



# Official Report (Hansard)

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# Northern Ireland Assembly

Tuesday 22 November 2016

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

*Members observed two minutes' silence.*

## Assembly Business

**Mr Allister:** Mr Speaker, I wish to raise a point of order about the viability of a portion of our business next Monday. I apologise that the issue is quite complex and, therefore, ask for some forbearance. I will deal with the point as succinctly as I can.

On Monday, we are due to discuss a legislative consent motion pertaining to the Policing and Crime Bill. One of the components of the Policing and Crime Bill that that consent motion seeks approval for is that referred to as pardons for obsolete criminal offences. Our Standing Order 42A has a very prescribed process for how you get to the point of a legislative consent motion. It requires the laying of a memorandum, but that memorandum can only be triggered by the event which imports into the Bill that portion that you wish to apply by legislative consent motion.

It is my understanding that the aspect of the Policing and Crime Bill which imports, in respect of Northern Ireland, pardons for former criminal offences, only became part of the Bill on 9 November by amendment in the House of Lords, yet the legislative consent motion memorandum was issued and is dated and was laid on 7 November and, therefore, I respectfully submit, is void in that respect because you cannot prejudge or presume the content until it is part of the Bill. Since the legislative consent motion then triggers the referral to the Committee — and if the memorandum which triggers that is itself void — then the reference is void, and the timeline, whereby, within five days of that report, you can debate it, is voided. So, I respectfully suggest that that aspect of the legislative consent motion is not compatible with the very prescribed and specific procedure in Standing Order 42A.

I ask you to rule that it will not therefore be possible on Monday to debate that aspect of the legislative consent motion.

**Mr Speaker:** I thank the Member for raising that. It is important that the Assembly take its decisions to hand authority to Westminster for devolved matters seriously, and that is why I thank you for raising the point. For that particular legislative consent motion, I will consider the issue that you have raised.

## Public Petition: Campaign for Abortion Law Reform in Northern Ireland

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

**Ms Bailey:** I am handing in this petition from Amnesty International to the Minister of Justice. It is signed by 45,400 people and calls for abortion law reform in Northern Ireland. Amnesty International, academics and many others have carried out extensive research into Northern Ireland's abortion laws, and we have repeatedly been found not to be compliant with the Human Rights Act, to which we are signatories. Even our courts have ruled on the issue, and again we have been found to be in breach of the human rights that we claim to uphold.

Since Marie Stopes opened its doors in Belfast city centre in 2012, people have begun to understand that abortion is not always illegal here and have started to question the issue as a whole, and our laws in particular. Amnesty International's public petition sets out a few facts. Northern Ireland's abortion laws are among the harshest in Europe and violate the basic human rights of women and girls. Abortion is illegal even in pregnancy resulting from rape or incest or where the foetus has no chance of surviving. Only in extremely restrictive cases in which a woman's health or life is in serious danger can she choose to access a termination. Instead of accessing the free, safe and legal healthcare that they need

and would get on the NHS anywhere else in the UK, women here are forced by state law to carry the pregnancy to term or to travel elsewhere, with no regard to the psychological or physical impact on them or their family.

Midwives and doctors also face the great threat in our law of life imprisonment for involvement in any termination. Even every stillbirth in Northern Ireland is legally required to undergo a pathologist's post-mortem, and, if the parents refuse that, they face a public hearing with a coroner's autopsy, for which no consent is required. There is nowhere else in the world where that happens.

The petition from Amnesty, which 45,400 people have signed, calls on us to bring existing law into line with international human rights laws and standards, to make abortion available in cases of rape, incest or severe and fatal foetal impairment and to stop the criminalisation of women and girls who access abortion services. The vast majority of people in Northern Ireland trust women to make these decisions in their best interests, and it is time that the House did the same.

*Ms Bailey moved forward and laid the petition on the Table.*

**Mr Speaker:** I will forward a copy of the petition to the Minister of Justice and the Committee for Justice.

## Ministerial Statements

### North/South Ministerial Council Plenary: Friday 18 November 2016

#### **Mr McGuinness (The deputy First Minister):**

In compliance with section 52C(2) of the Northern Ireland Act 1998, we wish to make the following statement on the twenty-third meeting of the North/South Ministerial Council (NSMC) in plenary format, which was held in Armagh on Friday 18 November 2016. The Executive Ministers who attended the meeting have agreed that we can make this report on their behalf.

Our delegation was led by the First Minister, Arlene Foster MLA, and me. The following Executive Ministers were also in attendance: Minister Givan, Minister Hamilton, Minister Hazzard, Minister McIlveen, Minister Ó Muilleoir, Minister Sugden, Minister Weir, junior Minister Fearon and junior Minister Ross. The Irish Government delegation was led by the Taoiseach, Enda Kenny TD.

At the start of the meeting, the Council noted that the bid to host the 2023 Rugby World Cup had been formally launched earlier in the week. Both Governments reaffirmed their commitment to work closely together to deliver a world-class proposal for hosting the tournament.

We had a discussion on the performance of the economy in each jurisdiction. Both Governments remain committed to growing their economy, and Ministers spoke about the initiatives under way in each jurisdiction to support economic growth.

The Council had an in-depth discussion on the implications of the result of the referendum on membership of the EU. It was noted that full sectoral audits had been carried out by Departments of the Executive and the Irish Government to identify impacts, risks, opportunities and contingencies that may arise following the UK's intended withdrawal from the EU. Ministers will continue their discussions at NSMC sectoral level in the coming months, and bilateral discussions will continue, as required, between relevant Ministers and officials.

The Council was advised that the Executive will continue their bilateral discussions with the British Government, and, with the other devolved Administrations, will continue the internal discussions with the British Government in the joint ministerial council. The Irish Government will continue their regular bilateral engagement with the British

Government, EU institutions and fellow EU member states.

Ministers noted that senior officials from the Executive Office, the Department of the Taoiseach and the Department of Foreign Affairs and Trade will continue to meet regularly on a bilateral basis to review developments, serving as a high-level working group on Brexit issues. The Council was advised that, in taking forward their discussions, both Governments will be guided by some common principles.

The Council received an update on the progress being made on the implementation of the various commitments under section E of the Fresh Start Agreement. Ministers noted that a public inquiry into the A5 scheme was under way and that the inspector's report was expected around May 2017. Subject to the successful completion of statutory procedures, a decision can then be made regarding progression to the construction stage, which remains programmed for late 2017.

The Council welcomed the meeting in October between officials and key stakeholders about the possible options for the Narrow Water bridge project and noted that further discussions would be held in January 2017. It was noted that phase 1 of the reopening of the Ulster canal from Lough Erne to Castle Saunderson is progressing and that the tender for the final stage of phase 1 is expected to issue shortly, with a planned site commencement in the spring of 2017. The establishment of the Ulster canal advisory forum of key stakeholders, which held its first meeting in September, was welcomed.

The Council was advised that Derry City and Strabane District Council and Donegal County Council had agreed a formal partnership agreement that outlines the governance, financial management and administrative arrangements for the €5 million north-west development fund.

Ministers agreed that a further update on the Fresh Start E commitments would be brought to the next NSMC plenary meeting.

The next item on the agenda was the north-west gateway initiative. The Council welcomed that Donegal County Council and Derry City and Strabane District Council are working to fully implement the arrangements outlined in their north-west strategic growth plan. The Council noted the Irish Government's allocation of €2.5 million to the north-west development fund and that our Executive are finalising their match allocation. The Council was advised that

formal governance, financial management and administrative arrangements for oversight and delivery of the north-west strategic growth plan and the associated north-west development fund have been agreed by the two councils. Ministers welcomed the establishment of the north-west strategic growth partnership and that, in accordance with the July plenary decision, senior officials from relevant Departments in both jurisdictions would meet Donegal County Council and Derry City and Strabane District Council in December as part of the north-west strategic growth partnership.

The Council was advised that officials are working to identify a suitable date for a meeting of relevant Ministers in the north-west.

Finally, the Council approved a schedule of NSMC meetings proposed by the joint secretariat, which includes the next NSMC plenary meeting in the first quarter of 2017.

#### 10.45 am

**Mr Nesbitt:** I thank the Minister for his statement. As a sports fan, I particularly welcome the bid for the Rugby World Cup. I understand that the last event added over £1 billion directly to the UK's GDP. I understand that, to secure the next event, Japan paid a fee of something like £90 million to the Rugby World Cup organisers. Will the Minister detail the costs and potential benefits to Northern Ireland should the 2023 event come our way?

**Mr McGuinness:** I was delighted to be in Dublin last week with our Economy Minister Simon Hamilton, and all of us are very excited that what is effectively an all-island bid to host the Rugby World Cup 2023 has successfully passed the application phase, with South Africa and France also through to the candidate phase, which commenced on 1 November. As the Member will know, details of the Ireland bid were successfully launched on 15 November at the Aviva Stadium, and we will provide stiff competition for the other contenders. I am convinced that we have a strong, compelling bid, with a great team of people who are now working on the final stage, including the Irish Rugby Football Union (IRFU) and its consultants.

The oversight board led by Dick Spring and the interdepartmental group set up in both jurisdictions have worked hard to get us to this stage, and I can give assurances that our Executive will continue to give their support to ensure that we deliver the best bid possible. Our passion for rugby, our visitor welcome and

our professional service provide an ideal recipe for the delivery of a successful event.

The previous examples of cost given by the Member are in the ballpark of where we need to be but one thing is absolutely certain: we believe that we can recover that many, many times over as a result of the unique offer that is our all-island approach. We are very confident that the Administrations North and South will be able to put a compelling bid before those who will have to decide. Dick Spring, who is leading it all, exudes considerable confidence that many rugby associations throughout the world will be very attracted to the island of Ireland for the Rugby World Cup 2023. The video that was launched, with Liam Neeson narrating, was very powerful and will help in the bid.

The ballpark figures are in and around what the Member suggested, but it is very difficult to be accurate about the exact cost at this stage. Whatever the cost is, we are absolutely confident that we can recover it many times over.

**Mr Stalford:** I thank the deputy First Minister for the statement. His colleagues in the Republic have given assurances of continued cooperation for the mutual benefit of the people who live in Northern Ireland and the Republic of Ireland. Will he assure the House that this will continue once the United Kingdom leaves the European Union, as he outlined in the case of the north-west?

**Mr McGuinness:** The big decision that was taken by both Administrations at the North/South Ministerial Council meeting — by the Executive Office, the Department of the Taoiseach and the Department of Foreign Affairs — was to put a high-level working group of civil servants in place to deal with the challenges that clearly lie ahead.

As I said in the Assembly yesterday, given some of the confusion emanating from London at this time, everything is on the table. It is very hard to know, very difficult to put your hand on your heart and say that you know exactly what the outcome is going to be, because the debate moves from a soft Brexit to a hard Brexit. Many people fear the prospect of a hard Brexit and its implications for economic prospects here in the North, and in England, Scotland and Wales. It is still early days. The First Minister and I are very focused on our responsibilities so that we can contribute to the processes that we are now clearly involved in, with the British Government and the Irish Government, to ensure that the outcome is about protecting the best interests of the people whom we represent.

**Mr McGuigan:** I welcome the Minister's statement and the positivity that emanated from the meeting and has continued since, particularly with regard to the discussions on the EU referendum result. The deputy First Minister said in response to the previous question that the ongoing work between the Executive and the Southern Government will be guided by common principles. Perhaps he could elaborate on those common principles.

**Mr McGuinness:** We all acknowledge that there must be recognition that the situation that we have to deal with is unique. It has to be recognised that we have a land border with another EU member state and that there have been difficult issues relating to that border throughout our history and, indeed, the peace process.

We have to ensure that our businesses retain their competitiveness and do not incur additional cost, which is a very real danger. As we go forward, we also need to ensure that our access to labour, skilled and unskilled, is really important to us, given, as I said yesterday, that Wrightbus, for example, sells its buses to London, Singapore and Hong Kong, and something like 20% of its workforce comes from other EU countries.

Our agri-food industry is totally dependent on people from other EU countries for its success, and, of course, we have very ambitious targets to reach in the development of that aspect of our economy. We also need to take into account the nature of our economy. As I said, agri-food, for example, is vital, and anything that would impact on that sector has to be considered very carefully.

Energy is also a key priority for us, and we have to ensure that it is given adequate recognition throughout the negotiating process.

Of course, the common travel area is extremely important, not just to us but to the Irish Government, and that must also be recognised.

**Mr Eastwood:** I thank the deputy First Minister for his statement. Was there any discussion at the NSMC last week about potential future membership for Northern Ireland of the EEA or EFTA?

**Mr McGuinness:** No, there were no detailed conversations about any of that. Obviously, the overarching discussion was about what we need to do in the immediate future and about changing officials from our office, the Department of the Taoiseach and the

Department of Foreign Affairs with the responsibility of looking at all these matters and how they might impact on our circumstances.

The Taoiseach described the North/South Ministerial Council meeting that we attended last Friday as the most important meeting that he has ever attended. Certainly, the significance of the Brexit circumstances that we are all faced with is absolutely massive for the island of Ireland, North and South, and the work that is going on in Departments in Dublin and here is extensive. The audit has taken place. All areas are being covered and looked at very carefully with a view to ensuring that, when the officials complete their work under the guidance of the Taoiseach, the First Minister and me, we are best placed to go forward. Hopefully, we can go forward with a common position to put to the British Government and the European Union that is about, in our case, protecting the interests of the people whom we represent.

**Dr Farry:** I thank the deputy First Minister for his statement. Will he comment on the reports in this week's 'Sunday Independent', and the subtext at the last meeting of the all-island forum on civic dialogue, that there is a frustration in the Irish Government that, while there is a lot of cooperation on scoping out the practical issues, there has, to date, been no clear ask from the Northern Ireland Government on what special status would look like going forward and that, if we do not have a clear ask in the very near future, we are in danger of missing the opportunity to sort out Northern Ireland's interests?

**Mr McGuinness:** That is a challenge for all of us. It is not unreasonable against the backdrop of uncertainty and confusion that appears to emanate from London on their objectives in any negotiations with the European Union. Of course, the British Government have not disclosed their hand on the basis that they think that it would weaken their position in the negotiations, which inevitably puts the devolved institutions at a disadvantage.

I do not speak for Wales or Scotland; I speak, along with the First Minister, for the situation that we have to deal with. We have a responsibility to ensure that, as we go forward, there is an ask that best protects the interests of the people whom we represent. That is why the wise decision was made at the NSMC to put in place a high-level working group of the most senior civil servants in both Administrations, under the stewardship of the Taoiseach, the First Minister and me, to chart a way forward.

In the Opposition in the Assembly, there are different opinions, and that is quite legitimate. Even in our Administration, there are different opinions. We have to reconcile all that and, hopefully, come to a position that can find favour with the vast majority of MLAs. I said, during the all-island discussions in Dublin — the offer is still open — that I am willing to engage with the Alliance Party, the SDLP and the Ulster Unionists, because we would be very foolish to think that we should do all this on our own and exclude other parties that have made important contributions over the last 20 years in negotiations that have propelled our society forward.

