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Northern Ireland Assembly

Tuesday 9 March 2021

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

Members observed two minutes' silence.

Assembly Business

Mr Nesbitt: On a point of order, Mr Speaker. I believe that, during an otherwise very welcome and harmonious debate yesterday evening to mark International Women's Day, Assembly Member Wells may have misled the House. In an intervention during a speech by Kellie Armstrong, he claimed that, some 20 years ago, Patricia Lewsley successfully introduced a private Member's Bill to the House. It is my understanding that it was her intention to introduce a private Member's Bill, but she was thwarted by the fact that the House was suspended in 2002. I would be grateful if you would examine the case to determine which narrative is accurate.

Mr Speaker: OK. The Member has raised the point. I will look at the Hansard report. I was here in the Chair, as far as I remember, for the exchange. I will look into that, as the Member has requested. Thank you.

Ministerial Resignations and Appointments

Mr Speaker: I have received notification from the First Minister and deputy First Minister that Mr Gordon Lyons has resigned the office of Minister of Agriculture, Environment and Rural Affairs and that Mr Gary Middleton has resigned the office of junior Minister.

I have also been informed by the nominating officer for the Democratic Unionist Party that Mr Edwin Poots has been nominated as Minister of Agriculture, Environment and Rural Affairs. Mr Poots accepted the nomination and affirmed the Pledge of Office in my presence and that of the Clerk/Chief Executive on 8 March.

I have also received correspondence from the First Minister and deputy First Minister that Mr Gordon Lyons has been appointed to the office of junior Minister. Mr Lyons accepted the nomination and affirmed the Pledge of Office in

my presence and that of the Clerk/Chief Executive on 8 March.

Public Petition: Call for a Review of the Burial Grounds Regulations (Northern Ireland) 1992

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

Mr Easton: Mr Speaker, thank you for the opportunity to present this petition to the Northern Ireland Assembly today. It follows an incident in my constituency that should never have occurred and which I would like to prevent happening again. The petition has over 5,750 signatures.

A constituent recently contacted me following the death of their uncle Mr Mulholland. Mr Mulholland had purchased a burial plot years ago, well before 1992, for three people in Clandeboye Cemetery. His wife and child were already buried in the plot, and, before he passed away, he had expressed his wish to be buried with them. However, the family was told only the day before the funeral that the grave could not be dug deeply enough and that their uncle would have to be buried somewhere else.

It is truly horrific for a grieving family to have to be put through that. On further investigation, it turns out that the Burial Grounds Regulations (Northern Ireland) 1992 changed the required depth of burial plots, meaning that some graves will no longer be able to legally hold the number of occupants for whom they were purchased.

The key problem here is that those who bought their burial plots prior to 1992 have not been informed by their councils of those changes. The council offers a depth-testing service for graves, charging £110 for the service. That charge is scandalous. It is disgraceful that bereaved families have to pay such an amount, when plots were purchased decades ago for a certain number of people. I find it deeply unfair

that those affected should have to pay those costs. The service should be available to those families free of charge. This moneymaking scheme needs to end.

The council has not attempted to contact those who may be impacted by this problem. Indeed, there has not been even a general publicity campaign. Hopefully, this petition and the publicity surrounding the passing of my constituent will go some way to raise awareness. However, more is needed, and perhaps the Minister could look into that aspect of this problem and the merits of an awareness campaign. I also believe that an apology is owed to the impacted families for that oversight by the council.

Thankfully, I can report that urgent action was taken, and Mr Mulholland was able to be buried in the plot with his family. The council was able to change the soil to a lighter type, and a shallower coffin was used to facilitate the burial. However, those solutions will not work for every burial. Therefore, the Minister for Communities needs to take urgent action on this issue. We do not know how many people have been impacted, but I would suggest that it is quite large, with 15 other families coming forward to report the same experience.

This is a serious matter, and it needs to be dealt with in a timely and sensitive manner. I would, therefore, ask that the Burial Grounds Regulations (Northern Ireland) 1992 are reviewed by the Minister and action taken to allow those who purchased plots before that change to be buried in those plots and for leeway to allow burials to go ahead.

Mr Speaker: Thank you. In light of social distancing, I ask the Member to remain in his place and to make arrangements to submit the petition to my office. I thank the Member for bringing the petition to the attention of the Assembly. Once I have received the petition, I will forward it to the Minister for Communities and send a copy to the Committee.

Ministerial Statement

British-Irish Council: Digital Inclusion

Mr Speaker: I have received notice from the Minister of Finance that he wishes to make a statement. Before I call the Minister, I remind Members in the Chamber that, in light of social distancing being observed by parties, the Speaker's ruling that Members must be in the Chamber to hear a statement if they wish to ask a question has been relaxed. Members participating remotely must make sure that their name is on the speaking list if they wish to be called. Members in the Chamber must also do that but may do so by rising in their place as well as notifying the Business Office or the Speaker's Table directly.

I remind Members to be concise in their questions; this is not intended to be a debate as such. In accordance with long-established procedure, points of order are not normally taken during a statement or the question period afterwards.

Mr Murphy (The Minister of Finance): I wish to make the following statement on the British-Irish Council digital inclusion work sector ministerial meeting, which took place in virtual format on Friday 5 March 2021. Minister Dodds and I attended, and Minister Dodds has agreed that I make this statement on behalf of us both.

The Isle of Man Government, which lead the digital inclusion work sector, hosted the meeting. Minister for Policy and Reform, Ray Harmer MHK, welcomed the delegations. The Welsh Government delegation was led by Julie James MS. The United Kingdom Government were led by Caroline Dinenage MP; the Government of Guernsey by Deputy Andrea Dudley-Owen; the Government of Jersey by Deputy Jeremy Maçon; the Scottish Government by Ivan McKee MSP; and the Irish Government were led by Eamon Ryan TD.

This was the second ministerial meeting of the digital inclusion work sector. It was an excellent opportunity to engage with Ministers from the other member Administrations on an area that is as relevant and important today as it has ever been, especially in the current climate of rapid advancement of new technology, digitisation and, of course, more public services being accessible online. The meeting focused on the benefits that can be derived from being online, as well as on overcoming the disadvantages that come from a lack of access. There are still

significant groups of people who remain excluded because of their socio-economic status and a lack of digital skills. With the introduction of COVID-19 measures across member Administrations, there has been an increased requirement to access vital services online, including track and trace, remote learning, online healthcare consultations and universal credit claims. Those who have limited access to devices and low levels of ability to interact online are in danger of being excluded.

Closing the digital divide has genuine, measurable benefits for individuals, the broader community, businesses and government. Locally, my Department's digital inclusion unit continues to promote a digitally inclusive society through a range of projects undertaken in partnership with a number of local organisations. One such example is Connected, which is a pilot project that will provide free digital skills training and the loan of an internet-enabled tablet device for a minimum of six months to a limited number of elderly or vulnerable people. I am encouraged to see that the forward work plan will now encompass elements of online safety as well as digital skills provision.

The Council discussed at length how we might learn from the experiences of other Administrations, and there was a commitment given to making collaboration a key part of addressing the challenges. Everyone is at risk from the dangers that are posed by online threats, and, last week, Ministers endorsed the joint publication of a series of infographics that provide simple advice on how to go online safely and confidently. I am keen for my officials to continue that vital work with other Administrations, because digital inclusion has been a key priority for some time, and we are collectively making real progress through shared learning.

I take the opportunity to thank the Isle of Man Ministers and officials for their hospitality and for hosting Minister Dodds and British-Irish Council ministerial colleagues across the Administrations, all of whom participated so productively in the meeting. It was agreed that the next ministerial meeting for the digital inclusion work sector will take place in 2023.

Mr Frew (The Deputy Chairperson of the Committee for Finance): I regret to inform the House of the absence of the Chairperson, Steve Aiken. I am sure that the House will join me in wishing Steve all the best in his recovery, and we hope that it will not take too long.

I thank the Minister for his statement. I applaud Diane Dodds, the Economy Minister, for the work to roll out Project Stratum in this sphere. Of course, that came about through confidence- and-supply money, and it is good to get that on the ground.

The Minister talked about his Department's digital inclusion unit. How does the unit promote digital inclusion? Will he tell us a little more about the related range of projects and partnerships that he mentioned? What lessons have been learned during the pandemic about the importance of digital inclusion for different sectors, including the elderly and the socially disadvantaged? How might they be best protected when they are online?

Mr Murphy: I thank the Deputy Chair for his question. I endorse his comments about the Chair. I hope he makes a speedy recovery.

As the Member will know, the Department of Finance's digital shared services (DSS) directorate provides services to all Departments. It has a particular responsibility for digital inclusion, and the digital inclusion unit's established aim is to promote a digitally inclusive society through a range of projects. It works in close partnership with public and private organisations to help people get online. It also works alongside Departments. There are a number of schemes, including the Go ON NI digital inclusion programme, which has been running for some time. That programme has raised the percentage of adults who use the internet to 86% in 2019 from 67% in 2011. It is targeted at the harder-to-reach, digitally excluded sections of the population, such as older people, people with disabilities, disadvantaged communities, rural communities and the long-term unemployed.

It is a very successful programme, which has enlisted the help of three different sectors to reach people. Libraries NI has a network right across the North of almost 100 libraries, which are online. Ninety per cent of citizens here live within 3 miles of a library, which as well as being important for this project shows the general importance of the availability of reading material. The digital inclusion unit also works with Business in the Community, which provides access to business volunteers from across the region, and Supporting Communities, which delivers digital skills training here.

10.45 am

Therefore there has been significant roll-out. The digital inclusion pilot project was also rolled out to people, particularly the elderly and vulnerable, to give them a tablet and connect them. That was substantially oversubscribed and had to be ramped up. Of course, there is now an emphasis on using digital services safely online. That is an increasing emphasis in the approach. It was also an emphasis in the discussions with Ministers from other jurisdictions. The issue is not unique to us. We will continue to invest in that programme because it is having tangible results for connectivity. As the Member rightly said, it is not just about the socio-economic factors or, indeed, lack of digital skills, particularly among the older population, but the ability to connect through the provision of broadband services, which is crucial to connectivity. All those matters need to be addressed.

Mr McHugh: My question is in a similar vein. If anything, the pandemic has highlighted the importance of digital connectivity, and, in many respects, developments have probably happened more quickly as a result of it. It is good that the Council is focusing on that issue. Does the Minister agree that there is a heightened risk of creating a digital divide that would exacerbate inequalities, not only in connectivity, which the Minister mentioned, but in socio-economic groupings?

Mr Murphy: I concur. The Member is correct that the pandemic has probably brought the issue more sharply into focus, because so many services must now be accessed online, and, where you have large rural areas with difficult or non-existent broadband connectivity, an older cohort of people who are isolated and vulnerable, and people who have learning difficulties, their inability to access those services creates a digital divide. We have to be mindful of that and take whatever steps we can to address it.

Of course, that moves into the economics sphere when businesses in rural communities cannot do the kind of online business that is readily available to businesses in urban settings. Project Stratum aims to address that through physical infrastructure. We need to continue to engage with that. With regard to the programmes that we are rolling out, we must also ensure that people have the necessary skills, as well as the safety and confidence, to go online to use the government services available to them.

Mr O'Toole: I cannot be the only one who has read the statement and is slightly confused

about what the actual actions are that emanate from it. That is no offence to the officials who, presumably, drafted it. Given that the meetings seem to happen only once every couple of years, it would be helpful to understand precisely what actions emanate from it.

There are two areas of particular interest. Online harm to young people is in the news at the minute, and we know that it is having a particularly detrimental effect on mental health. The fact is that young people are online so much now. The second issue is migrating large parts of the economy online. Was either of those discussed specifically at the meeting? Did any specific actions emanate from that, given that the Council will not meet again for another two years?

Mr Murphy: Just so that the Member understands how the British-Irish Council works: various Administrations take the lead in certain sectors. The Isle of Man Government take the lead in this sector, and there is ongoing engagement between officials. The ministerial meetings are not frequent, but that does not stop the work stream itself going ahead. It is an opportunity to share best practice and ideas.

As I said, infographics were promoted as part of the meeting to share that across the various jurisdictions. Online safety is a key feature. There was broad discussion among all the representatives on all the issues that the Member mentioned and the importance of ensuring that, first, people have access. The pandemic has heightened the necessity to be able to access services online and also the need for the growing and advanced technologies that we now have, even since the last time that the Council met, to ensure that young and older people are safe using technology. That is why infographics were promoted.

The Isle of Man Government are continuing with that work stream, and they will continue to engage with officials from each Administration. That work will not just stop between now and 2023.

Mr Muir: As the Minister will be aware, throughout the pandemic, there has been increased digitisation, particularly for online sales. In my area, I see numerous delivery vans because of the pandemic. The Chancellor was supposed to announce a tax last week to rebalance the cost of online sales, but that was not forthcoming. Has the Minister considered reviewing our non-domestic rating system to ensure that the balance is more fairly shared?

Currently, the cost is very heavily felt by those bricks-and-mortar industries that are not online?

Mr Murphy: As the Member knows, there will be a rates review. A lot of the big online shopping services do not have a physical infrastructure in the area. People often refer to Amazon, which is building a centre on the outskirts of Dublin, but it has very little presence here and mainly does deliveries. The ability to rate and derive an income from Amazon in comparison with the amount of business that it does is limited. Therefore, the Member is correct: taxation is a more obvious way to yield an income from online shopping services rather than through the properties that they use. They do not have a high-street presence, they operate through warehouses and distribution networks. I am happy to look at rates, but given those companies' physical presence here in comparison with their delivering to people's doors, it might not yield that much. However, I am happy to look at that as part of the rates review.

Mr Givan: The statement refers to the online digital dynamic in the context of COVID, and colleagues have mentioned that. Nowhere has that been felt more than in our education system. The divide between those who can afford computers, iPads and broadband connections and those who cannot is having an impact. In that context, will the Minister encourage his Executive colleagues to support the Education Minister and let all our children return to school before Easter? A return to school is the best way to deal with the digital divide.

Mr Murphy: It is interesting that the Member has access to the Department of Education's paper for the Executive when Ministers have just received its proposals. Of course, all Ministers want all the restrictions to be lifted as soon as possible. I am particularly conscious that the Executive have agreed on a priority for getting kids back to school. The priority for a return to school is for a variety of reasons, one being access to online services that the Member has identified, which are no substitute for face-to-face teaching. Of course, we want a return to school as quickly as possible, but it will be based on health advice about safety, the course of the pandemic and the transmission rates. The Executive will look at the evidence and try to achieve a return to school as quickly as they can.

Mr McGuigan: I thank the Minister for the statement. I note that the statement refers to the fact that everyone is at risk when it comes

to the dangers posed by online threats. Will he elaborate on the importance of online safety, given the growing problem of cyberbullying and online abuse?

Mr Murphy: Online abuse has been very clearly identified. Yesterday was International Women's Day, and online abuse is particularly relevant to women. A very high proportion of the victims of online bullying, commentary and intimidation are women. Clearly, the people who provide online platforms have a role to play in dealing with that issue. While some of the digital support provided by the Executive and other Administrations at the BIC meeting helps to support and advise people, the providers of digital platforms have a huge responsibility to make sure that online bullying, racism, sexism and other horrible experiences are addressed. Generally, the online bullies remain anonymous, and the platform providers must deal with that in a fashion that assists people to use the internet safely.

Ms Dolan: Thank you, Minister, for your statement. As the Minister is aware, Estonia is often hailed as a country that has had an extremely successful digital transformation in recent years. Has the Minister looked into the potential economic benefits that could be gained by following the Estonian model of delivering public services online?

Mr Murphy: Yes, the senior management at Enterprise Shared Services has recognised the importance of the digital journey undertaken by Estonia. It is a very good example, and there is a history of contact and engagement with the Estonian Government, including a visit by the then Finance Minister, Simon Hamilton, in 2013 to learn from their experience. That engagement also included agreeing a concordat, which was signed by Enterprise Shared Services and the Estonian Information System Authority in 2014, that sought to set out a framework to enable and encourage closer working relationships and to seek and identify some joint projects with the Estonian Administration.

Mr McNulty: It is a revolutionary moment for me to talk to the Northern Ireland Assembly via StarLeaf. It is incredible, and I am lucky to be able to engage through the digital inclusion that is possible for me. Some are not that lucky. Places such as Lissummon, Lislea, Crossmaglen, Cullyhanna, south Armagh, Laurelvale, Loughgall and Ballyhagan are not being promised broadband for another three years. Will the Minister tell us what he and his colleague will do to ensure that, as part of

Project Stratum, those works will be accelerated so that the digital disenfranchisement that those households and families are experiencing will not continue? Those people need broadband, and they need it now. The Department has said that some properties have 30 Mbps download speeds, which is quite patently not the reality, and those properties need to be included. What is the solution for the properties that are not included in Project Stratum?

Mr Murphy: As the Member will know, Project Stratum is the responsibility of the Department for the Economy. It is not my responsibility at all to roll out Project Stratum. However, as a constituency representative for the very people and areas that he mentioned, I am engaging with Project Stratum, with Fibrus, which is rolling it out, and with the Department for the Economy. I do not think that it is acceptable that significant areas that have lacked coverage for many years are at the tail end of the queue for Project Stratum. As a representative of that constituency, that is what I intend to do.

Ms Brogan: I thank the Minister for his statement. As technology advances, one concern is the level of sophistication among fraudsters when using online platforms to target vulnerable individuals and gain access to private and sensitive information. How can we tackle the rise in online fraud, and how can we raise awareness of those scams in order to allow potential victims to identify foul play?

Mr Murphy: I thank the Member for her question. Clearly, that is another significant issue in online activity, and fraud has become a very significant part of that. Our teams have a close partnership with Scamwise NI. It recently issued some helpful videos to show how those types of scams can take place and the terrible impact that they have on the victims. The Northern Ireland Cyber Security Centre was launched last year, and it functions as a dedicated resource that focuses on providing advice and guidance to the public about how to be cyber safe and secure online. Those are all helpful developments, but, clearly, we want as much guidance and advice as we can get, particularly for vulnerable people who are new to internet services and for people who are not familiar with or confident on them to make sure that they do not become victims of crime on the internet.

Ms S Bradley: I thank the Minister for his statement. As a Member from South Down, I particularly welcome any strategy that talks about digital inclusion because there are

pockets across South Down, particularly in rural areas, that still await that, and there is no doubt that, as policy develops more online-first services, that exclusion becomes a bigger problem. During discussion of the British-Irish Council's digital inclusion work, did the conversation on digital exclusion come up?

On International Women's Day yesterday there were powerful words from women, including the First Minister, with whom I fully agree on the absolutely toxic environment that the online world can be. Is there a shared view at the British-Irish Council that we all need to put our shoulder to the wheel to make it a safer place for everyone?

11.00 am

Mr Murphy: I concur with the Member on that. That is why, in a previous answer, I highlighted the particular treatment of women online. Bullying, misogyny and sexism are often prevalent online and generally come from faceless and nameless users of online platforms. Yes, it was part of the conversation, because anything that deals with security, confidence and a safe place online should primarily provide a safe place for the primary victims of online abuse, who, in large measure, are women. That was clearly part of the conversation.

As I said in answer to my colleague, the online platform providers have a significant role to play in this and perhaps have not stepped up to the plate just as much as that. While we all want to put our shoulder to the wheel by providing advice, guidance and support for people who use online provision, those who make a business from online platforms also have a responsibility to ensure that they are a safe place for women and the many other users.

Mr Speaker: That concludes questions on the statement.

Mr Givan: On a point of order, Mr Speaker. In his response to my question, the Finance Minister made the inference that somehow I knew what was in an Executive paper. Just to have it on the record, at no stage was I aware of what was in that Executive paper. The Education Minister's plans were well documented yesterday on the basis of his public commentary. That is the basis on which I asked my question, and I assure the Finance Minister that there has been no collusion on my part with the Education Minister.

Mr Speaker: Thank you. Your point has been made.

Executive Committee Business

Budget Bill: Further Consideration Stage

Mr Speaker: I call the Minister of Finance, Conor Murphy, to move the Further Consideration Stage of the Budget Bill.

Moved. — [Mr Murphy (The Minister of Finance).]

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

Members, take your ease for a moment or two.

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

Damages (Return on Investment) Bill: Second Stage

Mrs Long (The Minister of Justice): I beg to move

That the Second Stage of the Damages (Return on Investment) Bill [NIA Bill 16/17-22] be agreed.

Mr Deputy Speaker (Mr McGlone): In accordance with convention, the Business Committee has not allocated a time limit for the debate.

Mrs Long: It is a well-established principle of our law that someone who is injured as the result of the negligence of another should be fully compensated for any financial losses that result from their injuries but without being overcompensated or undercompensated. That is called the 100% rule, and it is what the Bill aims to deliver. Compensation for financial losses includes compensation for loss of earnings and the cost of care and can run for many years into the future, often for the injured person's lifetime. When compensation for future financial losses is awarded as a lump sum, the sum is adjusted by a percentage rate, known as the personal injury discount rate (PIDR), to take account of the return that a claimant could earn by investing that sum. The purpose of applying a discount rate is to give effect to the 100%

rule. The Bill changes how the discount rate is set so that claimants are fully compensated, while ensuring fairness for defendants.

Currently, the discount rate in Northern Ireland is set under the Damages Act 1996 by the Department of Justice after consultation with the Government Actuary's Department (GAD) and the Department of Finance. The rate has to be set in accordance with the decision of the House of Lords in the case of *Wells v Wells*. The current rate of 2.5% was set in 2001 on that basis and was led by the Lord Chancellor before justice functions were devolved. Under *Wells v Wells*, the Department is required to assume that a claimant will invest all of their lump sum in very low-risk investments. The only investments that meet that criterion are interest-linked gilts. They are government bonds that protect against inflation, but, because they are so low-risk, they deliver poor returns. However, evidence indicates that, in reality, claimants would not be advised to invest solely in index-linked gilts but, rather, in a diversified portfolio of low-risk investments. In practice, therefore, setting the rate on the basis of index-linked gilts under *Wells v Wells* does not satisfy the 100% compensation rule.

The Department recognises that changes in the market since 2001 mean that the current rate seriously risks undercompensating claimants. However, if a new rate were to be set under the current framework, it would most likely result in overcompensation. Overcompensation is unfair to defendants, whose costs are normally covered by insurance or the public sector. The other jurisdictions in the UK have already legislated to change how their discount rates are set to better deliver the 100% rule, and the rates in England and Wales and in Scotland are set on the assumption that a claimant will invest in a diversified portfolio of low-risk investments. Last year, my Department consulted on proposals to replace *Wells v Wells* with a new legal framework suggesting the models used in England and Wales or Scotland as options.

At that point, I should advise the House that I have a conflict of interest with the personal injury discount rate on account of my husband's membership of a medical defence union. Medical defence unions, which indemnify their members against claims of negligence in private medical practice, have an interest in the level of the discount rate as it may affect the cost of indemnity and, consequently, the cost of membership. In view of that, I delegated key policy decisions on the discount rate to my permanent secretary, including those made on foot of the consultation on changing how the discount rate was set. However, as the decision

that the Department should bring forward the legislation has been made by him and subsequently agreed by the Executive, I can now take the Bill through the Assembly as normal.

A large majority of respondents to the Department's consultation agreed that the legal framework for setting the rate should be changed and that investment decisions by claimants in Northern Ireland are likely to be similar to those made in other jurisdictions. The majority of respondents preferred the England and Wales model, under which the Lord Chancellor sets the rate and the low-risk investments assumed to be made by the claimant are a matter for his discretion.

The Department, however, after careful reflection, believes that the transparency and clarity offered by the Scottish model, along with the control and oversight that it will give to the Assembly, are important and valuable features for a new framework. Under the Scottish model, which our Bill adopts, the investments that a claimant is assumed to make are specified in the legislation, providing up front information to everybody about how the discount rate is calculated. Also, under the Scottish model, the rate is set by the Government Actuary. This reflects the fact that, once the parameters for how the rate is to be set are detailed in legislation, setting the rate is an actuarial rather than a political exercise.

I turn to the content of the Bill. The Bill will amend the Damages Act 1996 as it applies to Northern Ireland. Short and tightly focused, the Bill has six clauses and a schedule. Much of the detail is technical but, in summary, there are three key elements. First, the Bill provides for the task of reviewing and determining the discount rate, which is to be carried out by the Government Actuary.

Secondly, it prescribes a new statutory methodology to be applied by the Government Actuary to calculate the rate. The methodology is based on a notional portfolio of investments that a claimant is assumed to invest over 43 years. The portfolio, for example, provides for investment of 10% in index-linked gilts, 5% in property and so on. The Bill also requires the Government Actuary to apply two standard deductions: a deduction of 0.75% to take account of the impact of taxation and the cost of investment advice and management; and a deduction of 0.5% as a further margin intended to protect against the risk of under-compensation in view of the risk inherent in any investment, however carefully advised.

Thirdly, the Bill provides for regular reviews of the rate. The first review, which will begin as soon as the legislation is commenced, will be a review of the current rate of 2.5%. The next review will be in July 2024 to align with the cycle of reviews of the discount rate in Scotland, and the rate will then be reviewed every five years. The Department can require an earlier review, but this would not affect the cycle of five-yearly reviews. The introduction of regular reviews of the rate at least every five years will ensure that, in future, the rate will not become out of touch with the changing financial conditions, while the provision for the rate to be reviewed in a five-year cycle gives flexibility for the rate to be adjusted, if required in response to sudden and unexpected changes in the market. Bringing us into line with the Scottish cycle of reviews will allow for efficiencies for the Government Actuary, as much of the preparatory work will be shared with Scotland. The Government Actuary is required to complete a review of the rate within 90 days.

Although we have opted for the Scottish model, one particular difference is that we have decided on a 43-year investment period, rather than the Scottish 30-year period. We did so on the basis of evidence that 43 years reflects the average period over which claimants invest. England and Wales also used a 43-year period when setting the rate under their new framework. The Department will have the power to change, by secondary legislation, the parameters within which the Government Actuary is to calculate the rate, including a power to change the assumed period of investment of 43 years, a power to change the amount of the standard adjustments and a power to make changes to the notional portfolio. The Department will be required to review the notional portfolio prior to each five-yearly review. Any regulations made under these powers will be subject to approval by the Assembly. This ensures political accountability for how the rate is set whilst recognising that, once the methodology by which the rate is set is detailed in legislation, the task of applying it to calculate the rate is purely an actuarial exercise.

The Government Actuary will be required to send a report of his review to the Department, which the Department must then lay before the Assembly. The discount rate, as determined by the Government Actuary, will come into effect on the day after the report is laid.

This is a short and technical Bill. However, it is an important one in delivering certainty, stability and fairness for all parties to personal injury litigation. At present, the settlement of personal

injury cases is being delayed. Claimants do not want to settle their cases now because they risk being under-compensated. However, if the rate were to be changed under the current framework, it would risk overcompensation, and defendants would seek to defer. This ongoing period of uncertainty and consequent delay will come to an end only when a new legislative framework is in place and a stable rate can be set under it, which delivers the underlying legal principle of 100% compensation.

11.15 am

To achieve that certainty sooner rather than later, I would have preferred accelerated passage for the Bill. However, that was not unanimously supported by the Executive, some of whom were reluctant to dismiss entirely the Committee Stage. I too appreciate the value that the Committee can add to the legislative process but, in this case, recognise that any added value comes at the price of delay for those who are anxious for their claims to be settled.

As an alternative to accelerated passage, the Executive urged members of the Justice Committee to work with my Department to complete their scrutiny in the shortest possible time frame, preferably to enable the Bill to complete its passage before the summer recess. That would include the Committee committing to concluding its scrutiny of the Bill by 30 April.

The people awaiting compensation have already had the misfortune of suffering a serious and perhaps life-changing injury through no fault of their own. They need this money to meet their everyday needs and medical care. For them, it is imperative that the Bill is enacted at the earliest possible opportunity. At this point, I ask the Committee to consider a shorter stage of scrutiny and commend the Bill to the House.

Mr Givan (The Chairperson of the Committee for Justice): Before I speak on the Bill, I put on the record an interest in this area. It is not a financial pecuniary one in any shape or form. My brother-in-law suffered catastrophic injuries, a number of years ago, as a result of a road accident and, I suspect, will be caught up in the outworkings of the legislation. I have never engaged with him on his case. However, in the interests of being completely transparent, I want to put that on the record, as I have done at the Committee when this is being discussed. I am also representing a constituent, Anastasiya Kravtsova, who suffered

catastrophic injuries. I have been representing her over the past number of years. She is very much part of the outworkings of the legislation. I will comment on her situation when I speak in my individual capacity.

As Chairman of the Committee for Justice, I welcome the opportunity to speak in the Second Stage debate on the Damages (Return on Investment) Bill on behalf of the Committee. As the Minister outlined, the main aims of the Bill are to introduce a new statutory methodology for calculating the discount rate, to ensure that the rate is regularly reviewed at least every five years and to transfer the responsibility for setting the rate from the Department of Justice to the Government Actuary. While the Justice Committee recognises the arguments put forward by the Department regarding the need to change the legal framework and fully supports the principle that any framework should ensure 100% compensation for losses suffered as a result of personal injuries that are not the person's fault, but no more or no less, the Committee had not reached a decision on whether it supported the Department's policy positions regarding the new framework that are reflected in the Bill before the Minister instructed officials to issue drafting instructions in November last year.

The Department advised the Committee in February 2020, 13 months ago, that the Minister intended to review the personal injury discount rate and that the statutory consultation involving the Department of Finance and the Government Actuary's Department would be undertaken on a proposal to change the rate from 2.5% to minus 1.75%. At that stage, the Committee noted the proposed review of the rate and the Department's intention to engage with it further once the consultation was completed. Subsequently, in June 2020, the Department advised the Committee that it intended to undertake a public consultation on how the personal injury discount rate should be set. The Committee noted that the consultation document set out options for a new legal framework and agreed to consider the matter further when the Department provided the results of the consultation and its proposed way forward.

