component, an alternative to relying on clause 4 would be to include in the Bill a requirement to exclude events such as school rugby finals or other events where the essential focus and participants are minors.

The problem that I see with clause 4 is that only a district commander of the police can apply for a restriction. One might expect that a district commander of the police would act on foot of public order concerns, rather than anything else, and it might, in fact, be ultra vires of a district commander of the police to make what essentially is a moral point that it is thought not to be appropriate to have alcohol on sale at a minors' event, such as the Schools' Cup rugby final. Therefore, I ask the Member to consider whether it would be worth having in the Bill an exemption in the licence for such events.

The second issue I have for the Member is whether she needs clause 6 at all, because clause 6 allows an occasional licence application to extend the hours to 1.00 am. Under the Bill, if and when it goes through, all these stadia will have the normal licensing hours of 11.00 pm. All sporting events, I think, with, perhaps, the exception of occasional boxing events, are well and truly over before 11.00 pm. So, I wonder why it is necessary to have the facility to apply for an extension to 1.00 am. I do not think it is desirable that sporting stadia become a mere cover or vehicle for a social club, given that a lot of them are in quite densely populated areas. We have already, in another context, seen the furore about the development of Casement and the fact that it sits cheek by jowl with a densely populated residential area. I am not sure that we would be serving the interests of those people or anyone who is equally living adjacent to a stadium by facilitating, in the manner that clause 6 would facilitate, the extension of licences to one o'clock in the morning. So, given that it is about sporting events, and given that sporting events, habitually, are well over before the end of licensing hours at 11.00 pm, why is it necessary to have clause 6? I would like the Member to explain that.

My third area of concern relates to whether the Bill, through amendment, could become the vehicle for wider change to our licensing laws. It may well be that our licensing laws need to be addressed in various dimensions, but I do not think it is desirable that they are addressed on an ad hoc basis. I think it is desirable that they are addressed in a holistic manner rather than on that ad hoc basis. So, I want some reassurance from the Member, from the advice that she has had from the Bill Office, on whether the Bill, with its long title etc, would be capable of being a vehicle for the ad hoc reform, if you want to call it that, of our licensing laws, when I think that what we need is departmental-driven, holistic reform, if there is the desire to move in that direction.

With those three questions or observations, I look forward to hearing what the Member has to say.

6.30 pm

Mr McCallister: First, I want to congratulate Mrs Cochrane on bringing the Bill to this stage. From listening to the debate, it certainly seems that there is wide support for its principles at least and that it merits further consideration by the Committee, indeed to answer some of the concerns of Members. I apologise to her because I cannot stay to listen to her winding-up speech. I wanted to be here to contribute in a very small way by saying that I, like colleagues, support the broad principles of what the Bill seeks to achieve and wants to do. It is important.

Mr Beggs made the point that it does seem to be somewhat strange that we have arrived at a situation in which a business model like the Kingspan Stadium at Ravenhill is reliant on an occasional licence for which it must constantly apply. It is a strange set of circumstances. In some ways, it probably feeds into Mr Allister's point that a much wider review of the entire licensing system needs to be done at some point. There needs to be the political will to deal with that and address the issues of licensing.

I commend Mrs Cochrane for bringing this piece of legislation to address fairly specific issues at this time. Given the time frames involved, I think it was very worthwhile to carry out the consultation that she outlined in order to deal with some of the concerns and issues about how you might put conditions on a licence; indeed how you might address some of the issues around 11.00 pm or 1.00 am and whether it would be permissible on some occasions to be 1.00 am.

I think that it is very much work that the Committee can, and should, undertake to see what changes or amendments need to be brought forward. Certainly, from my perspective, I support the Bill and encourage others to do so to see that it completes its Second Stage.

Mrs Cochrane: I thank Members for their contributions today. I think it is a sign of improving times that we can stand here and debate licensing arrangements for world-class stadia such as the Kingspan Stadium, the national football stadium and Casement Park. The fact that Northern Ireland can now attract major sporting events and other events is to be

welcomed, and we should be doing all we can to ensure that legislation helps, not hinders, us. There is clear evidence that these major events bring with them widespread benefits to the economy.

The Chairperson of the Committee for Social Development, Mr Maskey, referred to the due diligence that had been carried out to date and the potential benefit to all three stadia should the Bill progress. He mentioned the key issue of the behaviour of those who drink alcohol in the presence of children. I am confident that the safeguards and a number of operational aspects, which are already in place in Kingspan for instance, would be put in place in the other stadia and would allay any fears around that. He referred to the wide range of stakeholders that would need to be consulted and the timescale, which remains a challenge. I feel that there has been a lot of support out there for the Bill. I think that people might drop everything when the Committee calls in order to try to facilitate this.