**Mr Lynch:** The Minister will know that the Ulster canal is an important project in my constituency. Does he see it as an Executive priority?

**Mr McGuinness:** I clearly indicated during my initial contribution that it is a priority. Phase 1 of the reopening of the 2.5 kilometre stretch of the Ulster canal from Upper Lough Erne to the International Scout Centre at Castle Saunderson is ongoing. The work commenced in August 2015, and site investigation works, followed by the dredging of the River Finn and the removal of the dredged material, are now complete. Preparation of tender documentation for the next stage — the construction of the Derrykerrib Bridge in the canal section — is now being finalised. It is planned to issue a tender shortly with a view to work commencing in spring 2017 after any floodwaters have receded, with an estimated contract period of 18 months.

We welcome the establishment by Minister Heather Humphreys and Minister Chris Hazzard of an Ulster canal advisory forum, which met for the first time on 23 September 2016. That will look at the options for advancing the Ulster canal project and examine potential funding mechanisms, including existing funding streams and a leveraging of funding from other sources.

Waterways Ireland, as the lead organisation, in collaboration with local councils and other stakeholders, is progressing the development of the Ulster canal greenway. An application for INTERREG IVa funding for a 22-kilometre section of the greenway between Smithborough, County Monaghan, and Middletown, County Armagh, was successful, and a letter of offer is expected to issue in the near future. We are moving forward decisively on the Ulster canal.

**Mr Kennedy:** I am interested in the replies thus far from the deputy First Minister. Will he explain why he accepts the democratic will of the people of the United States in a presidential election, when the victor did not win the popular vote, but not the verdict of the people of the United Kingdom in the EU referendum?

**Mr McGuinness:** From our perspective, the decision made in the EU referendum has very profound consequences for us in the North of Ireland, particularly given that the majority of people in the North voted to remain. Quite clearly, that could not have been achieved if it had not been a cross-community vote, which, in my view, was supported by nationalists, republicans and unionists.

**11.00 am**

Now, whatever about the vote in the United States, the people have spoken, and the outcome is that Donald Trump is their President-elect. We, as a responsible Administration, have to deal with that, as we have done with changes that have happened in other Administrations, whether that be in Dublin or London, as we have seen over the course of the last 20 years. From my perspective, as a responsible politician, working with the First Minister, I have to recognise that we are faced with a situation in which the British Prime Minister has declared that she will trigger article 50 of the Lisbon treaty by the end of March. As someone who has been at the heart of probably some of the most important, historic negotiations that this island has seen over the last 20 years, I have to deal with that reality. Along with the First Minister, and hopefully supported by the majority of MLAs in the Assembly, I have to try to forge a way forward which protects the interests of the people whom we represent. It is no secret where the First Minister is coming from, and it is no secret where I am coming from, but we have to deal with the reality of the situation which is before us. The top priority for us has to be to protect the political and social interaction and economic interest of the people whom we represent.

**Mr Boylan:** Agus gabhaim buíochas leis an Aire as a ráiteas. I welcome the Minister's statement. I am delighted that he was able to take all the Ministers down to the beautiful city of Armagh. I just want to touch on the issue of the UK referendum. Were there any discussions on the INTERREG programme and the threat that withdrawal of that money will pose to border corridor groups like East Border Region and the work that they have done over the last number of years? Apparently they will

be under severe threat now from the process of leaving Europe.

**Mr McGuinness:** The First Minister and I addressed that issue when we wrote to the British Prime Minister. The good news is that we are pleased that almost €120 million has already been approved for INTERREG IVa. We expect the INTERREG programme to be fully committed before the end of the year. Obviously, the longer term is a scenario that we will have to deal with in the course of any upcoming negotiations.

**Mr McPhillips:** I thank the deputy First Minister for his statement and answers so far. It will come as no massive shock that I will be asking about the implications of Brexit as well. The deputy First Minister notes in his statement that all Departments have conducted internal audits on the possible impacts that Brexit will have. Can he outline whether he will publish these documents? Can he also update the House on what discussions he has had with the Southern Government concerning the future of the border?

**Mr McGuinness:** Well, at the last NSMC plenary meeting on 4 July 2016, it was agreed that a full audit would be undertaken in all sectors to identify the possible impacts, risks, opportunities and contingencies arising in the phases preceding and following the UK's withdrawal from the EU; that this work will, in turn, be submitted to ministerial sectoral meetings for consideration as to the strategic and cross-cutting issues arising; and that final priorities will be agreed by the next NSMC plenary for both pre-negotiation and negotiation phases.

I think that the Member will understand that, given the nature of the NSMC, involving our Administration and the Irish Government, a lot of these documents are confidential. We could not release any of this information without the express agreement of the Irish Government. That is something that has never been previously asked. It is interesting that the Member has chosen to call for that. From our perspective, we will have a discussion. I will discuss that with the First Minister, with a view to making an assessment as to whether it is sensible to see the outworking of processes that civil servants have been involved in put into the public domain. As I reiterate, that cannot be done without the express agreement of the Irish Government.

The First Minister and I addressed the issue of the border in our letter to the British Prime

Minister. We have made it absolutely clear that we do not want a border. We want people to be able to travel as they have done in the past. That is also the Irish Government's position. It came up during the North/South Ministerial Council meeting. I think that everybody is focused on ensuring that we go forward with the normality that we have been used to over the course of recent times, with people being able to drive, for example, from the centre of Belfast to the centre of Dublin in just over an hour and a half. Free travel back and forward is absolutely crucial.

**Mr Lunn:** I thank the deputy First Minister for his statement. On economic matters, are we now satisfied that the Industrial Development Agency Ireland and Invest Northern Ireland will operate in a fair and equitable manner, that any problems caused by the previous accusation that IDA Ireland is attempting to poach our industrial opportunities have been dealt with and that we can move on?

**Mr McGuinness:** As Members will be aware, the First Minister met the Taoiseach and had a very good meeting in Dublin last week. That is all that needs to be said about it. I think that we are satisfied. The First Minister and I travel extensively throughout the world. We have always had tremendous support from our diplomatic service and the Irish Government diplomats everywhere we go. During the engagements at the North/South Ministerial Council, the Taoiseach reiterated that the Irish diplomatic services will be available to the First Minister and me on our shortly-to-be-undertaken visit to China.

**Mr Durkan:** I thank the deputy First Minister for his statement and answers thus far. My question is with regard to the north-west gateway initiative. I hope that the Executive can move swiftly to finalise their allocation to the north-west development fund, regardless of the reason for the delay. It is important that we continue to explore interventions that will alleviate hardship in the north-west area. Does the Minister consider a city deal for Derry with a cross-border dimension to be a possible means of doing so?

**Mr McGuinness:** I assure the Member that the issue of our balance of the €5 million is administrative more than anything else. In terms of alleviating hardship in the north-west, I was delighted yesterday to be, along with our Health Minister, at the new radiotherapy centre at Altnagelvin hospital. The Ulster Unionists tried to stop that radiotherapy centre during their stewardship of the Health Department.

**Mr Kennedy:** That is not right.

**Mr McGuinness:** It is absolutely correct. Of course, when Edwin Poots became the Minister, Peter Robinson and I took the decision to go ahead. Something like 1,500 people will be treated there each year. It is a tremendous boost to people in Derry, Strabane, Limavady, Coleraine and County Donegal to have that facility. We also have —

**Mr Kennedy:** On a point of order.

**Mr Speaker:** Let me take the point of order at the end of questions to the statement.

**Mr McGuinness:** We also have 220 people now employed at that centre. They are people of the highest specialisms imaginable in medicine. The dedication that they have to that centre is absolutely amazing. I pay tribute to everybody—and other political parties, including the Member's—who was involved from the very beginning and right down the line: people like Bairbre de Brún and, of course, the Health Minister now, for progressing something that will bring enormous health benefits to a region that has, unfortunately, had to see people from Donegal travelling to Galway and people from Derry travelling to Belfast. That is now ending. It is a great news story that argues very strongly for how important all-island cooperation is, particularly in the region of people's health.

A city deal is presently under consideration. I know that people were advocating one for Belfast. We are very keen to ensure that any advantage gained by that is also under consideration by us for Derry.

**Mr Attwood:** The deputy First Minister, in reply to a question, referred to a common position to put to the British Government. In the statement, he also referred to being guided by some common principles. Usefully, he has put some on the record today in reply to Mr McGuigan's question—namely, business competitiveness, energy, common travel and access to labour. Will the deputy First Minister and the First Minister lodge a statement in the Library outlining what all the principles might be that would inform the discussions and confirming that the principles will include no loss of funding to the Northern Ireland finances, guarantees on the four freedoms, access to further EU funding and no diminution of any of the standards that we have benefited from because of EU membership and membership of the wider European project, including those

relating to environment, labour and human rights?

**Mr McGuinness:** That clearly strengthens the case that I made earlier in the conversation that it would be useful if other political parties who are not in the Government were to make a contribution to the discussion as we go forward. That is why I made the offer of discussions with the Ulster Unionists, the SDLP, the Alliance Party and whoever else — even the smaller parties in the Assembly — to have a conversation about where all of this needs to go. The First Minister and I have already outlined a number of vital issues in our letter to the British Prime Minister, and, of course, in our conversations at the North/South Ministerial Council, we have dealt with a number of principles. They are not exclusive of where we need to go on what will probably be the most important negotiation that any of us has undertaken in 20 years.

**Mr Allister:** Whatever the hyperbole coming from the talking shop in Armagh, it is clear that the Executive is a house divided on the most seminal issue of our day. The First Minister accepts and supports the reality of Brexit: the deputy First Minister grasps at every straw to try to thwart the will of the people and seeks to talk up the nonsense of special status. I ask the deputy First Minister again the question that he did not answer yesterday, so that we know who is chasing their tail: has he any support from his partner in government for the notion that, post Brexit, there will be a status for Northern Ireland that dilutes our leaving vis-à-vis the rest of the United Kingdom?

**Mr McGuinness:** That is probably one of the few questions ever asked by the Member that did not mention the IRA. Obviously, as we go forward, we are very focused on the responsibilities that we have as First Minister and deputy First Minister. We are all experienced politicians. We understand that we are in the preliminary stages of what will be a momentous negotiation that will affect our futures. There is a very clear indication from the outcome of the North/South Ministerial Council meeting and the formation of a high-level working group under the stewardship of the Taoiseach, the Minister for Foreign Affairs in the South, the First Minister and me that these are all issues that we will have conversations — even negotiations — about over the coming period.

Obviously, we want to be ready for any triggering of article 50 of the Lisbon treaty, so that we are in a position to make an argument

that is really about protecting the interests of all the people we represent. What the Member highlights, obviously, is the different positions that the DUP and Sinn Féin had, with others, in the run-in to the referendum debate. The referendum is over, and there are fairly unique circumstances before us. We are more dramatically affected by this than other regions. We will have to have that conversation, and, in conjunction with the British and Irish Governments and the European Union, we will have to chart a way forward that protects the interests of our people.

**11.15 am**

**Mr Speaker:** I will now take Mr Kennedy's point of order.

**Mr Kennedy:** Thank you for allowing a point of order, Mr Speaker. Is it in order for the deputy First Minister wilfully to mislead the House and misrepresent the facts of a situation? When Michael McGimpsey was on the Executive as Ulster Unionist Health Minister, he supported and lobbied for the facilities at Altnagelvin Hospital but was, rightly, concerned about resource funding for that centre. In fact, his predictions that the health service was drastically and seriously underfunded have come true, and we still live with those consequences today.

**Mr Stalford:** Further to that point of order, Mr Speaker —

**Mr Speaker:** Let me deal with the first point of order. The Speaker has no role in adjudicating on the remarks of a Member or a Minister, but the Member has put his concerns on record.

**Mr Stalford:** Further to that point of order, Mr Speaker, you have just said that the Member has used a point of order to put his concerns on the record. Is there an issue about the deliberate abuse of points of order by Members who, after they have spoken and had their say, deploy them to get a second bite of the cherry, including, not least, a Deputy Speaker of the House?

**Mr Speaker:** I am concerned that, over the past number of weeks, there have been a large number of points of order that have not been adjudged to be points of order. It is something that I intend to address in the coming weeks and months.

That concludes questions on the Minister's statement.

## Rating Policy

### Mr Ó Muilleoir (The Minister of Finance):

Thank you for giving me the opportunity, a Cheann Comhairle, to make a statement on a rates rethink, spurring economic growth. Inniu, tá pacáiste beart á mholadh agam a bhfuil sé mar aidhm aige nuachóiriú a dhéanamh ar eilimintí intíre agus ar eilimintí tráchtala an chóras rátála, d'fhonn spreagadh a dhéanamh ar an ngeilleagar mar bhunús ar shochaí roinnte agus rathúil. Is iad seo mo mholtáí mar Aire Airgeadais agus tá mé ag súil le dul i gcomhairle fúthu leis an Choiste Airgeadais, le mo chomhghleacaithe san Fheidhmeannas, agus leis an phobal i gcoitinne.

Today, I propose a groundbreaking package of measures aimed at modernising the domestic and commercial elements of the rating system in order to stimulate the economy as the foundation of a shared and prosperous society. These are my proposals as Finance Minister, and I look forward to consulting on them with the Finance Committee, of course, with my colleagues on the Executive and with the wider public. Taken together, the measures constitute the biggest shake-up in rating policy in a generation and signal my commitment to a tax system that is fair and supports prosperity.

Rates are a vital source of public revenue. Money raised through rates funds our schools, our hospitals and other essential services. My aim in setting out these proposals therefore is ultimately to arrive at a refreshed, fit-for-purpose rating system in which citizens and commercial ratepayers contribute according to their ability to funding the building of a modern, inclusive and exemplary society. I also intend to ensure that rates act more as an economic spur. The rates system should encourage regeneration, investment and entrepreneurship and at the same time discourage dereliction and decline.

I will begin with the non-domestic rates proposals. I want to replace the existing small business rate relief scheme with a £22 million investment in small retail and hospitality businesses. That move aligns with the findings of the Ulster University Economic Policy Centre's evaluation, which recommended a more targeted approach. In 2010, the small business rate relief (SBRR) scheme was introduced to provide small businesses with temporary respite from the recession. The Ulster University evaluation found that the scheme had served its limited purpose, helping with cash flow at a particularly difficult time.

It also found that the scheme contributed little to economic growth and the £18m that it cost would not provide value for money in the long term. It therefore recommended replacing the SBRR with a more targeted initiative.

I want to target support under the new scheme at the sectors that are key to the survival of our town and city centres. The statistics show that town centre retail spending is down 10% since the beginning of the century. I would like this new initiative to be easily accessible to small businesses, subject to some simple tests around business investment in the form of, for example, new equipment, skills training or the employment of additional staff. In the time ahead, I would also like to enable companies to access this rates relief by accrediting with the Living Wage Foundation.