On 22 October 2020, departmental officials attended a meeting of the Committee to outline the results of the consultations and its proposals for moving forward on the matter. In essence, the officials indicated that the proposal was to adopt a new legal framework that assumes that claimants invest their lump sums in a mixed portfolio of low-risk investments.

The personal injury discount rate in Northern Ireland should be set by the Government Actuary's Department, with reference to a notional portfolio on standard adjustments, as prescribed in the model used in Scotland. The interval between statutory reviews should be five years.

Officials advised that the Minister intended to seek accelerated passage for the legislation, and a decision had been taken that the Department would not change the current rate at this time in view of the decision to legislate for a new framework. Officials also advised the Committee that the Minister had declared an interest in the matter, as has been outlined today, and had therefore recused herself and delegated the key policy decisions to the permanent secretary.

Following that oral evidence session with officials, the Committee requested a range of additional information relating to the policy decision-making process and indicated that it had not been convinced of the merits of the accelerated passage route. Since then, the Committee has engaged with the Department and sought further clarification and information to assist its understanding and consideration of the policy proposals. At the request of the Committee, the permanent secretary attended a meeting on 3 December to discuss the policy proposals; the decision to base a new framework on the Scottish model, given that the majority of consultation responses supported the model adopted in England and Wales; and the basis for the Minister recusing herself from the policymaking process.

The permanent secretary was also asked to provide a copy of the responses that the Department had received from the Government Actuary's Department and the Department of Finance to the consultation that it had undertaken on its proposal to change the rate to -1.75% under the current framework. His decision not to change the rate was also discussed.

During that oral evidence session, officials advised that they intended to deviate from the investment period in the Scottish model of 30 years and use a 43-year period in the Northern Ireland framework, similar to the investment period adopted in the English and Welsh models. Following the meeting on 3 December, the Committee advised the Department that, although it recognised the case for changing the legal framework, it would require further engagement with key stakeholders and departmental officials before reaching a decision on whether it supported the

Department's approach of adopting an adapted Scottish model as the best way forward to achieve the principle of 100% compensation without either overcompensating or under-compensating injured parties. The Committee also advised the Department that it was not persuaded by the information that had been provided that the legislation to introduce a new legal framework for setting the personal injury discount rate should proceed by way of accelerated passage, but it advised that it was willing to engage and discuss the legislative timeline with the Department to progress the legislation before the end of the mandate.

In the expectation that payments to individuals in Northern Ireland will increase when a new PIDR framework is implemented, the Committee also wrote to the Finance Minister to obtain information on whether any request had been made to HM Treasury for the same approach to apply in Northern Ireland as had applied in England, Wales and Scotland when the PIDR changed in those jurisdictions. The Committee understands that the Treasury made some allocation to the budgets of those Departments affected to recognise that there would be an increase in the payments made to individuals. The Committee subsequently welcomed the response from the Minister of Finance, in which he outlined that, on receipt of the Committee's correspondence, he had highlighted the issue to the Chief Secretary to the Treasury and advised that, if the legislation is brought forward, access to the reserve will be sought in line with that afforded to Whitehall Departments and other devolved Administrations.

More recently, the Committee accommodated a request by the Minister to attend with officials to provide an overview of the content of the Bill and to outline her reasons for, at that stage, seeking accelerated passage. During that meeting on 28 January, the Minister indicated that it was her decision to authorise officials to proceed to issue drafting instructions for the Bill before she had an indication from the Committee of whether it supported the Department's policy approach of basing a new legal framework for setting the personal injury discount rate on the Scottish model. Following the oral evidence session, the Committee discussed the information provided on the proposed framework, noted the reasons for changing the legal framework that sets out the personal injury discount rate in Northern Ireland and agreed that it fully supports the principle that the rate should achieve 100% compensation. On whether the framework being proposed to achieve that objective is the most appropriate way forward, however,

members in general indicated that they did not have enough information to assess that properly and fully and come to a decision on whether they supported the approach being adopted by the Department.

In the light of that, members were also not in a position to indicate whether they supported the case for accelerated passage.

I leave it up to individual Committee members to set out their position. Areas of concern that were highlighted as needing further clarification and consideration included whether the proposed framework could veer towards overcompensation, which would have significant financial implications, and ministerial accountability, in striking the rate.

The Committee subsequently wrote to the Minister, setting out the views of members and requesting, in order to fully understand the potential impact of the proposed new framework, that the Department ask the Government Actuary's Department to run a notional settlement amount through the system based on the proposed model for Northern Ireland, with the investment period extended from 30 to 43 years, and based on the Scottish model, to enable a comparison of the outcome to be made, and what differential, if any, there is, including whether extending the investment period could move further away from the 100% principle.

The Committee also indicated that it would consider any additional information when available and would continue to engage in the matter, while recognising that, ultimately, any decision on accelerated passage for the legislation rests with the Assembly.

The Committee also noted the Minister's view that the Justice Department had to consider the legal framework only within the very narrow remit of ensuring that claimants receive 100% compensation. We agreed to write to the Minister of Finance for his view on the potential wider implications of adopting the proposed framework and asking what consideration had been given to those by the relevant Ministers and/or the Executive as a whole.

The Finance Minister recently responded to the Committee, indicating that it would be for the Department of Justice to lead on any analysis needed to understand the financial impact of policy or legislative changes, as the Department bringing forward the legislation, and that his officials continue to engage with colleagues in the Justice Department on the matter.

In response to the letter setting out the Committee's position, the Justice Minister provided additional information, including an example of a hypothetical case, based on a 0.25% rate change, and outlined her reasons why the Department could not ask the Government Actuary to run a notional settlement through the system to enable a comparison to be made between the proposed model for Northern Ireland and the Scottish model. The Minister also advised the Committee that the Executive had agreed to the introduction of the Damages (Return on Investment) Bill, with a condensed Committee Stage that would need to conclude by 30 April for the Bill to pass all its stages before summer recess. She outlined an indicative timeline for the Bill, providing for 27 working days for the Committee Stage, based on the expectation that the Bill would be introduced to the Assembly on 1 March.

The importance of getting a new framework to set the personal injury discount rate correctly is very clear. It will set the rate for the foreseeable future, and that matters greatly to those who have been injured through no fault of their own. However, we also have a responsibility to those organisations, including the Department of Health, that pay the awards made under the framework. We must ensure that claimants receive 100% compensation and that they are not under-compensated.

However, we must also be sure, as far as possible, that the model that we adopt in Northern Ireland does not overcompensate either. The model brought forward by the Department of Justice is an adaptation of the Scottish model, and the Committee wants to understand clearly its implications and the likely level of compensation that it will deliver, as well as considering the other issues that I have highlighted.

While the issue of access to the reserve has been raised with the Treasury, confirmation that the Executive will have such access when a new framework is put in place has not been received, although the Executive would welcome it. The Committee appreciates that the Minister wants this legislation through the Assembly as quickly as possible and before the summer recess. She has said so on numerous occasions. Indeed, the correspondence dated 16 February to the Committee sets out an indicative timeline, providing 27 working days for the Committee Stage. However, the Committee needs to consider and decide the time that it requires to scrutinise the Bill properly, assuming that it passes Second Stage today, in the way that we have

scrutinised, and intend to scrutinise, the other pieces of Justice legislation that are referred to us. While this is a technical Bill, we must ensure that the underlying policy aims of the new framework are the right approach for Northern Ireland.

Before the Bill was introduced, the Committee had been contacted by a number of key stakeholders highlighting a range of issues regarding the current position on the personal injury discount rate and the proposed new legislative framework. It is a relatively specialised area, but there is a range of organisations and experts who wish to engage with the Committee on the Bill.

11.30 am

All of us are aware of the heartbreaking cases of individuals who, through no fault of their own, have suffered personal injuries, some of which are life changing, and, as a result, they depend on the lump sum compensation that has been awarded to cover future financial losses, such as loss of earnings and the cost of the care that they need. It is in everyone's interests to get this right.

While I can confirm, as I set out at the beginning of my speech, that the Committee supports the principle of 100% compensation, I am not in a position, at this stage, to advise the House of the Committee's position on the Department's policy decisions regarding how the rate should be calculated and the transfer of responsibility for setting the rate to the Government Actuary that are reflected in the legislation. That concludes comments in my role as Chairman of the Committee.

I will now make some comments as an MLA, and my colleague Mr Frew will elaborate further on what I regard as highly irregular activity in the area. Anastassiya Kravtsova is a constituent of mine whom I first met a number of years ago. In 2015, Anastassiya was left paralysed from the waist down as a result of a driving incident of her then boyfriend, who was subsequently convicted of causing grievous bodily harm and served a prison sentence. In the course of that process, he was arrested, was not held on remand, escaped and left this jurisdiction. The police processes left a lot to be desired when tracking him down initially and in the issuing of European arrest warrants and so on, and the family felt very much aggrieved at what they regarded as the failures of the justice system and how the case was being handled. Nevertheless, he was brought back eventually, and a conviction was secured. However, the charges were subsequently reduced and,

again, the family felt let down by the Public Prosecution Service (PPS) and the way in which the case had been managed. I facilitated meetings with the director of the PPS, which I appreciated, and we went through the case.

At the age of 16, that girl was left paralysed. She lives in a Housing Executive property in my constituency to which people have had to fight tooth and nail for adaptations. I was the Communities Minister at that stage and had to intervene to get the Housing Executive and the appropriate housing association to carry out very modest adaptations. In the course of being advised on those adaptations, the comment, "Sure there's a swimming pool nearby. Could you not go there?" was made. That is an appalling example of how one individual has been let down, on numerous occasions, by the state and the Justice Department's handling of a case. Her life-changing injuries are now being compounded by the fact that the interim rate, which was consulted upon — that process was carried out — and which the Government Actuary had approved, has not been changed. The power for that change rests not with this Minister, but the permanent secretary. That is a decision that is being kept under review, as we have been informed.

While this legislation can take its course through the House, there is nothing to stop the permanent secretary striking that interim rate. I have heard the arguments that are made that, under the Wells v Wells system, that presents the risk of overcompensation and that, somehow, people would not settle. However, that rate that we have currently disadvantages such people as my constituent Anastassiya more than it does anyone on any other part of these islands. They are being disadvantaged when that continues to take place. Members and the permanent secretary should listen carefully when Anastassiya says:

"It makes me angry and it makes me so helpless and depressed because I could be doing so much in my life.

My life is on hold. I cannot live a normal life. I struggle every day in the situation that I am living in at the moment. All I can hope and pray for is a quick decision on the rate."

Anastassiya said that that compensation would help her with the medical treatment and the equipment that she needs. Are you listening, permanent secretary? Are you listening to what my constituent has to say?

The chairman of the Bar Council of Northern Ireland, Bernard Brady QC, also wrote to the

Justice Committee and asked for the interim rate to be set before this law and this new framework is changed. He said:

"The situation has been having a negative impact on access to justice in serious personal injury cases for over three years".

The Committee has had other correspondence, as have I, making the same point. I have repeatedly made this point, but it is not being listened to. It is being delayed, there is procrastination and it is not good enough. I understand why the Department has a number of actions now with judicial reviews of decisions that it has taken, and I support those actions. If it requires the courts to intervene to do the right thing, I hope that the courts do intervene and do the right thing, because my constituents should not have to suffer as a result of the inaction of this Department of Justice on the issue.

The Minister outlined why she believed that she should recuse herself because of a conflict of interest in the matter. That conflict is as a result of her husband's membership of a medical union. Some may want to commend the Minister for going above and beyond that extra mile of ultra-transparency and so on. However, it is without precedent to recuse yourself and to invest the power to take those decisions in the permanent secretary. I am not aware of any other circumstance since devolution where that has happened. I understand that, when one declares a conflict of interest, it is in order to show that one is upfront and is being transparent; it is not necessarily to divest yourself from taking a decision.

Mrs Long: On a point of order, Mr Deputy Speaker. The matter that is being debated is one on which I have taken legal advice, and, where there is a pecuniary interest, the Nolan principles require you not just to declare in advance that you have an interest but to remove yourself from such decision-making that could create the impression that you are making decisions based on that interest. Therefore, I am not going above and beyond what is required. I am following the legal guidance and doing what is right. I think that it is out of order, frankly, for a Member to suggest otherwise.

Mr Deputy Speaker (Mr McGlone): On that point, the Minister amply clarified her position, so I suggest that the Member move on to his next point.

Mr Givan: I will, Deputy Speaker, but it is materially important to this policy because this

policy that we, as Members, are being asked to vote for has not been developed or approved by the democratically elected and accountable Minister. That was done by the unelected permanent secretary.

Mr Deputy Speaker (Mr McGlone): For the Member's view, the Minister already elucidated that she has taken legal advice on that, so I suggest, please, that the Member move on to the next item.

Mr Givan: Yes, Deputy Speaker, I am moving on. The Minister referred to that as the way in which the policy was developed. It was developed by the permanent secretary. That is why it is fundamental to the Bill.

I raise the issue on how far Ministers ought to go. One may say that, when it comes to striking the regional rate, all Ministers have a financial interest in it because they pay rates. They do not recuse themselves and give it to the permanent secretary of the Department of Finance. So, that will be an area that we will explore —

Mr Deputy Speaker (Mr McGlone): The Member has maybe misunderstood me. This is the third time that I am having to say this. The Minister clarified her position. We do not need to move through that any further. She clarified her position, she made that position very clear and she took legal advice on it. That is adequate for me, so, for the third time, I suggest to the Member: please develop your debate.

Mr Givan: Deputy Speaker, my point has been made and is on the record. I am sure that we will explore how the policy was developed in future debates.

My constituent, and constituents like her across Northern Ireland, is now waiting on the permanent secretary to carry out a review of the interim rate, which is being constantly held under review. That is to whom we are looking in order to have the issue addressed in the here and now. There is a process for the Assembly to go through when it comes to considering legislation. There is a process that Committees go through when it comes to following legislation. I say this with the utmost respect to the Northern Ireland Executive: it is not the Northern Ireland Executive who decide accelerated passage. It is not the Northern Ireland Executive who decide whether a Committee should have a condensed period when it comes to carrying out scrutiny. It is — helpfully, this clarification has been provided by

the Speaker in correspondence with the Committee — a matter exclusively for the Assembly to determine the level of scrutiny that any Committee carries out and whether accelerated passage is granted. My colleague Mr Frew will speak about that in due course. It is, obviously, something that the Justice Committee will have to consider; it will do so at its meeting on Thursday. I very much want to get to a stage at which we have a framework in place that deals with the issues that we have talked about now for some 13 months. We have received representations about it from not only industry but public bodies and individuals who are in receipt of it.

I welcome the fact that the Finance Minister has indicated that his officials are dealing with the Department of Justice to highlight the financial implications for the wider Executive. When I raised that question when the Minister was before the Committee, she said — I am paraphrasing; I may not be quoting her correctly —

Mrs Long: Then perhaps do not.

Mr Givan: I am paraphrasing; the Minister can correct me if I am wrong. I will happily give way to her if she wishes to intervene. She said that the Department of Justice has to be blind to the consequences of the financial implications for all other parts of the Northern Ireland Executive and look at it only in that very narrow context. If I am wrong in how I have characterised the Minister's commentary to the Committee, I will give way.

Mrs Long: The point that I made to the Committee was that, in setting the rate, we cannot legally consider the implications for defendants, which may include public bodies, the health service and other defence unions and medical defence providers. Our sole legal duty is to set the rate in order to achieve 100% compensation. However, we are not blind to the impact that it will have. We cannot allow it to influence the decision. It was, however, raised on numerous occasions at Executive meetings where the matter was discussed, so no Minister, unless they were asleep during the Executive meeting, could have missed the import of what was being said when I raised those matters.

Mr Givan: I am not privy to Executive considerations. Indeed, if the Executive wish to hand over all their documents to the Justice Committee around the issue, I would welcome that. It would be useful to know what consideration has been given by the Minister of

Health, the Finance Minister and others. That will help to inform the deliberations of the Justice Committee in considering the issue.

I have outlined the importance of the legislation. I have highlighted the very real impact that it is having on people in Northern Ireland. My party and I will allow the Bill to go through at this stage, but I make it very clear that that is without prejudice to taking a different decision further on in the process. I have not taken the position that this is the correct way in which the legislation has been framed to deal with the issues. It will go to the Committee for detailed scrutiny and consideration, and my colleagues on these Benches will reach a view at a later stage of the legislative process. The Minister has taken it forward in the absence of having agreement from the Justice Committee that this is the correct way to go forward.

11.45 am

Ms Dillon: I thank the Minister for bringing this to the House today.

I will not elaborate on all of the issues that were raised by the Chair of the Committee, but there are a small number of points that, I feel, are really important, not least the issue that the Chair raised about claimants awaiting the payout of claims that will make a massive difference to their life. I am sure that we all know people who are in that position, and it is not a nice place to be. It is a difficult situation even when you have the payout because, if you have the kind of injuries that the Chair talked about, no amount of money will give you back the life that you should have had; all it will do is help to make your life a bit easier. I am just putting that on the record. We are thinking about all of those who will be affected and impacted by the decision today.

As the Chair said, the legislation is extremely important. It is important that we get it right, and therefore the Committee Stage is extremely important. As a Committee, we have a responsibility to do this in as timely a manner as possible. That is what the Minister has asked us to do. I do not think that anybody on the Committee has any resistance to doing this in as timely a manner as is humanly possible, because we want to avoid the circumstances where we are not delivering for claimants or where the defendant overpays. We want to ensure that there is no potential impact on the Executive and, as has been outlined, on the Health Department in particular. However, this will affect all of the Executive. All Departments have to pay out on claims relating to accidents that happen in councils or as a result of the

condition of our road infrastructure. All of our Departments will be impacted, but there is no doubt that Health will be the most heavily impacted. We must ensure that claimants get 100% compensation: not more than that and certainly not less. That is why the Committee Stage is important. It will ensure that we get all the facts.

This is a narrow piece of legislation. That does not take away from the importance of the information that we have to gather, but it is a narrow piece of legislation, and we must endeavour to look at the issues as speedily as possible and to hear from interested parties and stakeholders as soon as possible so that we can reach a decision on it. I am concerned that any delay in progressing it will have a knock-on effect on other legislation. That does not in any way diminish the importance of this legislation, but every piece of legislation that comes through the Justice Committee is equally important. We have the Criminal Justice (Committal Reform) Bill, which has big implications for the justice system. We have the Protection from Stalking Bill, which has massive implications for those who suffer as a result of stalking. The miscellaneous provisions Bill will deal with many issues and some of the important stuff. As I have outlined in the Committee already, my big fear is that, because the miscellaneous provisions Bill is so broad and takes in so many issues, it is the one that will fall off the edge. There are important issues to be dealt with in it, not least around domestic abuse legislation and the Gillen review.

It is important that we, as a Committee, endeavour to do this in as timely a manner as possible, but we will do it right, as we have done with every piece of legislation and every issue that has come before us. We will ensure that we do it right, and we will work closely with the Minister, the permanent secretary and the Department. Whilst the Minister has recused herself from this, she has not held back from coming to the Committee to respond to questions. She is in the Chamber today to do the same, and that is only right. We have to work with the Department and the Minister to achieve the right outcome for claimants and defendants but, most importantly, for the claimants who are waiting in serious positions in relation to the impact on their lifestyle and their ability to have a normal standard of life.

Ms S Bradley: I rise at the Second Stage of the Damages (Return on Investment) Bill as the SDLP spokesperson on justice and a member of the Justice Committee. I thank the Chair and Deputy Chair of the Committee for putting on

record a clear timeline of the events that led to this.

The legislation seeks to ensure that those who have been unfortunate enough to have had an accident that has caused life-changing injuries and are seeking financial compensation receive 100% of the compensation due to them. All in the House will acknowledge that the personal damage in such cases cannot be repaired — it is irrecoverable — and that this crude instrument of financial compensation is used in an effort to honour the claimant's potential life earnings and cover the additional expenses created by the injury, such as adaptations, medical expenses and caring costs.

Compensation can be paid in two forms. There is the option of a periodic payment order, which is, I understand, a much less common type of payment, or the option of a lump sum. As we have heard, those who opt for the lump sum will know that a financial return on that lump sum could be realised. Therefore, an effort has to be made to ensure that the desired 100% compensation is reached. That is done by introducing the discount rate, which has to be struck. Our understanding is that the Department is compelled to deliver the rate set in legislation. The 100% rate is, without doubt, in everyone's interest. It compensates the victim fairly and allows the industry scope for further insurance offers that, sadly, as we all know, will be the basis for future claimants. The only fair and workable way forward for all is that we reach the 100% target.

The argument about the interim rate has been had in Committee. Having listened carefully to the debate for and against the interim rate, I have yet to be convinced that the proposal will significantly change the problem that is currently faced. We are aware that parties are reluctant to settle because, if they do so before the final rate is set in legislation, it may be to their disadvantage. Regardless of which party holds a view on the settlement, both parties will inevitably run a calculation that compares it with the final legislative rate that, they believe, may be set. It only takes one party not to agree for there not to be a settlement, which is, I fear, an inevitable outcome of an interim rate. While I appreciate that the details of the calculations and proposed procedures for arriving at methods are complex and that the Bill endeavours to address this issue —

Mrs Long: Will the Member give way?

Ms S Bradley: Yes, I will.

Mrs Long: I thank the Member for her understanding of the specific issues with respect to an interim rate. I do not believe that we will get certainty in that area. We are talking about settlements and agreements. However, does the Member accept that, with an interim rate, there is also the risk — it is not one that we can consider when setting the rate — that cases will go to court and judges will instruct a settlement based on the interim rate? That would place the health service, the Department of Finance and others in jeopardy at that point. While I cannot consider that in setting the rate, an interim rate does not protect against it.

Ms S Bradley: I thank the Minister for her intervention. That is a fair risk to have placed on the record.

As we look at the Bill and what it endeavours to do, I am mindful of the eagerness of those who have proposed the interim rate. I believe that their duty to try to help those people comes from a genuinely good place. It is about reaching victims who await access to money that is rightfully theirs so that they can set up a life that addresses the issues that they face. That said, I genuinely believe that there has to be a more honest and open conversation about the potential for claimants to access an interim payment. When I raised that in Committee, it received a short airing, although Doug Beattie followed up on my question and raised the issue of interim payments.

In considering what we are trying to achieve in the Bill, I think that we are talking about a margin or a percentage. We have to ask this question: are all claimants aware that they are able to sit down with their legal representatives and have the discussion about receiving an interim payment of their settlement? As an example, I throw out the fact that 90% of their payment would not touch the rate that will be set via the Bill. I heard the Department say that it is very much a private matter and the discussions on those settlements will happen between the claimants and their legal representatives. However, many of the claims may be in the public sector, and there is a duty on all of us to make sure that we help any claimant who is awaiting money to make their life comfortable. It is not about having a great lifestyle; it is about making adaptations to your house — for example, building a downstairs bathroom and downstairs sleeping facilities — and making changes that will make your life more comfortable following the horrific outcome of the accident that you have experienced. That has to be at the core of what we are trying to achieve, and, while I have no doubt that we will scrutinise the Bill in the Committee and go

through the detail — it is only right and just that we do that — the pressure on all of us should come from the question of whether those people have access to the money that they need today and what the barriers are that prevent them accessing that money.

That is why I will repeatedly bring up the possibility of the interim payment and the fact that all claimants should be aware that they can sit down with their legal representative and discuss access to that payment. That may give rise to a later calculation that will have to take it into account that the full amount of the lump sum was not payable at a set date, but such calculations can be agreed and arrived at. No victim should be making do or trying to bridge the gap while we go through the politics of what has to happen. No victim's life, lifestyle or what they are able to achieve in their life should be limited by the time frame that the Committee or the Department needs to bring this to a conclusion.

On the detail of the Bill and the commentary that has played out in Committee, the Minister will be aware that I was particularly cautious because, while the model was very much framed on the Scottish model, there was a deviation from the 30-year period to 43 years. I was eager to get a fuller understanding of the potential implications of that. We are all mindful that we do not take legislation and tweak one part of it without realising the unintended consequences. We all have a duty to satisfy ourselves that there are no unintended consequences of such tweaks. I appreciate the Minister's work to date, but there is still a deeper understanding to be acquired before I can give any explicit commentary on that either way.

The SDLP will be at the Committee and, with all other Members, will scrutinise the information in front of us. When the information is not there for us to make an informed choice, we will not be shy in calling that out, because it is in everybody's interest that we get it right. We have to have a steady hand and, while the clock is ticking for the claimants in the background, reach out and find solutions to improve their lives while we take the time necessary to get this right. I thank those who have spoken and look forward to working with Committee members.

Mr Beattie: First of all, I thank the Minister for introducing the Bill. Everything that she is doing is being done for the right reasons. While there may be some disagreements about the methodology that will be used, it is not that we are not all trying to achieve the same thing. I

also thank the Chair of the Committee for his powerful testimony about a constituent. It is important to get those human stories because, at the end of the day, those are the people whom the legislation will affect. I thank him for that. The discussion on the interim rate is important, but I will not go into it now. I will not go into too much detail, because the Chair covered everything quite well.

We all want the same thing here, which is for those who are to be compensated to get 100% of the compensation.

There is nobody here who does not want that. If any Members do not want it, they certainly have not stood up to say so.

12.00 noon

We have to be mindful of the compensators, the insurers, the public bodies, including Health and Social Care, our constituents and, more widely, the people of Northern Ireland, whose premiums may increase because of the actions that we take in the Chamber or in Committee. We have to be mindful of them.

The question for me is not this: are we striving to make sure that the plaintiff gets 100% of the compensation? Rather, the questions for me are these: which methodology do we use to achieve that, and which framework do we think is best in order to get it? We all have our thoughts on that, and it is right that we bring those thoughts out at Committee Stage.

The Minister is going for the Scottish model, and she has given really good reasons for why. The case, however, for adding 0.5% to the discount rate as a margin adjustment to counter the chance of under-compensation does not seem to have been made, if you look at the Scottish model. There is a real danger of overcompensating somebody if you apply that margin.

Mrs Long: I thank the Member for giving way. It is very helpful. He will be aware that, under the England and Wales scheme, it is for the Lord Chancellor to make that adjustment to prevent under-compensation. In actual fact, the settlement figure that he has for this round is also 0.5%, so the figure is consistent with that used in other jurisdictions in order to prevent under-compensation. It is not one that we have simply pulled from the air.

Mr Beattie: I thank the Minister. I will be clear: I do not think that you pulled it from the air, and I was not suggesting that you did. The point is

that the figure needs to be examined, scrutinised, talked through and understood. That is why scrutiny at Committee Stage is extremely important. Likewise, when we look at the much-preferred English and Welsh model, we have to ask why is it much preferred. What does it do that the Scottish model does not do? We need to examine that. These are complicated issues that we need to address.

I will be supporting the Bill's Second Stage, because, as we have all said, we have to change the outdated discount rate and move it forward. In doing so, however, it is important that we scrutinise that, because the discount rate must be changed and the plaintiffs being compensated must get 100% compensation.

I was never in support of using the accelerated passage procedure for the Bill, and I do not think that that request ever picked up any momentum at all. I will absolutely examine in Committee our ability to do this as quickly as possible through a shortened Committee Stage. I will discuss that to see how we can do it. If I have to work extra days, I will work extra days. If we are asked to do extra Committee days, we will do extra Committee days. Can we achieve that by 30 April? I do not know. At our most recent Committee meeting, the Chair made it clear just how packed our programme is, and I absolutely accept that. We can, however, still look in the margins to see what we can do. In supporting this, I will go away from here knowing that, at Committee Stage, I and my fellow Committee members will see what we can do. I do not think that a single Member here does not want to try to do this as quickly as possible. There is no politics in this one, apart from politics itself. Rather, this is about making sure that we get compensation to those who deserve it, as was outlined by the Chair. I will therefore look at having a shortened Committee Stage and see what I, as the Ulster Unionist Party spokesperson on the Justice Committee, and others can do. At the end of the day, any decision that we make will be made for the right reasons. That is important.

I finish by again thanking the Minister, the Chair and other Members for feeding into this debate.

We have to do this in the most positive way that we can. Negativity in driving this forward will not help us one bit.

Mr Dickson: I genuinely welcome the opportunity to speak on this vital piece of legislation, not least because, as others said, we need to bear in mind exactly what the legislation is designed to achieve and for whom it is designed to provide relief in difficult and

trying circumstances. It has been a long time in coming to the Assembly, not least because it was delayed by the collapse of this institution in 2017.

The Damages (Return on Investment) Bill is technical in nature, but its application in our justice system is incredibly important. It is wide-reaching and based, as others said, on the principle of targeting 100% compensation to provide fairness and stability to claimants and defendants.

Where a person is injured through no fault of their own due to the actions of others, often with life-changing circumstances, as others explained, there is a clear requirement for compensation to be made to that individual. A calculation is made of the return that that person would receive if the compensation had been invested. In Northern Ireland, that is through the mechanism set out in the Damages Act 1996. As a result of the decision, to which the Minister referred, of the House of Lords in *Wells v Wells*, an assumption was made that a claimant was very risk-averse in investing those sums.

If the discount rate is set too high, it will lead to under-compensation as assumed to be earned through the investment of a lump sum; if it is set too low, it will lead to overcompensation, and not enough is assumed to be earned. The current rate of 2.5% was set a long time ago, in 2001. However, the investment market has changed hugely since then, so returns on low-risk investments are remarkably low at this time, and the 2.5% is higher than the claimant is likely to see. We must always bear in mind that the technicalities around this legislation are crucial, but at the heart of what is being worked on is achieving appropriate compensation.