Mr Maskey also raised the issues of Drumbo Park Greyhound Stadium and the recent court ruling on underage discos on licensed premises, when the bar was actually closed but the hotel was still found to have been in breach of its licence. These are issues that may be able to be addressed. Certainly, I know that the issue of when the bar is closed has been consulted on. It may be that that issue might be addressed in the Bill. That partly answers one of Mr Allister's questions. It is a very tightly defined Bill. I have done that specifically because I do not want to be a situation where the Bill does not progress because it gets clogged down on lots of different things where we cannot get consensus.

Given the fact that there seems to be general support for this, it would be prudent to try to move forward ahead of the next sporting season.

Mr Douglas referred to the consensus among the members of the Social Development Committee. He also mentioned having been at the SSE Arena for the ice hockey, where he could see that the sale of alcohol was ancillary to the event. It was very family-friendly; indeed, the Bill is intended to mirror that operational environment.

Mrs Kelly talked about better regulation coming from licensing, and I agree with that. For example, people are worried, perhaps, about having alcohol in the presence of children, but if you go into a bring-your-own restaurant at the moment you can bring a number of bottles of

wine or beer or whatever you choose to drink. You can pay your corkage and you can sit there drinking with your children to whatever time. Where there is not a licence in place, it is more difficult to regulate it, so I agree with Mrs Kelly's comments on that.

Mr Beggs referred to the lack of progress on legislative change for licensing that we have seen over the Assembly term. He specifically talked about children and agreed that it is important that they are supervised by an adult, but he highlighted the anomaly of stopping at 9.00 pm in an outdoor stadium when it does not stop in an indoor arena; that is a gap in our legislation. Mr Beggs also welcomed the clause that will attach conditions to licences, both at the time of application and renewal and also at any time during the life of the licence. Mr Dickson supported the proposal and referred to the indoor arena and how it is a tried and tested model. Mr McCallister also spoke in support of a number of aspects of the Bill.

I will try to answer Mr Allister's questions. First, he referred to the use of stadia for other events such as the Schools Cup final. He might be aware that I specifically referred to events geared towards children in my consultation document. There is a power there for the courts to place a condition on the licence that would say that it could not be operational at such an event. I can certainly give consideration to putting it into the Bill. It may be that if we start to pick one or two things, we could come up with a very lengthy list, which starts to bog things down. The operators, such as the GAA and Ulster Rugby, do not intend to operate their licences at that stage; it is not really their approach to things either. I would not be averse to putting it into the Bill, but I see it being a matter for the courts to be able to authorise bespoke licences to fit operationally with a stadium's business plan.

Mr Allister also referred to whether clause 6 needed to be in there. It may not need to be used, but I am trying to future-proof the Bill. It may be that a stadium ends up holding an event at which the Queen comes to visit and there is a wonderful big concert at which they want to serve champagne until midnight, for instance. All I am trying to do is to future-proof the Bill by saying that you will be allowed to apply for it. This does not grant the licence; this is only enabling legislation to say that you will be allowed to apply for it. It will be up to the court to determine whether that needs to be used. I want to make sure that our stadia can realise their full potential, and that is why I am trying to future-proof the Bill and think of the things that may come up in future years.

The other aspect was about whether the Bill would be used as a vehicle for ad hoc events. When I went to the Committee the last time, the two main issues that were raised with me were about Drumbo Park and about underage discos where the bar is closed. At the time, I said that I had no problems with those issues. The Drumbo Park issue has not been consulted on, and I do not know whether that would be a hindrance. It is up to Members if they feel that they want to amend any aspects of the Bill. I am not quite sure where that part would fit in, although we may be able to fix the issue around hotels. I have had conversations with the Department, and it may be that there is something that it wants to bring forward. However, that is certainly not the intention; I have kept the Bill as tightly focused as I can.

There is no doubt that the current licensing restrictions place a time-consuming and a huge administrative burden on our regional and national stadia, particularly on Kingspan, where its caterers have to apply for an occasional licence every time there is a match. The children's restrictions at 9.00 pm also place a massive operational task on the stadium. I have seen the security staff trying to explain to parents why their child must stand outside in the rain while the parent queues to buy some food and drink from the kiosk, even though, half an hour earlier, that was not the case and the child was allowed to be near them. This Bill will remove that burden but, at the same time, ensure that there is a well-managed, family-friendly environment.

I thank the Members for their comments and their support, and I ask them to allow the Bill to pass Second Stage so that it can be scrutinised further at Committee.

Question put and agreed to.

Resolved:

That the Second Stage of the Licensing Bill [NIA Bill 69/11-16] be agreed.

Mr Principal Deputy Speaker: The Bill stands referred to the Committee for Social Development.

Adjourned at 6.41 pm.

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