I also wish to bring forward a business empowerment zone pilot targeted at small-scale regeneration areas and developed in tandem with other Departments and initiatives. I propose to start in Belfast with two pilots, on the Falls and Newtownards Roads, both areas in need of a greater peace dividend. The west Belfast zone, with special rates relief to encourage business and investment, is likely to stretch from Castle Street through the Gaeltacht Quarter to the bottom of the Whiterock Road. The east Belfast zone is likely to stretch from the bottom of the Newtownards Road through the area now the focus for the EastSide Arts renaissance — CS Lewis Square opens tonight, Mr Speaker — to the Holywood Arches. Those will be confirmed in due course. Having had the pleasure of working extensively in both areas, I know that the will is there to transform those key arterial roads and that a small investment now can reap dividends for years to come.

Another way of revitalising town centres is to make them vibrant living spaces. Therefore, I would also like to take forward a new scheme to incentivise conversion from commercial to residential occupation, by providing a rates incentive for the first occupiers of newly converted premises in our town and city centres. A scheme to encourage people to live in those areas will help to stimulate the night-time economy and assist with issues around footfall that were raised during the consultation.

Another issue concerns the treatment of charity shops. This is a matter where we are striving to get the balance right. Charity shops help to bring people into our high streets or small towns, in particular when times are tough, so we need to make sure that we do not upset the healthy retail mix that exists in many areas. I

am all in favour of continuing to single out charity shops on the high street for favourable treatment, but there is a case for limiting their growth. We cannot have our high streets just made up of charity shops. In England, Scotland and Wales, most are charged 20% rates, and local authorities in the South can charge charity shops on the high street. If, for example, we reduced support for charity shops on the high street from 100 per cent to 90 per cent — they pay one tenth of their rates bill — that would represent only a small revenue gain for the Executive. However, it would move us towards the balance principle that everyone on the high street should start to pay something. That was the strong view reflected in the small business rate relief evaluation. I agree with that direction of travel, with the caveat that I would like any future income from charity shops on the high street to go towards supporting entrepreneurship in the social enterprise sector. I look forward to consulting further on the issue.

I would like to address the issue of empty property. Currently, an empty property pays zero rates for three months and 50% thereafter. I want to increase the empty property rate from 50% to 75% of the occupied rate. That remains substantially below what is charged in Scotland, for example, where owners are charged 90% on empty properties, and recognises that our local property market is less buoyant than there. I would also like to remove the initial exemption period of three months. I do not think it necessary, it does not apply to the domestic sector, and it leads to complications in administering it. It is my view that this will encourage the letting of empty properties and increase economic activity. It will, of course, provide additional revenue for the Executive, although, more importantly, it will act as a stimulus for landlords holding empty property to sell up or to offer lower rents and get properties occupied by businesses.

Aligned with that objective, I propose to introduce the rating of empty factories, a class of property that has never been subject to rates. As well as bringing in extra money — up to £2.2 million a year — into the Executive's finances and the public purse, it will encourage owners to subdivide or let empty factories. It will also remove any doubt about what is a warehouse and what is a factory. Coupled with both changes, I will move forward with proposals for anti-avoidance measures, making landlords liable for rates when they let their premises out to charities on short-term agreements.

At a cost of £58 million, industrial derating is a very generous support to the manufacturing sector. However, manufacturing is a vital part

of our economy, providing well-paid jobs often in locations where employment opportunities are lacking, and is highly export-orientated. Given that and the challenging economic circumstances faced, I intend to maintain industrial derating.

A measure that I would like to remove is the new mines seven-year exemption that has been in place since 1852. I see no good reason for retaining the new mines exemption.

I also wish to remove the university halls of residence exemption that was put in place by direct rule Ministers in 2007. This step has already been consulted on, and it will ensure consistency of treatment between those that are managed privately and those that are managed by universities. Indeed, all other students living away from home pay some rates, so this is only fair. Furthermore, I do not believe that it will inhibit the viability of new purpose-built halls of residence, given that student demand is outstripping supply, as the appearance of so many privately run halls testifies. If evidence emerges that university halls of residence need an additional incentive, I will be happy to return to the issue and look at it again.

We are moving towards a system that widens the tax base and shares the load. However, many businesses find themselves in serious hardship due to matters completely outside their control and beyond normal business risk. Victims of flooding are one example. I do not want to see those who find themselves in hardship in such circumstances being closed down because they simply cannot pay their rates bill. The legislative apparatus already exists for hardship relief, but few businesses benefit from it. I have therefore asked my officials to review the operation of the scheme to ensure that it provides help for more of those who are in need.

My intention to commence a new non-domestic revaluation exercise to take effect in 2019 is a clear response to the calls from the business sector. Coming only four years after the revaluation in 2015, it will make our non-domestic rating system more responsive to changes in the wider world, allow it to flex with economic conditions and help to avoid the shocks that occurred last time round. As before, the process will be revenue-neutral. The objective of the measure and, indeed, the whole package is about balancing the tax base, balancing the rates burden and balancing the books after a hard time for business and government finances. I would also like to reassure businesses by enshrining in law

revaluations every four years. That happens in many advanced economies throughout the world.

As for the level of the regional rate that will be set as part of the Budget and in recognition of the new era for local government, I would like to give councils the choice of striking their own non-domestic district rate, thereby breaking the historic link that exists with the domestic district rate. Such a move could help councils to attract new businesses and retain old ones.

Fairness underpins much of what I am presenting today, and that extends to the domestic rating system. When the capital value system was being designed, it was designed on the basis that you paid in direct proportion to the value of your home. However, the application of the £400,000 cap means that those in houses with a higher value pay proportionately less than those in middle- or lower-value homes. To me, that is inherently unfair. Take Bill Gates's house — I know that many people would like to take the house of Bill Gates — he pays \$1 million a year in property tax on his \$100 million Washington state home. If he lived here, the rates on that home would be less than \$5,000 a year.

Significant measures are already in place to safeguard elderly pensioners who are asset-rich but income-poor and remain in a high-value family home. We have a generous low-income rate relief scheme that was put in place before the cap came along. In a phased introduction, I wish to charge a regional rate levy of approximately 55% of the rates due on a property to the full value of a home in order to raise an additional £4 million in revenue.

### 11.30 am

The first thing that I would like to do with domestic rates is to reduce and then remove the early payment discount. I will reduce the allowance to 2% in the context of the Budget settlement and then consult on the proposal for the removal of the provision altogether. The £6 million that the measure costs the public purse cannot be justified in these difficult financial times.

As with the business rates system, I want the domestic rating system to incentivise good behaviour. I have asked my officials to consider reopening the low-carbon new homes scheme and refashioning it as an energy efficiency incentive by providing an extended domestic rates holiday for the first occupants of new houses that meet the required standard,

thus also helping our construction sector. That will need more research into standards and value for money, but that work is under way.

Finally but not insignificantly, I want to advance proposals to significantly reduce the landlord allowance paid to all landlords in the public and private sectors. It was the subject of consultation, and I intend to reduce it to 5%.

Today, I have outlined the immediate challenges. Beyond those, research is well under way into developing a levy on derelict properties. With the help of the councils, we have identified 1,800 problem properties, and I have commissioned the Economic Policy Centre at UU to provide us with independent policy advice. I recognise that there is a range of reasons for derelict properties lying vacant, and we need to be sensitive to those so that we do not hinder orderly development activity. However, if the policy is well designed and discerning, it would help to encourage the regeneration of and investment in our urban areas, areas that have become blighted by properties that are simply lying idle. It could also serve to increase the supply of development land for housing.

All in all, the changes that I have put forward today — the package — are driven by a need to increase the fairness of the system by ensuring that those who can contribute do so and that the tax burden is broadly shouldered. They also involve a better and more strategic targeting of reliefs to support social and economic development. Taken together, the measures will lead to a revenue gain for the Executive and our councils. Current estimates are up to £16 million a year recurring for the Executive, which is money that will help to deliver the Executive's Programme for Government for all our citizens. Councils stand to gain by up to £10 million a year, which will help them to deliver better outcomes in local services, as well as their new role in place shaping, building communities and economic development.

Last month, I was asked by other parties in the Chamber when I would make hard decisions on rating matters: I trust that you will all agree these are hard issues that I am tackling today. The decisions that I make, however, will not be made alone. I have further consultations to undertake with the general public and the Finance Committee, and I will require the agreement of the Executive and the Assembly when the required legislation needs to be passed.

Leagann an pacáiste misniúil moltaí atá á nochtadh agam inniu bunús láidir síos le forbairt a dhéanamh ar chóras nua-aimseartha rátaí atá cothrom, a dhéanann athbheochan ar lárionaid ár gcathracha agus ár mbailte, a spreagann fás ar ár mórshráideanna agus a chuidíonn le rathúnas. The package of bold proposals that I have set out establishes a solid basis for developing a modern rates system that is fair, revitalises our city and town centres, spurs growth in our high streets and, indeed, supports prosperity.

**Ms Hanna:** I thank the Minister for his statement. This is our first sight of it, but there are some interesting and very sensible proposals. We will have to look at the numbers because there will be losers as well as winners, but I look forward to exploring that.

Briefly, I want to ask about lifting the domestic rates cap. As a social democrat, I support the concept of levying those most able to pay, although I would prefer it to be done through income tax. This will disproportionately affect people in my constituency, many of whom are on good but modest incomes and are paying for everything. What consideration has the Minister given to a package of convergence measures such as were put in place to address the position of those affected by a rates bump after local government reform?

**Mr Ó Muilleoir:** I thank the Member for her question and for focusing on the two constituencies most affected by the removal of the rates cap: South Belfast, which I also have an interest in, and North Down. You will note that I talked about a phased introduction. I am very sensitive to the fact that, even if someone lives in a million-pound house, they also have to balance their books and their budget and no one wants to receive next April, for example, a dramatically increased rates bill. We are doing two things. First, we are saying that this is a levy, so it will not include 100% of the rates bill; it is only the 55% that we control as central government. That is the first relief to those in larger houses. Also, it is a phased introduction, and we will take our time to do it. I think it might happen over two rating periods over two years.

It is unfair that those who live in houses that are valued at £150,000 or £200,000 are subject to a regressive taxation system — property tax. I look forward to the day when I — or the Finance Minister who follows me — control income tax, but, until that day, we need to take decisions over the taxes and rates that we control. This decision is timely and will bring extra money into the coffers to deliver services not just in South Belfast and North Down but

right across the jurisdiction. I look forward to getting the full support of all the parties in South Belfast, in particular, and North Down for the measure.

**Mrs Little Pengelly:** I welcome the statement, although I echo the words of our fellow South Belfast MLA that some of it will create concern in the constituency, particularly around the domestic cap. We look forward to consulting on that and hearing the views.

As the Minister will be aware, the Committee is examining business rates and taking evidence on that. We will be out and about and intend to visit Portadown and Warrenpoint to see the situation on the ground. Will the Minister commit to coming before the Committee, specifically on the issue of rates, during the consultation to outline his thinking in more detail? In addition to that — the Minister referenced this in his statement — will he confirm clearly that this represents his thinking on the direction of rates reform and that he intends to bring all these proposals and any revised proposals following consultation back to the Executive for their agreement and decision?

**Mr Ó Muilleoir:** Madam Chairwoman, thank you for your question. I know that you were able to come along this morning for a short briefing on the proposals. We need to nail our colours to the mast on the removal of the cap. We are either for it or against it, and we will then get into the discussion of how it will be administered.

I have had the experience in my constituency of politicians from another party rapping the doors of people who may be inclined to vote for me and telling them, "Don't vote for Máirtín Ó Muilleoir because he wants to remove the rates cap". I hope that that does not happen with this issue. I know that the Member has less association with the person involved in doing that than some people might think she has, but that happened. People need to nail their colours to the mast. I hope that the SDLP, in particular, in that light —

**Ms Hanna:** On a point of order, Mr Speaker. Is it in order to ask the Minister —

**Mr Speaker:** No. I will take points of order at the end of the Minister's statement.

**Mr Ó Muilleoir:** I hope that people will nail their colours to the mast, and I look forward to the day when the SDLP is not rapping doors in South Belfast and saying to people, "Oppose Máirtín Ó Muilleoir because he will remove the

rates cap". I think that it is fair, and I say that to the Chairwoman of the Committee as well.

I look forward to the opportunity to go to my beloved Finance Committee to discuss business rates. I offered that the last time, but you will remember that my offer was spurned and we spent three hours talking about other matters. The offer stands, however, and I look forward to discussing these matters with the Finance Committee.

Again, we need to nail our colours to the mast. Do we agree with the evaluation carried out, which said that the existing scheme was too broad and diffuse and had not delivered any results? Do we then believe that it should be replaced with a targeted approach that is focused on small retail and hospitality that is linked to tourism? Let us be clear: these are the proposals of the Finance Minister, and they need the support of the Assembly. This is the ultimate authority on all the proposals that I lay out today. There will be a discussion, you can be sure, with the Finance Committee. There will be a discussion with the stakeholders — some of that has started already — and there will be a concerted effort by my team to win people over, and, where there are genuine concerns, we will want to address them.

There will be improvements. I have laid out the broad parameters here, but I have no doubt, from looking at some of the very wise and sage Members around here, there will be improvements on what I am proposing in the time ahead.

**Mr O'Dowd:** Before I move beyond South Belfast into another constituency, while, quite understandably, the focus will be on what rates we are raising, it is also worth noting that every £1 million extra that the Executive can raise is 30 extra teachers or 30 extra nurses. Therefore, I welcome the fact that the Minister is looking at proposals that will raise further revenue for the Executive.

I want to move to non-domestic rates. How will the vision that the Minister set out at the start of his statement impact on towns and villages across Upper Bann and other constituencies in making our towns and villages more attractive places for small businesses to do business?

**Mr Ó Muilleoir:** I thank the Member for his question. I have had the pleasure, since my appointment, of visiting Lurgan and Banbridge. I have not been to Portadown, another large town in your constituency. In those town centres — and particularly, in fact, before my

appointment, in Portadown — I have seen too many empty shops and too much dereliction on the high street. It is my intention that the measures that we introduce today, in concert with the business associations and with other Departments, particularly the Department for Communities, will lead to a turnaround. We did introduce what I refer to as the spray-and-pray approach, where everybody got some rates relief, in 2010, but now we are trying to have a more targeted approach. I think that we need to speak to the councils because this is clearly focused, for the first time ever, on a package of rates measures that focuses on hospitality, which, of course, is linked to tourism. For many years the Executive have been putting the focus on tourism, yet we have not joined up our thinking on rates. We are doing that now.