The current methodology assumes that the claimant's investment of their lump sum is of a very low risk. However, evidence shows that that is often not a realistic assumption as people are more likely to invest in a wider portfolio of low-risk investments, so the current rate presents a real risk of under-compensating claimants by assuming a higher rate of return on investments than is possible today. Conversely, if a new rate was set under the *Wells v Wells* mechanism, we would see it likely to overcompensate, which would be unfair to defendants and undermine the 100% compensation principle.

Dealing with this issue has been on the agenda for many years. Unfortunately, as with so many key priorities, it was shelved during the three years that the Chamber stood empty.

Ms Dillon: I thank the Member for taking an intervention. What is important in this legislation is that we will not set the rate; we will set the framework by which the rate will be set. It is important that people understand that this is the framework, and it is extremely important that we get it right for that reason. The Government Actuary will be able to change the rate, but it has to be changed within the framework. That is why we have to get this right.

Mr Dickson: I thank the Member for her intervention. She makes an important point, one that the Minister made absolutely clear in introducing the Bill, and, as I understand listening to her today, in the way in which she has been working with the Committee to make it absolutely clear that this is not a political decision.

The decision-making around the process has to be handled in a totally open and fair way, and it has to be determined in a technical manner. It is time that the Assembly took action in order to give clarity and to allow people to move forward. The longer the legislation is delayed, the longer it will be before a fair framework is in place for those who have suffered, often life-changing, injuries.

Moving forward, and in considering the options for a replacement, I understand that the Department has looked at the regimes in England, Wales and Scotland. Those models assume that claimants invest in a diverse portfolio of low-risk investments rather than in a single low-risk investment. However, in England and Wales, decisions on the rate are made by the Lord Chancellor, and in Scotland they are set by the Government Actuary and are, therefore, a technical exercise. The point has already been well made that that takes the decision completely and utterly away from any political interference or the interference of one individual. Rather, it is set in an actuarial manner.

I believe that the Scottish model, which is adopted in the Bill, represents a very clear way forward to provide transparency and takes direct decision-making away from, and outside of, politics. That, indeed, is further strengthened by the specific detailing of the expected investments in the text of the Bill which, ultimately, provides clarity and stability and sets out how the rate will be set in future. I welcome the provision for the Assembly to have more oversight of the issue, with changes to the detail of how the rate should be calculated to be approved by the House. That will help to ensure confidence in and democratic accountability of the model.

It is clear that change needs to be implemented swiftly. I hope that the Justice Committee will work constructively and quickly to achieve all of that. It is important that it does so in order to bring this legislation, which has been outstanding, to a close for injured parties, claimants and defendants. I encourage the Chairperson of the Committee and Committee members to engage on the issue expeditiously, while not cutting corners, to get it done within the time frame that has been set out by the Minister.

Mr Frew: The Damages (Return on Investment) Bill is a very important Bill, which will have a massive impact on people's lives, not only at a given point in time but for the rest of their lives. Those people are in a far less fortunate position than the rest of us because they have suffered grievous and life-changing injuries that will affect them and their dependants for the rest of their lives. In some cases, families with young children will be involved. We need to ensure that those people, who have been injured through no fault of their own, are compensated and looked after to the best of our ability.

We welcome the Bill in order to change the rate and the infrastructure, and it is essential that that happens. People have been let down in the past, but that is through no fault of the Minister or officials; that has been down to circumstances that have been beyond our control. However, we are here now, and I am glad that the Minister has been able to bring the Bill forward.

She is correct when she says that it is six clauses long. It is a short Bill, but it is very complicated and will have an enormous impact on people, not least those who have been injured and whose lives and families have been affected grievously. It will have an impact on insurance businesses and the cost of insurance. That might seem like a small matter in comparison to someone's life-changing injuries, and I would argue that it is, but it will still have an impact on every single citizen in this country, and we have to be mindful of that.

12.15 pm

Ms Dillon: Will the Member take an intervention?

Mr Frew: I will, yes.

Ms Dillon: We need to be cautious when considering that, because insurance companies make billions of pounds in profit every year. They have not increased insurance premiums

in England and Wales. I am waiting on information about Scotland, because it is the model that we are looking at. We should be careful about having too much consideration for insurance companies, which, we know, make plenty of money off the backs of us all, including businesses. It is unfair of them to suggest that businesses would be out more money in insurance when they pay plenty already.

Mr Frew: I thank the Member for her intervention and for putting that point on the record. She is correct. If premiums go up it will affect not only businesses and people but public services. That is a massive issue that we should be mindful of.

There is no doubt about it; the Minister is responsible for making the decision on how she sees the Bill going forward. That is her right. It is the Committee's place, role and duty to scrutinise the Bill and the direction of travel. That is the job that we should be up for. The Minister asked us to be timely and quick. I will talk about that a wee bit later. She is right about that. She has my word that we will try to get through the Bill as quickly, efficiently and effectively as possible.

With regard to the content of the Bill, I welcome the Minister's restating her commitment to the legal principle of 100% compensation. That is what we strive for. It is what we need to see. We will try to achieve that when we scrutinise the Bill and to ensure that we do not do anything that would upset that 100% compensation rate. It is vital. That is the balance that I was referring to when I took an intervention from the Member opposite. The balance is 100% compensation. That will bring assurance to every sector and every person who is involved. That is what we have to strive for. I commend the Minister if, indeed, she restated that she will commit to the principle of 100% compensation.

This question then arises: are we sure that the model that the Minister brings forward will actually achieve that? That is the fundamental question that I believe the Justice Committee must look at and scrutinise, because we are in a place on these islands where the one model has not fitted or been taken forward. We have differences of opinion, and we have different systems in England and Wales compared with what we have Scotland. All that may well have massive implications for all those jurisdictions going forward. We in the devolved Assembly need to be sure that the process that we take forward is the one that fits best for Northern Ireland and all its people, not least those who have been injured and deserve compensation.

I thank the Minister and her officials for their engagement with the Committee. They have been very good and diligent in coming before the Committee to talk about the Bill. I welcome that engagement. It has been very good for us to hear first-hand from officials about the mechanisms of the Bill and to try to understand, as best we can, how they actually work. I would hazard a guess that it has been a learning curve for all members. However, we are pretty good at getting to grips with things. I have every confidence that, going forward, the Committee will be able to scrutinise the Bill well and properly.

However, questions were posed to the Minister and officials that caused concern and alarm. They were just questions that we were able to put to them. There is an issue where it seems to be the case that the Scottish legislation specifically recognises that there is a risk of overcompensation. On that basis, and with its knowledge of that happening, Scotland is, with its legislation, at risk of having a burden placed on its devolved Administration. That might be well and good. It might be that it was the decision that the Scottish Parliament took.

We must know whether a further burden is being placed on any of our public services or Departments. We must know how to balance that burden because it will impact budgets.

Mr Allister: Will the Member give way?

Mr Frew: Yes, I will.

Mr Allister: I have been listening carefully to the debate, and I have heard many Members mention the risk of overcompensation and the resulting burden on Departments. I have yet to hear anyone mention the other side of that coin: under-compensation. Money running out creates a burden on the state through benefits. Therefore, it is not a one-sided process, and it is important to get it right not only because that is the necessary thing to do but because we need to protect the taxpayer from future underfunded cases by which insurance companies get off lightly.

Mr Frew: I thank the Member for his intervention. He is perfectly right. That is the balance that we are trying to strike between under-compensation and overcompensation and how that impacts every single citizen in this country. The Committee needs to be very careful about how it proceeds. We have other issues and concerns, and I know that the Minister has stated —

Mr Givan: I appreciate the Member giving way. I will pick up on the overcompensation/under-compensation issue, which comes back to the point that I have made repeatedly. Under *Wells v Wells*, we are not going forward because the Department believes that that creates a risk of overcompensation. If there is no concern about the impact on the insurance industry and public bodies, why not keep *Wells v Wells*, irrespective of its removal in other jurisdictions? We can keep it and move forward with the rate that has been consulted on. If there is no concern about overcompensation, let us stick with what we have and strike the rate.

Mr Frew: I thank the Member.

Mrs Long: I thank the Member for giving way. I apologise: I realise that I am responding to the Member who intervened.

No one has said that there is no concern about overcompensation or under-compensation. We are concerned about both because there is a legal principle that we must compensate victims 100%. To be clear: it is not a departmental policy with which you can agree or disagree; it is a long-standing legal principle by which we are bound. The issue of overcompensation has significant implications for public finances and the insurance industry. We cannot take that into account when setting the rate, but it is nevertheless a fact that the ratio of under-compensation has implications for claimants. We cannot take that into account when setting the rate. As things stand, the only thing that we can take into account is the issue of *Wells v Wells*. All other jurisdictions in the United Kingdom have moved away from a position that does not represent 100% compensation. The only way that we can return to 100% compensation, which is our legal duty, is to set a new rate mechanism to reach 100% compensation. It is not an exact science, but we know for a fact that we are either overcompensating or under-compensating if we do nothing.

Mr Frew: I thank the Minister for her intervention. I am glad to be a conduit in this place for a good debate. When I can, I facilitate that. It is good for Members — even Members who are not on the Justice Committee — to understand the issue because, ultimately, the Assembly chooses how we proceed and what votes succeed or fail.

The Minister rightly states that she cannot consider the impacts for all the other sectors, public services and Departments. However, the Committee has to consider that. The Committee

has to look at the impacts on the Department of Finance, the Department of Health and the work of GPs.

Mrs Long: Will the Member give way?

Mr Frew: I will finish my point and then I will give way.

The Committee has to look into all that. The Department of Health will not have done scoping exercises or impact assessments on how this works. It will have, rightly, determined that it is the remit of the Department of Justice to bring forward the Bill. Although I do not want one Department to step on any other Department's toes, there seem to be blind spots as to the impact assessment and the impact of the Bill on all other spheres of life in this country. I will give way to the Minister, if she still wishes me to do so.

Mrs Long: It is a matter of law, not opinion, that we must 100% compensate. Therefore, the duty that I am bound by in setting the rate to achieve the 100% compensation is also binding on the Committee as it scrutinises the legislation to do that. If the Committee departs from that and brings forward proposals that do not, at their core, set out to achieve 100% compensation, irrespective of the wider impact, any such proposals would be struck down by judicial review.

I ask you, Mr Deputy Speaker, to seek guidance on that point for the Committee and the House before the Bill comes back to the Chamber, because it is incredibly important. There is a legal principle at stake here. It is not simply a difference of opinion. There is a legal duty on us to provide 100% compensation, irrespective of the impact on the insurance industry, the health service and others. I have already made it very clear that the Health Minister, the Department of Finance and the insurance industry are fully aware of the potential consequences of any change to the rate, so they are able to prepare for that. However, it cannot influence us in the making and setting of the rate, nor can it influence us in how we structure the actuarial information on which any rate would be based in the future.

Mr Deputy Speaker (Mr McGlone): I appreciate what the Minister is saying about compliance with the law, but, by way of clarity, that will be a matter for the Committee and the Clerk of the Committee. I served on the Committee, and I am sure that the Clerk of the Committee, who is a person with a lot of experience, will ensure that anything that

comes before the Committee, or that the Committee initiates, will be compliant with any relevant legislation.

Mr Frew: Thank you, Mr Deputy Speaker, for your ruling. I appreciate the Minister's intervention, but here we go again. We have an Executive Minister trying to dictate to the Committee how it does its business. I am getting sick of it — I really am — and I will bring that point up later.

I fully agree with the Minister that we need 100% compensation and that it is set by law, but it is very clear that there are many ways to get to that point, and that has been proven on these isles. Let us see whether our model and our infrastructure offer the best way of obtaining 100% compensation, which is what we all strive for. I do not think that the Committee will do anything that may damage that potential, because every single member of the Committee has recited the line about 100% compensation during the debate. No way would we want to see anybody disadvantaged in any shape or form. It is about getting to that point and making sure that the model is the best model for Northern Ireland and its citizens.

Ms S Bradley: I appreciate the Member giving way. Is it not true to say that the target is 100% and that the effect is the effect on either side of that? There are conflicting agendas here, and the methodology set in the legislation could lean towards one of those agendas over another. The conundrum is how we get to the 100% and remove any bias. I believe that that has been the focus of the Committee members to date. I also believe that there will be a lot of noise from outside parties, and it is only fair to hear them, but we are all still focused on that same target of 100% compensation.

Mr Frew: I agree with the Member, and I thank her for her intervention and for putting that on the record. I believe that that is the case. When we look at the process and infrastructure that the Bill puts in place, we have concerns, even about the answers that officials gave to some of the questions that we posed. One official talked about the difference between the 30- and 43-year investment periods. That was described as a "rounding difference", which would make no difference if it was less than the 0.25%. My understanding is that 0.25% could be worth hundreds of thousands of pounds.

12.30 pm

We say that we are picking up the Scottish model, but we are not really. We are trying to

get a bespoke model for Northern Ireland. I am not saying that that is wrong or right, but we will have to scrutinise it and to make sure that it is fit for purpose for Northern Ireland and its citizens.

Those are the questions that have been posed by the Committee already, and the answers that we received raised further questions that we need to explore. That is just one example of some of the issues that the Committee has grappled with, even to date.

There is also an issue about the Scottish review process and how the Northern Ireland process will align with it, even though the legislation will only be implemented this year. Whilst we like the idea of reviewing laws, apparatus and infrastructure, could that affect settlements? We must look at that. That is what is happening at present: people are holding on and waiting out and are being advised to do so. Even a review mechanism could have an impact on settlements going forward. Those are things that we will try to look at.

I return to my earlier point. The Minister wrote to the Committee, on 16 February this year, about the Bill and the legislative process for it. That letter shook me to my core. The Minister may laugh, but there is a process in the House. I have been here for nearly 11 years, and I can tell Members that the Executive are not the Assembly. It is a place apart; there is a difference; and that has to be so. There is no way that the Executive should dictate to this House — this Assembly — that passes legislation. Any influence or process that jeopardises that separation should be aggressively countered. There should be no stepping into that void, especially when we sit in a five-party coalition. My party is one of them, but I defend the right of Committees to do their work as they see fit and to make sure that the Assembly is independent of the Executive. Without that independence, you lose democracy, and I am not in that space.

For the record, I will read out the first paragraph of the Minister's letter to the Committee, because I think that it is grievous. Remember, the setting was a debate and a toing and froing between the Minister and the Committee, with her wanting the Bill to go through by accelerated passage. Rightly, members of the Committee did not want to pursue that —.

Mr Deputy Speaker (Mr McGlone): I want to clarify one wee point, please. I am happy to allow the Member to put information on the record, but I want to clarify that it is not a debate about the pros and cons of accelerated

passage; it is about the principles of the legislation that is in front of us. OK?

Mr Frew: I thank the Deputy Speaker for his ruling. Yes, I will talk about the process and the Committee Stage. That will have a massive impact on the information in the Bill. I quote the Minister. She wrote:

"I wanted to let you and Committee members know that, after taking careful account of the understandable desire for a short Committee stage that a number of Committee members had asked for at its meeting on 11 February and, after discussion at Executive with respect to the urgency of the Bill, the Executive agreed to the introduction of the Damages (Return on Investment) Bill with a condensed Committee Stage. The Executive reached this decision on the basis that it recognises that it is imperative for the Bill to pass all of its stages before the Summer Recess. For that to be possible, our timetable"

— "our timetable" —

"(which is attached) indicates that Committee stage would need to conclude by 30 April."

How dare the Minister dictate to the Committee when it should meet and how much time it should give.

Mrs Long: Will the Member give way?

Mr Frew: I will finish my point, and then I will give way. We are given two ears and one mouth, and sometimes it is good for Ministers to hear and listen to what Members of the Assembly are stating. It is not for any Executive Minister to dictate how long a Committee should take to consider and scrutinise legislation brought before it by that Minister. That is a real breach of the way in which this place works and operates. I will defend the right of the Committee to take its time with the process of considered scrutiny of the Bill. We will endeavour to work as hard and as speedily as we can. Like you, Mr Deputy Speaker, I will be a guardian of democracy. I will make sure that rushed law does not become bad law and that rushed law does not become flawed law. That letter from the Justice Minister overstepped a mark, and that I cannot tolerate. That is why I speak of it today. I will give way to the Minister.

Mrs Long: I thank the Member for giving way. To be absolutely clear, a number of processes

take place when bringing forward legislation. As the Member rightly said, I have to seek the approval of my Executive colleagues to bring forward legislation and, for example, to request accelerated passage. That is what I did, in accordance with the ministerial code and the directions around how we bring forward legislation. It was a decision of the Executive, however. It was a decision not of mine but of the Executive to seek from the Justice Committee a shortened Committee Stage. That proposal was put because members of the DUP on the Committee objected to accelerated passage. It was brought forward by their own party leader as a potential way of resolving that conflict. I acceded to that request and, rather than push for accelerated passage, wrote to the Committee, as I was asked to do by the Executive, to request that it consider a condensed Committee Stage in the interest of claimants. The Member is right: it is for the Committee to decide whether to accede to that request.

Given all that the Member has said, it is entirely in order that he, with his one mouth and two ears, understands the consequences of delay and the seriousness of the impact. He has talked a lot about the impact on the public sector and the consequences of any delay for it. It was for that reason that the Executive asked for a condensed Committee Stage: in the interest of claimants. If the Committee chooses to peruse the Bill at length and over an extended period, that is, of course, in its gift. It cannot, with any credibility, then come to the House and complain that blame for the delay lies at my door or is my fault.

Mr Deputy Speaker (Mr McGlone): I thank the Minister for her explanation. We will not have any commentary between Members in the Chamber. We will do so through the proper process, please.

As I said, I thank the Minister for her explanation and for clarifying the situation to the House. I also know that she will respect the right of Committees to scrutinise fully all legislation that goes through. I have some sympathy with Mr Frew's point, having sat through, on another Committee, some difficult stuff that, had we been given enough information, might have resulted in a much better outcome for the renewable heat incentive (RHI). That was another place at another time. I therefore have sympathy with the point that the Member is making, but the Minister has explained the route that was taken and the process that was followed.

Mr Givan: On a point of order, Mr Deputy Speaker. The Minister has deliberately misled the House. She said that the reason that she went to the Executive was that it was DUP members of the Committee — one party, singular — objected to accelerated passage. I am not aware that it was only the DUP, as a single party, that objected to accelerated passage.

Mrs Long: I am happy to clarify for the record —.

Mr Deputy Speaker (Mr McGlone): One moment please, Minister. I will allow you to come back in, but I will not allow the debate to be distracted by things of which I have no knowledge. I will allow you to clarify the point, Minister.

Mrs Long: I am happy to clarify for the record, Mr Deputy Speaker. It was not only the DUP that raised concerns about accelerated passage. However, it was at the Executive.

Mr Deputy Speaker (Mr McGlone): I am sorry, but there will be no more commentary on this. Both sides of the argument have been fully ventilated and clarified. I have allowed ample latitude for that to happen. Mr Frew, I will return to you.

Mr Frew: Thank you, Mr Deputy Speaker. I put that point on record. I am not privy to any Executive business, nor should I be as an MLA. That is a separation that we should protect. You will know that, in the history of this place, only one Committee's scrutiny has taken the 30 days laid down in statute. All others have asked for an extension in order to do their work diligently and appropriately. I do not believe that we will be able to meet the Minister's expectations, and nor should we, because we need to take the Bill very seriously and to make sure that we hear from all witnesses and stakeholders who wish to speak to the Committee.

I will not lay the delay at the Minister's feet, but I will not have the Minister in one or two years' time saying, "Well, you know, the Justice Committee approved this. It passed it and allowed it to go". Committee members will do our job as diligently as we can with the tools at our disposal to scrutinise the Bill appropriately and to the level that it deserves for everyone involved, not least for those grievously injured through no fault of their own.

This is a very important Bill that we, Committee members and Members of the Assembly, should consider seriously. It will affect people

we know into the future. It will also affect every citizen in this place, so we should look at it very carefully.

Ms S Bradley: I thank the Member for giving way. I am mulling over the comments made by the Minister earlier. At the outset, the Minister quite rightly said that this is a very technical Bill that aims at delivering 100% compensation and that that should be our only motivation. However, twice in her previous comments, the Minister referred to the request for accelerated passage being motivated by the need to reach claimants.

That contradicts trying to focus wholly on the 100%. Is accelerated passage motivated by the intention of reaching claimants? Then to park an element of blame on the Committee sits uncomfortably with me, as we are doing our very best to scrutinise and to reach the 100% target. However, claimants are brought into the equation, and we are now being told that if our scrutiny takes too long, it is on us and we can answer to claimants. That is quite offensive, and I want to place that on record.

Mrs Long: Through the Chair, if I may—.

Mr Frew: *[Inaudible.]*

Mr Deputy Speaker (Mr McGlone): Are you OK to *[Inaudible]* ?

Mrs Long: If I may —. Would you give way?

Mr Frew: Mr Deputy Speaker, for the purposes of the debate, I will gladly give way to the Minister if she seeks it.

Mrs Long: Yes.

Mr Deputy Speaker (Mr McGlone): OK. Minister?

Mrs Long: Thank you. To be absolutely clear: the reason for seeking accelerated passage is so that claimants can get their settlements as quickly as possible. I have been clear about that throughout the debate. The issue here is about those who wish to overly prolong the debate on this issue and not take account of the urgency. On the one hand, with respect, Mr Deputy Speaker, I have been berated about the delay in introducing the legislation and changing the rate. On the other hand, I am being told that the Committee will take as long as it likes with the Bill. We cannot have both of those making sense. What we need to do, and all that I am asking the Committee to do — to

be absolutely clear — is to be as expeditious as possible.

If we meet the 30 April deadline, which we formally requested of the Committee, there is every opportunity that we will have a new rate in place this summer. If we do not, the situation will become protracted and will go on beyond the summer recess into the autumn and create difficulties for claimants. That is clear. I am not, to be clear, annoyed with those members of the Committee who previously said to me that they would have accepted accelerated passage, albeit uncomfortably, or that they would support a shortened Committee Stage.

My concern is about those who appear, today, to want to have both the ability to criticise the Department for delay and the ability to take their time.

12.45 pm

Mr Deputy Speaker (Mr McGlone): Minister, I think that we have amply ventilated this issue. People outside this Chamber and those principally affected by this legislation will just want there to be good will and dedication from the Department and the Committee to get the Bill ushered through in a proper manner that allows for adequate scrutiny.

Mr Frew, you had a final point to make.

Mr Frew: Yes, thank you, Mr Deputy Speaker. I have applauded the Minister for bringing the Bill today. I have not spoken about delays or chastised or criticised anybody in the debate for delays. I welcome the fact that the Bill is at Second Stage, and we will do our work. However, I need to put on record that the Committee is scrutinising three other Bills, with another one to come, so do the Executive and the Minister want us to stop the work on the stalking Bill, the committal reform Bill or any other Bill for that matter?

Mrs Long: Will the Member give way?

Mr Frew: No, the Minister will have ample time at the end. The Committee is doing a lot of work, and rightly so, and we have said to the Minister to bring it to us and we will work through it, but please do not dictate a timetable to us of when you think that we should be finished that scrutiny because we do not know, even today, what might come out of the evidence that people may present to us. That, in itself, may need further scrutiny and time.

I will leave it there, Mr Deputy Speaker. Thank you for your rulings today. I know that it has not been easy for you to be in the Chair, but, having said that, we have had a good, robust debate, and I thank you for that.

Mr Deputy Speaker (Mr McGlone): Thank you. In light of the fact that we will probably wind up before 1.00 pm, if Ms Cameron wants to deliver her contribution to the debate now, that would be OK. In other words, you have until 1.00 pm if you can manage it within that time.

Mrs Cameron: *[Inaudible.]*

Mr Deputy Speaker (Mr McGlone): Yes. Your name is down to contribute to this debate.

Mrs Cameron: My name should not be down.

Mr Deputy Speaker (Mr McGlone): OK. That is grand. Sorry about that confusion. I do not know how that arose. Your name is on our list. You got off lightly today, Pam.

I will move on to Rachel Woods. If you can manage to conclude before 1.00 pm, we would appreciate that.

Miss Woods: I guarantee that I will be finished before 1.00 pm, Mr Deputy Speaker. I thank the Minister for bringing this to the House today. The Chair outlined the process by which we got here and the number of issues that the Committee has already considered, including the setting of an interim rate, the issues of certainty about a legal framework, or being without one, amongst other things. I am not going to go over that or replicate much of what has been said, but I welcome the fact that we are here today at Second Stage.

Proposed changes have been much needed for years, as we know, and have already been highlighted by other Members. Again, I am not going to labour those points, but the people who have suffered a personal injury and who have been waiting to conclude their cases deserve 100% compensation. That must take centre stage in getting a correct framework and correct rate set.

At the end of the day, this is about people, and compensation does not in any way make up for what has happened to them. This is a difficult and complex area of law and one that I do not even pretend to know every detail of, and I have said that throughout much of the Committee discussions on this issue. I believe that it is a position shared by others, too, but,

for the record, I give the Minister, the Department and Committee members my absolute assurance, for what it is worth, that I will not protract or delay any scrutiny of the Bill longer than I need to, but I honestly need time to consider this because I need to understand it properly.

Much has been said about the impact of compensation, so I ask the Minister to touch on that in summing up — I would be happy to take an intervention, but I am mindful of the time — to clarify the position on budgets and the impact. The Minister of Finance outlined in a letter to the Committee that access to the reserve would be sought, in line with that afforded to Whitehall Departments and other devolved Administrations. How does that work with regard to the points that have been made by others during this debate on the financial impact of the Bill? Perhaps I have confused myself; it would not be the first time. However, it brings me back to the point that this is difficult and complex and requires scrutiny.

The overriding legal principle is that injured people should receive 100% of the compensation that they are entitled to — no more and no less, as outlined. That is key to ensuring that the proposal meets the relevant legal requirements. The best route to achieve that differs depending on the jurisdiction. I note that there has been some debate over which model is best and over which model, if we use England and Wales or Scotland, we should base ours on. No clear consensus was evident in the consultation responses. The Bill seems to be something of a mix between the English and Welsh model and the Scottish model. Setting the new legal framework on the rate will require scrutiny, and questions should be asked.

Most in the Chamber know my position on rushing any legislation through the House. Given that I am one of the very few non-Executive party MLAs, I welcome that we, as a Committee, will have the opportunity for further scrutiny, even if it is for a shorter period of scrutiny than normal for the reasons outlined.

I am confident that the Committee will be able to expedite the passage of the Bill in order to get the rate set as soon as possible. However, we must provide the appropriate level of scrutiny that the proposal requires, and that goes for every piece of legislation that comes through the House. We have heard from some personal injury lawyers and departmental officials on the main aspects of the Bill, but there is more work to be done and further detail to explore. It will take time, which will be as much as the Committee and the Assembly

deem is needed. It is important that that happens. I look forward, as part of the Committee Stage, to continuing engagement with interested parties, representatives, the Department, the permanent secretary and the Minister and to getting the most appropriate legal framework in place.

The Committee has a job to do. It must ask the difficult questions about the proposed new model, such as how the rate is calculated and monitored and how to get the new rate in place as quickly as possible for those who are waiting.

Mr Deputy Speaker (Mr McGlone): The Business Committee has arranged to meet at 1.00 pm. I propose, therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm, when we will have questions to the Minister for the Economy. We will return to this item of business at 2.45 pm, when the next contribution will be from Mr Jim Allister.

The debate stood suspended.

The sitting was suspended at 12.52 pm.

On resuming (Mr Speaker in the Chair) —

2.00 pm

Oral Answers to Questions

Economy

EU Office in Belfast

1. **Mr G Kelly** asked the Minister for the Economy whether she has had any discussions with European Union officials on the economic benefits of a European Union office in Belfast. (AQO 1716/17-22)

Mrs Dodds (The Minister for the Economy): I thank the Member for his question. Direct negotiations with the European Commission, as a matter of international relations, are the responsibility of our national Government — the United Kingdom Government. Therefore, I have had no engagement with the European Commission on the establishment of a European Union office in Belfast. My work with our Government has focused on the issues facing businesses. It is informed by the issues that businesses raise with me or my officials. Businesses have not raised this issue with me.

Mr G Kelly: Gabhaim buíochas leis an Aire as a freagra. I thank the Minister for her answer. Last week, the Economy Committee heard from business leaders, who told us that the retained access to the EU single market must be supplemented by good relations with the EU going forward, as the Minister will know. In Belfast, we have consulates for other major trading partners, such as the US and China. I know that the Minister did say it in her answer, but her position is known. How does she justify her position on an EU office in Belfast, given the opportunity that it would provide to engage, in conjunction with the EU, on the enormous benefits for consumers?

Mrs Dodds: We will, of course, look to trade and to have good relations with the European Union. It is regrettable that our national Government have imposed the protocol, which imposes a huge raft of European laws and regulations on Northern Ireland that are costly to businesses, consumers and our economy. The Northern Ireland Executive retain the Northern Ireland bureau in Brussels, which will be responsible for those relations in the future.

Mr Middleton: Clearly, it is for the national Government to lead on discussions with the

European Union, but does the Minister agree that it is important that the UK Government stand up for the interests of Northern Ireland and put across the position that we will no longer accept the protocol?

Mrs Dodds: I thank the Member for his question. It is imperative that our Government continue to stand up for Northern Ireland, not only with intermittent grace periods but by providing a permanent and complete solution to the issues of the protocol, one that respects Northern Ireland's place in the United Kingdom's internal market and its constitutional position within the United Kingdom.

Ms McLaughlin: What alternative does the Minister have to an Irish Sea border? It is nothing short of Brexit constipation to keep talking about technological solutions, alternative arrangements and, God forbid, the Malthouse arrangements. What alternative to the current sea border is she offering to Members and the rest of Northern Ireland?