I say to Mr O'Dowd that it is my hope that this will be a spur for economic growth that will set us on a path of more prosperous town centres and more prosperous high streets. You will note, when we go through some of the detail, that it is my intention that, for this new targeted rates relief scheme and support scheme for retail and hospitality, there should be a higher net asset value (NAV) for the properties right up to £25,000. That will bring in many of the pubs, many of the cafes and many of the retail businesses in Portadown, Lurgan and Banbridge. It will probably not include them all — some of the bigger ones — but it widens the net considerably and gives people a real lift in the time ahead. I look forward to my invitation to go back to Banbridge, Lurgan, Portadown and other parts of your constituency, and I look forward to working with the business organisations, the councils and the other Departments to make sure that we all row in behind this idea to get the maximum lift from it.

**Mr Smith:** Thank you, Minister, for your statement. I look forward to studying this in more detail at the Finance Committee. I look forward to welcoming the Minister to the Committee again. Hopefully, it might be a little less entertaining and more insightful than his last visit. From his statement, it appears that this has yet to be agreed by the Executive. Did the Minister not consider replicating the Scottish or English model for non-domestic or business rates by removing all SMEs from rates below maybe £10,000 or £6,000 respectively, with tapers down to even higher levels?

**Mr Ó Muilleoir:** I thank the Member for his question. I do not know whether my next appearance will be insightful or entertaining, but I am looking forward to getting back in. I know that the Finance Committee has a very busy agenda. The Member, and anyone who has

served for longer on the Finance Committee, will know that there have been tortuous attempts at some stages to try to really get to grips with this. How do you get the balance right? We need to raise rates to fund our services, but, at the same time, we do not want rates to be punitive and deter business. That is not always easy.

I have looked at the other models. In particular, you will know that in England last year they removed rates for properties below £10,000 NAV. I think that up to half a million businesses may have been involved in that, and they could fund that. We really cannot afford to give people 100% rate relief at that level. We do not have the rates base and the property base compared with the power of the south-east of England, the power of Heathrow Airport and the power of London. We do not have that rates base. What I am proposing here for the retail, hospitality and tourism link businesses that fit the criteria will make a real difference. I envisage those that have a NAV of less than £10,000 getting 50% off their rates, which is an increase on what was there previously and will make a real difference.

#### 11.45 am

The Member and I start out on the same basis that we want to create a system that will really change the landscape for retail and hospitality. In these matters, we do not go to the Executive first and then have the Executive tell the Assembly what to do. I am coming to the Assembly. You are absolutely right that there has to be more detail. I have to go to the Committee. I have no doubt that I will be bidding for, and I am confident that I will receive, the support of Executive colleagues. However, we cannot put the cart before the horse. I think that we are going the right way about this.

Replicating what England did would blow a £60 million hole in our finances, and we just cannot afford to do that, but I am sympathetic to the businesses in smaller towns, some of which you represent. I have been in Comber, Dromore and places like that, where I see too many empty properties. This will make a real difference to retail and hospitality businesses in those areas.

**Dr Farry:** I give credit to the Minister for setting out what is a very ambitious agenda. He talks about nailing colours to the mast on the issue of rates capping. If he checks through the Assembly and Executive voting record on this, he may discover that Sinn Féin is actually doing

a U-turn. On the specific issue of business empowerment zones, given the current ongoing deadlock around the transfer of regeneration powers to councils, is there not a danger that the Executive are taking a very mixed, contradictory and incoherent approach to how we can best regenerate our towns, villages and cities across Northern Ireland?

**Mr Ó Muilleoir:** I thank the Member for his question and for resisting the temptation to oppose removing the cap because, of course, along with mine, his is the other constituency that is really affected by the removal of the rates cap. I thought that it was really important to stop faffing around and to try to focus on actions that will result in better outcomes for our people. For some time now, I have been dismayed by the continuing levels of unemployment and poverty in some of the areas that we look at, especially in Belfast but also in some areas outside Belfast. It is particularly the case in the heart of east Belfast and the heart of west Belfast. At the same time, I have been heartened and buoyed by the renaissance that I see in both those areas. I mentioned that opening tonight is C S Lewis Square beside the EastSide Visitor Centre and the Connswater greenway and not so far from Ballyhackamore, which is doing very well, and Holywood Arches, which may be captured by this. I see great opportunity and great signs of revival.

I know that the Member would not like me to wait until we have all our ducks in a row before striking. In this case, I am striking and trying to send out a strong message that we can make a difference by using property taxes and rates. I believe that we can do that in west Belfast, in the Falls and right up the Newtownards Road, but it needs to be done with the cooperation of other Departments.

I am sure that you have seen it in your constituency. I do not know if Bangor has just adopted a business improvement district (BID) model, but I know that the BIDs are starting to make a difference in Newry, in its cathedral quarter and city centre. This, to a degree, is us taking the BID model and trying to partner west and east Belfast to make a real difference. I look forward to the Member's input in the time ahead, but, like him, I would rather not hang around. I would rather come forward with some bold proposals. Then, let us get them enacted. It is a pilot. If it does not work, we will do something else. However, at least we can hold our heads up and say, "We know that these two areas have not received the peace dividend that we would like them to have received, and, today, we are trying to make a real difference".

**Mr Wells:** First of all, I suggest to the Minister that he is going to have trouble with his decision to scrap the cap on domestic rates. He also made a very significant comment in his statement. He said that he is abolishing the industrial derating of vacant factory premises. He will know that there are many factories in Northern Ireland where genuine attempts have been made to rent or sell the property but that for various reasons — sometimes the property is at an interface or the industry is simply not viable — it cannot be done. If the individual owner of that property can show that he or she has made every attempt to sell or rent the property, will they still have a large rate bill landing on their desk?

**Mr Ó Muilleoir:** I thank the Member for his question. I do not know whether he was wishing me well, giving me his best wishes or issuing just a word of caution around removing the rate cap.

**Mr Wells:** It was a warning.

**Mr Ó Muilleoir:** He was giving me a warning, but I travel in hope and with some confidence. In relation to the issue of empty factories, you are absolutely right: it is a conundrum. We have stepped back and presumed that if a factory is empty, there is nothing we can do about it. Then a case was brought forward by the CEO of the Fermanagh and Omagh District Council relating to a derelict factory. It was the opinion in that case and in others that, in fact, the realisation of a landlord that there is no penalty at all in having a factory sitting empty does not encourage movement or action, but it is difficult.

The Member will have heard, at the end of my statement, reference to a tax on derelict land. That has the same difficulties. Sometimes, people say to me, "I am sitting on derelict land; it is not that I do not want to sell it, I just cannot get a buyer for it". The issue is not without complexity or challenges, but I urge the Member to move forward with an open mind. If we could prove to him that introducing a tax or rates on empty factories would help to convert them into productive assets, I hope that we would then get his support. We have a fair bit of evidence gathering to do before he comes to that decision, but I hope that he will proceed with an open mind as we negotiate these issues.

**Mr McAleer:** I thank the Minister for his statement. Will he outline how these proposals will benefit councils?

**Mr Ó Muilleoir:** Go raibh maith agat as an cheist. I thank the Member for his question. The House knows that I am an advocate for local councils and for increased powers for them, a fact that has been in the news recently. I believe that they are great partners. There are now 11 ambitious councils with very strong growth plans for the future. When the measures are implemented, they will immediately create a nice little windfall for councils. They will benefit by an extra £10 million, which perhaps they will use to borrow additional money, improve services or invest in their council areas. Think of the money that Belfast City Council spends on the Visit Belfast Welcome Centre. I know that, similarly, there are plans for the relocation of the Visitor Information Centre in Derry. Belfast City Council puts money into its convention centre, the Waterfront Hall and other facilities. Those are really focused on tourism and trying to grow the economy by bringing in visitors. Now we say to them, with the new rate relief measures, that we are also focused on hospitality.

I will mention one other measure announced today, and that is about trying to convert some retail premises into accommodation. It still pains me to walk through Belfast city centre, in particular, and to see premises above shops that are not used, are just empty, and in which people could live. Also, in some of our towns and villages, there are retail spaces that are not coming back, and they, too, could be converted into accommodation to help people live in town or village centres and, in the case of Belfast, the city centre. I think that those are big benefits to the councils, but we can magnify and multiply them if councils work closely with us as we implement those measures.

**Mr Humphrey:** I thank the Minister for the statement he has made. I very much welcome the review of non-domestic rates for businesses. A boost to local businesses, particularly small businesses, is vital. Has the Minister been in touch with and liaised with Belfast City Council, the chamber of commerce in Belfast and traders' associations, particularly around the two pilot schemes that he mentioned on small-business empowerment zones. I must say to the House that I am concerned that there is a zone in east Belfast, which runs from the foot of the Newtownards Road to the Holywood Arches, and one in west Belfast, which runs from Castle Street in the city centre the whole length of the Falls Road to the bottom of the Whiterock Road. That is hardly fair or equitable, and the outcomes cannot be compared.

**Mr Ó Muilleoir:** I thank the Member for his question, and I take on board the point he makes. It is a pilot scheme, so let us see whether it has a dramatic impact on both those areas. I know that neither scheme is in your constituency. If they work, I wish to try a rural pilot. How can we get out into the villages and towns, particularly the villages? I was speaking to Kilkeel Harbour Works on Thursday night. How can we do more work in the small coastal towns and villages?

I urge the Member, as difficult as this may be, to approach it with an open mind and a good heart. Let us see where the advantages are. If there are advantages for west and east Belfast, and we learn lessons, let us roll out those advantages in north Belfast, and, Heaven forbid, we might even roll them out in south Belfast as well.

**Mr Kennedy:** Will the Minister return to the issue of the proposed rating of empty factories and provide clarification on the size of factory and whether his proposals will include industrial units? The Minister will know that many business and factory owners also own vacant units that they hope to develop at some point, subject to opportunities being provided for them. Could the imposition of rating charges on such units serve as a negative to owners and reduce their ability to provide employment opportunities?

**Mr Ó Muilleoir:** I thank the Member for his question. I go back to a word that he uses: opportunities. I see this as an opportunity. We have to proceed with care. As I said in the introduction to my statement, we want to encourage and spur economic growth, and we want to discourage dereliction, but that needs to be handled carefully. Of course, empty business units are already liable for empty property rates — 50% of rates. Thus far, we have not got it right. I have visited too many places where I see empty factories that have effectively been abandoned because there is no onus on anyone to try to sort out the problem. With the Member's support and help, we will tease our way through this. Together, we can seize opportunities, and one of those opportunities is to bring back into productive use the empty factories that I see across the landscape.

**Ms Seeley:** The Minister has touched on this a little, but will he detail how he hopes today's measures will encourage tourism?

**Mr Ó Muilleoir:** I thank the Member for her question. It is a fact that the Minister for the

Economy has been working assiduously over recent months on a new tourism strategy. It is a matter of fact that the Executive have invested very strongly in our tourism infrastructure. All parties, I think, have agreed to that. Think of the Gobbins, the Peace Bridge — also a piece of tourism infrastructure — or Titanic Belfast. We have made tourism the jewel in the crown of our proposition as a region, yet, at the same time, we have not joined that up with rates policy.

When I was in Ballycastle recently, I saw at least two closed-up pubs. I travel to other areas. There has been a big decline in the number of pubs in recent years, for a number of reasons, which include the changing habits of people. I would like to see the tourists who come here to follow the 'Game of Thrones' tour, for example, and who end up in Ardglass or north Antrim be served by the people who want to open cafes, restaurants, pubs or other premises, and whom we have encouraged to do so. I saw that when I visited Portrush at the invitation of Minister Givan. Down on the harbour, we had the pleasure of seeing a small cafe called Babushka, where we met 10 Chinese bloggers who were in having fish for their breakfast. They were enjoying breakfast and blogging about the wonders of that part of the world. We are trying to join up our thinking. We know that tourism is important, but now we are giving an added incentive and lift to those who have taken a risk and set up businesses in the hospitality sector.

**Ms Bunting:** How does the Minister plan to address the legitimate concerns that some of us have that, far from being a fair system that supports prosperity, it is a system in which he is penalising some small businesses to the benefit of others? They all contribute to the economy and all employ people. How does he propose to define "retail"?

## 12.00 noon

**Mr Ó Muilleoir:** I thank the Member for her question. I suppose it goes back to the basis of our new thinking. In 2010, we introduced a small business rate relief scheme. That was helpful to many small businesses, and I am sure that many of us know the owners of small businesses. We will be six, seven or perhaps eight years on when — I hope — we introduce our new measures, and it is time for a more targeted approach.

In other places where they have had to designate businesses as "retail" or "other", they have found a way to do it, and I am confident

that we will be the same. Offices will lose out, and they are important. Therefore, having supported for seven years an average payment of £700, we are moving on to a system where we will target our resources elsewhere. I am going to spend more money: the last small business rate relief scheme cost around £18 million, and I intend to spend £22 million on this.

There is a lot of work for Land and Property Services (LPS) to make calls on. I have not made them, but I am sure that, in consultation with the Committee, we will make calls on dog-grooming services, hairdressers and so on. How do they differentiate from a payday lender? Is that someone whom we wish to allow into the scheme? I would not wish to see that.

There is a lot of work to be done. It will not lead to any decrease in activity on the high street; it will lead to an increase. I am very happy to look with all stakeholders, including Members, at how we define retail and hospitality businesses and differentiate them from other businesses that have benefited over the past six years and got a nice little lift from us to make sure that they survive these times.

**Mr Mullan:** I thank the Minister for his statement. I was glad to note that in your statement, Minister, you recognise the valuable contribution that charity shops make to our society by attracting shoppers onto our high streets and through the very valuable work that they do to support the most marginalised and most vulnerable in society. You intend to carry out further consultations on the matter. Can you give me an idea of what kind of consultations you have carried out and what length of consultations you intend to carry out? This is a very big issue for charity shops in my area.

**Mr Ó Muilleoir:** I thank the Member. The Member has brought this issue up before. We will move into consultation on all these measures rapidly. On many of the issues, I hope to move into consultation before Christmas.

We will not take anything forward before we thrash it out among ourselves. Do I believe that charity shops could pay 10%? I do, but I am happy to be informed by Members. As you know, the rate is 20% in Wales, Scotland and England, and it should not be any more than that. However, I believe that we have to stop the proliferation of such shops. We have just over 350 of them; I think that we are OK where we are, and I certainly do not want to see more.

Could they make a small contribution of £15 a week? Yes, they could. However, I am happy to discuss that with yourself and see where it goes.

Another little idea that the Member will be interested in is whether we could use that money with the third sector, the charity sector, to encourage social or third-sector entrepreneurship. People are trying to find other ways of raising money for voluntary groups and charities. That is my preference, although only a small amount of money would be raised through it.

When we went out to consultation on the small business rate relief scheme, businesspeople had a principle that everybody should pay something, which I agree with. So, if you are on the high street, you should pay something. That is my opinion; it does not have to be an awful lot, but, in principle, everybody should pay something.

The last thing that I say to the Member, although it does not affect his constituency, is that an issue that we could tackle is that of higher-value units being let to charities — say a unit with an annual rent of £100,000 — thereby allowing landlords to dodge responsibility for paying empty property rates. There is much more sympathy for the towns and villages where charity shops are a key part of the mix.

I look forward to working with you. There will be plenty of opportunity through the Committee, the Assembly and the consultation to make views heard. It was a vigorous debate the last time, and I am sure that it will be again.

**Mrs Cameron:** I thank the Minister for his statement and his answers so far. Following on from the previous question, the Minister has highlighted a direction of travel in respect of charity shops that would see a reduction in the exemption to 90%. I fully understand the need to have a balance, in our town centres in particular. I am thinking of the likes of Antrim in south Antrim. Just for clarity, will the Minister be consulting with the charity sector to include their views in any consultation?

**Mr Ó Muilleoir:** I could go further than that: not only will we be consulting with them but I can assure you that we cannot do this without the support of Members. That is where I am minded to go. I will be informed by the consultation but it will be the Members of the House who will decide whether we should introduce any rates for high street charities.

**Mr Lunn:** I thank the Minister for his statement. It is encouraging to hear a Minister saying he is going to stop faffing around and take some hard decisions, so I welcome that.

I am still on charity shops, Minister. Is the Minister minded, as part of the consultation, to examine what constitutes a charity shop? I have no wish to put the boot into them but some of the current charity shops are acting in direct competition with fully fledged shops that are paying fully fledged rates. The Minister talks about balance and a constructive approach but I question, in terms of procurement of stock and the way they operate, whether some of them are actually what was meant to be a charity shop at the beginning of all this.

**Mr Ó Muilleoir:** Thank you. Yes, we do need to look at that. It needs to be a fair system.

I have just noticed that we have a large group in — from Cullybackey, I think — the guests of Robin Swann. I hope that this is going to help villages as well.

I know that in Lisburn charity shops are part of the mix. I also know that it is the opinion of the charity sector leaders and businesses I meet that they should not be competing directly by selling new retail items from their shops. We need to get the balance right. If someone is paying full rates next door to a charity shop then it is our understanding that the charity shop should be selling goods that are not in direct competition. I think that it breaches the spirit of what we are trying to do with charity shops.

Let us look at it as we move forward. We should not exaggerate it either, Trevor. I am not sure that 10% is a stern or tough action but it is a positive one in that we are saying, "Look, you're occupying a productive asset and we think you should make a contribution".

I have one last point: there are unscrupulous landlords who dodge the empty property rate by putting a charity into the shop, but they do not reduce the rent by one penny. I am amazed at charities across this town that are paying full price for the properties they occupy. I always thought that the landlords made people a deal. In fact, what they do is that he or she dodges the 50% empty property rate and then makes sure that charities, which are sometimes maybe not as ruthless in negotiating as some others might be, pay the absolute full rent. For me, that also breaches the spirit of what we are trying to do.

**Mr Attwood:** There are many good things in this statement: the use of pilots; the proposal in respect of energy efficient new homes; the tourism and hospitality interventions; and other things.

Does the Minister not have two concerns? The first is that if a decision is made in the near future that regeneration powers are not to be transferred to councils, then the rug would be pulled from under his feet with regard to his high street interventions, of which there are a number.

Secondly, does he have a concern that the DUP flagged up clearly this morning that when it comes to some, at least, of what he is proposing, he does not have political cover from them?

**Mr Ó Muilleoir:** I am not going to speak for the SDLP. I am certainly not going to speak for the DUP either this morning. I am going to take and bank the positive comments at the start of that statement about the elements of this that you like.

I am with you in terms of regeneration powers for councils. At the same time, and I know you will see this as well, I am buoyed by the attitude of councils, which, as you know, do feel hamstrung. You heard Gerry Millar, of Belfast City Council, saying in a radio piece last week that additional regeneration powers would help them to do more.

I do not see their hands being completely tied. I see them still trying to do things. I admire the leadership of John Kelpie of Derry City and Strabane District Council, Suzanne Wylie at Belfast City Council and their colleagues in Lisburn and Castlereagh City Council or from other areas who have been in touch with me.

I hope that this will empower them while we wait, as Trevor Lunn said, for Government — while we wait for Godot. At the same time, it will empower the councils to partner us in the time ahead, and it will empower businesses. The Member will know that, despite the challenges, the BIDS went ahead: the Cathedral Quarter voted for a BID, as did Belfast One. As you know, they have much more ambitious plans and hopes for the devolution of power to cities, but they did not sit on their hands. I hope that he will support us in moving positively ahead while we await further improvements.

**Mr Agnew:** As a Member from the other constituency that is greatly affected by the

proposal, I unequivocally welcome the removal of the rates cap. I have long argued that it is not fair that my constituents in the Kilcooley Estate subsidise the rates of those who own estates in Cultra. The Minister said that he is confident in going forward with his proposals. Given the position of other parties on this issue in the past, what evidence does he have for his confidence that he will get political support from the DUP for this positive move?

**Mr Ó Muilleoir:** You are the second person who wants me to join and speak for the DUP. I am very confident that we will get this entire package through, and it is a package; it should not be seen as doing something around low-carbon or zero-carbon homes. That should never have been stopped, Mr Agnew, and we are trying to bring it back. It is not only about the conundrum of empty factories or increased help for hospitality. It is a package, and the cap is part of it. I am confident that all of the measures outlined today will go through and be passed by the Assembly. Will they be tweaked? Will there be, maybe from you, better ideas of how we can do them? I am open to and would welcome that. I am confident that this package of measures will, as a package, be endorsed by the Assembly in the time ahead.

**Mr Allister:** I bring the Minister back to the small business empowerment zones and express my disappointment that his approach to pilots is so Belfast-centric. There is not a single rural town included, and, although the issues may be slightly different, the pilot may be beneficial there, too. I think of a town like Ballymoney, which has been ravaged by dereliction. What does a small business empowerment zone actually mean? There is no substance here about it. Is it rates exemption? Will he clarify that? On rural issues, will he confirm that he is not minded to disturb agricultural rates? Can that be taken as a given?

**Mr Ó Muilleoir:** I will take the third question first. Yes, there will be no change to the agricultural rate reliefs.

Mr Allister, if you would like to bring suggestions about rural areas to Mr Brian McClure at my Department, I would welcome that. Responsibility for rural areas lies with another Minister, with whom I have discussed this. It would be nice to have another pilot for rural areas outside Belfast. We may do so in the time ahead. This was the bite of the issue that we could take at this time. I mentioned the need to do something for smaller towns and villages, although I was not thinking of places

as big as Ballymoney; I was thinking of some of the small coastal villages and towns, for example. If you have any suggestions on that, please bring them forward. You should not think that because we have one pilot, we cannot have another.

I envisage a rates empowerment zone as being somewhere where, for example, the pioneers and champions of the EastSide Partnership, EastSide Arts, will tonight open C S Lewis Square. They could go to a potential investor and say, "We now have special status under the rates system, so, if you have a new business here, you would get 50% rate relief. Instead of paying 100%, you would pay 50%".

This is for at least three years, perhaps five, so there is a bit of certainty and a reason to attract someone to the area. However, it is also for existing businesses: we need them to expand and invest more. We want to transform the area in which they are based. It does not work by passing legislation alone; it does work by having, for example, a full-time worker who, like the chair or chief executive of a BID, goes out and sells the advantages of an area and works out the best strategy to build on this. It is another tool in the toolbox, for example, for the EastSide Partnership, the West Belfast Partnership, Féile an Phobail in west Belfast, EastSide Arts and other groups. I hope that, in that context, we will move swiftly into discussions with some of the other Departments and the council about how they can come in behind this idea.

**12.15 pm**

**Ms Ruane:** Cuirim fáilte roimh an ráiteas. I welcome the statement and, if the Minister is looking for a rural town for the scheme, Warrenpoint will be very open to having it. Will he outline in more detail his interesting proposal to enable companies to access rate relief by accrediting with the Living Wage Foundation? In all this, workers' rights are very important.

**Mr Ó Muilleoir:** Go raibh maith agat as an cheist. Thug mé cuairt ar Rinn Mhic Giolla Rua ar na mallaibh. Tá súil agam go mbeidh mé arais, le dea-scéala más féidir, ach tá súil agam go gcuideoidh seo leis an cheantar. I have been to Warrenpoint at the invitation of the Member, and I believe that, like all the other towns, villages and cities, this would benefit Warrenpoint, especially now that it is trying to focus more on tourism in the time ahead.

I know that I am trying your patience, Mr Speaker, because I have been on my feet too

long, but a really major change in the new rate relief proposals is that people have to apply. Previously, under the spray-and-pray approach, we just said that every business under a certain NAV would get relief. We are now saying that it is targeted at small retail and hospitality, but, as well as that, you have to apply. It is a very simple application process, but you have to prove that you have made an investment in your business. If your rate relief is £1,000, you need to show us that you spent £1,000 on new equipment and skills training, and you employed more staff. We want to make it online-only and really simple, but, for the first time, you will have to ask for the rate relief. In my mind, that is a sea change because people will now understand that they are earning something and are entitled to it, but they have to ask for it.

In my view, another way for a business to be entitled to the new business rate relief system is for it to be accredited with the Living Wage Foundation, which accredits businesses. The new living wage is £8.45, but businesses that pay that can have the proud boast that they are Living Wage Foundation companies. If any small business in retail or hospitality can say to us, "I won this accreditation", that, for me, would be enough to entitle it to ask for and receive rate relief. I hope that that encourages more companies to look seriously at how they can increase the money that they pay their staff. Of course, when you have added investment in staff, you will demand more productivity, but all that moves people up the business and job value chain. My officials will be speaking to the Living Wage Foundation people today, and this relationship can only benefit businesses and employees in the time ahead.

**Mr Bell:** There are a number of very positive things in the statement, and the manufacturing industry will be hugely pleased — rightly so — with the nature of the maintenance of industrial derating. There will be interest in the use of the rates system to encourage regeneration, investment and entrepreneurship. What measures and time frame can we use to check whether this statement matches up to the outcomes? What targets can we use in an outcomes-based approach, and when can we look back to see how well we are doing at using the rates system for regeneration, investment and entrepreneurship?

**Mr Ó Muilleoir:** That is a fair question. As you know, we really did not do that with the last scheme, but that was in the mouth and the maw of a terrible economic crisis. With this scheme, it maybe needs to evaluated every two years,

but certainly no longer than that. I think that you will agree, as a former Minister for the Economy, that Neil Gibson's Economic Policy Centre does good work. We are happy with the work that it does. As I said, we are commissioning in other areas, and I would be very happy if it is the body that is commissioned.

We cannot rely on anecdotal evidence and need to assess whether this is working. If it is not working, we need to do something else. I am confident that it will work. As you know, some stakeholders are very supportive and some are not so supportive, but we need to get it right, and, if we do not have the evidence, we will not really know what we are doing. I am happy to work through with the Member how we gather evidence; how we decide whether it is having the desired effect; how we can ensure that it does not have effects that we do not want; and how we can augment and enhance what is working well for us and abandon things that are not working.

**Ms Armstrong:** I thank the Minister for his statement. I take him back to page 4, on halls of residence. There is only one very small hall of residence in my constituency, at Queen's University marine biology station. What impact will the change have on the hard work being done to attract external students to Belfast? The change may make Belfast a bit more expensive. It will also make it more expensive for rural dwellers who want to send their children to halls of residence or are themselves students. Will it have a negative impact on places like the Holylands?

**Mr Ó Muilleoir:** I thank the Member for her question. No, I do not think that it will have a detrimental effect on the valiant efforts of our universities to attract people from outside this jurisdiction to study here; it will make the system fairer. Other students who live away from home pay rates in other types of accommodation that are almost like halls of residence — we see those springing up across the city. It is a small change to the system. We consulted on it. I think it is time. I have not yet spoken to my dear friends in the University of Ulster or Queen's University, but they have strong cases to make on overall funding, and I am listening to that very carefully. I do not think that this will make any difference to their efforts to attract students. All we are doing is making the system more equitable.

**Lord Morrow:** In the early part of his statement, the Minister said:

*"Today, I propose a groundbreaking package of measures aimed at modernising the domestic and commercial elements of the rating system".*

He then proceeded to outline a list of fairly punitive measures against those who pay their rates: has he anything new to say about those who do not?

**Mr Ó Muilleoir:** Lord Morrow, you have to read past the first few pages. Much of the statement is about people who do not pay their rates, including landlords who pay 50% empty property rates, which will go up to 75% — still way off where Scotland is. That will make a difference. It involves those who do not pay rates on empty factories; we are trying to get that right as well. They will add to the tax base. Through many of the things that we are doing we are trying to bring in more money, not just for Fermanagh and Omagh District Council but for all councils and for government coffers. Of course, we have just spent the best part of 30 minutes discussing the big one: the people who are not paying at the minute are those who enjoy the domestic property cap, and that is going as well. There is no doubt that some people who heretofore did not make as much of a contribution as they should will have to shoulder more of the burden, because we are making the system fairer in the time ahead.

I am always up for listening to other proposals on how to raise more rates. As you know, there was a bit of a love-in when we removed rates entirely from community amateur sports clubs and extended that to pigeon clubs. Everybody is in favour of removing rates, but, if Lord Morrow has other proposals around how we might bring forward other measures to raise rates, I am certainly all ears. Make no mistake: when we finish the exercise, with the support of the House, there will be £16 million recurring each year more in government coffers and £10 million more in council coffers.

**Mr Speaker:** That concludes questions on the Minister's statement.

**Ms Hanna:** On a point of order, Mr Speaker. Is it in order for the Minister, when the DUP publicly responds to say that he does not have its support — ironically, when my party was acknowledging its broad sympathy — to deflect his anger by making allegations against other parties and presenting tittle-tattle as fact? If he insists on taking his frustrations with the DUP out on others, would it not be better that, rather than making allegations, he named names and presented evidence?

**Mr Speaker:** I do not think that is a point of order. The Speaker has no role in adjudicating on Members' —

**Mr Ó Muilleoir:** On a point of order, I am happy to name Dr McDonnell and Declan Boyle as going around doors — [*Interruption.*] I can bring the evidence as well.

**Mr Speaker:** Minister, the Speaker has no role in adjudicating on Members' or Ministers' remarks, but the Member has placed her concerns on the record.

## **North/South Ministerial Council: Agriculture**

**Miss McIlveen (The Minister of Agriculture, Environment and Rural Affairs):** With your permission, Mr Speaker, I wish to make a statement in compliance with section 52 of the Northern Ireland Act 1998 regarding the twenty-sixth North/South Ministerial Council agriculture meeting, which was held in Armagh on Wednesday 26 October 2016. Chris Hazzard MLA, Minister for Infrastructure, and I represented the Northern Ireland Executive at the meeting. The Irish Government were represented by Michael Creed TD, Minister for Agriculture, Food and the Marine, and Michael Ring TD, Minister of State, Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs. Minister Creed chaired the meeting. This statement has been agreed with Minister Hazzard, and I make it on behalf of both of us.