Mrs Dodds: I will not go down the metaphor route on that question, but I thank the Member for it. The checks across the Irish Sea bring costs to businesses and consumers and a lack of consumer choice. This morning, I spoke to a businessman who indicated very clearly to me that the cost of the protocol to his business this year would be somewhere in the region of £500,000. That is an enormous cost that will eventually be passed on to consumers and families and will be reflected in the cost of living for those families. My party and I were clear that we never wanted the Northern Ireland protocol, and we do not see that a border and checks between us and our largest market are of any value whatever to the economy or to businesses in Northern Ireland. Therefore, again, I ask the parties that support the protocol and its rigorous implementation to review that support so that their party leaders will not have to write to me asking for special schemes to support businesses that are incurring costs through it.

Mr Allister: Whereas our feudal overlords in Brussels, who are imposing their laws on our economy and our people without consent, may think it befitting of our state of vassalage that they should impose themselves through a permanent presence as governors general in Belfast, will the Minister assure me that she is in the business of expelling, not facilitating, the protocol?

Mrs Dodds: I made it perfectly clear in my answer that, of course, negotiations with the

European Commission are a matter for our national Government. I neither see the need nor feel the want for a European office in Belfast.

Green Economic Recovery

2. **Miss Woods** asked the Minister for the Economy to outline her plans for a green economic recovery from the COVID-19 crisis. (AQO 1717/17-22)

3. **Mr Dickson** asked the Minister for the Economy for her assessment of whether a green economic recovery is integrated effectively into her recently published economic recovery action plan. (AQO 1718/17-22)

Mrs Dodds: With your permission, Mr Speaker, I wish to group questions 2 and 3. Again, with your permission, I would like to avail myself of an extra minute to answer the grouping.

On 25 February, I launched my economic recovery action plan, which outlines the decisive actions that I plan to take to support our economy as we emerge from the COVID-19 pandemic. Rebuilding a greener economy is at the heart of the plan, and that includes actions focused on encouraging the development of a greener future in areas such as clean energy, green innovation and energy efficiency. The plan also reaffirms my commitment to the development of the hydrogen and circular economy. Later this month, I will launch an options consultation on my new energy strategy. I expect substantial investment and economic recovery opportunities to arise from the new policies for decarbonising energy in Northern Ireland. Enabling a skilled low-carbon workforce will be key to delivering that.

Embracing and investing in environmentally friendly opportunities offers the Northern Ireland economy the opportunity to build resilience, increase productivity, create jobs, strengthen competitiveness and realise carbon, energy and cost savings. It is crucial that funding is made available at the earliest opportunity for my economic recovery plan so that it can have the maximum impact. I look forward to working with the Finance Minister and, indeed, all of my Executive colleagues in the coming weeks to ensure that we can rebuild our economy to be more competitive, more inclusive and more environmentally sustainable.

Miss Woods: I thank the Minister for her answer. A green recovery will involve not just green stimulus and investment, of which there is none in the economic plan, to create jobs; it requires new ways of measuring progress. Will

the Minister adopt or consider any alternative economic models in her plans for COVID-19 recovery, including alternative ways to measure prosperity and address inequalities in wealth and income?

Mrs Dodds: I thank the Member for her question. I, of course, want the economic recovery action plan to create not just a stable and prosperous Northern Ireland but a more equal Northern Ireland, including a more equally regionally balanced economy. I will look at all the measures as we continue to work our way through that economic recovery plan. It is important that we get the investment for that economic recovery plan so that we begin the journey of reopening, rebuilding and recovering our economy. That is the way to provide inclusive growth for the future.

Mr Dickson: Thank you, Minister, for your answers. If your economic recovery plan is to include the whole area of the green economy, it will require you to work together with other Ministers to deliver that; it is not something that you can do on your own or that Northern Ireland can do on its own because it will require the involvement of the European Union and the rest of the United Kingdom. Minister, do you agree that, although your plan is of benefit, it will not stand up unless it includes a wide-ranging and comprehensive green economy intervention?

Mrs Dodds: I thank the Member for his question. He somewhat makes my point for me. My economic recovery plan states that we need specific interventions in relation to the green economy for the sustainable and prosperous future that we see as being really important for Northern Ireland. That will involve me working across the Executive with other Ministers. Of course, I am already doing that. Perhaps the Member is knowledgeable about the innovative project that I am doing with Northern Ireland Water. It is the first of its kind; it will lead to greater sustainability; and, of course, it demonstrates working right across the Executive to produce a joined-up plan for economic recovery.

As we emerge from the dark times of the COVID pandemic, the most important thing that we can do is to help to recover our economy, our health service and our services to people in their communities. The House has my commitment that I will work across the Executive to do those very important things.

Mr Catney: Minister, do you consider the expenditure allocation for the greener economy to be sufficient to enable Northern Ireland to

meet the UK's 2050 net zero target, or do you intend to approach the Finance Minister to bid for additional funding? What we sow now, we will reap in the future.

Mrs Dodds: The Member makes a very important point. In my economic recovery plan, I have identified a sum that will give us some element of recovery for Northern Ireland and, indeed, the green economy in Northern Ireland. That economy is already happening all around us. I do not know whether some of you saw the story last week about the mission to build zero emission boats and vessels in Belfast and the huge and really innovative changes that are being made to do that. When it comes to transport, the use of hydrogen buses is happening all around us. It is happening across the different parts of the Executive. The economic recovery plan is a live document. It will evolve and develop, and so, too, will our asks of the Finance Minister to fund the green economy as we move forward.

Ms Brogan: Does the Minister acknowledge that, as well as providing us with a sound and sustainable economy, a green recovery that delivers cleaner air and water, as well as one that protects biodiversity, can help populations when it comes to developing natural defences to future pandemics?

2.15 pm

Mrs Dodds: I am no expert in the matter, but I know that a greener recovery — more sustainable environment, more sustainable hopes for businesses and manufacturing and so on as we go forward — is hugely important for the benefit of all of our lives, not least for the jobs and prosperity that it can bring us.

Mr Irwin: The Minister has identified the importance of clean energy as a priority for her as we rebuild and regrow our local economy. What future opportunities are there for the hydrogen economy?

Mrs Dodds: I thank the Member for his question.

This is one of the most exciting elements of the work that we are doing. It is cutting-edge, and it has the ability to really drive forward the investment opportunities that investing in the green economy will give us. It is an opportunity to build on our world-leading capabilities in renewables and advanced manufacturing to create those sustainable jobs. Those opportunities can be realised through producing green hydrogen; supplying this for clean heat,

power and transport; and developing and manufacturing cutting-edge technologies such as electrolysers. There will also be export opportunities for advanced manufacturing in global hydrogen supply chains.

I have already referred to the £5 million of funding that I provided to Northern Ireland Water to undertake an innovative oxygen and hydrogen demonstrator project, the first such project in the United Kingdom and Ireland. That will also help to build momentum in the hydrogen economy. I am aware of many other exciting and emerging projects in this space, and I look forward to engaging with those who develop this cutting-edge technology.

Protocol on Ireland/Northern Ireland: Economic Impact

4. **Ms Bunting** asked the Minister for the Economy what work her Department has done to ascertain the impact on the economy of the full implementation of the protocol on Ireland/Northern Ireland. (AQO 1719/17-22)

Mrs Dodds: I thank the Member for her question.

My Department undertakes ongoing monitoring of the Northern Ireland economy. It includes the impact of COVID-19 and of leaving the EU and, in particular, the protocol. In the short term, the impact of all of those are intermingled. It is early days for a full measure of the economic impact of leaving the EU and the implementation of the protocol. For businesses, initial survey data indicates that a lot of the initial impact has been focused on the friction in movement of goods from GB to Northern Ireland. Some of the issues will be familiar to those who have been meeting businesses in the last few months: customs and the additional burden placed on businesses; lack of preparedness of GB suppliers; late communication of guidance on parcels; and a wide range of other issues. While the impacts are difficult to quantify, surveys by Enterprise NI and Manufacturing NI have found that a substantial proportion of their members have experienced issues with supply chains from GB.

In 2018, Northern Ireland companies purchased goods and services worth £13.4 billion from Great Britain: 63% of all external purchases. Of that, £10.4 billion was spent on goods and £3 billion on services. That demonstrates the level of dependence on GB of individuals and businesses for their supply chains. At the same time, the DAERA permanent secretary has indicated that, although we have 0.5% of the

EU population, we have 20% of the checks on goods. That is surely neither proportionate nor sustainable and is a reflection of the cost to businesses of the protocol.

Ms Bunting: Following the Minister's answer, I trust that those in the House who laud the protocol and call for its rigorous implementation will note the extent to which our external purchases are sourced from GB and will reflect on the significant challenges that the protocol presents to local business.

I ask the Minister to turn her attention to consumers. Will she outline the implications of rigorous implementation of the protocol for them, if no action is taken?

Mrs Dodds: I thank the Member for her question. There is absolutely no doubt that, for consumers, the protocol mainly represents additional cost and less choice. That is very evident across a range of products in Northern Ireland. Just two weeks ago, I met businesses that deliver parcels to Northern Ireland. They indicated that, if our Government had not taken unilateral action, many small providers of goods to Northern Ireland would simply not have bothered, because to do so would not have been worthwhile. They were also finding that there was additional cost to those simply getting normal, everyday items from GB. That is not a sustainable position for consumers or for the economy of Northern Ireland. I reiterate my call for a permanent solution that does away with the frictions of the protocol.

Dr Archibald: If only the Minister and her party had been as exercised about economic impacts when they were cheerleading for a hard Brexit. Does the Minister agree that stunts like that from the DUP AERA Minister and solo runs by the British Government are causing even greater uncertainty and instability for businesses and that, since it is clear that the protocol is here to stay, efforts should instead be focused on working through the structures of the protocol to resolve issues?

Mrs Dodds: I am afraid that the Member is somewhat confused in the way in which she looks at this kind of thing. Those who think that unilateral action by our Government to protect businesses and consumers in Northern Ireland is nothing more than a solo run are foolish in the extreme. It really is quite unbelievable, especially when we consider the advice from retail organisations etc, which have indicated that, although they are not that fond of solo runs, those actions were absolutely necessary to protect businesses and consumers in

Northern Ireland. My party did not advocate the protocol. We are not the champions of the rigorous implementation of the protocol. Those who are need to reflect on the damage that it is causing to Northern Ireland.

Mr O'Toole: Minister, I have the Invest NI website open in front of me. I am reading from a page that states:

"This dual market access position"

— referring to the protocol —

"means that Northern Ireland can become a gateway for the sale of goods to two of the world's largest markets ..."

This is a unique proposition for manufacturers based in Northern Ireland as well as those seeking a pivotal location from which to service GB and EU markets ..."

These additional benefits further enhance Northern Ireland's already strong proposition as a prime location to establish, or grow, a business".

Minister, what of that do you disagree with?

Mrs Dodds: I thank the Member for his question. He points out what an absolutely brilliant place Northern Ireland is to invest in and to do business in, but it will be even better when we do away with the frictions of the protocol.

Ms Armstrong: I am a bit flabbergasted as I stand here. Minister, I will go back to Mr O'Toole's point. There are those of us who are trying our best to help businesses cope with the fallout from Brexit and the resulting protocol. What work have you done to promote dual access to both the UK market and the EU market for businesses in Northern Ireland that are looking for the opportunities?

Mrs Dodds: I will always seek to look for opportunities for Northern Ireland businesses. I take that on as part of my work in the Department for the Economy. Before businesses in Northern Ireland can look at outward working, exporting etc, however, they need to be sure that their supply chains are secure and that the intermediate goods that make up part of those supply chains will not be subject to tariffs, as the protocol would have it. The Member needs to reflect on those issues and research the impact that tariffs will have on businesses in Northern Ireland.

Mr Stalford: From the Minister's previous answers, it is apparent that, in television advertising, we are going to see a lot more asterisks with, "Offer not available in Northern Ireland". Does my honourable friend agree that that should be changed to, "Offer not available in Northern Ireland, thanks to Sinn Féin, the SDLP, the Alliance Party and the Greens"? *[Interruption.]*

Mr Speaker: Order, Members.

Mrs Dodds: I have taken some time to give the figures, which are independent of the Department for the Economy, on the importance of our biggest market. Those who prioritised checks between us and that market will have to bear responsibility and answer to the Northern Ireland public for the additional cost, additional inconvenience and lack of choice that the rigorous implementation of the protocol brings.

BTEC: Vocational Assessments

5. **Mr Lynch** asked the Minister for the Economy for an update on alternative arrangements for vocational assessment for BTEC students. (AQO 1720/17-22)

Mrs Dodds: In January, I announced the cancellation of BTEC examinations for the remainder of the academic year. BTECs are offered across the UK by the Pearson awarding organisation, and I have ensured that there is alignment with England and Wales to protect the ongoing portability and integrity of qualifications and the interests of all our learners.

The Office of Qualifications and Examinations Regulation (Ofqual), in conjunction with the Council for the Curriculum, Examinations and Assessment (CCEA) regulations, recently consulted on the alternative awarding arrangements for vocational qualifications in 2021, and the outcome was announced on 25 February. BTECs will be awarded using teacher-assessed grades that have been submitted by the learning centres, similar to the arrangements for GCSEs and A levels. That will require the teacher or lecturer to make an informed judgement on the result using a range of evidence, such as performance in tasks or assessments that have already been completed. Those judgements will be quality-assured in the schools, colleges or training providers and then by the awarding organisations prior to the issuing of results.

Awarding organisations are now required to provide clear and timely guidance to learning centres on the assessment and awarding approaches to be implemented, the times by which centres need to submit information and the records that they should maintain on the nature of any centre-based quality assurance. I hope that all that information will be with the centres by the end of March or early April, because it is essential for progress.

Mr Lynch: I thank the Minister for her answer. Minister, as you said, a decision was made on A-level exams in January, yet BTEC students have been left waiting for full clarity on their assessments. In light of your statement on Friday, how will you ensure that grades for practical assessments are awarded before the end of the academic year?

Mrs Dodds: As I said in response to the Member's substantive question, those who are doing BTECs that require a written examination will follow a pathway similar to that for A levels and GCSEs. I want our young students who are doing professional qualifications and need the practical elements of their course to be vouched for to be able to go back into further education colleges as quickly as possible so that those elements of the course can proceed as efficiently as possible. That will enable us to make assessments and professional judgements on those qualifications as soon as we can. I want our young people to be able to progress, either to the next level or into work.

Mr Speaker: Time is up for listed questions. We move on to 15 minutes of topical questions.

Crescent Capital IV Development Fund: Closure

T1. **Mr Nesbitt** asked the Minister for the Economy, in light of reports in today's 'Irish News' on the closure of the £65 million Crescent Capital IV development fund, which was a venture capital fund for technology, life sciences and manufacturing businesses, and assertions that those businesses that are currently in receipt of funds have had those funds returned, to state whether this is true, what is going on and what it means for the companies that, in good faith, drew down money from that capital fund. (AQT 1091/17-22)

2.30 pm

Mrs Dodds: My understanding is that, in relation to the fund, no one has any need to fear. The fund manager was unable to get

additional private finance and equity realised, and the fund was therefore not sustainable.

Mr Nesbitt: I thank the Minister for that assurance. However, in the body of the report, with regard to a previous iteration of the fund — it is the fourth iteration that has been cancelled — it states:

"It is understood a number of companies in the third fund have been interviewed as part of a probe into how monies may have been managed."

Are we looking at the son of RHI?

Mrs Dodds: I do not think that the Member should get carried away on this particular issue. All of those issues will be investigated and dealt with in the normal manner etc.

Trading: Post-COVID

T2. **Mr Stalford** asked the Minister for the Economy, given that he is sure that all Members will welcome the progress of the roll-out of the vaccine, the reduction of the virus and the return of some young people to school, and in light of the fact that she has published her plan to reopen, recover and rebuild the local economy, whether she agrees that we need to start indicating to local businesses when they will be able to start trading again. (AQT 1092/17-22)

Mrs Dodds: I thank the Member for his question. We are indeed ready, when the time is right, to reopen, rebuild and recover the economy. As I have said during this Question Time, nothing is more important to the prosperity and stability of Northern Ireland. I look forward to that being possible very soon. I encourage Members to work with me to ensure that it can happen as soon as possible.

Mr Stalford: Sunday is, obviously, Mother's Day. On behalf of Trinity, Oliver, Cameron and Abigail Stalford, I wish to ask whether they will be allowed to go to the local florist to buy their mother a bunch of flowers on a click-and-collect basis?

Mrs Dodds: Again, I thank the Member for his question. I am glad that we have been able to restore some click-and-collect services to businesses. It is but a very, very limited form of reopening the economy. I would have liked for Trinity and her siblings to be able to purchase flowers through a local florist. Unfortunately, my proposal on that was not supported at the

Executive. That is a pity, because it raises issues around how we treat small, independent retailers and the equity with which we treat them. You will be able to buy flowers in any of the multinationals, but you will not be able to go to a small, independent retailer and use a click-and-collect service. I regret that that is not possible, and I hope that it will become possible very soon.

Wet Pubs Business Support Scheme

T3. **Mr McGlone** asked the Minister for the Economy whether all payments under the wet pubs business support scheme have been made. (AQT 1093/17-22)

Mrs Dodds: I will write to the Member with the exact figures for the scheme. That is one of a number of schemes that we are rolling out. When I last checked the figures for the scheme, I saw that around half of the businesses that we thought were eligible had applied and were being paid. Officials were chasing up some of the other businesses that still had not come forward for the scheme. I will write to the Member with the exact numbers.

Mr McGlone: I very much thank the Minister for that. When will payments commence under the large tourism and hospitality business support scheme?

Mrs Dodds: I signed off on that at the end of last week. My understanding is that they will be paid in the very, very near future, and, of course, they must be completed before 31 March. I am glad to be able to support local businesses in that way. This is a substantial scheme. I know that those businesses have welcomed it, and it will help to sustain them until we can get them reopened and fully functioning.

Economic Recovery Action Plan: Funding

T4. **Mr Storey** asked the Minister for the Economy, after welcoming the publication of the Minister's action plan, which is focused on ensuring that our economy is reopened, whether she agrees that the entire Executive and the Assembly, if they are serious about recovery, need to ensure that adequate and appropriate funding is in place alongside the recovery plan so that the plan can do what it says on the tin, which is aid recovery. (AQT 1094/17-22)

Mrs Dodds: I thank the Member for his question. It is really important. We have published our economic recovery plan. We also have a plan for a Northern Ireland skills fund to recover and invest in the skills of our people. It is vital that, as we emerge from this dark place of COVID, we are able to put that stimulus into the economy and to fund economic recovery not for just the immediate term but for the long term.

I look forward to working with the Finance Minister and, indeed, across the Executive, so that we can properly fund the economic action recovery plan, our skills plans and those employability interventions that will be really necessary from the Department for Communities.

Mr Storey: Thank you, Minister. We hope that that will be more successful than the bids that you put in to the Finance Minister, given how they were dealt with in terms of the total number of bids, not just the amount of money. Do you agree that a recovery Budget, alongside the current Budget, which we will complete today, is necessary so that people clearly understand and see where the finances are in how the plan will be delivered?

Mrs Dodds: Yes, it is very important to have transparency in the way that we deal with the Budget. It is important that we are able to separate out the departmental budgets from the actual recovery Budget that we have. Substantial funds have come to us from our national Government to provide that stimulus for economic recovery.

If we are serious about the economy and all that it represents — the jobs, the mortgages and rent it pays, the food on the table and so on — we will fund that economic recovery Budget and get ahead with making Northern Ireland that prosperous place that we all want it to be.

Granville Industrial Estate

T5. **Ms Dillon** asked the Minister for the Economy to give a commitment to work with her Executive colleague Nichola Mallon to deal with the absolute mess at Granville Industrial Estate in Dungannon, about which Mid Ulster District Council has written to Minister Mallon. (AQT 1095/17-22)

Mrs Dodds: I will be happy to work with any Minister on any difficulties that are faced by businesses. If the Member wants to drop me a note, I will be happy to take it up with her as well.

Ms Dillon: I appreciate that offer, Minister. Thank you. The Mid Ulster District Council area brings to the gross value added (GVA) here over £2 billion, yet Invest NI has not one single piece of land in the whole Mid Ulster District Council area. We are the only council area across the North in that position, which is with no lands for businesses to grow. That is a very serious situation for our council area and constituency. Will the Minister commit to meeting our council officials and me in order to discuss the issues and the challenges that face them in not only that but wider issues with infrastructure in the mid-Ulster area?

Mrs Dodds: I will be very happy to have a meeting. That is never an issue, and I meet a wide variety of people from across the House on all the issues that pertain to their constituencies. I will say two things. We should all be very proud of the manufacturing tradition that is so evident in mid-Ulster. It is an area of Northern Ireland that excels in its advanced manufacturing capabilities and is still investing and creating jobs and so on. I am really pleased to see the developments in relation to city deals and growth deals for the area, and I will work with councils to push the growth deal forward. Invest Northern Ireland has invested significantly in businesses in the area. Just a few months ago, I was with the council chairman at a local business where there had been an investment of over £1 million to push that part of the economy forward. I look forward to engaging with the Member and the council, and I stand ready to help.

Mr Speaker: I call Karen Mullan. Please bring her on-screen. *[Pause.]* Ms Mullan is not available. I call Sinéad Bradley. Please bring her on-screen. *[Pause.]* Ms Bradley is not available. I call Andrew Muir.

COVID Disruption Payment

T8. **Mr Muir** asked the Minister for the Economy, after acknowledging that technology is wonderful and expressing surprise at being called to ask a question, whether consideration has been given to offering the COVID disruption payment that has been awarded to students in higher education in Northern Ireland to further education students. (AQT 1098/17-22)

Mrs Dodds: Technology is, indeed, wonderful when it is working and going to plan. Anyway, you got your question in. I am delighted that students who are studying at degree level in further education will be eligible for the COVID disruption payment. Further education students have been eligible for the hardship funds. Just

last week, we started to address the very real issue of digital poverty among students in further education, with a specific grant of £60 for the data that they will use at home and the distribution of over 500 devices. No student should be left unsupported in this area, and Northern Ireland has the most comprehensive and generous package of student support anywhere in these islands. I am very proud of that.

Mr Muir: I thank the Minister for her response, but it is disappointing that the grant will not be extended to further education students. Another issue is that higher education students who are studying outside Northern Ireland are not eligible for that support. Will the Minister commit to look at the issue again in order to make sure that those students are eligible for that support?

Mrs Dodds: The Member raises an important issue. We were able to introduce the COVID disruption payment to students who study in Northern Ireland because we were able to pay the institutions in Northern Ireland that are publicly funded in order to support those students. Students from Northern Ireland who live and study in England, Scotland and Wales can avail themselves of the funding that has been made available in those areas in order to support their studies. Just recently, in England, an additional £50 million was advanced to support student hardship. In Scotland, it was in the region of £30 million and, in Wales, it was around £40 million. Northern Ireland students who are studying in GB are absolutely not without support.

Mr Speaker: I call Maoliosa McHugh. The Member will not have time for a supplementary question.

Caravan Sites: COVID-19 Support

T9. **Mr McHugh** asked the Minister for the Economy to consider providing a grant scheme for caravan site owners that would allow them either to waive or reduce their fees, given that she will be aware that although caravan parks have been closed for most of the pandemic, people have been expected to pay pitch fees, albeit her Department has returned unspent money from grant schemes and the Finance Minister continues to ask for bids to be made for COVID-related support. (AQT 1099/17-22)

2.45 pm

Mrs Dodds: I thank the Member for his question. He raised a couple of important

issues. I am glad to have the opportunity to talk about them. The reopening of caravan parks is probably the single biggest element of the correspondence that I get from constituents. I hope that we will soon be in a position to ensure that people who are paying site fees will be able to go back and enjoy their caravans in safety in the coming months, as soon as the pandemic allows. It is important to say that. This is important to a large element of the community. Of course, many caravan parks remain open for those who live in them permanently and for key workers who are shielding. They have availed themselves of the generic funds that have been available either nationally or locally.

Mr Speaker: Time is up. That concludes Question Time. I ask Members to take their ease before we return to the Second Stage debate on the Damages (Return on Investment) Bill.

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

Executive Committee Business

Damages (Return on Investment) Bill: Second Stage

Debate resumed.

Mr Allister: I welcome the introduction of the Bill. My only regret is that it has taken so long to bring matters into better shape for applicants: one could probably go back to at least 2010, when the rates of compensation got out of kilter under the rules that were being applied. In GB, it took until 2017 to rectify that, and it is taking us until 2021. One of the consequences, of course, is that, in the meantime, a backlog has built up of cases, which, consciously and deliberately, have not settled, because, if they settled on the basis of the existing discount, the plaintiffs would be settling way under the rate that they should be getting, and, therefore, their money would not last.

It is important that we all recognise that we are dealing with the most serious of serious injury cases. We are dealing with people who will never work again; people who are severely disabled with a lot of mobility problems. They may be a relatively young person who was riding a motorbike when a car came out in front of them, and they were left with utterly life-changing injuries. They may be aged 18, 20 or 25, and the compensation has to last them for rest of their life. Often, the compensation has to provide for their carers. When a person suffers injuries like that, it is not just about compensating the person but about providing for them, throughout their life, in their family setting, which may change over the years. There has to be adequate provision for the them.

It is a very difficult type of case for which to arrive at the right figure in the best of times. In my time, I was involved in a number of such cases, and it is never an easy science. Indeed, it is probably not a science at all to arrive at the proper range for compensation. If you then beset that with the fact that the compensation figure is based on a fallacy, namely an out-of-date discount figure, you are inevitably faced with an outcome that is not just. It can sometimes be quite an unjust outcome. As the discount figure has been out of kilter, for over a decade, with what is necessary in accordance with current investment levels, if you settle a case at the present time, you are selling

yourself substantially short. I understand from talking to legal colleagues that, in consequence, there is a considerable backlog of cases awaiting settlement. Quite rightly, people are not willing to settle them for less than what they would properly need and anticipate. Therefore, it is imperative that we bring this matter up to date, get it sorted and allow the resumption of the normal process of case settlement and delivery for people in those situations.

I welcome the fact that something is now being done. I wish that it had been done sooner. In that context, I am a little disconcerted by the various, almost contradictory, approaches in this debate. Everyone has said, "We need to get it done", and, at the same time, they have said, "But we must not rush it". I am not advocating that we rush it in the sense that we do not do it properly, but it is important that we get it done as expeditiously as possible. Real people are waiting for this. They are in dire situations that none of us would ever want to be in. The least that we can do is to alleviate that as best we can. I urge the Minister and the Committee to apply all possible expedition to this.

The Bill is on the right tracks when it goes for the Scottish option. I am a little less persuaded about the switch from 30 to 43 years. I am not saying that it is wrong, but it is something that an eye can be kept on. The critical thing about the Bill, for me, is that it quite properly takes it from within to without the political ambit. It removes the ministerial setting of rates and allows an actuary to set them, and that has to be right. We will invite unnecessary pressures and difficulties if we maintain a situation in which it falls to a Minister to do something that will be pressurised from both sides. Objectively, it is far better to have an actuary setting the rate, thereby allowing the situation to move forward in a way that is seen to be independent, which is vital. The Bill is correct in taking that view.

Of course, there will be lobbying on this. Insurance companies do not want an equalisation up in the discount rate, because it means that every settlement will cost them more and, in some cases, quite a lot more. Some settlements could move. Even a middle-range settlement here will probably be at the £6 million, £7 million, £8 million or £10 million rate. You could be talking about the difference between a £7 million rate and £10 million rate, so of course insurance companies will try to resist this as best they can, but that cannot be allowed to happen. It is the same for Departments. There could be circumstances in which, for example, the Department of Health is

being sued, and it is the most likely Department to be sued in serious and large cases, so, likewise, Departments cannot be allowed to exercise a vested interest in the quantum of settlements.

As I said during an intervention, it is not just about whether there will be a cost to the public purse. It is about under-settlements — figures that fall short — and that will mean that, instead of a pot of money lasting for 40 or 50 years for the claimant, it will run out after 30 years because it was too low. To where does that debt then fall? It moves on to the state, and that person will be kept and maintained through benefits. It is therefore not always the case that we need to be concerned about whether there is a knock-on effect on departmental expenditure. Yes, there will be an effect, but, by failing to do anything and leaving it too low, there will also be a knock-on effect on the taxpayer, as the benefit payer. It is a question of getting that right.

There is no such thing as perfection. It is something of a crystal-ball exercise, in that it is based on projecting returns on investments etc, but the people to do that are the actuaries, who have the expertise in the area. If things get badly out of kilter again with capacity within the five-year cycles, the Minister can intervene and say, "Give us a fresh look at that".

I hope that the legislation will move forward expeditiously. If it does not, that is when the need to set an interim discount rate arises. I would rather see the matter come to a head before the summer and be resolved. If that cannot be done, there will be a bounding duty on the Minister and the Department to strike an interim discount rate, because we cannot go on as we are. The cases are piling up, and there are real people in real need who need to get their money, so I encourage the House to proceed as expeditiously as possible.

Mrs Long: I thank all Members for their constructive and positive engagement on the Bill today. As it moves through its stages in the Assembly, I hope that we can continue to ensure that this important legislation reaches the statute books as soon as possible.

The current discount rate risks claimants being under-compensated. A new rate, however, set under the Wells v Wells framework — the only option currently available to the Department — would reduce the rate so much that it would most likely result in overcompensation. A new legislative framework will therefore allow a stable discount rate to be set that better

delivers the 100% compensation principle and provides fairness to all involved.

3.00 pm

To be clear, 100% compensation is a long-standing legal principle by which we are all bound. In setting the rate, we cannot consider the consequences on or impact of the rate on the insurance sector, the public sector or even the claimants in the system for whom we may have compassion, and a number of cases have been raised today where that is the case. The rate has to be set on the basis of 100% compensation.