Ministers discussed the implications of the result of the recent UK referendum on EU membership. They noted that the Department of Agriculture, Food and the Marine (DAFM), the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs and the Department of Agriculture, Environment and Rural Affairs (DAERA) had undertaken an initial scoping exercise to assess the impact of the UK decision.

The Council welcomed the ongoing collaboration between DAERA and DAFM aimed at maximising the drawdown of EU funding under Horizon 2020 for the agriculture, forestry, food and marine sectors and the bioeconomy and the €26 million secured in funding to date by successful applications from both jurisdictions. Ministers noted the progress made in funding projects in both jurisdictions under the DAFM national competitive call and the extension of the United States-Ireland research and development partnership to include agriculture research themes.

The Council noted the ongoing progress made by DAERA and DAFM on the implementation of the common agricultural policy (CAP) reforms agreed in 2013 and the up-to-date situation with regard to the implementation of the rural development programmes. Ministers also noted the potential implications for future CAP funding of the result of the UK's decision to leave the EU and the determination of Departments to implement European Commission proposals for CAP simplification and push for further simplification where appropriate.

The Council noted the current position with regard to the ongoing difficulties being experienced in agricultural markets, the associated measures introduced to address those difficulties and the continuing close contact between officials from DAERA and DAFM on a range of issues, including CAP reform implementation issues and the impact that the UK decision to leave the EU will have on the agri-food and fisheries sectors in both jurisdictions.

The Council welcomed the continuing work on the delivery of the all-island animal health and welfare strategy action plan since the last North/South Ministerial Council agriculture meeting on 20 January 2016 and, in the context of the recent UK referendum, looked forward to the continuation of practical and effective cooperation on animal health and welfare and disease control in both jurisdictions in order that the health and welfare of livestock is maintained at the highest level.

Key points noted included the introduction of a mandatory bovine viral diarrhoea eradication programme by DAERA on 1 March 2016, similar to that introduced by DAFM in 2013; that, on 29 September 2016, the Executive agreed the recommendation for DAERA to submit an application to the World Organisation for Animal Health for BSE negligible risk status for Northern Ireland — the application has been submitted and the decision will be taken in May 2017; that agreement was reached at a meeting of the North/South disease control and trade working group in March 2016 on ways to enhance trade between the two jurisdictions, in particular agreement on how to streamline the health certification processes for deer and pigs being moved to Northern Ireland for slaughter; that a shared contract for the emergency supply of carbon dioxide for whole-house gassing of poultry has been in place since June 2016 and will be valid for three years; and that a memorandum of understanding for sharing livestock culling teams in the event of an exotic disease outbreak in either jurisdiction was signed by Chief Veterinary Officers in June 2016.

### **12.30 pm**

The Council noted the progress made with the review of the all-Ireland Chalara control strategy by officials from DAERA and DAFM in response to ongoing scientific and surveillance evidence; the research being undertaken to develop a population of Irish planting stock tolerant to the Chalara — ash dieback — disease; and the ongoing commitment to continue to work towards the shared objective of achieving and

maintaining good plant health status on the island. Ministers welcomed the continued cross-border cooperation in dealing with tree and plant health and the shared approach to regulation, as evidenced through a common approach to Epitrix, which is the potato flea beetle, risk management. Ministers welcomed the joint approach to the continued sharing of science and diagnostic capability and the regulation of the use of pesticides.

The Council welcomed the continuing cooperation between both jurisdictions, the ongoing work to improve farm safety and the agreement between the Health and Safety Authority and the Health and Safety Executive for Northern Ireland on the joint development of farm-safety e-learning packages. Ministers welcomed the success achieved in raising public awareness of the inherent health-and-safety dangers on farms during the international farm safety week 2016 and the forthcoming tripartite meeting of the Health and Safety Executive for Northern Ireland, the Health and Safety Authority and the Health and Safety Executive of Great Britain to discuss farm safety that will take place on 1 December 2016.

The Council welcomed the good progress made in both jurisdictions in implementing the LEADER element of the rural development programme. DAERA and the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs organised a LEADER cooperation event, held in Newry on 8 and 9 November 2016, to launch cooperation between local action groups from all regions of the UK and the Republic of Ireland. Ministers also welcomed the opening of a new social farming capital grant scheme in Northern Ireland to complement the existing support office in Cookstown. They also noted progress made on the Commission for the Economic Development of Rural Areas funded social farming grant scheme and the Republic of Ireland's new town and village scheme, and they agreed that officials should explore opportunities to share experience gained from initiatives aimed at sustaining rural settlements.

The Council agreed to hold the next agriculture meeting in the spring of 2017.

**Mr McKee:** I thank the Minister for her statement. Will she provide an update on what she is doing to reverse the recent ruling that has barred boats from Northern Ireland from fishing inside the six-mile limit of the Republic of Ireland? Surprisingly, it was not a topic at the sectoral meeting.

**Miss McIlveen:** I thank the Member for his question. I did not quite catch the last part of it,

but the Supreme Court ruling in the Republic in the last few weeks that upheld the appeal came as something of a surprise. I have spoken to the Minister responsible — Michael Creed — on a number of occasions in the last two weeks to determine what will be done to correct that.

The Member will be aware that it is based on the Voisinage Agreement, which dates back to 1964. That was a written agreement between officials with regards to fishermen from the Irish Republic fishing in Northern Ireland waters and Northern Ireland fishermen being able to fish in waters around the Irish Republic to a six-mile limit. It has been in standing for a long time. Obviously, it is recognised in the European Union as a long-standing agreement. It is quite lucrative for our fishermen; not being able to fish in those waters could cost them somewhere in the region of £300,000. It is of concern to me. My understanding is that Minister Creed is currently getting legislation drafted — it needs to be underpinned by legislation in the Oireachtas — and he is hopeful that it will make its way through the various procedures early in the new year. I am keeping in regular contact with him in that regard. Obviously, I hope that that will correct the issue. In addition, I have spoken to George Eustice, the Minister of State in DEFRA, on the further implications that that will have.

**Ms Dillon (The Chairperson of the Committee for Agriculture, Environment and Rural Affairs):** The meeting noted that measures are being introduced to deal with market difficulties. Will the Minister tell us when we will know what is happening with the €4.8 million aid package and whether she is minded to match-fund it, as other regions are doing?

**Miss McIlveen:** I thank the Member for her question. The aid package translates to just over £4 million for Northern Ireland. It is very welcome, as we lobbied to get a greater proportion of the allocation of moneys from the package.

You will be aware from previous comments that I have made that I want to maximise the impact of the money. I want to get it out as quickly as possible to farmers and also get the best value from it, as I want it to make a meaningful difference to the industry. Within the next number of days, I plan to make available the information on the schemes that I am funding. I appreciate that there have been calls for match funding, although not all regions are match-funding it, as the Member will be aware. She will also know that I do not have a surplus in my budget at present to match-fund. It is something on which I will have to have further

discussions with the Finance Minister, but, at this stage, I do not have the money. The Member will also know from discussions in farming circles that farmers have not quite been united on how the money should be disseminated. I plan to let the Member know in the next number of days how I plan to go forward with this.

**Mr Irwin:** I thank the Minister for her statement. The UK referendum result has an implication for farmers in Northern Ireland and the Irish Republic. Does she agree that, in the event of a hard Brexit, farmers in the Irish Republic could be badly affected?

**Miss McIlveen:** I thank the Member for his question. Indeed, a hard Brexit and a hard border would not help either Northern Ireland or the Republic of Ireland with trading. The Republic of Ireland exports a considerable amount of goods to Northern Ireland in a year. The figures for 2015 indicate that exports were worth almost £750 million. Likewise, €569 million of goods were exported from Northern Ireland to the Irish Republic.

There are issues for both sides. The Member will be aware that 29% of the raw milk produced in Northern Ireland is processed in the Irish Republic; that 39% of live lambs produced in Northern Ireland are exported to the Irish Republic; and that 31% of all pigs that are slaughtered in Northern Ireland come from the Irish Republic. At the moment, it is an issue that is much greater for the Irish Republic than it is for us. Currency movements are 15% less competitive for the Irish Republic, so it is in its best interests to be able to retain what is a particularly lucrative market within the United Kingdom. Therefore, a hard Brexit will be very difficult for the Irish Republic, as it will be for Northern Ireland.

**Mr McGlone:** To broaden the theme of the previous question, officials have been ensuring that there is close contact on both sides. It is paramount that that continue. Will the Minister provide us with any detail of specific items of work that officials on both sides have been commissioned to start as a result of the NSMC meeting?

**Miss McIlveen:** I thank the Member for his question. He will be aware that I keep in regular contact with the Minister in the Irish Republic. We speak regularly on a number of issues, be they to do with agriculture or fisheries. The specific piece of work that is being carried out is a scoping exercise that will be looking at trade, fisheries, animal health

standards, food standards and plant health standards. All those issues are part of the day-to-day work that officials carry out anyway, but there will be particular scoping done to determine the implications that the referendum result will have.

**Mr Ford:** I thank the Minister for her statement. I notice that in three separate paragraphs she refers to the potential implications flowing from the EU referendum in the UK. Given that we are now four months on from that referendum and given the points that she has just made in response to Mr Irwin about an integrated agri-food business across this island, is it not time that we had a bit more detail rather than merely being told that Ministers have discussed the issue? Should the Council not be meeting before next March to deal with these urgent issues on behalf of farmers North and South?

**Miss McIlveen:** I thank the Member for his question. He will be aware that I regularly meet my counterpart in the Irish Republic and that my officials meet regularly to discuss issues of mutual interest, sometimes daily depending on the issue, and that will continue. There will be a Council meeting when we believe that it is necessary, and if we need to have an additional Council meeting we will do so.

**Mr Anderson:** I thank the Minister for her statement. I will not be asking a question about Brexit. She mentioned animal health and welfare in paragraph 9 of the statement. Will she give us an update on the bovine viral diarrhoea (BVD) eradication programme in Northern Ireland?

**Miss McIlveen:** I thank the Member for his question. A mandatory eradication programme was brought in on 1 March 2016 similar to that which was introduced by the Department of Agriculture, Food and the Marine in 2013. Its aim is to control, and ultimately eradicate, BVD in Northern Ireland. It is an industry-led scheme operated by Animal Health and Welfare Northern Ireland (AHWNI) in support of the industry's action to eradicate BVD. The Department provided funding of £219,000 to assist with start-up costs, and my officials have worked very closely with AHWNI to facilitate the introduction and implementation of the tag-and-test legislation. We continue to liaise with AHWNI and the industry to bring forward phase 2 of the legislation when the monitoring requirements and necessary IT systems have been developed.

The most up-to-date figures that I have are that somewhere in the region of 335,000 calves had

been tagged and tested by the end of September and that there was a positive test rate of 0·73%. AHWNI has surpassed its target for tests being returned within seven days, which has been helpful to the industry. We are looking to the future, and it is likely that phase 2 of the legislation will cover herd monitoring and more rigorous movement and enforcement controls.

BVD eradication programmes are in operation not only in the Republic of Ireland but in Scotland, our two main trading partners. The test is intended to help to increase our competitiveness here and to improve our efficiency at farm level. We are hopeful of positive results.

**Mr McMullan:** I am pleased to see that there was a discussion about farm safety at the meeting. Did Ministers give consideration to making IT packages more available to the farming community? I am looking at the farm business scheme that has just been launched here. It is a matter of deep regret that IT is one of the ineligible items when you consider that anyone who goes online to apply gets 12 extra marks. Will you look at changing that to allow IT packages to become part of the grant scheme?

**Miss McIlveen:** I thank the Member for his question, although I am a little bit confused by it. I know that there is an e-learning package, which is being developed in collaboration with the Republic of Ireland. Farm safety is vital for all of us and is something that I take very much to heart. Any death on a farm is one too many and it is something we really need to focus our minds on.

#### 12.45 pm

I am committed to the safety of our farmers, their families and their employees. We are working very closely with the Farm Safety Partnership to maximise our impact. The Stop and Think SAFE campaign is a really hard-hitting advertisement, which we are investing heavily in.

We are looking at online tools, and you highlighted our Making it Safer tool which is associated with the farm business improvement scheme. While all applicants have to complete that form, and it is about raising awareness of what they do on their farm, we are encouraging others who are not applying for that scheme to also go through that assessment, and it is to focus their minds on the risks that, perhaps, they are taking on their farm.

You will also know that as part of the rural development programme, through the business development groups and the farm family key skills, this is an integral part of not only the discussion but the training that we are moving forward with. We cannot emphasise enough to farmers the need for them to assess risks and to be aware of the dangers around them.

**Mr Kennedy:** I welcome the statement by the Minister. I ask the Minister whether, at the sectoral meeting, there was any discussion on cross-border rural crime, which is very prevalent in my constituency and with criminal gangs travelling up from the Irish Republic to wreak havoc on rural communities. Will the Minister undertake to have this matter placed on a future agenda and seek input from the respective Justice Ministers to address this important issue?

**Miss McIlveen:** I thank the Member for his question. I do know that it is an issue of concern for the Member. It was not on the agenda for this meeting but I will undertake to do as the Member has suggested for the next meeting.

**Ms Archibald:** With reference to paragraph 14, I welcome the LEADER cooperation event that took place and the opportunities to discuss cross-border projects in the rural development programme. Can the Minister provide an update on the event and outline what steps her Department will be taking to facilitate the process of cross-border applications?

**Miss McIlveen:** I thank the Member for her question. The event was attended by around 120 participants. Unfortunately, I was unable to attend as I was out of the country at that time and sent my apologies. Obviously, it is very much about cooperation and assistance and, where there are issues of mutual benefit, it is important to encourage that.

I will do all I can to work with groups. Obviously, the LEADER element in Northern Ireland has been very successful to date. We have had in the region of 229 applications, which amounts to somewhere in the region of £8 million worth of grant which is being sought, and that work is continuing very positively. We will work to assist where we can to make things easier for applicants.

**Mr Mullan:** Can the Minister give further clarification about the e-learning packages that she has advocated and what form they may take?

**Miss McIlveen:** I thank the Member for his question. At this stage, I do not have any other information. This is being developed by the health and safety executives in the Republic of Ireland and Northern Ireland. Once I get the information, I will be happy to share it with the Member.

**Dr Farry:** I welcome the Minister's recognition of the very severe consequences of a hard Brexit, both for the Republic of Ireland and also for farmers and agri-food in Northern Ireland. Given the very high levels of integration in the agri-food economy across the island that have developed over the last 40 years, does the Minister believe that whatever outcome emerges from Brexit, that we have to ensure that the Republic of Ireland and Northern Ireland remain part of the same market system for agri-food, otherwise we are going to see massive diseconomies of scale, inefficiencies and a loss of prosperity in both parts of the island?

**Miss McIlveen:** I thank the Member for his question. Obviously, he will be aware that we are very cognisant of the unique situation that Northern Ireland has in having a border with a member of the European Union and what that will look like going forward. That has been raised at various levels. It has been recognised in ongoing discussions with those in the Republic of Ireland and Westminster and very much highlighted by the industry itself. My concern is very much around Northern Ireland going forward and making sure that the industry in Northern Ireland is best placed.

**Mr Allister:** At the meeting or elsewhere, did the Minister encounter any recognition by the Republic of Ireland that, if they were to permit the EU to erect a hard border — it will be their choice — by the imposition of average CAP tariffs of up to 18%, the biggest loser would be the Irish Republic because of the loss that would then result to its biggest market — GB — and that there would, in fact, be immense opportunity for the agri-food industry in Northern Ireland to fill that gap? Is there recognition by Dublin that they need to protect themselves by ensuring that those in the EU do not insist on a hard border, given that they seem to be the only people talking about one?

**Miss McIlveen:** I thank the Member for his question. I am aware that they are very concerned about it. They have had meetings with every other member of the EU to put their special case forward so that they are very much on the mind of those members once negotiations take place. The opportunity for

Northern Ireland moving forward in all this is immense, given the vacuum that is likely in the GB markets. We saw just last week the interest that there is in British product, when Dunbia (Ballymena) was able to sell its site to a mainland producer. I think that those are positive signs, and there are certainly opportunities for Northern Ireland in all of this.

**Mr Speaker:** That concludes questions to the Minister on her statement. The next item of business in the Order Paper is Question Time. I therefore propose, by leave of the Assembly, to suspend the sitting until 2.00 pm.

*The sitting was suspended at 12.52 pm.*

*On resuming (Mr Deputy Speaker [Mr Kennedy] in the Chair) —*

**2.00 pm**

## **Oral Answers to Questions**

### **Education**

#### **Early Years Education**

1. **Mr Agnew** asked the Minister of Education to outline any plans to introduce an expanded or universal provision of early years education. (AQO 715/16-21)

**Mr Weir (The Minister of Education):** I thank the Member for his question. The Department aims to provide a funded preschool place to every child in their immediate preschool year whose parents want it. In each of the last five years, at least — a minimum of — 99.8% of children whose parents stayed with the preschool admissions process to the end received the offer of a funded preschool place. The aim is reflected in the delivery plan for the draft Programme for Government, which is currently out for consultation, and I intend to ensure that children in their immediate preschool year continue to benefit from access to high-quality, universal early years education provision in the future.

I also plan to work with other Ministers and key Departments in the delivery of actions within the draft Programme for Government and beyond that are aimed at improving well-being and tackling disadvantage through high-quality early years education and childcare provision. The Department will be engaging on the delivery plan over the next few weeks to help inform the development of the key interventions in the published delivery plan, including extending responsive, quality provision in early childhood education and care initiatives for families with children aged three to four to up to 38 weeks per year.

I hope to bring forward the full version of the childcare strategy to my Executive colleagues in the coming months having taken account of the many consultation responses received, the Programme for Government and the new opportunities that now exist to align childcare and early years initiatives. I look forward to engaging with Executive colleagues in more detail on the matter in due course.

I will also indicate that, when we are looking at an expansion of the universal provision of early years education, the definition of it can cover a multitude of subjects. If there are more specific areas the Member wants to raise in addition to whatever response I am able to give to a supplementary question, I would be happy to engage with him if he wants to drill down into some of them.

**Mr Agnew:** I thank the Minister for his answer and, indeed, for the qualification at the end. It concerns me that, whenever we talk about early years, we immediately look at preschool provision and childcare. As the Minister will know, early years is everything from nought-to-six, which is why it is key that he works with his ministerial colleagues, particularly the Minister of Health. To come to my point, Sure Start is, obviously, a targeted provision in Northern Ireland. Are there any proposals to expand that or to even look at it as a universal service or something similar?

**Mr Weir:** We have to realise that the Department provides £25 million of investment to Sure Start, which, I think, relates to support for around 40,000 children under the age of four and their families. Obviously, the priority is to ensure that all children reach their full potential. At the moment, Sure Start is a targeted service, and there have been some extensions of it. It is a targeted service that has a distinct geographical remit that is defined by ward boundaries, and I know that can be a slightly blunt tool. What it means is that all those within the catchment areas with children under the age of four can access those services. It was initially on the basis of 20% of the most disadvantaged areas. That has now been extended to 25% of the most disadvantaged areas. Findings from an independent review of Sure Start, together with existing research, provide assurances that targeting in areas of highest disadvantage is likely to have the greatest impact.

The Member indicated that it should be a universal service, and, in an ideal world with a limitless amount of money, it would be. If, using a rough rule of thumb, you were talking about something like Sure Start moving from targeting 25% to having a 100% coverage, given the current level of funding, that would probably mean an increase in cost of somewhere in the region of £70 million to £75 million per year. I think that would be very difficult, in many ways, to achieve.

The Member made a valid point about cooperation with Health. There is a large health component, particularly in Sure Start. It is to try

to give a better start to those who come from disadvantaged areas in order to close the gap. At one level, if we were to move to a situation in which that was completely universal, it may be advantageous to every pupil in Northern Ireland but would not have a particular impact on closing any gaps, albeit, objectively, it would be regarded as a good thing.

**Mr McElduff:** Further to Mr Agnew's question, I point out that your predecessor, Minister O'Dowd, was able to increase provision in the most socially deprived areas from 20% to 25%. We want universal provision, but, in some wards that are otherwise regarded as affluent, there are big pockets of deprivation, so is there any scope for looking at that?

**Mr Weir:** I understand the point, particularly on the distribution of housing in Northern Ireland. We have an unusual feature — those small pockets of deprivation — which probably differentiates us from other jurisdictions. To some extent, if that were the case, you would have to change the basis on which the scheme is administered. If you simply added those areas, it would be an additional cost, and there would be controversy if you were using those effectively to replace some of the wards that are there.

With Sure Start, projects must have certain economies of scale. You cannot provide Sure Start for three children, for instance. You have to ensure that you have sufficient numbers of under-fours, particularly from disadvantaged areas. If you were to string together some pockets of deprivation, that would create difficulty. I entirely understand where the Member is coming from. I suspect that, from a financial or practical point of view, it may create hurdles and difficulties that would be difficult to overcome.

**Ms Lockhart:** I thank the Minister for his answers thus far. I am sure that he will extend his congratulations to Sure Start on its extension in the Mourneview ward in the Lurgan area.

Why should we focus on early years and its importance in the overall educational offering in Northern Ireland?

**Mr Weir:** I add my congratulations to Mourneview. That shows that all politics is local, even for the under-fours. I am sure that the Member is rightly proud of what is happening in Upper Bann.

A range of research and evidence points in the same direction, which highlights the importance of early years to children's cognitive, emotional, social and physical growth. It is vital that children who are starting school have been and continue to be prepared, supported and encouraged to learn. I get a consistent message, particularly from primary schools — to some extent, arguments at later stages in life are slightly skewed by this — that some children coming through the door of a primary school are already well behind on a range of cognitive issues and social skills and even using a knife and fork. The intervention is vital not only in schools but before children come through the school gates.

It is right that the Executive's draft Programme for Government acknowledges early years intervention and provides that opportunity. That is very much in line with outcome 14, which aims to:

*"give our children and young people the best start in life".*

Similarly, the delivery plan for indicator 15 acknowledges the central role and broad range of agencies and services in taking these interventions forward. That comes back to Mr Agnew's point about the need to try to ensure that we have joined-up services because, particularly in dealing with the very young, you are not simply looking at Education —

**Mr Deputy Speaker (Mr Kennedy):** I remind the Minister of the two-minute rule.

**Mr Weir:** — but the role of Health. So, yes is the answer. *[Laughter.]*

**Mr Deputy Speaker (Mr Kennedy):** Thank you is the reply.

**Mrs Overend:** Opportunities for training, continuing professional development and sharing of best practice are underdeveloped in the early years sector. What plans does the Minister have to include those opportunities?

**Mr Weir:** With the childcare strategy and the children and young people's strategy, there is an element of things where we will need to look at where we can provide that training and professional development. The Member makes a valid point, and it goes beyond early years and permeates other areas of education. A lot of good things are happening on the ground, and, at times, to get the best delivery, it is a question of, for example, trying to see how we can best explain and, indeed, promulgate that

best practice. I know that that has happened in a number of initiatives. Some of that can be disseminated by getting stakeholders together. For example, I have recently accepted an invitation from a group that has been working on underachievement in north Down. It is hosting a conference in February. The focus of a lot of that will be on best practice, because, I think, everybody realises that there are tough financial circumstances. Part of it will be disseminating that best practice. I have accepted the invitation to speak at that conference, and I will also have my officials there. There can be that driver. Even taking it at a different level, if there were no financial problems whatever and there was an abundance of money, best practice should still be a key driver. That should be the case no matter what financial position we are in, because I agree with the Member that we should always be ambitious to ensure that we get the best for all our children.

## Entitlement Framework

2. **Mr Lyons** asked the Minister of Education whether he plans to reform the entitlement framework. (AQO 716/16-21)

**Mr Weir:** I thank the Member for his question. The entitlement framework (EF) is and will remain a key component of the statutory curriculum, ensuring that all pupils have access to a broad, balanced and economically relevant range of courses. However, as I think I have said previously, I appreciate that there are significant challenges for schools in trying to meet the entitlement framework requirements in full. They are quite ambitious in terms of numbers. In light of that, I am considering the way forward for the entitlement framework policy, including the statutory requirements. However, in doing so, I want to make sure that we retain the benefits accrued to date and try to build on them. I will soon be meeting officials on that. Again, there is probably a two-stage aspect to this. If there is action that needs to be taken in the short term, that will be looked at. As I have indicated, it will be opportune in this Assembly term to take a wider look at how we deliver the curriculum. I think that you cannot simply do that by taking the entitlement framework out on a limb and setting it to the side. It is about trying to get the right balance so that we get retention of the best that is there from the entitlement framework without placing what could sometimes be an undue burden on schools.

**Mr Lyons:** I thank the Minister for his answer so far and for his willingness to review the

entitlement framework. He is absolutely right that we want to get the right balance, but will he agree that the entitlement framework puts an extra burden on already tight school budgets and that even a little reform in that area could make things an awful lot easier for schools while delivering a quality education for all of our young people?

**Mr Weir:** I agree with the Member. To give the specifics of this, schools are funded through their core delegated budget to deliver the statutory obligations, including the wider curriculum. Of course, the entitlement framework is obviously a major part of that. It very specifically kicks in at Key Stage 4 and the post-16 situation. EF funding has been provided over the last few years, but we need to ensure that a separate stream is not simply a permanent stream and that, as much as possible, we mainstream what is there. That funding, to date, has provided a contribution to the cost of the expanded curriculum.

Also, importantly, a number of schools are embracing the key issue, which is what can be delivered to the students themselves, so I will also look at the regulations. We need to ensure that credit is given to the schools that now operate with greater levels of partnership and sharing, particularly, in the context of the entitlement framework, on what might be described as minority subjects where there is less direct demand. It may be less cost-effective for a school to provide that in their individual environment. For instance, in my constituency, good work is going on between Bangor Grammar, Bangor Academy and St Columbanus' in providing a shared solution in, in particular, A-level courses as part of shared education. Area learning communities will be vital as well. In delivering and striking the right balance, we must ensure that we get the best possible delivery for all our pupils. Using more imaginative solutions can be helpful to that as well.

**2.15 pm**

**Mr McGlone:** Many schools struggle to meet the EF requirements, and Mr Lyons referred to some of the pressures on them. Can the Minister advise if there are any resources or support available to those schools to help them in that capacity?

**Mr Weir:** Some additional EF funding has gone to schools. I would indicate that there has been significant achievement in reaching a lot of the targets. The figures for complete compliance show that 40% of schools are completely

compliant on every section of this. There are also quite large percentages that are doing the individual aspects of Key Stage 4 or post-16. There are 66 schools that are not meeting them in full. Seven of those are because of the mix of applied and general. However, of the 59 others, 51 are meeting between 20 and 23 courses — the target is 24 courses — so there are schools that are just falling short. Each of the seven schools that are failing to meet the target on the mix is falling short by one general course, so the gap to be bridged is probably not that enormous.

It is also about seeing what we can do from a practical and sensible point of view. Some of that is sharing. Some of that may be that we are asking schools to stretch a bit too much or whatever. There may be issues around the broader level of funding that could be looked at. All of that has to be in the mix. One of the issues that need to be explored — I am mindful that I have 30 seconds, Mr Deputy Speaker — is that we know that a number of schools are failing below it and we probably need to drill down with those schools to find out why they are failing, whether it is purely a question of finance or whether there are any other barriers. We need to have a bit of discussion with schools to see how we can resolve those issues.

**Ms J McCann:** I have listened to the answers that you have given. What steps will you and your Department take to address the issue? As you mentioned, quite a percentage of schools are failing to meet the entitlement framework requirements. What actual steps will your Department take?

**Mr Weir:** Presciently, I am holding discussions with officials at 3.00 pm today to look at the best way forward on the entitlement framework. I am conscious that the entitlement framework has delivered a great benefit to pupils. I am conscious that there may well be a range of reasons why schools fall just short. One of the things that we probably have not done to a sufficient level is explore a bit with those schools why they are failing short. If you are looking for solutions, you need to know the reasons behind things in the first place. Starting that conversation will be critical, and it will be ongoing work. It may mean that, as part of the overall process, we need to find short- to medium-term fixes to rectify situations in the short term while looking at the longer-term position. It is about retaining and building; it is not about breaking down what is there. I appreciate that there will be particular circumstances in individual schools. Let us see whether there is a pattern and whether it is

simply that providing that would require a level of expenditure that is beyond the schools. As I said, there is a strong case for looking at whether we can provide greater help and assistance for a greater level of sharing. The key element of this will always be what offer is in place to the individual student. The key driver should be to provide the maximum opportunity for the student to follow a range of pathways.

**Mrs Barton:** Can the Minister give us an update on any conversations he has had with the Minister for the Economy on a formal 14-to-19 strategy with collaboration between the further education and post-primary sectors to ensure that the curriculum gives adequate attention to skills-based and vocational education?

**Mr Weir:** That is a valid point. This needs to be put into a wider context. When I talk about an overall review of the curriculum, I mean one that will, obviously, go beyond simply the 14-to-19 age range. Issues have been raised with me about the primary school curriculum, issues about languages and the need to have a greater emphasis on STEM. However, the principal focus of curriculum reform will be on the 14-to-19 age range and widening that. I have indicated to a number of people that that discussion needs to take place and needs to be quite detailed. There is a key role not simply for the Department of Education, the schools and the bodies that fall, broadly speaking, within our remit but for the Department for the Economy and the colleges. One of the areas that we need to tackle is area planning. I know that, Mr Deputy Speaker, often in the House it seems that time stands still. At least, from the clock, it seems to have stood still.