I agree with Mr Allister that achieving 100% compensation is never an exact science. However, I am confident and am pleased that he agrees that the Bill provides a methodology for setting the rate that realistically reflects how claimants invest and the average periods over which they invest. That is the objective of the Bill. The Bill clearly specifies the low-risk investments that a claimant is assumed to make and the amount of the deductions to be made. Overall, I consider the basis on which the rate is to be set provided for in the Bill to be fair, balanced and transparent.

Once the method by which the rate is to be set is detailed in legislation, the exercise of applying it to determine the rate is actuarial and is therefore best done by the Government Actuary. However, the parameters for the actuarial exercise will be set by the Assembly through the Bill. Any changes to the parameters that may become necessary in the future, due to changes in the market or in investment advice or behaviour, can only be made by the Department of Justice with the approval of the Assembly.

To try to take this forward, I will respond to specific issues that were raised by Members today. First, Paul Givan, speaking in his capacity as the Committee Chairman, raised a number of issues, queries and questions. I thank him, because he paid tribute to the time that we have already spent in engagement with the Committee in respect of the Bill, as did his colleague, Paul Frew. Whilst we had to wait for the drafting of the legislation to be completed, we nevertheless engaged on the principles and structure of the Bill so that the Committee would have adequate time to consider the questions and queries that came forth from that ahead of the Bill being published. We have endeavoured to reassure members of the Committee, through five sets of correspondence and three appearances, that this is not about trying to limit the scope of their scrutiny or in any way to

curtail their freedom to undertake that scrutiny. It is about trying to move this forward as quickly and expeditiously as possible, keeping in mind those who are waiting for compensation claims to be settled and whose need is extreme.

I will talk about the questions that were asked and some of the issues that were raised by Members. The Committee Chairman asked what the financial impacts of a discount rate set under the proposed new legal framework would be on defendants, including the Department of Health and any other government or public bodies. However, as he will be aware, that is not something that my Department can take account of when setting the rate. We must aim for 100% compensation, and that principle must be maintained throughout, irrespective of the implications for those against whom claims are taken; otherwise, we will be in the invidious situation of undercompensating victims. Mr Allister clearly set out that that too has implications for the public purse. Moreover, it has implications for the dignity of victims, who would then be left reliant on benefits or, in some cases, on charity in order to live their lives with dignity. That should not be the case where there has been a finding of fault against the people from whom compensation is sought. That said, my officials have written to stakeholders to advise them of the introduction of the Bill to the Assembly, giving them notice to identify the financial implications for their liabilities and to plan accordingly. I expect that, like my Department, other Departments and stakeholders will, in due course, consider the potential implications of a discount rate set under a new legal framework. It is also a matter that I have raised with Executive colleagues at every stage of the process, making them aware of the issues. I assure Members that Ministers are in no doubt of the implications of the legislation and of any interim rate on their budget pressures and are acting to address them.

As to why we cannot take account of the costs, particularly to the Department of Health and, indeed, others with the new methodology, it is not balanced against ability to pay. If someone suffers an injury as the result of the negligence of another, it is an established legal principle that he or she is entitled to be fully compensated for the financial losses that arise. It is not open to any defendant, including the health service or any other public body, to argue that they should only partially compensate an injured party because, otherwise, it would be too expensive. I understand that the Department of Finance is engaging with the Treasury on the budgetary implications for the Department of Health, in

particular, but, again, that cannot shape our approach to the Bill and the legislation.

Sinéad Bradley raised a number of pertinent points. The main one that I want to focus on is interim payments. As we explained at the Committee, that is a matter for the claimant and defendant and their legal advisers. It would be neither possible nor appropriate for the DOJ or, indeed, anyone else to seek to influence whether interim payments are made. We are, however, aware of some cases where interim agreements have been reached, and, as was referred to, a party can seek a periodical payment order instead of a lump sum or as well as a smaller lump sum to allow them to access those benefits in the short term. Whilst we cannot tell claimants or defendants what to do — it is for their legal advisers to do so — it was, nevertheless, helpful that an awareness of that was raised in the discussions today.

The other point that was raised by Sinéad Bradley, Paul Frew and, indeed, Jim Allister was the 30-year investment period. I will spend some time outlining exactly why we have come to the conclusions that we have on that. The 30-year period specified in the Scottish legislation is not understood to be specifically evidence-based; rather, it was chosen as a period that was considered neither too short nor too long to cover a broad range of cases with awards of different durations.

Following consultation with the Government Actuary's Department, it was proposed that 43 years was an appropriate period for the purposes of the Bill, as the evidence indicates that that is the average investment period for a claimant with a lump-sum award of damages and, therefore, is an evidence-based approach. The question was reasonably asked whether varying that element of the Scottish model would have implications for overcompensating or undercompensating victims seeking compensation. The answer to that was also sought from the Government Actuary's Department and considered fully. It advised us that, in practice and assuming that all other things were equal, the difference between an assumed investment period of 30 years and one of 43 years was likely to make only a very small difference of about 0.1% or 0.2% to the rate that would be calculated. Since the discount rate is rounded to the nearest 0.25%, the material effect on the rate would either be nil or 0.25%. Therefore, the difference between 30 and 43 years is within the granularity of the scheme and would not routinely lead to overcompensation or under-compensation. I want to reassure Members about that, as it is an important point.

Sinéad Bradley and Jim Allister also raised wider delays in the civil justice system and concerns about the time it takes for cases to be settled. I reassure Members that the Gillen review of civil justice, which made recommendations to make processes more efficient, many of which are for the judiciary and the legal profession, is being taken forward by my Department. The culture of civil litigation and the importance of judicial case management are factors in dealing with delay. I am mindful of the importance of an effective and efficient civil justice system, which, in many cases, can impact more people than the criminal justice system. I expect to say more about my priorities in that area in a statement to the House in the near future.

Other issues were raised by Members that I particularly want to touch on. The first was the purpose of the 0.5% standard adjustment to the further margin. Doug Beattie asked about the impact of that and why the figure of 0.5% was selected. The reduction of 0.5% is a further margin that is sometimes referred to as a margin of prudence. Its purpose is to reduce the risk of under-compensation. There are those who may say that it builds in overcompensation, but we do not accept that and nor, indeed, do the Scottish Government or the Westminster Parliament. This is not an exact science, as I have already said, and the margin simply acknowledges that there is an element of risk in any investment, however prudent the advice that is given.

The evidence basis for the margin of prudence is also something that Doug Beattie asked about. A deduction of 0.5% is applied under the Scottish legislation and was also applied by the Lord Chancellor when setting the rate for England and Wales in 2019. It was based on advice from the Government Actuary's Department about the percentage likelihood of investment outcomes being enough for a claimant to meet all their needs. It is therefore important, as in all of these issues, that we take the professional advice of the Government Actuary's Department. They are the people who can judge with a long view how investments will be applied, their likely out-turn and the impact that that is likely to have on claimants. On the basis of that advice, in July 2019, the Lord Chancellor concluded that not making any deduction for prudence meant a 50% chance of claimants not being fully compensated. That is why we believe that the margin of prudence is required.

Paul Frew, Sinéad Bradley and Rachel Woods raised the outcome of the consultation on the new legal framework and rightly said that, under

the consultation, more people favoured the rate in England and Wales. Far be it for me to suggest that that may be because many of the respondents wish to be able to lobby the Minister around setting the discount rate in future, which, of course, will be precluded by the model that we have set forward in this Bill. However, there are, as Paul Frew specifically asked, more benefits to this than simply transparency and clarity, although I argue that transparency and clarity are important in creating a sustainable position that is predictable for claimants, defendants and, indeed, insurers in these cases, allowing them to predict with a degree of accuracy the longer-term and medium-term horizons for their expenditure and claims. However, the additional benefits are that the Scottish framework removes the need to convene an expert panel to advise on the rate. Any expert panel exercise will add time and cost to the review exercise and the rate-setting exercise in general.

With regard to the time that having an expert panel adds to the review process, it should be noted that, in England and Wales, the discount rate has to be reviewed within 80 days, whereas, in my Bill and in Scotland, the review has to be completed in 90 days. That adds an additional three months to the period of uncertainty when parties may defer settling a case until the revised discount rate is known. Its added value is untested, as the first review of the rate under the England and Wales legislation, in 2019, was carried out without an expert panel, although the next review, in 2024, will require one. I am also aware that a previous expert panel convened to advise on the discount rate failed to achieve consensus. In such circumstances, were we not to follow the Scottish model, it would fall to the Minister or the delegated official to make a judgement on what the discount rate should be. I believe that a decision properly should be taken by the Government Actuary.

Rachel Woods asked a couple of questions specifically on the financial impact of the new discount rate set under the Bill. The Bill is about providing that new framework and ensuring that we get 100% compensation. The only direct financial implications for the Department of Justice relate to the Government Actuary's costs and have been set out in the explanatory and financial memorandum. We estimate between £40,000 and £50,000 for that process.

Of course, as we have all identified in the debate, there are indirect costs. While any change in the discount rate, regardless of whether it is done under my proposed

framework, the existing framework or any other framework, may have financial implications for defendants, including government Departments, they arise from a legal liability to pay 100% compensation and thus are unavoidable.

Individual Departments that have the relevant information about personal injury claims being made against them will, no doubt, wish to undertake their own modelling of the impact of different discount rates on their liabilities. Again, I stress that that is not something that I can consider in setting the structure or the rate.

3.15 pm

Members alluded to the financial impact of the new discount rate. Her Majesty's Treasury granted access to Treasury reserves in England and Wales when the discount rate was changed. That came at the end of a process where there was considerable delay. We are the last jurisdiction on these islands to make that change, which others were able to do in 2019 when we did not have an Assembly. However, that is not a matter for my Department, but I know that the Department of Finance officials are engaging with Treasury about funding for additional costs arising from the new discount rate and to ensure that the same provisions are in place in Northern Ireland when our discount rate changes, as would be expected in other jurisdictions.

Mr Frew: I thank the Minister for giving way. She may not know this, as it is not in her remit, but is it the case that, when England, Wales and Scotland changed their rate, money was put into their systems in order to counter any burden? Did Northern Ireland receive a Barnett consequential at that time? If so, is it right and proper that we ask for further easements for any burden that would be placed upon the Department of Finance?

Mrs Long: The specific negotiations that are taking place are a matter for the Department of Finance and the Treasury, so I am not across the detail of those, nor indeed, should I be, lest it would, even without consciousness, influence my position on them. However, in the rest of the UK, people were granted access to the Treasury reserve as opposed to additional funding being awarded. Therefore, if we were granted the same thing, it would be on the basis of us having made a change. However, the Member is a member of the Finance Committee and will, therefore, be able to probe that further with the Minister of Finance, who, I am sure, will be able to provide further clarity.

General issues were raised by a number of Members. Jim Allister set out, with considerable clarity, the impact of the discount rate on those who are awaiting settlement of their claims. Paul Givan previously engaged with me about his constituent Anastassiya and the invidious position in which she finds herself. All of us in the Chamber recognise that we have constituents and individuals in our community who have suffered a grievous injury that may prevent them working again, being able to support themselves in the future and that may require adaptations to their home or additional equipment in their home that may not necessarily be provided for under the normal processes. Therefore, it is hugely important, as Mr Allister rightly said, that we achieve clarity and a sustainable position and that we do so as quickly as possible. Therefore, I very much welcome his support, as he is someone who has represented claimants, and, I am sure, defendants, for the Scottish model, which we set out in this paper, and his support for expeditious progress in bringing the proposal into law.

Much has been said about overreach by the Executive and people not respecting the role of the Committees. That could not be further from the truth in my case. It is crucial that Committees have an opportunity to properly scrutinise legislation. Although that is not all of their role, it is an important part of their role. Committees have a role in supporting the Department and the Minister in discharging their duties. It is therefore incredibly important. For that reason, the Justice Committee had time to consider the Domestic Abuse and Civil Proceedings Act (Northern Ireland) 2021. It is considering the Protection from Stalking Bill and the Criminal Justice (Committal Reform) Bill, and, hopefully, in around six weeks' time, it will have the miscellaneous provisions Bill on its table as well.

I do not think that any other Minister has brought four Bills to their Committee for scrutiny in this mandate. To suggest that I am trying in any way to prevent the Committee from doing its job or doing it diligently is a false assertion, and nor am I trying to tell the Committee how to run its business. I have been assured by the Chair, the Deputy Chair and members of the Committee that they are more than capable of prioritising and scheduling their business. However, I have a duty as Minister to ensure that I make clear to all those involved in the passage of legislation the imperative for urgency in this case. Whilst it may be desirable from a departmental perspective to have things happen quickly, I have not asked for accelerated passage on any of those other

matters because I believe that it is right and proper that, in long and complex legislation, the Committee should have the opportunity not only to take advice and guidance from the Clerk and from officials in the Assembly but to receive expert views on how legislation will impact on their Committee.

As someone who has served on Assembly Committees, I appreciate the fact that Members will want to guard that jealously. However, I cannot abdicate my responsibility as Minister and my responsibility to the Executive, to the public sector and to everyone in the Chamber by understating the Bill's urgency, because the impact that it has and the ongoing delay that it is having on claimants under these issues is significant. Therefore, from that perspective, it is important that we raise the matter.

As Members rightly acknowledged, the issue has implications for other Departments, but it is incredibly technical in that, whichever scheme we choose, we will set out a portfolio. We can either put that portfolio in the Bill or agree that, as in England and Wales, as Minister, I decide the portfolio privately and make such adjustments to it as are required — that is what happens with the Lord Chancellor, and there is very little scrutiny or oversight — or we can decide, as per the Scottish model, that we put the portfolio and the adjustments in legislation. There is then openness and transparency for everyone involved, including for the Committee.

If we decide, because of actuarial advice, that the model or portfolio is no longer appropriate, we must, by law, return to the House and ask for support in order to change it. Therefore, the issues that have been raised on scrutiny, due diligence and all those matters are best dealt with through the Scottish model, because it ensures that I cannot tamper with the rate or the portfolio that leads to the rate without full transparency in this place. That is hugely important and should give all Members reassurance on how the rate will be set, but, most of all, it should give reassurance to claimants and defendants as to how the rate will be set, and they can then plan for the future adequately.

In addition to those remarks, Mr Allister elucidated the point very well as to why setting the rate is, and should be, an actuarial decision that is not subject to the influence of lobbying or other means. It is important that it is seen to be open, transparent and based on fact and the decision on compensation. That will give them a lump sum, and the discount rate will ensure that that person will receive 100% compensation. It is important that it is open, transparent and not

subject to the vested interests of those in the system. Maximising that transparency is critical, and I thank Mr Allister for his support.

A number of other issues were raised. I will not deviate into the issue of accelerated passage, because we have laid that to rest. There is no request for accelerated passage. I have laid out adequately, I hope, the reasons why there is an urgency attached to this Bill. However, I stress to Members that there is no easy way for us to end this impasse without legislating for a new legal framework. As soon as we change the discount rate, it will simply be delay from a different quarter. Until we have a new mechanism in place to set the discount rate, we will not deal with the fundamental problem.

It is, of course, now in the gift of the Committee to move the matter forward as quickly, or slowly, as it chooses. It is right that it should be so, but that does not prevent my having an opinion on which option I, were I a member of the Committee, would choose. I want to be clear that we have asked, and we continue to ask, that the Committee consider a shortened Committee Stage. By finishing the Committee Stage on 30 April, there is certainty that we will be in a position by the summer recess of having legislation in place. That will enable us, while we await Royal Assent, to start to set the rate, and that will allow us, I hope, in a shorter period than the 90-day maximum, to set a rate and allow people to move forward with their lives. That is a sensible request, and it is made in good faith. I know that members of the Committee share my concerns about the impact of the ongoing uncertainty on claimants who have not yet had an opportunity to have their settlements completed.

Two final issues were raised.

Mr Givan: I thank the Minister for giving way. I am not sure whether the members' pack has been issued, but this will be an item on the Committee's agenda. The Minister is right to say that it will be a matter for Committee members. We discussed this last week. Our report will outline the consequences and implications of complying with what the Executive have asked for, and it gives a wide range of reasons, including the current COVID restrictions and their implications for Committee staff, for not doing so. I am under a duty of care to the people who support the work of my Committee. I am sure that members of other Committees may be willing to give up all their Committee staff to support the Justice Committee. I commend the Minister on bringing forward this legislation. However, that places an onerous responsibility on the Committee.

Maybe that responsibility needs to be commensurate with the support that the Assembly wishes to give to the Justice Committee to expedite its duties more efficiently. The report will give members a lot to consider.

I want to be very clear: my party will not support what the Minister requested at the meeting on Thursday. What other Committee members wish to do will be a matter for them, but my party, and my members on the Committee, will not support that, because it is neither realistic nor sensible. I wish to expedite this matter on behalf of claimants. It affects me personally in what I see in my family circumstances. I, maybe more than anybody else in the Chamber, want this matter to be expedited. However, in discharging my duties as an elected Member of the House, I will not do so recklessly.

Mr Deputy Speaker (Mr McGlone): Before the Minister commences her response, I want to point out that we have already had quite a bit of discourse through the day about whether there is to be accelerated passage. I have heard two views at least; probably more. However, we will not put that to bed today. It is a matter for the Committee to decide at Committee Stage. I would appreciate Members' continuing with the discussion on the principles of the legislation, please.

Mrs Long: Thank you for your guidance, Mr Deputy Speaker. However, it would be remiss of me not to press this matter home to the Assembly. Ultimately, the Assembly will grant any extension to Committee Stage, should one be requested. It is important that I press home to the Assembly the implications of any decision in that regard. I am disappointed that the Chairman has taken such a position. I do not believe that a protracted period is required to scrutinise a short and technical Bill. It is simply a matter of focusing on getting it through. The Chair previously assured me:

"With respect, it is not the Department's job to tell this Committee how it carries out its work, so there is no reason why the Department cannot allow us, as a Committee, to manage these pressures."

That is exactly what we are doing: we are allowing the Committee to manage the pressures.

Mr Deputy Speaker (Mr McGlone): Minister, the point is well made. Perhaps we can move on, please.

3.30 pm

Mrs Long: I want to deal with two other points of substance that were raised. Paul Frew raised the issue of why we would have a review this year and another in three years' time and whether, for example, parties would delay their settlement until 2024 as a result of that. That is very unlikely, given how long cases have already been delayed and when, in the absence of a crystal ball, no one will know whether, in 2024, the rate will have gone up, gone down or stayed the same. The proposed review is different from the current situation. One must bear in mind that people know what the Wells v Wells rate would come out to be, so they know that there will be a particular change in the rate, and they know that, by delaying, there will be an opportunity for them to be able to prevent under-compensation. Equally, if we went with Wells v Wells, there would be those who would be in a position to prevent overcompensation. That is a very different scenario from what we have at the moment.

The proposed review in 2024 is intended to align Northern Ireland with Scotland's five-yearly cycle. The reason for that is that the Government Actuary agreed that there would be benefits in doing so, as there are advantages for stakeholders in their own planning and efficiencies regarding the data collection review and any consultations that may be required. I also understand that it is unlikely that the rate would change significantly in the three-year period. In fact, it is our hope that the rate would not change significantly in any five-year period. That is why we are building in the routine reviews. We hope that there will be minor adjustments, rather than, as has happened in this case, an adjustment after almost 20 years. Therefore, we will have the opportunity to avoid that concern, which is a reasonable and rational concern to raise.

A number of Members also spoke about oversight and accountability in the Bill. The Bill prescribes the detail of the low-risk investments assumed to be made by claimants, the assumed period of investment and the amount of deductions to be made. Although the Government Actuary is the rate setter, it is not as simple as saying that we are outsourcing departmental duties. They will have to determine the rate according to the methodology prescribed in legislation set by the House. The detail of the statutory methodology by which the rate is to be set by the Government Actuary could only be changed by the Department under secondary legislation that would have to be approved by the Assembly. Moreover, before each review in the

cycle of regular reviews that will be established under the legislation, the Department is required to consider whether the portfolio is still appropriate, in accordance with the criteria of the Bill. Once the parameters of how the rate is set are detailed in the legislation, applying them to calculate the rate is an actuarial rather than a political exercise. Obviously, the Government Actuary's Department will publish a report of its review and determination of the rate. Members will be able to scrutinise that report and to understand the detail of the rate setting.

It has been a useful debate. It has provided us with another opportunity to air the challenges around the legislation and the models that are available and to focus on the fact that, fundamentally, whether we use the English model or the Scottish model, the objective of both is the same. Neither is more likely to give us overcompensation or under-compensation, because both are designed to give 100% compensation: nothing more, nothing less. It is not an exact science, but it is important that we move this forward quickly so that claimants who await their payments are able to move forward and live their lives with dignity, with the resources that they require to do so. We should finish with our consideration of those claimants. I leave it in the hands of the Assembly as to whether it passes the Second Stage of the Bill and then in the hands of the Committee as to how quickly and expeditiously it can deliver the Committee Stage.

Question put and agreed to.

Resolved:

That the Second Stage of the Damages (Return on Investment) Bill [NIA Bill 16/17-22] be agreed.

Mr Deputy Speaker (Mr McGlone): I ask Members to take their ease until we move to the next item of business, which is the Final Stage of the Budget Bill.

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

Budget Bill: Final Stage

Mr Murphy (The Minister of Finance): I beg to move

That the Budget Bill [NIA Bill 17/17-22] do now pass.

Mr Principal Deputy Speaker: The Business Committee has agreed that there should be no time limit on the debate.

Mr Murphy: Today's Final Stage debate concludes the financial legislative process for the 2020-21 year. The impact of the COVID-19 pandemic has meant that financial circumstances this year have been unprecedented. The Executive have acted quickly to provide funding, not only to deal with the health impact of the pandemic but to respond to the social and economic impact. We have had to respond to changing circumstances in the face of new restrictions and have had to work quickly to get financial assistance to the health service, schools, businesses and families. Departments have transformed the ways in which they work in order to get that funding to where it was needed.

We are continuing to plan for and respond to the situation. This year to date, the allocations that have been made by the Executive amount to almost £3 billion. That includes over £1 billion of additional in-year funding for the Department of Health to ensure that doctors, nurses and other medical staff have the resources that they need in the fight against the health emergency. It includes over £644 million to the Department for the Economy to support businesses and the further and higher education sector. Over £500 million has gone to my Department to provide rate relief and administer support schemes to businesses. We have allocated over £275 million to the Department for Communities to support councils, vulnerable individuals and the culture, arts and sports sectors. Over £226 million has gone to the Department for Infrastructure to ensure that our transport networks can continue to operate, including Translink, airports, seaports and the taxi, private coach and bus industries. The allocations to Infrastructure are also supporting Northern Ireland Water (NIW). Almost £180 million has gone to the Department of Education to support schools so that they can continue to deliver education for our children and young people safely and provide free school meals. I express my gratitude once again to the Finance Committee, which acknowledged the unique circumstances that we have found ourselves in this year and has worked with us to grant accelerated passage to the Bill.

There will be every opportunity for Members to debate the Executive's 2021-22 Budget plans when I bring the Executive's Budget to the Assembly later this month. There will be a further opportunity when the Main Estimates and Budget (No. 2) Bill come to the Assembly

before the summer. The debates on the earlier stages of the Bill and the associated Supply resolutions have been informative. I thank the Committees for the scrutiny that they have brought to the process.

I hope that it is now clear to everyone that this Budget Bill focuses on the 2020-21 financial year. Although it also provides legal authority for Departments to spend into the first few months of 2021-22 through the Vote on Account, that does not constitute the setting of the 2021-22 Budget. The Vote on Account is simply a mechanism that allows Departments to deliver services at the start of the new financial year, pending the Assembly's consideration of the Main Estimates and Budget (No. 2) Bill. Later this year, that Bill will set out the detail of the 2021-22 spending plans contained in the Executive's 2021-22 Budget.

This is the final stage of our financial legislative process for 2020-21. The legislation has already been the subject of considerable debate. I now look forward to hearing any final thoughts from Members on this important legislation.

Mr Frew (The Deputy Chairperson of the Committee for Finance): I wish the Chairperson of the Finance Committee all the best in his recovery. You will note his absence today; he had a bit of a mishap. I am sure that I speak for all Members in wishing him all the best for his recovery.

I will make some remarks on behalf of the Committee for Finance as part of the Final Stage of the Budget Bill. The Committee for Finance enjoys a special position and has unique responsibilities when it comes to the scrutiny of Budget Bills and the associated Supply resolutions. The Committee takes those responsibilities very seriously. Consequently, when members learned, to their great surprise, that the cash advance facility from the Consolidated Fund was close to exhaustion, they felt that action was necessary. The Committee, therefore, agreed to grant accelerated passage to the Budget Bill, despite severe misgivings from most members about the lack of information on the associated public expenditure proposals. That course of action was followed in order to avoid the very real prospect of public services running out of money and stopping near the end of March. That was a surprising and unwelcome development. The Committee expects, in future, to be kept apprised by the Department of the progress of cash advances from the Consolidated Fund.

As was indicated in the previous stages of the Bill, the spring Supplementary Estimates differ greatly from those of previous years. For example, there is now the opportune inclusion of a fuller explanation for sole authority expenditure. That is a positive development and must be welcomed. This year's Estimates also include, very unusually, headroom of £1 billion. It is understood that perhaps £200 million of that — the totality of the available unspent 2020-21 resource — is to be used by the Department of Finance.

The Minister suggested in earlier debates that a further business support payment would follow, to be administered by Land and Property Services. Our hard-pressed businesses could do with more support as they recover from the lockdown and address the post-COVID economic landscape. It is hoped that, today, the Minister will tell us a little bit more about what he has planned in that regard. It is also hoped that, in addition to written statements on those matters, further correction slips might be added to the Estimates in order to close the circle in respect of the allocation of resources when compared with the headroom figures.

We are all aware of the unusual pressures that have accompanied this most difficult of years. It is right that we take a moment to remember the lives lost, the emotional damage and the financial hardship that the lockdown has brought.

It is also right to consider how our institutions have responded to these pressures. How have we treated the most vulnerable in our society? How have we redirected resources to support them in their time of need? On another day in the not-too-distant future, I expect that the House will review that in much more detail. When that day comes, I hope that we will not be found wanting in deliberating on what has come before us.

3.45 pm

For now and in respect of the spending in 2020-21, which is covered by this Budget Bill, I should record the Committee's thanks for the very substantial additional funding that the Executive received from our Government. We should welcome the numerous support schemes for hard-pressed individuals, families and businesses. We should also note with fulsome, though qualified, approval the Executive's financial response to this crisis. There is no doubt that money has got down to many people. There could be a question about the speed, but there is no doubt that money has

been received gratefully by many people and businesses.

To be sure, there were issues, not least in Land and Property Services converting itself from a collection to distribution agency, which I earmarked early on. Additionally, there were some schemes where uptake was much lower than expected, and some important sectors and individuals, with some justification, felt overlooked. Nonetheless, the response of our health service, education service and public services generally has been very good indeed. That is a positive takeaway from the pandemic.

As regards the 2021-22 Budget, I think that everyone will welcome the special carry-over arrangements from Her Majesty's Treasury, which will hopefully help to fund aspects of the post-COVID recovery. Although there will be a time when the Committee will want to say a little more about this, I would like to record the Committee's dissatisfaction with delays, both in the spending review and at the Executive, which have eaten into the Statutory Committees' valuable scrutiny time. The Chairperson raised the key points of Committee concern at Second Stage. I will merely indicate that, despite the short timescales, Committees have done their best to interrogate departmental submissions and that much of the feedback refers to unfunded bids and an over-reliance on in-year monitoring.

I thank all the Statutory Committees that responded to the Finance Committee with feedback. I also record a note of sympathy for the Committee for the Executive Office, which, I believe, is still waiting for Budget information. It is vital that that is highlighted at this stage and a marker laid down. I record the Committee's sincere thanks to the Minister and his officials for their oral and written briefings and for their assistance in helping Committee members to better understand all Budget matters.

Notwithstanding the above, Committee members have noted with dissatisfaction this year's Budget scrutiny process. As I indicated previously, it is the Committee's hope that the independent fiscal council, coupled with a new memorandum of understanding (MOU) between the Executive and the Assembly, possibly backed up with legislation, may offer us a new beginning for this important aspect of the Assembly's work. In the meantime, on behalf of the Committee, I commend the Final Stage of the Budget Bill to the House.

I will now add a few words as a DUP MLA. My concerns around the victims' pension scheme have had an airing at all stages and in other

budgetary debates of late. They are also raised in the Finance Committee weekly. We all realise that people have waited far too long for money that is owed to them and that they should have received long ago. That money is required to assist those people in moving forward with their lives after many years of suffering with grievous injuries as a result of terrorism.

I am pleased that, on page 33 of the Bill, in the Department of Justice piece in schedule 3, the costs relating to the Victims' Payments Board and the Troubles permanent disablement scheme are mentioned. On the next page, page 34, in the Executive Office piece, which is also in schedule 3, it states:

"victims and survivors including actions and payments associated with the preparation and implementation of a Victims Payments Scheme for permanent disablement".

That is important content in the Bill, and it gives me hope and assurance that the Executive and the Finance Minister will not be found wanting when victims require the support that they should have got years ago. I know that the Finance Minister is engaged in a process with the Secretary of State. I record my appreciation to him for that, and I support that engagement because the victims who should get the support reside not only in Northern Ireland but all over these isles and maybe even further afield. There is an onus on the Secretary of State and our Government to assist or fund the scheme. However, there is no doubt that there is a legal duty on the Executive to implement it and to ensure that the victims are safeguarded and supported. I hope and pray that those people receive that funding sooner rather than later.

I also want to speak about the media speculation over the past week about a fiscal council. A fiscal council is a good idea to assist the Executive and, indeed, the Assembly on fiscal matters. I do not think that any of us are precious enough to think that we can do it all on our own, and it would help to have a fiscal council for budgetary Bills like this one so that we can be informed to a greater degree. That should be welcomed.

The Minister also brought a paper on a fiscal commission to the Executive. My understanding is that that would be a one-off reporting mechanism to help in the debate about fiscal powers. Devolution is a place where local people make local decisions, but at no time should devolution and the House duplicate bureaucracy. At no time should this place be another layer of bureaucracy, nor should it be

another layer of penalty and taxation that will hurt and burden our people, who work hard to earn every penny and pound that they get. Whilst it is good to look at such things and to assess where we are in a fiscal world, I would rather see a pound staying in the pocket of those hard workers than going to a Government who do not necessarily know what the people are going through, as they are not close enough to the ground, and will not spend the pound as effectively and efficiently as the worker. That is why, before any procedures or proposals come forward for further fiscal powers, the Finance Minister will have to convince me and my party that that route is worth travelling. I am not convinced at this stage that a hike in income tax or any other tax, for that matter, is the right way to go. My explanation for that is that the tax-varying powers that the Executive already have have not been used — they have not really even been looked at — or assessed properly to see how they could assist our economy.

The way in which we lift taxes and rates is one example. It is clear to me from talking to the business community that the way in which rates are collected, calculated and paid is quite brutal. We can see how evolving businesses and economies get round the rates base, especially in the digital world of the internet. That might be one way that, I suggest, the Minister could look at to see how we can broaden the tax base and assist in bringing in more money in a fairer way and through a system that is fair to everyone.

The Minister mentioned rates reviews, and I get that. It is always good to review rates, because the issue leaves a really sour taste in people's mouths, especially when, in a townscape, one street is penalised more harshly than another. It takes some time to review that, and it takes some time to fix and correct the balance. It is a primitive and brutal tool. Is there not a better way to measure and then to pay rates? Someone should take on board that job of work. A fiscal council or even a fiscal commission, if it ever sees the light of day, may well look at that. That is where we should really use our energies in the short term to see what we can do with the tools that we have in order to put in fairer, more efficient and more effective systems to raise tax and revenue that we can then use.

The other side of the coin is where that money goes. How efficient and effective are our systems? How well do they operate for the sake of our people? Massive questions remain over how efficiently and effectively that works, and I would like to see work being done on that. Do not get me wrong: sometimes there is a cost to reviews. Some reviews of late have not worked.

Sometimes reorganisation does not work, and sometimes there is a cost. We will have to take all that into consideration before we take any steps and before we include any provision for further taxation or reviews of the Departments that are staffed by our Civil Service and their functions to support businesses and civilians in how they live their lives. One thing is for sure: I want to see smaller government. I do not want to see Governments, be they at Westminster or at Stormont, interfering any more than they have to with people's lives and the money in their pockets. I will leave it there.

Dr Archibald: The Minister will be pleased to hear that, having contributed a number of times already, I intend to keep my contribution short. I have spoken many times — I am sure that the Minister is almost as sick of having to hear me say this as I am of having to say it — about the need to support businesses that have either been excluded from support schemes or have received very little. I know that, last week, he expressed his disappointment, which I share, that a broader hardship scheme has not been developed for those businesses and said that he intended to address that as far as he could through LPS, which obviously means that it will be only for businesses with premises. That was welcome, and I wonder whether the Minister could provide an update on that.

Last week, the Minister also mentioned a potential scheme to support travel agents to be brought forward by TEO. Again, that is welcome and will be welcomed by those hard-hit businesses, but it is disappointing that it was not brought forward by the Economy Minister, given that tourism and business are within her brief.

Looking forward to the incoming financial year and the additional COVID funding that has been announced, I share the Minister's concerns about the lack of resource budget in order to plan properly for economic and societal recovery, to deal with Brexit and to support businesses and citizens through that. The Economy Minister has published her economic recovery action plan, for which a budget of £290 million has so far been requested. We likely all agree that skills will be an important driver of economic recovery. Yesterday, we had a debate on that issue, and the motion was unanimously supported. The Economy Minister talked about a ring-fenced skills budget. We all look forward to getting a bit more detail on that.

4.00 pm

As we look forward to recovery and coming out of the pandemic, it is important that there is a focus on supporting young people. I urge all Ministers with responsibility across that area to work together, including through allocating COVID funding, to ensure that there are education, training and work supports for young people. Youth unemployment is growing, and we cannot have a situation in which young people, for the second time in little over a decade, face the brunt of an economic downturn. The last recession resulted in a prevalence of low-paid, precarious work for many young people, and things such as owning their own home now seem like a pipe dream to them. That is simply not good enough. We need to address that from all sides to ensure that there are opportunities for young people. We also need to strengthen the rights of workers and put an end to the scourge of poorly paid work. I have said numerous times that implementing the New Decade, New Approach (NDNA) commitments on employment would be a good start.

I will finish, as Mr Frew finished, by welcoming the Finance Minister's initiative on a fiscal commission to look at the powers devolved to the North. I was not sure whether Mr Frew was arguing for or against it, but it has been well rehearsed here on many occasions that the current situation of being at the whim of a British Tory Chancellor does not make for good budgetary planning. If we are to deliver the recovery needed to address the inequalities exacerbated by the crisis, help businesses to rebuild and generally improve people's lives and opportunities, we need the fiscal and borrowing powers to do that. It is about the Assembly and the Executive being able to plan and to respond to the needs and ambitions of people here, to deliver for people here and to encourage investment and job creation here. The current budgetary situation and the lack of meaningful funding to meet current pressures, never mind to deliver on COVID recovery, bring a new impetus to moving forward with that work. When it is raised, we often have quite a narrow focus on the limited revenue-raising powers that we have. Mr Frew referred to that. Beyond rates, those powers amount to the ability to impose usage charges, such as water charges, prescription charges and student fees on citizens and households. Those would all disproportionately impact on those on lower incomes. In the context that we have the lowest household income, less disposal income, lower levels of savings and higher household debt than elsewhere in these islands, a focus on the things that would hit hard-working families most cannot be the start and end point of the discussion. It is a timely opportunity for this

work to take place. It is also a positive debate and discussion to have, and it is one that should be given the space to be properly informed. For that reason, I welcome it.

Mr O'Toole: I start by passing on my good wishes to my Committee colleague Steve Aiken, the Chair of the Finance Committee. I wish him a speedy recovery.

We are here again debating accelerated passage — not accelerated passage; we have already agreed accelerated passage — we are debating the Final Stage of the Budget Bill. This will not be the last Budget Bill that we debate this year, nor will it be the last time that we debate budgeting in general. We have a draft Budget that we will, hopefully, debate in May, when we can have a more systemic, programmatic look at how we are spending, what we are spending it on and what our strategic objectives are as an Assembly and Executive.

The starting point should be that it has been a unique and exceptional year. That goes without saying and is almost a redundant statement. We have seen the most extraordinary year of public health crisis, something that none of us has experienced in our lifetime, with the loss of lives in Northern Ireland, across these islands and across the globe. It is right to pause and reflect on the scale of what our entire public services have been through and to say, "Thank you" to the front-line workers who have helped to get us as a society through COVID-19. It is clearly not over yet, but we hope that we may be nearing the end of the most acute phase of that crisis.

It is also worth paying tribute to the public servants in the Minister's Department and in other Departments who have had to administer this jurisdiction through an extraordinary time. For example, as others have said, they have had to turn Land and Property Services from a rates collection agency into a grant disbursement agency. They have had to design a means of getting new forms of benefits to people quickly and a range of novel schemes to enable our economy and our public services to muddle through this extraordinarily difficult time. I say, "Thank you" to them.

All that being said, the hard work, dedication and sacrifice of our front-line workers and the ingenuity and dedication of individual civil servants is not an alibi for politicians writ large, who have failed to give clear strategic direction for our budgeting. That is, I am afraid, a blunt truth. It is true at Stormont and at Westminster, and I will come on to both in a moment. One of

the issues that we have faced this year has been a reliance — it is not a new thing; it has been endemic since the institutions came into existence —.

Mr Principal Deputy Speaker: I am sorry to interrupt you, Mr O'Toole. I ask Members to make sure that their mobile phones are not near the microphones. We are picking up terrible interference. Someone has moved their phone, because the interference has ended.

Mr Catney: Guilty.

Mr Principal Deputy Speaker: It was the Member for Lagan Valley, Mr Catney. You were interrupted by your colleague, Mr O'Toole.

Mr O'Toole: I was just about to say that, Mr Principal Deputy Speaker. It is usually those from other parties who interfere with your remarks and not your party colleagues. I forgive the Member for Lagan Valley.

I will be relatively brief. It has been a unique year, but that is not an alibi for our failure to provide clear strategic guidance. Some of the targets and agreed aims of the 'New Decade, New Approach' document have been fulfilled but many have not. Not only have they not been fulfilled; we have not had clarity about when they will be. We still have a draft Programme for Government from 2016 that exists in the ether. I am not one for religious references — I am very lapsed, I am afraid — but it exists in a state of purgatory where it seems to be gone but floats in the ether, gone but not completely excised. A few Departments say that they are working to the draft Programme for Government outcomes, but their exact status is not clear.

We need much more clarity, and, as I have said in the Chamber before, in the absence of an agreed Programme for Government, for better or worse, our Finance Department and our budgeting process, including Budget Bills, the Budget document itself and the in-year monitoring process, become the Executive's de facto strategic policymaking tools. That means that there is a disproportionate responsibility on the Finance Minister and the Finance Department to deliver a joined-up programme. I have made those points before.

I will go through some of the issues around monitoring and underspends in the past year. I will come to the bigger strategic point about our relationship with Whitehall soon. It is true that allocations were made late and in a way that was not conducive to proper policymaking here. I will grant that, and no one could deny it. It is

one thing to express gratitude or supplication for allocations that come via Barnett consequentials, but it is quite another to believe that they come in a way that is useful or helpful. Obviously, it is not conducive to policymaking if a Finance Department official gets an email with an hour's notice that says that there is an extra couple of hundred million quid in the Consolidated Fund but it has to be spent within a few weeks. That said, we knew last summer at the latest that this would be a unique year and that we were going to get additional allocations that would probably come at odd times that suited the English political calendar, so it is highly arguable that we should have been more prepared. There is also a question about why certain bids were turned down, including bids from the Infrastructure Minister, over the summer. Now, obviously, for political reasons, certain parties are choosing to do lots of photo ops next to potholes and are demanding answers as to why late bids are not being made.

As I said, however, we are where we are. This year's monitoring process has not been great. It would be helpful if the Minister could give us an update on precisely where we are with underspends, given that, unfortunately, we are now right in 'Brewster's Millions' territory, with only a few weeks left to get money out the door. It would be helpful if he could give us that update and tell us when he will announce any last-minute schemes so that there are no underspends or so that we can at least get resource spending out the door insofar as we can. I am not sure whether it is possible to do that for capital.

I come on to an issue that both Members who spoke previously mentioned, and on which I have been fairly repetitive as well: the question of a fiscal council and a fiscal commission. A fiscal council was one promise that is made in New Decade, New Approach. There has also been talk of a fiscal commission. Indeed, my party was among the first to talk about it. I am not claiming credit for my party. The Finance Minister talked about it, too. Broadly speaking, we agree with it.

I will take them in turn. The fiscal council is a body that should give us more clarity and consistency and an external, or semi-external, umpire for how we do budgeting. Frankly, a big part of this is about having a semi-external umpire that is able to say with some credibility to Whitehall, "This isn't good enough. If you want better outcomes from this devolved institution, you have to give it the tools to create better outcomes". It is not simply good enough to show what looks, at times, like borderline

contempt for our devolved institutions. Sometimes, I am sure, that contempt is not malicious or premeditated, but that is what it amounts to. It does not enable us to deliver the best possible outcomes for our citizens.

Sometimes, slightly boringly, I refer in the Chamber to my experience. I do, however, speak from experience a bit, because I worked at the centre of government. Whatever your constitutional perspective is, the truth is that Northern Ireland's needs are not ever at the centre of the mind when it comes to fiscal policymaking in Whitehall. It is therefore important that the fiscal council be there to act as semi-external umpire to keep the Executive honest and disciplined in how money is being allocated and spent but also, ideally, to keep Whitehall honest, too.

I have asked the Minister specifically, first, whether a fiscal council will be based in legislation. He said that it will get a trial run and then a judgement will be made about whether to base it in legislation. In the long term, that is the best way in which to give it ballast and long-term credibility. Secondly, I asked the Minister whether it will have its own economic forecasting power and capacity. That it does is critical, because some of the judgements cannot really be made without economists modelling their effects.

The connected point is about the fiscal commission. There was some chatter about that at the weekend. Rather, it was an interview that the Minister gave. I am not calling his interview "chatter": I would not dare say that. There was coverage of it. I have been very supportive of the idea of a fiscal commission. Sometimes, when we talk about this stuff, we instantly reach for the simplistic, "Which tax are you going to put up?" or, "What bit of spending are you going to cut?". When we talk about things such as a fiscal commission, the critical question is not simply about how we raise taxes or cut spending, although taxes and spending are obviously involved. What it should be is a look at the entire financial and accounting functions of a place of government and, in a sense, its broader functioning. It should look at how it sets priorities, how money is matched to those priorities and how the executive wing is held to account for spending that money and delivering on those priorities. Bluntly put, we are terrible at that. That is not a party political statement. We have been bad at it since the institution was created, despite the many good things that have come from this place.

What a fiscal commission should do is look at a baseline. It should take a sort of zero-base look

at how we do all of that stuff. That will include how we raise revenue. Raising revenue does not necessarily mean raising income tax.

The Minister was led a little bit up the garden path on Sunday by the interviewer. I have some sympathy, but we should not think about raising income tax, and I speak as someone who is proudly on the centre-left and a social democrat who thinks that we should broaden the tax base. We certainly should not be raising income tax for working people in the middle of one of the biggest recessions in human history. However, in the long term, we do need to look at how we raise revenue in this place.

4.15 pm

It sounded as if Paul Frew wanted to get into this debate. He corrected himself and said that he did not want to talk about this. That is interesting, because there are things that we should be talking about, and that is exactly what we should be talking about. One of the main ways that we raise revenue — one of the few ways that we can raise revenue in this place — is via non-domestic rates.

What has happened in the past year? Our economy has literally transformed. The basis on which lots of economic activity happens — physical premises — has ended or has shifted in a way that normally would have taken a generation. When we reopen, and we all want to reopen safely as soon as we can, and return to greater levels of economic activity, we will, sadly, see a difference on our high streets. The high streets have changed as online shopping has accelerated. I hope that we can stimulate our high streets, but there will still be a shift from certain types of shopping that always happened on the high street to other types of activity. That means that the entire rates base — a source of revenue that local and devolved government rely on — has gone completely. Why would you not want a fiscal commission to look at that? A fiscal commission should look not just at a ledger of how money is raised and spent; it should look at the entire structure of the economy. That would involve what consultants call a "SWOT" analysis: strengths, weaknesses, opportunities and threats to an economy.

My party has put out several documents listing what it thinks should be the longer-term priorities for our economy. In the short to medium term, there are some obvious priorities that the Minister and a fiscal commission should be looking at, such as the benefits from our protocol position where we have dual market

access. Despite the current controversy, dual market access could be of real benefit to our economy. We know that young people have disproportionately suffered, and allowing them to recover from the enormous COVID crisis should be a priority. Finally, the transformation of our public services, particularly our health service, should be a priority.

Mr Frew: I thank the Member for giving way. It has been an interesting debate. What are the Member's thoughts on the Programme for Government? It strikes me that if you do not have a Programme for Government, the Budget is adrift. The Budget is floating about without purpose, focus or direction. A Programme for Government should direct the Budget priorities and should weld Departments to work together, which they are not doing at present. Welding Departments together would effect change and save money. Can I ask the Member for his views on that?

Mr Principal Deputy Speaker: Before the Member proffers his views on a Programme for Government, I remind the Member that this is a Budget Bill debate. I appreciate that considerable leeway is given in a Budget Bill debate, and the Member will know that I am not one to stand on formality, but we are veering off the Budget Bill. I am sure that Mr Frew and Mr O'Toole will be able to have many fruitful discussions about the restructuring of government, but not on my time and not in this debate.

Mr O'Toole: I am tempted to say that we have lots of "Frew-full" discussions in the Finance Committee, but I am not one for puns. I was drawing my remarks to close, Mr Principal Deputy Speaker.

Suffice it to say that, yes, I agree. Departments need to work together under joined-up headings. As this debate shows, and as you have just demonstrated, Mr Principal Deputy Speaker, in the absence of agreed targets, we are just poking at the past year's allocation, and we do not have an agreed Programme for Government or targets to work towards. With that, I will draw my remarks to a close, but I look forward to debating the draft Budget and further Budget Bills even more aggressively in the weeks ahead.

Mr Muir: I rise to speak on the Budget Bill on behalf of the Alliance Party. Before I start, I offer my thoughts to the Chair of the Finance Committee, Steve Aiken, who is ill after breaking a few ribs.

I broke a few ribs a couple of years ago and decided to do a 10K race afterwards. I learned that it is very sore. I send him my best wishes.

Matthew O'Toole made a point about the resource allocations throughout the year from Treasury. We have to acknowledge that the way in which they were allocated and the very late notice that was given provided a challenge for the Northern Ireland Civil Service in allocating those funds, but it also highlighted a whole issue with the capacity and the capability of the Northern Ireland Civil Service to turn things round at great speed. An awful lot of schemes were turned round at great speed, and we are very grateful for that, but as the COVID allocations were coming through, it showed a stress in certain Departments' ability to turn round that level of support. The Public Accounts Committee, of which Matthew is also a member, is looking into that at present. It is an important issue, and we must look at it with a balanced approach. Yes, the allocations were late in the day, but there was also a capacity issue in turning that round.

The other issue is about the rating system. I think that many people will be very surprised when they go back to their high streets after the pandemic has abated and see the level of vacancies and the devastation that has occurred on those high streets. That is why the review of the non-domestic rating system needs to happen. I had a phone call on Saturday from a constituent who owns a retail premises in Belfast city centre, and he outlined to me the real challenges that he has as a result of being in a city centre that is largely desolate, with very few people around. He has rate relief for this year, but he is still conscious of the fact that he will eventually have to pay non-domestic rate bills. Other businesses are trading from a garage or a warehouse and paying much lower rates, yet he is carrying the full burden. He is determined to reopen, but we need to be conscious that we will have to address that issue in no short order. No sooner had the pandemic come along than Reval2020 came in, but the impact of that has not been felt because of the reliefs associated with the pandemic.

I will turn to the Budget Bill. I recognise that the Bill is to give legal effect to the spring Supplementary Estimates for the remainder of this financial year and to the Vote on Account for 2021-22. It is important to state that budgets and finances over the period ahead need greater focus on reskilling and employment as our economy begins to reopen after being frozen for over a year, as the Chair of the Economy Committee outlined. We must also ensure that there is sufficient support for the

welfare system at a time of rising unemployment. Those are the most important financial issues over the next 12 months. Keeping people in jobs, getting them into jobs and supporting those facing hardship is what will define this place.

By the time the furlough scheme is due to close, thousands in Northern Ireland may be at risk of not having any job to go back to. The Finance Minister needs to set aside funds to ensure that suitable training, reskilling and new job opportunities are in place for those whose livelihoods have been taken by the COVID-19 pandemic. The risk is particularly acute for our young people. Without the right response from our Executive, there is a danger that the economic impact of COVID-19 could scar them for years to come. My party is also calling for a reshaping of the high street. As COVID-19 has fundamentally changed our livelihoods, so it has altered the hearts of our towns and cities.

The Alliance Party acknowledges that a flat core resource allocation is disappointing and far short of what Departments need to effectively carry out their day-to-day functions. Some element of that was forgotten in the discussions on the Budget last week. The Alliance Party is disappointed that the Chancellor's Budget did not go further in delivering a much bigger green stimulus, which is something that my North Down colleague Stephen Farry MP has continued to press for at Westminster. If you look at what other Governments are doing across the world, it is clear to see that what the UK Government are planning just does not cut the mustard. We were expecting stimulus around infrastructure investment last week, and that did not happen.

However, rather than pretending that we are entirely at the mercy of decisions made in London, the Alliance Party believes that the Executive could be doing much more to get our own finances in order. As I outlined last week, the cost of division is estimated at over £500 million per year, and it remains largely ignored. Only when we are serious about tackling the cost of division head-on will we fully be able to deliver on the twin challenges of public service transformation and private sector growth in Northern Ireland.

I welcome the proposals to establish a fiscal commission. It has lots to examine and report on. Additional revenue-raising powers will be considered credible and reasonable only if we are prepared to ensure that our current revenue is spent wisely and well.

The reform of the management of Northern Ireland's finances has been far too slow. It has been over a year since we were promised a fiscal council. I understand the challenges that have been experienced thus far, and I am greatly appreciative of the work that officials in the Department of Finance have done. We understand that proposals will be brought to the Assembly in short order, but we still have not seen anything yet. Only when we have the reforms that are needed can we be properly entrusted with the powers that are required to take greater control of our financial destiny.

The Alliance Party will continue to press for greater resources for Northern Ireland at Westminster, particularly for additional financial firepower to build back better from COVID-19, but, in the Assembly, we must, first and foremost, focus on putting our own house in order. We should not pretend that we are powerless to deliver more jobs and better public services in Northern Ireland.

Lastly, as was referred to in this place yesterday during questions for oral answer to the First Minister and deputy First Minister, the Troubles-related-incident victims' payment scheme needs to be delivered. The ongoing foot-dragging by the Secretary of State is wrong, and it must end. It is long past time that he stepped forward to provide the financial support that is deserved but that has been delayed for far too long.

Mrs Cameron: I also convey my best wishes to my constituency colleague Steve Aiken and wish him a speedy recovery from his injuries.

At the outset, I thank the Minister and the departmental officials for their work on the significant administrative task that is the Budget Bill. Just over a year ago, no one could have imagined the world that we are living in today. Sadly, many families are filled with sadness and grief at the loss of their loved ones, and behind every statistic are individuals who are sorely missed. Undoubtedly, brighter days are ahead of us in Northern Ireland, and, as I begin my remarks on the Budget, I pay tribute to everyone who is involved in the roll-out of our vaccination programme. Their professionalism and the speed at which it has been progressed so far has given us all much-needed hope that, finally, an end is in sight.

No one can be in any doubt that all Northern Ireland's Departments have come under extraordinary pressure over the last year in trying to maintain services and address the new challenges that presented themselves. Additional funds that were allocated by Her

Majesty's Treasury to help address COVID pressures have been vital throughout. It is obvious that Northern Ireland's high levels of public spending would not have been at all possible without our membership of the United Kingdom. The levels of financial aid for businesses and the self-employed have been unprecedented, although we must fully recognise that further support will be needed throughout this year to help get our economy back on its feet, even after many of the restrictions have been lifted.

Another pressing issue that must be resolved is the Troubles innocent victims' pension. I call on the Executive and the Secretary of State to finalise the scheme urgently. Victims have waited too long, and many deadlines have been missed. That is unacceptable, and there must be no more delay.

COVID-19 not only added greater financial burdens to our Departments but exposed the long-term structural needs of many of our services. I am referring in particular to our health service. We have waited for years to see a substantial transformation of our health service. The pandemic exposed the need for investment in our health service property, areas of high staffing vacancies and an over-reliance on agency staffing. Long-term strategic planning in the health budget is needed to address those problems. I reiterate what I said during the recent debate on the spring Supplementary Estimates, which is that we must move towards a multi-year Budget, particularly in health. That is not just in the interests of more strategic spending decisions but to allow more effective scrutiny by the Assembly and its Committees.

None of us should be naive enough to think that the problems facing our health service can be resolved quickly. Indeed, many of them predated the COVID-19 pandemic. I share the concerns of the chairs of all the health and social care bodies, who recently highlighted that aspects of the health budget are non-recurrent.

That negatively impacts on our trusts' ability to make long-term plans, including the capacity to recruit staff. A large proportion of the health budget is rightly allocated to COVID recovery, but tackling Northern Ireland's extensive waiting list backlog must be at the forefront of priorities. The Department must also recognise that we still do not fully understand the effects of long COVID. Some people have experienced longer-term impacts from their COVID symptoms, especially with respiratory issues. Many experts expect a growth in demand for funding of services to deal with the long-term rehabilitation

of some COVID patients. We need to acknowledge that and be prepared to address it.

4.30 pm

I am far from being the only member of the Health Committee or the Assembly who has continued to express concerns for health service staffing levels, which are under pressure. I appreciate that the NHS pay review body has still to conclude its recommendation for Northern Ireland, and we must wait for that outcome. However, I will make just one point. Safe and sustainable staffing cannot be achieved without fair pay, and I hope that the independent pay review body will recognise that.

I cannot express strongly enough the amount of pressure under which our hospitals and other services have been working, especially during the recent COVID waves. Several hospitals surpassed 100% capacity on multiple occasions. I publicly thank the 110 military medical technicians who have now returned to the military, having served in hospitals here during the post-Christmas surge. Without their professional support, we would have been in a much worse place.

As case numbers and hospitalisation figures stabilise, we must earnestly return as many non-COVID services as possible. I thank the leadership teams across our health and social care trusts who have been involved in this spring planning and for managing their resources to resume normal services as best and as quickly as they can. Reform on how we deliver services in Northern Ireland is needed more than ever. However, a wide range of transformation and New Decade, New Approach commitments remain unfunded. In particular, I hope that finance can be found in the Budget to ensure that we fulfil the pledge for safe staffing, for 900 additional nursing and midwifery students over three years and for funding for up to three IVF cycles. That will take years of hard work and Budget processes to get to where we want to be: a full transformation that sees greater outcomes for patients and better conditions for our amazing healthcare staff.

While I welcome the increased budget for resource and capital spending in Health, I am concerned that any significant progress on transformation and the New Decade, New Approach commitments will be pushed back further. The public of Northern Ireland expects an efficient and transparent use of resources. Let us ensure that every effort is afforded to

using those funds effectively and in a targeted way to help our society to recover and prosper beyond COVID-19.

Mr McAleer (The Chairperson of the Committee for Agriculture, Environment and Rural Affairs): I want to outline the Committee's position on aspects of the DAERA budget. Overall, on resource DEL, the Committee is aware that DAERA is facing a shortfall of £33.9 million, the majority of which arises from a shortfall in replacement EU funding. The Committee is aware that DAERA has requested additional resource and capital DEL funding from the Department of Finance in order to take forward important work, in particular on the green growth strategy and the bovine TB eradication strategy. The Committee has indicated support for that additional funding.

DAERA has been able to secure additional funding from Treasury for the work on EU exit, as well as water reform and climate change initiatives, and, again, the Committee welcomes that funding. The Committee questioned officials on aspects of EU exit. New responsibilities and functions have now been allocated to DAERA as powers return from the EU. The Department also has to implement and deliver the compliance checks that are now required as part of the protocol. The Committee is concerned that sanitary and phytosanitary (SPS) checks at ports and at Belfast International Airport are being funded through a separate exercise with the Treasury, and details of that funding were not included in the Budget documents. The Committee has requested an additional written briefing, which it is still awaiting.

I will turn to the replacement of EU funding by Treasury, as promised in the manifesto commitment. The Committee has registered concerns about the shortfall of around £14.4 million in 2021-22 against pillar 1, pillar 2 and common market organisation (CMO) funding. It has been netted off because it has been carried over from EU funding sources. The Committee is very disappointed by the Treasury's approach. Another shortfall is the £5.1 million obtained from the EU fund for disease eradication. In previous years, this had gone towards the costs of bovine TB. As this funding is not being replaced by Treasury, it represents a shortfall in DAERA's budget requirements. The Committee heard that it is the intention of DAERA to manage shortfalls through internal reallocation or the monitoring round process. The Committee was recently briefed on bovine TB and is aware of the work to develop a new bovine TB eradication strategy. The new

strategy would cost more in the short to medium term but should result in a reduction in cost to the taxpayer and farmers in the longer term. Whilst the rates are falling, they could become a barrier to trade. Working towards the eradication of the disease is therefore essential. The Committee is aware that DAERA is in discussion with the Finance Department to secure additional funding requirements.

I turn to the replacement funding for the EU structural funds previously invested in rural development. The Committee is very concerned about the lack of information and clarity on the UK Shared Prosperity Fund. In November 2020, the UK Chancellor announced that £220 million would be allocated in 2021-22 to help local areas to prepare for the introduction of the UK Shared Prosperity Fund. Now, it is to be a UK-wide investment framework and will not be devolved to each Administration. The Committee is concerned that there is no detail on the method of allocating the UK Shared Prosperity Fund among the four Administrations. It is also concerned that it appears that the funding will be administered centrally by Whitehall and that there are no guarantees that the funding allocated to here will be ring-fenced for rural development.

Another priority for the Committee is the tackling rural poverty and social isolation programme (TRPSI). Given the positive outcomes for rural communities and the impact that TRPSI has had during COVID-19, the Committee considers that the programme should be a priority for DAERA. In previous years, TRPSI was funded under the confidence-and-supply allocations. Although £1.8 million of funding has not been formally allocated at the draft Budget stage, it is part of the anticipated confidence-and-supply funding that will be allocated to DAERA for 2021-22. The Committee expressed concerns that the TRPSI revenue DEL funding has not yet been allocated and is not baselined. It registered that this is also a concern for DAERA and that discussions are ongoing on this matter.

I turn to the funding for DAERA's arm's-length bodies (ALBs): the Agri-Food and Biosciences Institute (AFBI), the Loughs Agency and the Fishery Harbour Authority. Other than some references to capital DEL for AFBI, the Committee noted that it was disappointed that there was no mention of funding required for ALBs. The Committee has requested a written brief on this aspect of the DAERA budget but has not yet received the information.

Woodland creation is another area that the Committee has concerns about. It noted that

£3.4 million of the £95.5 million capital DEL is allocated to woodland creation via the Rural Development Programme (RDP) forestry programme. This is to help landowners to plant native woodland, and it is part of the green growth foundation programme. The Committee also noted that £15.6 million of capital DEL is to be allocated to green growth foundation programmes. These are not fully developed. However, these future schemes and projects will fall under the carbon-neutral programme, with the aim of working towards a net zero target by 2050. The Committee is disappointed that no further information on these future schemes is available.

I now turn to climate change. This is a priority for the AERA Committee, which, in July 2020, tabled an Assembly motion calling for the AERA Minister to introduce climate change legislation as a matter of urgency, as per the commitment in New Decade, New Approach. The Committee was briefed by DAERA on its climate change discussion document before that document went out for consultation, which is now closed. The Committee was to be briefed on 18 February on the initial outcome of that consultation and the plans and timescales for climate change legislation. The briefing has not yet happened. Instead, the Committee will be briefed on Thursday 11 March. This means that the already tight plans for getting that legislation through in this mandate have been pushed back. When questioned about the budget allocation to the climate change priority, DAERA staff again referred to the capital allocation of £15.6 million for the green growth foundation programmes. They stated that proposals were being developed and that the Committee would be briefed in due course. This is not satisfactory to the Committee. Climate change is a priority. However, when we ask about the budget for it, we are constantly referred to the green growth strategy, which is still in development and on which there is little detail.

That is all that I want to say in my position as Chair of the AERA Committee. Before I finish, I want to highlight a few items as the Sinn Féin spokesperson on agriculture and rural affairs.

There are a couple of issues that are extremely important. The first one is Lough Neagh eels. We understand that there is a scheme for Lough Neagh eel fishermen and fisherwomen, and the need for that funding was identified last summer. While the AERA Minister is still considering the scheme's eligibility criteria, nothing has been launched. We feel that that is hugely unfair, and it is a source of ongoing contention, especially given that other sectors

of the fishing industry have, quite rightly, received support by this stage. Colleagues in my party and across the parties from the Mid Ulster constituency and other constituencies, in particular those that border Lough Neagh, have been lobbying for that, and it really needs to be addressed.

The second item of major concern to Sinn Féin is the financial impact of Brexit. Last week, the Committee was informed that, between January and the middle of February, our points of entry here processed 5,800 common health entry documents, otherwise known as CHEDs, for products of animal origin, and that 57,000 freight units had passed through during that time. Preparation for that in such a short time frame was no mean task, and Members will be aware that the Command Paper was issued only in May. It is amazing that so much has been delivered in such a short time, and full credit to our hard-working DAERA officials for getting that ready in time for 1 January.

Contractors have been asked to design and build the port expansion project. It will cost in the region of £45 million, which includes £5 million of contingency costs from the British Treasury. DAERA appointed contractors for the design and build scheme on 7 October. However, the unilateral decision of the AERA Minister to order a halt to work has caused a lot of concern as it is a breach of our requirements to implement the protocol but also because it has implications for contractors who are awarded those tenders and have mobilised to commence the works. That issue was raised at last week's AERA Committee meeting with the permanent secretary. We are concerned that there may well be an expensive price tag connected to that decision with regard to contractual obligations.

The other issue that I want to touch on is the EU exit future funding replacement. There is no progress on the UK Shared Prosperity Fund. The British Government have netted £34 million from our rural development reserves at a time when our colleagues in the South of Ireland are finalising their national common agricultural policy plan with a confirmed budget of €10.5 billion. We are really concerned that that will create a very uneven playing field for our farmers in the North and the wider agri-food industry. There will not be a level playing field between North and South, and we are extremely concerned about that.

The other aspect that I want to touch on is that DAERA made no bids in the January monitoring round. I quizzed the Department extensively in Committee and across the Chamber, and the

Department told us that it had been engaging extensively to determine whether further funding could be used. On behalf of Sinn Féin, my colleagues and I have been pressing the Department to consult and to trawl more thoroughly to identify areas of need. Indeed, I made proposals for bids, such as implementing a single farm payment top-up scheme for farmers in areas of natural constraint whose incomes are already below average due to COVID and other factors linked to the physical restraints of farming in severely disadvantaged areas. I also suggested that January monitoring could be an opportunity to bid for funds to compensate farmers in the Sperrins who were devastated by the 2017 landslide. They have never been compensated and carry a huge financial burden to this day. Despite those proposals and the extensive lobbying, DAERA has said that it cannot identify any demonstrable need for additional funding and is fearful that any additional funding could not be allocated by 31 March. I find that disappointing and frustrating, given that other Departments are in the same position but made bids, and I feel that, in that regard, DAERA has let down rural communities.

The final issue strays slightly outside my brief, but, nevertheless, it is important to budgets. I note and welcome the fact that the first premises — in the Coalisland area of Tyrone — have been connected today through Project Stratum. That is great news. DAERA put in £15 million to part fund that programme.

It is important that we encourage and call on the Economy Minister to keep engaging with the Department for Digital, Culture, Media and Sport (DCMS) in Westminster to make sure that premises that are not included in the intervention area at this stage can be included in an expanded intervention area funded by DCMS in Britain, capturing up to 20,000 more houses. In previous generations, Administrations and Governments brought water, electricity and other utilities to people's homes; in this generation, we need to bring broadband to them. There is a massive digital divide. This is our opportunity, once and for all, to end that divide and bring thousands of premises, most of them in rural areas, into the 21st century by providing them with proper, superfast broadband.

4.45 pm

Mr Irwin: I welcome the opportunity to contribute to the Final Stage of the Budget Bill. As I have said in earlier contributions, great importance is attached to the Bill, given the

current health crisis, from which we are hopefully now emerging. With that emergence will come a great requirement for investment and support for the economy in Northern Ireland in order to kick-start the process of economic recovery.

Many points have been made about the current speed of the relaxation of restrictions and about the lack of dates attached to recent announcements. In my daily work, in my constituency office in Newry and Armagh, I listen attentively to businesses in the community that urgently require clarity. I urge such clarity to be provided by the Health Minister and his advisers as soon as possible. That clarity, when provided, will allow for some preparation to be carried out, with a view to reopening various sectors of our economy. There is a consistent message coming from our business community that forward notice is required. It is well understood and is the subject of much concern that the ending of the various support schemes will have an impact on the economy, as businesses react to the withdrawal of that support. The impact, which is difficult to measure at this time, must be a full and urgent focus for the Assembly. The clock is ticking on the issue.

Through my constituency work and from countless discussions with businesses and scheme administrators, I know that the sources of finance and other measures, such as rates holidays, have been of immense support. The schemes have kept businesses afloat and allowed staff to be retained. Huge pressure will be brought to bear on finances, and there has been a lot of public debate around allocations to Northern Ireland. Representations for additional resources must be continued. That is in no way to belittle the unprecedented level of assistance that has been provided. As I have said, it has been a lifeline for the Province. It has been well received and is further proof of the value and strength of the Union.

I will focus on agriculture and the environment, and I welcome Minister Poots back to his desk. His obvious enthusiasm for the role is clear for all to see. I trust that he is well recovered from what was significant surgery. I also pay tribute to Gordon Lyons, who stepped in and proved himself to be a capable pair of hands in Minister Poots's absence.

As I said last week, there is an important scheme in preparation. It is the second tranche of tier 2 of the farm business improvement scheme. Given the return of Minister Poots, I urge a renewed effort over the scheme. I have spoken to farmers and those in the

manufacturing sector, and there is an enthusiasm around it and an anticipation that funding will be released. I urge a redoubling of efforts to get the fund operational. Former Minister Lyons replied to a recent query of mine about the status of the scheme. He said that it was designed to offer support to on-farm investment projects costing in excess of £30,000, up to a maximum available grant of £250,000, on the basis of robust farm business plans. He further added that its focus was on driving capital investment in assisted farm businesses. There is no doubting the importance of the scheme to the agriculture and manufacturing industries in Northern Ireland at this time. The scheme is also important for assisting farmers to meet their environmental obligations. There are many benefits to be had for the environment, farm businesses and the wider economy. We have important incentives to drive further change, but we need the second tranche to come forward quickly. I look forward to further progress being made and to the finalisation of the scheme's budgetary requirements.

Mr Gildernew (The Chairperson of the Committee for Health): I welcome the opportunity to make some remarks on behalf of the Health Committee before speaking as my party's health spokesperson.

There is no doubt that this has been a difficult and challenging financial year. A considerable amount of planning and priorities have had to be put on the back burner, and budgets have had to be redirected towards fighting the pandemic and its economic outcomes. That has been most evident in the Department of Health, where resources have had to be redirected to care for those most in need and important services and surgeries have had to be cancelled or deferred.

At that point, I pay tribute again to the Department's greatest resource — its front-line Health and Social Care (HSC) staff. Without their dedication and service, we would be in a very different situation. They have saved many lives with their care, and we thank them for that. However, the pandemic has continued to outline the need for transformation in the health service. We need a health service that is fully staffed and able to support our staff in delivering services to the public. To enable that, we need to move to a multi-year recurrent Budget. While we understand the need for single-year Budgets to address the increasing backlogs in the health system, there needs to be significant investment and a multi-year Budget to allow the Department of Health to plan properly and to prioritise over the coming

years. The chairs of the trusts outlined in their response to the draft Budget that their organisations could not continue to rely on in-year, non-recurrent funds and that multi-year Budgets were required to improve financial resilience and planning. I ask that the Executive consider the level of funding available to the health service and that a priority for the Executive should be the delivery of an effective, efficient and suitably resourced health service.

I will now make some remarks as Sinn Féin spokesperson on health. I declare an interest, having worked as a social worker and being on a career break from one of our health trusts. I also have close family who work in health and social care, but that probably applies to most of us. That will be relevant to everything that I say. I will pick up some points to illustrate the scope and range of areas that we are looking at that require multi-year planning, budgeting and recurrent funding. I will touch briefly on waiting lists, workforce, the ageing population, health inequalities, COVID and long COVID, pandemic preparedness and transformation.

Waiting lists will require multi-year funding. The Department estimates that it will take between £750 million and £1 billion over 10 years, so significant new investment is needed. Some 327,000 people are waiting for their first outpatient appointment: that is by far the worst across these islands. As of 21 December, 105,159 patients were waiting to be admitted to hospital for a procedure. That is an increase of 16.2% on December 2019. There has also been a significant drop in hospital activity, partly in response to COVID-19, compared with the period between September and December.

I move now to the workforce. We often hear discussions about building capacity and the transformation and development of Health and Social Care services, but what we are really discussing is staffing and the adequate provision of nurses, doctors, healthcare assistants, cleaners, porters, physios and OTs — the entire range of multidisciplinary experience and skills that it takes to deliver a modern health service. As of December 2020, at the height of the COVID pandemic, there were 5,543 vacancies across our health and social care sector, and the Department was actively recruiting for them. Every one of those posts puts additional pressure on the staff who are trying to work in the health service to deliver health services in the teeth of the pandemic and beyond it. In that context, it is hugely disappointing that the British Government have once again failed to recognise the huge contribution made by nurses and Health and Social Care staff before, during and after the

pandemic with the proposed 1% pay rise. That is simply not acceptable. The British Government must do more, and the British Chancellor needs to engage seriously with the nursing and health and social care unions.

I also welcome the discussion about a fiscal commission and the debate that that opens. Too often, the terms and conditions and pay for Health and Social Care staff are viewed through the prism of being a cost only: they are not. These are real people in a real economy who will spend real money in our businesses. We need to consider things such as social value in terms of health and well-being and outcomes, we need to consider how we can impact on economic inactivity, and we need to ensure that we have a well-resourced and properly paid workforce.

I will move on to talk about the ageing population. Again, to flag up serious concerns, NISRA statistics demonstrate that the population is becoming increasingly older and that the number of people who are over 65 will increase by 50% over the next 25 years. That is a massive responsibility on every one of us to start to plan and prepare for how we will deal with that ageing population. They will have comorbidities. They will live longer, which is to be welcomed, but we have to ensure that we have the health and social care system to meet their needs.

The pandemic that we are experiencing has further exposed the unrelenting nature of the health inequalities that assign health and well-being according to postcode. Indeed, as we in the Chamber all know, there can be several years of difference in life expectancy along the same bus journey in the city of Belfast, depending on where you start that journey. Our more deprived communities continue to be plagued by unacceptable levels of alcoholism, drug addiction and suicide, highlighting the need for significant investment in those services, and that significant investment is lacking.

COVID and long COVID will put additional pressures on core health services and will, if allowed to occur unchecked, fuel further inequalities in our population. We also need to consider seriously how we prepare for future pandemics and work our way out of this pandemic. That needs to be done, along with health transformation, on an all-Ireland basis. We cannot ever again see a situation where we send front-line Health and Social Care workers out to deal with an unknown virus without the proper protective equipment, the proper guidance and the proper support structures that

they need. That will also have to be planned and paid for.

Finally, I move on to transformation of our health and social care system. That is absolutely essential to help us to address all of the issues that I have touched on. It is seriously disappointing in that context that funding is not available to significantly advance the urgent need to transform our system to meet our needs. We also need to have an honest and progressive conversation about how we improve and contribute to transformation on an all-Ireland basis. It makes no sense to plan how we retain and expand, for example, the top-performing stroke unit at Enniskillen hospital and other services based there, if we continue to ignore the significant populations to the south, east and west of that hospital. It makes no sense to ignore the potential for an all-Ireland surgical network to address the pressures on waiting lists that we have already considered and are currently experiencing. It is, Members, nothing short of a disgrace that families of bereaved children in the North have to board a plane to Liverpool with their child's body if they wish to have an autopsy carried out because we could not sustain delivery of that service here in the North. We have to address that.

All of those substantial issues are coming at us and cannot be wished away. We need to take a long-term approach to all of those worrying issues, and we need the funding and longer-term capacity to plan and deliver services into the future. That will require multi-annual and recurrent funding and a realistic progressive tax base in order to deliver on the needs of and potential for our population.

Mr Catney: First, Mr Principal Deputy Speaker, I apologise to you that my phone sounded. I had the phone on airplane mode, and I hope that you noted that I owned up to it fairly quickly. Having been in the Chamber for about the past year, I have noticed that there is not much that goes past your eyes, Mr Principal Deputy Speaker.

I wish the Chair of the Finance Committee, Mr Steve Aiken, a speedy recovery. I hope that we will have him back as quickly as possible.

5.00 pm

My speech will be very brief. When I first came in, I saw my colleague Mr Givan. He has not come in. I was afraid of an intervention from him, so I am glad to see that he has left, anyhow.

On Saturday, we went to a little place called Duncan's dam. A community went out together and picked up rubbish. There was one young family there with a 16-year-old and an 11-year-old. I thought about me working in a pub and how difficult it had been. The greatest asset that we have is our community here. A lot of us tried our best — I am not lecturing anyone — during the Troubles. We put our children out to school, and we tried to work and to keep the economy going as best we could. Those are the important things. Those were the winning days. That is how we survived as best we could. We thought, "We will get hope, and things will get better".

On 16 September 1992, which was Black Wednesday, interest rates rose to 21%. Imagine telling some of our children today — those who are paying 2% or 3% on a mortgage — about that. I had just bought Ferguson's pie factory. I am not going on; it is just to let you know. Through no planning for the future, all of a sudden, I found myself with £400,000 of debt to be serviced at 21%. It was impossible. You could not do it, and no business could sustain it. However, we got through it, and we lived to fight another day.

I intend to be brief in case Paul says anything. The lack of consultation has been well rehearsed in the debate, so let me talk about solutions. First and foremost, Budgets need to be better linked to a robust Programme for Government. You can come up with the best strategies in the world — we know that this place needs to work on that — but there are issues if the priorities and outcomes of those strategies are not adequately resourced. I was going to say that they are not worth the paper that they are written on, but these days it is more correct to say that they are not worth the cloud storage that they take up. We need to be sympathetic, with priorities matched to specific lines in the Budget. In fact, the Minister said that, if we take money away from one Department, we give it to another. We have to make those hard decisions. We need to look at that as best as we possibly can. I joined the Finance Committee thinking that I could come up with some ideas or help the Minister. I was not going in there to make it difficult; I was going in to see what was what. It is difficult and very slow-moving, but we find ourselves moving on anyhow to agree on the Budget that will come forward in the next few months.

In the short term, we need to see real movement on the 'New Decade, New Approach' commitments. Without movement on waiting lists, impactful mental health strategies and victims' pensions, we will all face an electorate

that will say to us, "What's the point?". I repeat that they must be impactful. It will be difficult, but those commitments cannot be treated as secondary or a waste of time. That is what we have signed up to do. Not delivering must be out of the question. Where that requires buy-in from Westminster, we must remain persistent. It supported the agreement, so it must also follow through. I know that Claire Hanna and Colum Eastwood have been pushing the Northern Ireland Secretary, but we all must work together in order to make sure that those commitments are met.

We must have long-term strategic thinking about our economy, tackling poverty and climate change. We must realise opportunities in the UK, the EU and further afield. Long-term strategic thinking requires multi-year Budgets. I know that the Minister said that those are difficult to get to, but we long for the day when they are possible. It is not all in his control. Those Budgets must be implemented to allow value for money on long-term Government projects. We need a firm commitment from the Minister that he will implement them.

We must invest in infrastructure. That means roads and active travel. I have already spoken about the key projects in my area: the M1; the A1 link; the extension of the Blaris greenway to allow active travel across the area; and work on the Knockmore rail halt. Investment in infrastructure also means investment in broadband and digital infrastructure. I welcome what was announced this morning on the roll-out of the broadband. The pandemic has changed the world in many ways, but it has also ramped up change that had already begun.

The move to digital has been huge. Without investment in our infrastructure, Northern Ireland will be left behind. The pandemic has speeded up the need to take stock of the skills that we create for young people in the future. We need to consider the gaps, where we are behind the wider world and where we are doing well. A lot of that information already exists, but still we lack a well-funded, coherent skills strategy not only to improve the lives of our young people but to close the gaps between east and west and low and high income.

A future Budget must be ambitious and linked to strategic priorities that have been properly consulted on and scrutinised to make them cost-effective. That is the way forward, and I hope that we get there.

Mr Nesbitt: I welcome the opportunity of this Budget debate, as with all Budget debates, to share some musings on Budgets and what they

are there to achieve. I suggest that we need to reflect on the extent to which the spend improves not just the standard of living of our citizens but their quality of life and sense of well-being, the question of whether everybody wakes up in the morning knowing that they have the same chance of a successful day as the next person, with no discrimination and no inequality.

The Budget's main purpose — I believe that the Minister agrees with me on this — is to bring forward a prosperity agenda. One of the low points of my time as a party leader was the day that David Cameron, as Prime Minister, flew in to Stormont House. I think that he believed that he was there to sign off on a deal, and he quickly realised that he was not. The party leaders had drawn up a document that was basically a series of asks for additional money for various projects. The Prime Minister lit on a demand for money for childcare. He asked a simple question: "What childcare issues do you have in Northern Ireland that we are not struggling with in inner London, in Birmingham, in Glasgow and in Swansea?". The answer, of course, was that there were none. We share the same issues. His implication, of course, was that we had a block grant, to be used to tackle those issues.

I would like us to switch our mentality. I will use two Dickensian quotes. We have to stop being Oliver Twist, holding out the begging bowl and saying:

"Please, sir, I want some more."

We have to become Mr Micawber. The famous quote, because he understood budgets, is:

"Annual income twenty pounds, annual expenditure nineteen nineteen and six, result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery."

It is a prosperity agenda. Remember that, 100 years ago, on this part of the island we were net contributors to the Treasury. We had the biggest rope-works in the world in Belfast. We had a global reputation for textiles, shipbuilding and engineering. Queen's Island was the Silicon Valley of its day. We need to raise our ambitions. We may never again be net contributors, because, since then, we have had the health service and pensions to fund. Demands have changed, but the aspiration is worth it. I remind Members who have been critical of the Treasury and the British Government that the £3 billion-plus that we have received for COVID mitigations illustrates

that, financially at least, there has never been a better time for Northern Ireland to be part of the United Kingdom. Whatever your constitutional preference, remember the first rule of marketing: whatever you are selling, make it easy to buy.

Whether you want to continue to sell Northern Ireland to the rest of the United Kingdom or you want constitutional change, surely we can come together in a common cause to say that we need to make Northern Ireland work and make it attractive. The Budget is key to that.

Like many Members, I very much support the idea of a fiscal council. I see no reason that we should be afraid of independent advice. I certainly would not claim to have the fiscal competence that others outside of the Building could bring into play.

I regret that it looks as if the mandate will end without our moving to multi-year Budgets. That move would give certainty not only to the business community, which tells us that it needs certainty, but to the community and voluntary sector. I will not rehearse the problems; I am well quoted on those in Hansard. We need multi-year Budgets if Robin Swann is to be allowed to implement Bengoa. It is my understanding that there is not a party or individual MLA in the House who does not support the idea of transforming how we deliver healthcare.

Once we come out of the immediate COVID crisis, Robin Swann cannot be attacked in the way that Michael McGimpsey was attacked 10 or 12 years ago when he was Health Minister. If you check what he said in Hansard, you will find that he was prophetic in predicting what would happen if he did not have the funds; he was denied those funds. If we are to transform healthcare, it will stop being simply a sickness service and a service that promotes health. It will no longer simply be the responsibility of the Minister of Health. The Minister of Education will have a role to play, as will the Minister for Communities because good housing is important to good health. DAERA will have a role to play for those living in rural areas, and Infrastructure will have a role.

My other regret is that the Budget simply allocates money to Departments and tells us how it is spent. Going into this mandate, we had decided that doing stuff was not good enough and that we had to think about this other side of the equation: what outcomes are we achieving? We had a draft Programme for Government that had an outcomes-based accountability approach whereby Departments work together,

much like in the Children's Services Co-operation Act that Steven Agnew initially introduced as a private Member's Bill in 2015. It put a statutory duty on Departments providing services for children not only to work together but to share resources and pool funds. If we are really going to deliver for our people and get best value for money from our Budget, we have to look at how Departments and agencies cooperate horizontally rather than in the vertical silos that we traditionally operate. In that way, we really will deliver for our people.

I declare that I am a member of the Northern Ireland Policing Board. I repeat my concern about police budgets and their impact on the PSNI headcount. It is well below the 7,500 that I hope that we all wish that it was. The last time that the Chief Constable was in front of the Policing Board, I was struck by his comments that one of his problems is that he has more than one budget. Yes, he has a central budget from the Department of Finance, but there are other one-off pots of money. For example, there is a pot of money for tackling paramilitary crime, a pot of money for legacy perhaps, and a pot of money for Brexit. It is very difficult for the Chief Constable to plan when he is relying on those smaller pots of money, albeit they are multimillion-pound pots, but he does not know whether they will come back next year and the year after and the year after. That does nothing for the headcount.

Those are really my thoughts for the day. Can we think about a prosperity agenda? Can we think about getting out of our silos? If not in this mandate, then in the next mandate, can we work collaboratively on a Programme for Government that is outcomes-based and supported by a multi-year Budget?

5.15 pm

Mr Carroll: I begin by speaking up for all those who have spoken out against the Budget, the draft budgets and the general perspective and strategy of the Executive: the anti-poverty campaigners, welfare advice groups, people who study inequality, people involved in community groups and trade unions. I hosted a meeting last week, and I wish that the Minister had been in attendance, because the testimonies that I heard were powerful and scathing. Indeed, many of those who were alarmed by the Budget used their voice in the media to condemn the Minister's plans. They submitted responses to draft budgets that contain deeply concerning reductions in core funding for front-line workers, welfare support, homeless services, mental health provision and job training for young people. It seems that their

voices are being ignored as every stage of the Budget is rushed through the House with a disgraceful lack of scrutiny and a wilful ignorance of those who try to defend their communities from potential cuts.

So, even though mine is a lone voice, my party will not accept the Budget. Nor will we accept the excuses that we hear every time a Sinn Féin Minister delivers an austerity Budget. Those excuses include, "Our hands are tied". There has been no attempt to implement the radical policies that would address need in our communities. While far too many have suffered because of the mismanagement of the pandemic, the wealth of the 1% has soared. The fallout that we have seen for working-class people and those on the margins of society was certainly not inevitable.

I find it very telling that, once again, as a Budget is being presented that will do nothing to tackle inequality and wealth disparity in our communities, a Sinn Féin Finance Minister and, presumably, his Executive colleagues are to the right of the Tories on corporation tax. An increase in corporation tax could mandate big businesses to pay their way and shoulder more of the burden. However, as the Tories are, according to the 'Financial Times', set to increase corporation tax, the Finance Minister's plan is to kick the can down the road by setting up a fiscal commission to look into Stormont's tax-raising powers. The same article refers to corporation tax powers already being devolved, yet official sources say that devolution of the powers stalled after the collapse of the Assembly. There are varying takes on the current standing of corporation tax devolution. I ask the Finance Minister to come back to that issue in his closing remarks and provide transparency. What is the current standing of the devolution of corporation tax? Will he commit to and fight for an increase in corporation tax in the North? I would appreciate a yes or no answer.

I would like to visit some of the most pressing issues in the Budget. The first is pay for healthcare workers, who have so valiantly battled on the front line during the pandemic. They have worked for years without pay parity and have seen their workloads increase due to cuts being made to services. I pay tribute to all the unions, particularly the RCN, that have criticised the pathetic and insulting 1% pay rise that represents a real-terms cut for most, if not all, healthcare workers. The RCN has rightly called that a slap in the face for healthcare workers. If they decide to take action, including a strike, I will support them all the way.

We should not ignore the part that the Assembly has played in underpaying healthcare workers, including nurses, and underfunding the local health service. As we come through a pandemic during which we have seen the truly damaging impact of such austerity on staff and resources, it is unthinkable that that is not being addressed. The same, of course, goes for civil servants' pay.

The lack of funding for advice centres and services is also deeply concerning. That is seen as an attack on workers' rights and the rights of those who find themselves looking for help from the Government. As I said last week, welfare advice organisations have been treated disgracefully in this process.

This Budget repeats the failures of the past. It demonstrates the Executive's inability to provide important mechanisms of scrutiny and accountability. It fails the community sector, the public sector and the health service. It has utterly failed, once again, to address the growing levels of unemployment, poverty and child poverty, which were rising before the pandemic. The Budget has been criticised by those who recognise the great need in communities, but the Minister and his Executive colleagues have pushed it through anyway.

I urge others not to support the Budget today. I recognise that they probably will, but it is important to state that for the record. It does not even deliver on the basic promises made by the Executive in 'New Decade, New Approach'. I do not see this as being likely, but the Executive presiding over this Budget should be ashamed.

Mr Beggs: The Finance Minister has been in post for some 14 months since January 2020. We all fully understand why, when presenting the Budget last year, he decided that there was not sufficient time to do anything but implement the Budget that had been handed to him. That was understandable then. We are told that this is a standstill Budget. There has not been, to my mind, effective consultation, and, essentially, we are continuing to implement that decision. That 14-month period has not been used to consider priorities effectively, and choices are not being made. I ask the Minister to ensure that, going forward in this year, we have a more effective Budget process by consulting the community more widely in order to ensure that we reflect community priorities in our investments. The change to the Budget process has been on the cards for almost a decade, and it was an issue way before the current Minister's time, but it is badly outstanding.

COVID-19 continues to affect the Northern Ireland economy, and income to the Executive and other public bodies is likely to be lower, adding stress to public services as we go forward into the next Budget period. We appreciate that additional funds have been provided for COVID, and there may well be more as we work our way out of the pandemic. We are fortunate to have benefited from the significant funds that have been given to the Minister because we are part of the United Kingdom. Thankfully, COVID cases are declining, and the number of people transmitting the virus is also declining. Our population has been benefiting from the vaccination programme. We are starting the process of slowly reducing restrictions and enabling a greater degree of normality. We have to move cautiously, because we do not want any resurgence of the disease.

There are changing patterns as a result of COVID. As others have indicated, there are increasing pressures on our town centres from online retail. Going forward, we cannot, as we once did, think of our town centre businesses as a cash cow. There needs to be a rethink about the rates levied on our town centres, if we are going to have town centres. That may involve some changes at a national level from HMG to how the Amazons of this world are taxed, and that, in turn, may mean that there are very significant changes at an even higher level, because such companies have very intricate trading arrangements to avoid any form of taxation.

As a member of the Infrastructure Committee, I will largely concentrate my remarks on the Department for Infrastructure. First, the Northern Ireland Transport Holding Company, which controls Translink buses and trains, expects to have a lower income until passenger numbers return to pre-COVID levels. That will put pressure on public services going forward.

Public transport has been underfunded during the past few years. I understand that that was a deliberate policy to run down reserves that had been established in Translink. I understand that, but Translink is now down to very basic cash flow operating levels. Unless funding is maintained, services will have to be cut. As my colleague said, decisions have to be taken. Services will have to be either funded or cut. That is the reality. I go back to this: decisions have to be made about what to prioritise.

Another area of important investment for the Department for Infrastructure is in Northern Ireland Water. It is vital that it maintain the quality of the water that comes through our taps

but also how waste water is treated before it goes back into rivers and lakes. More than 100 regions are currently restricted in their development as a result of their waste water treatment works being over capacity. That, in turn, is restricting development. Businesses may not be getting planning permission. Residential homes may not be granted planning permission or are set conditions that are expensive to meet, with the developer having to put in generally smaller waste water treatment works, which are very expensive and more difficult to maintain, or having to make a considerably larger investment in large-scale water treatment works.

Northern Ireland is the only region of the UK where the regulator's final determination during the PC15 period from 2015 to 2021 was not funded, with Northern Ireland Water not being able to deliver. That is having knock-on effects. Not only is it affecting businesses and those who may wish to move into a new home but it is significantly affecting our economy.

When development occurs, leverage results from the private money that is brought into the investment. You can get not only the waste water treatment works but money from developers and banks. Jobs are created in construction. Funding is available for quarries, joiners and a wide range of skills in the economy. That is a very important bit of leverage that I do not hear being talked about and reflected to improve the economic situation in Northern Ireland. How are we going to overcome the bottleneck that is preventing such investment in Northern Ireland and inhibiting the economy? I do not see any mention of that in the Budget statement, but it is something that the Executive have to face up to and address.

Significant infrastructure capital investment continues to be prioritised for the A6, and rightly so, so that it is developed speedily. Even in the COVID period, I understand that contractors are largely working to the schedule. We also continue to prioritise the A5. The A5 was developed on the promise of £400 million from the Republic of Ireland, a promise that was later withdrawn. I understand that we got £25 million. If that missing £375 million continues to be ignored, it means that money will have to be drawn in from all other capital projects in the Department for Infrastructure or else affect other Departments. The project was originally going to cost the Northern Ireland Executive £600 million. I understand that it is now nearer £1.1 billion, or possibly £1.2 billion. I am talking about a missing £600 million. If we continue with that project at the same pace without reflecting the fact that that money is missing, it

will result in money not being available for waste water treatment works, road safety improvements and perhaps bypasses for areas where there is considerable congestion.

I am disappointed that, in the Budget —

Mr McAleer: Will the Member give way?

Mr Beggs: Yes.

Mr McAleer: Does the Member accept that the A5 is an Executive flagship project and crucially important for the development of the west and the north-west? An average of four people die on that road every year, so it is hugely important for road safety as well. Does the Member therefore accept that the A5 project is hugely important for the side of the North that I and others come from?

5.30 pm

Mr Beggs: I appreciate that it is an important project for the Member's constituency; I am not disputing that. I am pointing out that were £600 million available, I would give priority to waste water treatment works, which affect every constituency in Northern Ireland. That could enable considerable improvements and would lever additional moneys to create jobs and new businesses and to build homes. The building of social housing is being delayed as a result of inadequate funding for waste water treatment works. That shortfall is badly inhibiting our entire community — yours and mine — yet there is no plan in the Budget to address the inadequate funding for waste water treatment works.

If the Member had listened carefully to what I said, he would have heard me talk about considering rescheduling, which could also mean looking at alternative plans that focus on the funds that are available. The Republic of Ireland withdrew £375 million of funding, which was a key basis on which the development was originally taken forward.

Mr McAleer: Will the Member take another intervention?

Mr Beggs: I will, certainly.

Mr McAleer: Does the Member accept that while there was a delay in the original funding from the Southern Government, the project has been reprofiled so that the funds from the North can build phases 1 and 1B? Had his former colleague, Minister Kennedy, not dragged his

heels for over a year and signed off the draft order, the road would have been built long ago.

Mr Beggs: I am highlighting to the Member that £375 million is missing from what was originally planned for the project and that the costs have increased, as he indicated. It must be remembered that the original planning permission was quashed by a court order. It was not solely down to the former Ulster Unionist Minister.

I will turn to another road development — the Yorkgate junction. It is mentioned in the departmental briefing on the Budget. That development will be important in addressing one of the biggest transport bottlenecks in Northern Ireland. It adds costs for hauliers as a result of delays. I suspect that the delays are not so significant at present because of reduced traffic levels as a result of COVID. However, as we anticipate a return to normality in the economy, it is important that we invest our money wisely.

I understand that money was earmarked for the Yorkgate junction, but, last summer, the Minister for Infrastructure decided to carry out a swift review of the planning decision to look at alternative plans. That was last summer, but I have heard nothing since. That money was ring-fenced and could provide additional employment and alleviate traffic congestion. Perhaps, even more importantly, it will reduce the static traffic in the middle of Belfast, which contributes to high levels of pollution and adversely affects the residents of nearby housing. It is important that that issue be addressed. Planning permission has been approved, but if it is not going to happen, the Minister for Infrastructure should say so and move speedily to an alternative project. However, as I said, the review commenced last summer: what happened to that speedy review? That is money that could be spent to kick-start the economy and create jobs. It is important that we go forward with it.

Capital expenditure involves choices. Yes, we could spend £1.2 billion on the A5, but might we spread that over a longer period and, at the same time, enable other investment, such as further road safety improvements throughout Northern Ireland? Perhaps we could have more variable 20 mph speed limit message signs adjacent to primary schools.

Road surfacing is not a very highbrow area but is an essential area of public investment that should be treated seriously in the Budget. If there is no investment in road surfacing, it creates problems for the future. I can think of

one road that is not too far from my home, Ballyvernstown Road. A number of years ago, around one third of it was resurfaced rather than the whole road. Then, another year, another third of it was resurfaced. Guess what? The other third of it is now heavily decayed and scheduled for resurfacing. It would have been much more efficient to resurface the entire road at the one time if the funds had been available.

When we dedicate huge funds to new roads, it means that there is no capital funding for resurfacing all the existing roads. That is a choice that Ministers have made. I question that choice. I am also highlighting the fact that, when roads are not resurfaced, as well as being more expensive to do them in bits, it is also hugely expensive to continually run back and forth to fix potholes. Frequently, I see potholes with repaired potholes in the middle of them. Some potholes have been repaired two, three and even four times. It is important that major roads are treated with the maintenance that they require, reflecting heavy traffic, to ensure that they are in a fit state. I also support the ongoing expenditure on active-travel options, not only for greater Belfast but other regional towns. It is important that they are not forgotten about.

Turning back to the issue of waste water treatment works, the town of Larne is one area in my constituency where planning permissions are restricted. That inhibits house-building and social-housing development, because one would expect that condition to be placed on social housing. I also want to highlight plans to knock down the last of the three multistorey tower blocks. Residents are, presently, being encouraged to relocate elsewhere. However, there are limited options locally, and they are being encouraged to go further afield. They are asked, "What about Ballyclare? What about Carrickfergus?". That, in turn, will increase pressures elsewhere. Meanwhile, there is that huge site where not one brick has been laid, where, previously, there were three multistorey towers. No additional social housing has been put in their place. That is also adding to the pressures in neighbouring areas. It would be more normal for other housing to be developed so that residents who wished to continue to live in the area would have the option to do so.

I want to highlight that the Riverdale area, which is right on the edge of the town centre and close to the river, river walks and easy-access routes to the train and bus stations, is an ideal location for additional housing development. However, so far, that has not been developed strategically. I understand that there are some feelers out to consider social

housing, but, as I said earlier, it would have been more normal to put some houses back in the area to replace the two multistorey blocks that were brought down some time ago, rather than seek the demolition of the third without replacement housing being put in its place.

I will now turn briefly to the New Decade, New Approach aspects of the draft Budget. I see continuing references to NDNA in the draft Budget document and departmental papers. I notice that paragraph 3.18 of the 2021-22 draft Budget document states that:

"With the additional resource DEL Barnett additions being largely offset by the loss of the additional £350 million of New Decade New Approach (NDNA) funding the Executive had received in 2020-21, which, while provided for one year only, was needed to fund ongoing pressures in departments."

I understand from that document that the 'NDNA' funding was provided for one year only. It is, therefore, surprising for me to continue to see references to it. The funding was available for one year only, and it is now gone. There are pressures in Departments. My question to the Minister is this: given that 'NDNA' was never fully funded, how is he managing all those additional projects that are in it? We are making commitments in the Budget, and I see from departmental papers that preference is being given to projects mentioned in 'NDNA' that are unfunded. We are choosing to add pressures to all the normal pressures because of projects that are unfunded. Those projects may well not be continuing priorities, but unless that is addressed, important basic facilities such as waste water treatment works and social housing will not be funded. So, it is important that decisions are taken. I will go back to that again: we are referring to previous decisions and are not reflecting changes that have occurred, and it is important that decisions are taken.

Most people are not too concerned about Boris's bridge because none of it has hit the fan here and taken a big chunk out of our Budget. That would take a very substantial chunk out of our Budget if it were ever to get to that serious position. Most people recognise that it is a good issue with which to divert people's attention from the realities of the border in the Irish Sea. I would certainly be concerned if we committed capital funds from all the needy projects that we already have to a Boris bridge, which I see as largely pie in the sky. Of course, if the Prime Minister wants to fund the bridge and his roundabout under the Isle of Man, he is

welcome to do so. Maybe he does not, because we would all pay for it with our taxes. I do not think that it would be a good idea.

We have to recognise that we should equally ask whether we can afford some projects that are listed in 'NDNA'. The one that stands out in my mind is the Narrow Water bridge. Can we really afford another bridge? We are not putting tarmac on roads, we are not investing in our waste water infrastructure and we are unable to build social housing because of a lack of waste water treatment works, so can we really afford another bridge? Is this really going to benefit our entire community, or is it in the same vein as Boris's fanciful bridge, which, sadly, some people are progressing and continue to reference in departmental documents? I am concerned that we are not making sensible choices, and the sooner that we have someone to look at how we collectively decide to spend on capital infrastructure the better.

Mr O'Toole: I thank the Member for giving way. Will he at least acknowledge that the Narrow Water bridge, which is a bridge of maybe 100 or 200 yards — I do not know how wide it will be — is a little different to a bridge going through unexploded Second World War munitions and dodging nuclear subs at a cost of God knows how many millions of pounds over a dozen miles of the North Channel?

Mr Beggs: I fully accept that the bridges are on different scales. However, I view them as fanciful and non-essential. Meanwhile, we have essential services that are not being funded, and that is my issue. We have issues that are stopping development in my constituency and stopping social housing, and we are talking about spending money on another bridge somewhere. I am saying that we need to prioritise how we spend our money and make choices. We have to recognise that you make choices when you spend money somewhere; it means that there is less money that you cannot invest in something else.

I would also like to talk briefly about the growing cost of squeezing the stadium into the Casement site.

Mr O'Dowd: Will the Member give way?

Mr Beggs: Yes.

5.45 pm

Mr O'Dowd: There is a trend developing in the Member's speech. You do not want motorways or dual carriageways going west of the Bann,

you do not want bridges North/South, and I suspect that you are about to tell us that you do not want Casement. Can the Member understand why I am somewhat suspicious of his motivations?

Mr Beggs: I have talked about avoiding fanciful bridges. I have also talked about looking at the scale and pace of development in some areas, bearing in mind that some of the road schemes would never have met the normal standards of development. I am mindful that a previous Assembly visited some aspects of the A5. In fact, I remember that there was a proposal to provide a new dual carriageway even though there are very low traffic volumes in that area. I am conscious that a £1 million roundabout was built at the end of the M1, and the proposal is to bypass it and build another roundabout. I do not know whether the plans have developed since then, but I am saying that there are fanciful plans that you may be able to develop if somebody else is paying for them. Guess what? We will have to pay for that, and I am asking that we look very carefully at the choices that we make as we spend our limited funds.

The costs of Casement have significantly increased given the GAA's determination to squeeze a large stadium into a very restricted site. If that is what the GAA wants, I fully appreciate its right to do that, but I ask this: will it pay the extra costs? Is it right that the public pay the extra costs, or should the GAA, which insisted on building a large stadium for a large number of people at a restricted cost, pay those extra costs? There are choices, and, if the public pay those costs, other things cannot be funded.

I also want to mention pressures on health. COVID will have considerably added to our waiting lists. Will additional funds be available to address those waiting lists? I suspect that, if we are all having a flat budget — that has been the decision with this Budget — the answer will be no, but I ask the Minister to confirm that. Will health transformation be funded?

Mr Catney: Will the Member give way?

Mr Beggs: Yes.

Mr Catney: I want to bring the Member's attention back to Casement Park. I remember that, some years ago, that stadium for Northern Ireland was going to be built out by Blaris and out by the Maze. That would have been a far better decision than doing up the three stadia — rugby, soccer and GAA — that got the

money. If my memory serves me right, your party blocked that stadium.

Mr Beggs: The Member remembers some aspects of it, but it is not relevant to this Budget. There was not agreement — *[Interruption.]*

Mr Principal Deputy Speaker: Order. Mr Beggs is quite right: it is not relevant to the Budget debate. That is not solidarity between Deputy Speakers, I can assure you. We have our own trade union.

Mr Beggs: There were political concerns that the hunger strike memorial would conflict with such a stadium. Shall I put it that way?

Anyway, there is a great need to invest in health and care centres throughout Northern Ireland. Again, I go back to the point that, if we spend money in certain areas, there will be less money available to spend elsewhere. There is no acute hospital anywhere in my constituency of East Antrim. The nearest hospital is in Whiteabbey, and the minor injuries unit there closed some time ago. We do not have that local benefit. On top of that, we do not have a health and care centre or a well-being centre, so, from a health point of view, East Antrim — Larne, Carrick and Newtownabbey — is being deprived of sensible investment to take pressure off our hospitals, to enable earlier intervention and to enable our GPs and others to do more in primary healthcare.

I had to deal with an old rugby injury, so I visited the new health and care centre in Ballymena. I was very impressed. When you go there, you get a very good service. I hope that money will be invested in health and care centres throughout Northern Ireland so that everyone, not just some people, can benefit from them. As I said, the East Antrim area has certainly been deprived of any such local funding, and anyone who might benefit from such services has to travel a considerable distance. Our GP surgeries are antiquated. The population has increased dramatically since they were originally built, and the standard of some of the facilities needs to be greatly improved. There needs to be investment, and I do not see any particular movement in that direction. To my mind, this is an important aspect of transforming healthcare, and I would like to see investment in it.

As I have indicated, when we decide how to spend our limited capital funding, we make choices, so it is important that we make good choices. I would certainly support the development of an infrastructure commission

for Northern Ireland so that its expertise, forward planning, forward thinking and long-term decision-making could be taken on board and Ministers could benefit from that. I hope that that becomes reality along with, as others have suggested, multi-year budgets. Multi-year budgets can improve the efficiency of purchasing, lead to better planning and enable projects to move forward much better. It is important that we have multi-year budgeting, but it is also important that we have long-term planning for where we invest our money. Rather than having individual Ministers pushing forward hobby horses that they think will benefit their community, we should seek to benefit all communities in Northern Ireland and ensure that capital investment is done by a mechanism of long-term thinking that will benefit all communities.

Mr Murphy: I am very relieved to be bringing this debate to a close. I think I have heard the same speeches three times over in the last two weeks; I could rehearse them all myself. Nonetheless, it is important that Members get the opportunity to raise issues that they have with the Budget. Some people have been debating next year's Budget, even though we are not debating that today, but that inevitably happens with these particular debates.

At the outset, I join Members in expressing my best wishes to the Chair of the Finance Committee following his accident. I hope that he has a speedy recovery.

Members raised a number of points. The Deputy Chair raised the issue of the, as yet, unspent money. It is my intention to bring a proposition to the Executive Committee this week, if we can get that together. There has been some late movement on the money, but I think we have in the region of £200 million to spend out and allocate to Departments. Of course, I hope that the money that has already been allocated to Departments is fully spent and none of it returns at a late stage. There is some small flexibility, in addition to the flexibility provided by the moneys that we got in late January. We have some small annual flexibility to carry over money, so I hope that we manage to do that.

The Deputy Chair and other Members raised the issue of the victims' payments. Of course, we have already invested money to implement and administer the scheme, and the Executive have agreed to pick up that cost. We want very quickly, and have been making strenuous efforts, to resolve the issue of the payments themselves. I am hoping that we can make progress on that. I am glad that we have at

least had the beginnings of an engagement with the NIO in relation to this. I hope that we get something resolved soon, because the Executive are fully committed, as I am, to ensuring that victims get the payments that they deserve in the time ahead.

The Deputy Chair and a number of others raised the issue of a fiscal commission. I will get on to the matter of a fiscal council later.

Of course, I accept, as others said, that you immediately get into the question of how much tax would be raised. The real question is this: what powers do we have, and what powers do we want to change our circumstances here? Do we want to rely, year-on-year, on a multi-annual Budget, if we are lucky? Do we want to receive, at late notice, an annual Budget with the same amount of cash as we had last year? What power do we want to have over our affairs?

The Member mentioned the limited powers that we have in relation to rates. We already make decisions on rates. We give rates relief. We target rates relief to certain sectors. We take fiscal decisions to forgo money from small business through manufacturing rates relief. We forgo money from rural ATMs to make a contribution to try to ensure that rural isolation does not become an even bigger issue than it is already. We forgo that potential income for the Executive so that we can target certain supports. As is the case with any fiscal lever that we have, the Executive can decide how and whether we use that in the time ahead. We already do that.

I propose that we have a much bigger debate about some of the levers that might be available to us, as Scotland and Wales did, and I hope that others will engage in that debate. I do not think that there is anything to be afraid of. Of course, if the outcome is that people support trying to access power from Westminster and use it in a certain way, that will be a matter for the Executive and the Assembly to decide at a future point. However, engaging in the debate and becoming informed about what may be available and how it may be used should not threaten anyone. It is very short-sighted to refuse to engage in that debate.

Caoimhe Archibald, the Chair of the Economy Committee, asked what funding would be required for the economic recovery action plan that the Department for the Economy will bring forward. I understand that a total payment of £317 million would be required: £286 million resource and £31 million capital. She also asked where we were with the LRSS schemes. From the latest figures that I have, I understand

that over 98% of cases have been resolved in one way or another. I also understand that a proposal to assist travel agents is to be brought forward. I am not sure whether it has landed in the Department yet, but we very much look forward to getting that support to people.

I thank Matthew O'Toole for his words of appreciation for departmental officials. I was filled with a warm glow thinking that he might include me in those words, but, in case he went too far, he then very ruthlessly cut me off. *[Laughter.]* Nonetheless, I agree with him about some of the work that departmental officials have been involved in. He was not correct when he said that we should have known more last summer. He will remember that, last summer, we got what we were told was the Barnett guarantee, and we were told that that was all the money. Since then, we have received a further three or four instalments. We were unable to plan during the summer. We were told that we had a certain amount for the rest of the year, and we welcomed the certainty that that provided. However, that is not how it materialised. I do not begrudge getting more money — of course, we always welcome more money — but our ability to spend in a strategic or planned way was limited.

I agree with Matthew O'Toole's point about the contempt for devolved arrangements and institutions. He will have had some experience of that in his previous position. I think that Declan McAleer, the Chair of the AERA Committee, made the same point, particularly in relation to the replacement of EU funding. That contempt is becoming more and more evident. We have certainly heard very loudly from the Welsh and Scottish Governments that the new funding arrangement to replace EU and other funds will be used centrally in Whitehall, will be set against English priorities and that we will have to bid and compete with everybody else on a case-by-case basis. Also, while Departments would otherwise have spent against their priorities, the funding that comes in will go straight into departmental areas of spend, which in no way respects the devolved arrangements here. The trend that Matthew O'Toole identified when he worked there a number of years ago has become even more pronounced in the last number of weeks. Of course, we will continue to challenge that.

I also agree with Matthew O'Toole that there is a need for the Budget to align with the Programme for Government, which he mentions frequently. Of course, that is exactly where we want to be. Over the past year, we have been trying to manage the challenges of

the pandemic. We have to get back, very quickly, to trying to align the two.

6.00 pm

Mr Sheehan: Will the Minister give way?

Mr Murphy: Yes.

Mr Sheehan: I want to comment on the point about the British Government saying that they were going to replace EU funding. I have seen reports recently about the ERASMUS scholarship, which was stopped by the British Government and was to be replaced by the Turing scholarship. It is now becoming clear that the British Government are not going to fund tuition fees or travel costs for that scheme. Can the Minister confirm that?

Mr Murphy: We will continue to engage around that. One of the biggest difficulties around all of these, including the Shared Prosperity Fund, is a lack of information, so we have been trying to get details. There were some high-level announcements in the Budget last week from the Chancellor but very little detail to underpin any of those. We are still trying to work through exactly what is involved. The common experience is that, first, we are not getting anywhere near what the European Union funding delivered for us. Secondly, we are not getting any measure of control on any of the aspects of funding that we are getting. Both are unacceptable and certainly not what was promised in the Brexit debate.

Andrew Muir raised the issue of the challenges with a standstill Budget. I agree, and I am on the record many times on that.

Pam Cameron and Colm Gildernew, as members of the Health Committee, raised issues about the health budget. We are on a hamster wheel, if you like, where we are treading water to try to catch up with what we need to spend on health, but we never have enough money to invest in transformation. Therefore, we cannot change the circumstances in which health operates. While the NDNA promised and delivered some limited funds for transformation, it is nowhere near what is needed to give effect to that. We are perpetually caught in the cycle of not being able to change the circumstances but needing to change the circumstances to effect better change.

Mr Muir: Will the Minister give way?

Mr Murphy: Yes.

Mr Muir: I just want to touch on the health issue. Many of us were waiting for different announcements in the Chancellor's statement last week. One that was clearly missing was an announcement around investment in health. It is a very short-term Budget that, from my perspective, does not understand the need to deal with the waiting lists and all the structural issues with the health service. Does the Minister agree that there was disappointment around that and a real fear that, potentially, later in the coming financial year, we will have further announcements from the Chancellor of additional funding without any planning ahead?

Mr Murphy: We already have some allocation for health, which we know about, for next year, for COVID. Of course, as the Member knows, the COVID spend is in-year spend, which does not allow for investment in long-term transformation. If we have not had money announced for health in our Budget now, we get that kind of annual cycle of money that, as I said, is not possible to use in the longer term. It is concerning that, for all the talk and the Thursday night round of applause, public services are not getting the level of support that they require in the time ahead. While there have been some welcome announcements in the Budget, I fear for the provisions for public services in the time ahead.

Mike Nesbitt raised some similar points. He talked about the lack of investment and about David Cameron saying that we do not have worse childcare issues than in parts of England. David Cameron's Government decided to cut public funding. They brought in austerity. They were supported in their efforts to get into office by the Ulster Unionist Party at the time. They introduced the austerity Budgets, which lasted for nine years and, potentially, will resurface in the time ahead. I have no doubt that areas in Britain suffered as much as us with a lack of investment in childcare. That is no excuse not to invest right across the board in support for public services.

I get the Member's point about the PSNI numbers. It was another NDNA commitment that was not followed through on. While we had some Brexit funding for the PSNI to increase the number of officers, that funding has stopped. We have tried to supplement that from our own Budgets, but, inevitably, the numbers will fall for the PSNI.

Gerry Carroll raised issues around corporation tax. I am sort of concerned that he is taking his lead from the 'Financial Times' on what I think and say, but there you go.

If a corporation tax cut were to be brought in by the Executive, it would inevitably be done on the basis that, first, we think that we can attract enough foreign direct investment to contribute to the economy and create a greater level of prosperity and that, secondly, we think that indigenous companies will use the cut to invest in companies and create more employment. Both are big gambles.

The position on corporation tax when it was originally discussed was to question whether it was affordable and whether the Executive's finances were in a sufficiently healthy state to allow us to cut the rate. It was clearly not considered affordable when a cut to 17% was proposed. If the rate here goes up to 25%, which I have been told could amount to as much as £800 million a year, how a corporation tax reduction here to match what is available south of the border would be affordable for the Executive, I cannot begin to understand. I have never advocated —.

Mr Carroll: Will the Minister give way?

Mr Murphy: Yes. I will give way in one second.

I have never advocated that cut. I have always believed that, even back in the original negotiations, the key factor for any Executive in considering a corporation tax cut was affordability. Unlike some other taxes that are cut, the money from corporation tax can be sent directly to where it is intended to go. Cutting the rate of corporation tax is a gamble to attract greater economic activity and to ensure that companies that benefit from it then reinvest that money. I am happy to give way.

Mr Carroll: I admit that I do not read the 'Financial Times' much, but I can agree with its journalistic credibility without agreeing with the politics in it. The same can be said for the BBC, 'The Irish News' and others.

The Minister has outlined his position on not reducing corporation tax, but have his Department or the Executive had the ability since 2015 to increase it? Is that an accurate position for where things are currently?

Mr Murphy: No, they do not have the power to do that. There were two issues. First, the Executive had to consider it to be affordable. Secondly, there were tests that had to be met to establish the financial healthiness of the Executive's funds. When the agreement was made to look at cutting corporation tax, we were straight into a prolonged period of austerity Budgets. It therefore would not have been

affordable, nor were the Executive's finances in a healthy enough state to consider such a proposition. We are still in that situation. The move on behalf of the British state to 25% is perhaps an indicator that foreign direct investment is not something that it is concerned will suffer as a consequence of raising the tax.

The benefits were outlined at a time when was a very substantial boom of economic activity and foreign direct investment across the world. We are not in that situation now, and certainly not post-pandemic. That is my perspective.

The idea of having a fiscal commission was not to look at corporation tax. We proposed the fiscal commission before the move on corporation tax was announced in last week's Budget. A fiscal commission would look at the broad ambit of fiscal levers available to the Executive and at how, if they were minded, the Executive might use those levers to target them at our own priorities.

On the overall point, the Member is consistent in challenging the Executive, the Budgets over what he says they are doing to ordinary people, and me as a Sinn Féin Finance Minister. He ignores the elephant in the room, however, which is that we do not have control over those affairs, and we will not have control over them in the constitutional framework in which we currently operate. Our lack of control over austerity, over the Budget amount, over the funding envelope and over the time frame for our Budgets are all part of our constitutional framework. The only time that we will have proper control and be able to do something significant about changing the wherewithal of people here is when we are in charge of our own affairs. He reiterated the issue of Advice NI, and I advise him again — if he pardons the pun — that the Communities Minister is on record as saying that she will find the funding to support Advice NI.

Roy Beggs raised a range of issues around infrastructure, perhaps too many to go into. It strikes me that — John O'Dowd touched on this point — we have had all our infrastructure investment. Anything else from here on in is fanciful. East Antrim is in the fortunate position that, over the existence of this state, infrastructure was invested in, for roads, ports and the railway line that he mentioned, whereas large areas west of the Bann had no investment in their infrastructure and no ability to access the economic growth and the location of jobs that such investment in infrastructure brings. It was ignored in substantial chunks. Now his position is, "Well, we have our infrastructure, but now it needs fixed. We would like our roads

that we already have to be fixed, and you can't have your roads until ours are fixed".

You can see that it is a chicken-and-egg situation in which a constituency like his, which has benefited over decades from investment in infrastructure, would now like to deprive other constituencies of the same benefit.

Mr Beggs: I thank the Minister for giving way. Will the Minister accept that the investment in the A2 in Carrickfergus was based on traffic numbers, with over 30,000 vehicles a day, and that there was investment in the A8 — the Larne to Belfast road — because it was the only bit of the Trans-European Network (TEN) route between Larne and Cork that was not dualled? Will he accept that the investment that East Antrim got was due to the density of its population and the significance of the transport route that travels through it?

Mr Murphy: Substantial parts of the TEN route that he referenced continue to be in a very poor state. If he were to travel between Sprucefield and Newry, he would see that the dual carriageway, which is on the TEN route, has not been invested in significantly over time, and I know that the Infrastructure Minister would like to do something about the most dangerous aspects of that road.

The Member mentioned the York Street project and the traffic congestion, but people in Strabane, Omagh and Aghnacloy have suffered the effects of traffic congestion and the pollution that it brings for decades and will continue to suffer until the A5 project is completed. The Irish Government have reaffirmed their commitment to £75 million as part of the NDNA project for the A5, and we look forward to that developing.

He quite rightly mentioned the infrastructure deficit for Northern Ireland Water. Last year, the Department for Infrastructure got its biggest budget ever, including its biggest capital budget ever. It is the responsibility of the Department to prioritise, but, in recognising the particular problems that he identifies, which have a multiplier effect with regard to investment, we have looked to supplement, for next year's Budget, which he was referring to, the finances that were available to the Department for Infrastructure through reinvestment and reform initiative (RRI) borrowing of some £70 million specifically for Northern Ireland Water for investment in sewerage and waste water treatment and water treatment facilities generally.

The same point applies to the Narrow Water bridge. It has been funded by North and South, so why look a gift horse in the mouth, although the southern relief road in Newry will, arguably, provide a much better outcome for the people of Newry, who have suffered for generations with traffic congestion without any relief.

On the Member's point about Casement, the IFA is looking for an additional £20 million from the subregional stadia programme. That is public money, so I wonder whether he will have the same approach to the IFA. It has already had subregional stadia investment and wishes to upgrade, so should it pay for that? I do not think that it should. I think that the public can invest in sporting facilities for all codes, and we should seek to do that because of the long-term benefits that it will bring to society generally.

The Member mentioned deprivation in his constituency. I ask him to look at the deprivation indices of urban and rural wards to see how many are in East Antrim. No doubt, there are pockets of deprivation there that need invested in, but there is substantial documented deprivation across rural and urban wards. My argument is that those are the areas that we should invest in first to change outcomes for people.

It has been a lengthy debate over three stages. I have listened carefully to what Members have had to say. As I said at the outset, this is not next year's Budget; this is the tail end of this year, plus some headroom for Departments to spend out in the early months of next year. It is, nonetheless, important to continue public services, limited as they are, under-resourced as they have consistently been, and it is important that we have the finances available to continue our work in the time ahead. We will come back to a debate on the further Budget for next year in the final Budget document at the end of this month and then in the Estimates in May. I ask for support for this Budget Bill.

Mr Principal Deputy Speaker: Thank you, Minister. Before we proceed to the Question, I remind Members that, because this is a Budget Bill, the motion will require cross-community support.

Question put.

Some Members: Aye.

Mr Carroll: No.

Mr Principal Deputy Speaker: Mr Carroll has placed his opposition to the Bill on the record,

and I have now read it into the record. I will put the Question again.

Question put a second time and agreed to (cross-community vote).

That the Budget Bill [NIA Bill 17/17-22] do now pass.

Adjourned at 6.15 pm.

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