**Mr Deputy Speaker (Mr Kennedy):** It is very unwise to alert me to that. Go ahead.

**Mr Weir:** Absolutely. I do not know whether that means that I have two minutes from this point.

One of the problems we have is that there are schools where there is a high dropout rate for pupils once they get into lower sixth. Sometimes that is because it is not the appropriate place for those students. Therefore, a range of work has to take place on the curriculum, particularly focusing on vocational pathways, not simply with the Department of Education, its arm's-length bodies and schools but with the Department for the Economy, colleges and particularly with industry and business. I have met the CBI, for

instance, which is keen to be involved in that work. It is something that will have to do be taken forward on a cross-departmental basis and will go beyond the initial conversation and into a great deal more depth as we move ahead.

**Mr Deputy Speaker (Mr Kennedy):** We move on. Time stands still for no person.

## Educational Programmes: EU Funding

3. **Mr McAleer** asked the Minister of Education for an update on the current position on funding beyond 2017 for educational programmes that are currently funded by the European Union. (AQO 717/16-21)

**Mr Weir:** Some €35·3 million is made available for shared education through Peace IV, covering Northern Ireland and the border region of the Republic of Ireland. That comprises €30 million through the European regional development fund (ERDF) plus €5·3 million from both sides of the border in government matched funding.

Although not yet opened to schools and other educational settings, funding post Brexit for Peace IV is included in the guarantee by Treasury for structural and investment fund programmes signed before the UK leaves the EU. I anticipate that processing applications from programme delivery bodies will be completed by the end of this year, with agreements signed and implementation commencing in 2017. Programme funding will be provided until December 2020 to be spent by 2023.

In relation to the other aspect of European funding that is directly relevant to Northern Ireland — the ERASMUS+ programme — the UK National Agency will continue to manage and deliver the programme across the UK, and all participants and beneficiaries should continue with their ERASMUS+ funded activities and preparations for the published application deadlines in 2017. The UK Minister of State for universities, Jo Johnson MP, has stated that the EU referendum result does not affect students studying in the EU, beneficiaries of ERASMUS+ or those considering application in 2017 and that the UK's future access to the ERASMUS+ programme will be determined as part of the wider discussions that the UK Government will be having with the EU. More broadly, existing UK students studying in the EU and those looking to start in the next

academic year will continue to be subject to the current arrangements.

**Mr McAleer:** I thank the Minister for his answer. Has he spoken to the British Treasury or sought any assurances for replacement funding for projects that may lose out as result of the vote on exit from the EU?

**Mr Weir:** Directly speaking, this issue is part of the wider picture that the Executive are raising. We have received a level of assurance on Peace IV funding. Look at ERASMUS+, for example: the vast bulk of ERASMUS+ falls under the Department for the Economy, and the schools element of it is relatively small. It is an issue that was discussed on Friday at the North/South Ministerial Council. I do not want to spoil anybody's appetite for the full briefing on that. There will be a statement on that at a later stage, so I will not go further than that. However, I have spoken directly to my opposite number at the Department of Education and Skills. [*Interruption.*] Maybe that has happened — obviously, the Deputy Speaker is more prescient in these things than I am — but it has also been raised in bilaterals between me and the Education and Skills Minister in the Republic of Ireland. On the education side of things, the direct impact in Northern Ireland will be fairly minimal.

**Mr McGrath:** Will the Minister consider commissioning a report on the benefits of EU funding for young people in Northern Ireland, if only at least to be prepared, should Brexit continue, to bid for any money to replace it?

**Mr Weir:** I tell the honourable Member that that boat is already sailing, because the UK as a whole has voted to leave. There is work for the overall Executive to do. I will not compartmentalise that. I mentioned ERASMUS+: there is around €5 million from that. Off the top of my head, around €500,000 is going directly to schools. I am also conscious that Ministers should not sail off in their own direction with individual studies, and I am not sure that, if we were to spend a reasonable amount of money doing a study on something that, from an educational point of view, amounts to a relatively small amount of money, it would be good value for money. In the overall picture, we need the Executive to be cognisant of the need to ensure that the difficulties and benefits of Brexit are examined, and we need to harness the maximum potential while trying to protect as much as is possible those who are directly impacted on by it. That is a wider Executive responsibility, however,

rather than specifically a Department of Education one.

**Lord Morrow:** Brexit is now blamed for every negative in society, so I suspect that the next thing that it will be blamed for is the weather. What will the impact of Brexit be on education in Northern Ireland?

**Mr Weir:** I travelled through the Member's constituency briefly on Thursday en route to a school in Strabane and when heading back. It was a very wet day. To be fair, nobody at that stage blamed Brexit, but that may yet happen.

The Member asked about the overall impact of Brexit. As I indicated, this is probably where my Department's levels of responsibility compared with other bodies are relevant. The Department of Education covers up to 18 — up to 19 for those with special needs — so more of the direct impact will hit, for good or ill, the Department for the Economy, for instance. There is minimal cost impact. As indicated, provision has been made in Peace IV funding, and the direct impact on schools and on, for example, the ERASMUS+ project that has been put in place is relatively minimal. As I said, the value of programmes was a little over €500,000. There are other things that have been mentioned in the House in which there can be ongoing cooperation between Northern Ireland and the Republic of Ireland, irrespective of the EU and Brexit, such as the Middletown centre. Those are things that, from the point of view of linkages in the Department of Education, are not dependent on membership of the EU and will be utterly unaffected by Brexit.

**Mr Deputy Speaker (Mr Kennedy):** I call Mr Edwin Poots for a question. There may not be time for a supplementary question.

## School Readiness

4. **Mr Poots** asked the Minister of Education for his assessment of school readiness of children starting primary school. (AQO 718/16-21)

**Mr Weir:** A range of research and evidence highlights the importance of early years to the cognitive, emotional and physical growth of children. It is vital that children starting school have been and continue to be prepared, supported and encouraged to learn to take full advantage. There is no universal indicator of overall early childhood development. Work on that has been ongoing with the Department of Health through work stream 1 of the early intervention transformation programme, which

is a Northern Ireland Executive and Atlantic Philanthropies programme. As part of that work stream, a named health visitor is now aligned with every preschool education setting.

I suspect that the Member may have difficulty getting to ask a supplementary question. There are good initiatives on the ground. The Member was in Lisburn with me on Friday at a launch of an initiative for the Lisburn area on early intervention that looks particularly at communication skills. It is building on Talk Boost. I think that the scheme goes across four areas.

So, good actions are being taken. The importance of early years is critical.

**2.30 pm**

**Mr Deputy Speaker (Mr Kennedy):**

Unfortunately, the time for listed questions is over, although the Minister's power to predict what the supplementary might have been was remarkable. [Laughter.]

**Mr Weir:** I will get you the lottery numbers for Saturday, Danny, and then you can retire.

**Mr Deputy Speaker (Mr Kennedy):** More septic Meg than Mystic Meg, I think. We move on to topical questions.

## Knowledge Economy

T1. **Mr Aiken** asked the Minister of Education what approach he is taking to improve the educational attainment of our post-primary pupils given that, this morning, a report by the Ulster University on the knowledge economy stated that our GVA, driven by our intellectual capital, has dropped from 10.3% to 9.7%, equivalent to a loss of £400 million to our economy and, more worryingly, indicates that we are on a downward trend. (AQT 516/16-21)

**Mr Weir:** Sometimes the Member will see bright skies but be looking for dark clouds on the horizon.

**Mr Aiken:** Brexit must be changing the weather.

**Mr Weir:** If Brexit is to blame, perhaps you can blame some of your colleagues as well. [Laughter.] Some of those issues are directly relevant to the economy, but they underline the need to ensure that there is a review of the curriculum. We have considerable success, particularly on IT issues. For instance, when

we looked at the scope of exams that were available from exam boards at GSCE level, one of the direct concerns raised by Queen's University was what would be on offer if we excluded the exam boards from outside Northern Ireland. The exam in IT and computer science offered by CCEA was not as skills-based, which is why I took action to ensure that the examinations system was opened up again. That was done to try to ensure that we have the most appropriate choice to build on that skills base.

There is a wider job of work, as indicated, with the curriculum for the Department of Education and the Department for the Economy, working alongside those who have a degree of expertise at post-primary and tertiary levels.

**Mr Aiken:** I thank the Minister for his comments. I would like him to outline what engagement he plans to have with the Minister for the Economy and the Minister of Finance, because there is a significant shortfall in funding in the area, and it is an area that we specifically need to look at.

**Mr Weir:** There are wider Executive discussions on funding. Let us be honest: there is a difficult financial regime, so we have to ensure that we get the best possible value for our money. There will be serious engagement with the Department for the Economy and with the Minister for the Economy.

A number of steps have been taken, particularly on the skills barometer and the careers advisory side, as part of a good model of joint working between the Department of Education and the Department for the Economy. There is always the accusation that Departments operate in a degree of silo mentality, and the Department for the Economy and the Department of Education, through actions such as that, show that there can be a level of cooperation to tackle those problems.

## Battlefield Project

T2. **Mr K Buchanan** asked the Minister of Education to update Members on the Battlefield project. (AQT 517/16-21)

**Mr Weir:** I thank the Member for his question. I have been working alongside the Minister for Communities to bring forward a scheme to allow schoolchildren and teachers from here to visit the World War I battlefields. That has been available to schools in England, but, although a few schools have done it, there has not been the same level of availability in Northern

Ireland. I am glad that that will mean that schoolchildren from Northern Ireland will have the same opportunities as those in England and Scotland to visit the World War I battlefields.

The scheme will be open to every post-primary school in Northern Ireland that wishes to avail of it; it is not compulsory, but at least it is being allowed. It will allow for two children and a teacher from each post-primary school to visit the World War I battlefields. This will ensure that the sacrifices of all who served in the war are remembered, and people from across the political spectrum and community were involved in that war. These are also their families, because a poignant visit will often be in order to recall or, perhaps, visit the graveside of, a relative who made the supreme sacrifice. It will enable the sacrifices of those who served in the First World War to continue to be honoured and remembered.

My officials are working with officials in the Department for Communities on the finer details. It is my intention that we will be able to launch the scheme before Christmas.

**Mr K Buchanan:** I thank the Minister for his answer so far. Would he be of a mind to extend that to youth and community groups?

**Mr Weir:** That would be the intention. There are ongoing discussions with the Department for Communities to be able to offer places on the scheme to youth and community groups. That would provide an opportunity for young people in the youth and community sector.

While our focus in education is quite often purely on schools, there is a remit, particularly at the youth level, that goes well beyond that. It is important that young people in youth and community groups can also benefit from the scheme, ensuring that as many of them as possible from here will have the opportunity to visit the World War I battle sites and remember the sacrifice of those who died there — who died, in effect, to ensure that the freedom and democracy was put in place that we are able to observe today.

## East Belfast: Autism Support Services

T3. **Mr Douglas** asked the Minister of Education to outline what autism support services are available for children and families in east Belfast. (AQT 518/16-21)

**Mr Weir:** Direct funding for support services goes from the Department to the Education

Authority, and it ensures that there is a range of educational provision to support children with autism, their families and schools in east Belfast.

The Education Authority's autism advisory and intervention service provides support to pupils in schools through training and advice to teachers, and individual interventions with pupils. It also provides support to parents and families.

Specifically in east Belfast, there are parent training and workshops available. They include autism awareness, appropriate and effective home interventions, autism and relationships, social and study skills, transition to post-primary school, sensory processing difficulties, and personal independence skills.

I think that parent training is provided at various times and locations to accommodate, where possible, parental preferences. The training is advertised through the child's school setting, which includes the preschool setting. It is also advertised through email and local health trusts.

School training programmes in east Belfast include autism awareness, appropriate and effective classroom and school interventions and adjustments, inclusion for children and young people with autism, social skills, sensory processing difficulties in the school environment, enhancing communication skills in the school setting, and topical issues such as girls with autism. It is provided in the school setting or at an off-school site.

I think that there is training for other groups in east Belfast that support children with autism, including voluntary organisations, health professionals and youth centres. They also provide consultation and advice and work collaboratively, particularly with the Middletown Centre, which has a level of expertise.

In addition to the autism support that I outlined, there are other provisions and services in the Education Authority, including the early years inclusion team and educational psychology and behavioural support.

**Mr Douglas:** I thank the Minister for his answer thus far. I want to thank him as well for attending the Helping Hands autism resource centre in Ballybeen. Maybe the Minister could look at what help or support could be provided to that organisation, which is a group of families and volunteers.

**Mr Weir:** I very much enjoyed my trip there. There is tremendous potential in addition to

what is already happening in Ballybeen. There is potential for the future there, and I know there is ongoing work.

I suppose there are two aspects to this. The direct-funding organisation in each case would be the Education Authority because it would have overall responsibility for special needs. There is specific education funding for special needs through the Education Authority budget. There is also £33 million of resource funding for youth services because this can also come under youth services.

Under article 37 of the Education and Libraries Order, the Education Authority has direct responsibility for the provision of those services, and, indeed, youth services. It covers a wide range, and can be between the ages of four and 25, which is very much within the remit of Helping Hands.

I understand that Helping Hands is currently registered with the EA's Youth Service and is, therefore, receiving resource funding. Additionally, a call has been made for the voluntary youth capital scheme to fund groups that are registered with the Education Authority, and Helping Hands is eligible to apply for that. There is a direct source in that, but there is no specific open call beyond that. I congratulate Helping Hands on its work so far and wish it every success for the future.

## NASUWT Strike

**Mr Butler:** Like, I am sure, other Members, I have held recent meetings with teachers who are concerned about their pay dispute and conditions.

T4. **Mr Butler** asked the Minister of Education to detail what measures he has in place to mitigate the impact on children in the classroom of the proposed one-day strike by the NASUWT. (AQT 519/16-21)

**Mr Weir:** I am worried that Chris Lyttle might kill me if I answered this in detail, given that he has been given a question for urgent oral answer at 3.30 pm. The date referred to is, I think, 30 November. I will go into greater detail when the question for urgent oral answer is asked, but correspondence has gone out from the Education Authority to all schools in connection with this.

I appeal to the unions to suspend any industrial action and try to have discussions about it. I will not pretend that there is additional money in the budget, but the wider context of where we

move to from 2017 onwards needs to be examined. We cannot have industrial disputes almost ad nauseam. The NASUWT, for instance, has been taking constant industrial action for the past five years. Its action on different things has been ongoing since 2011. We need to have a sensible conversation, so I appeal, as the management side of the teacher negotiating committee, to the unions not to implement strike action that would be detrimental to pupils — indeed, in many ways, it would also be detrimental to their members — but to have that wider discussion on how we can take things forward from 2017. Let us try to put the past behind us and look to the future.

**Mr Deputy Speaker (Mr Kennedy):** Order. Whilst the Minister has answered the question, we should carefully note that provision has been granted for a question for urgent oral answer to the Minister on the issue at approximately 3.30 pm. Will the Member bear that in mind as he asks his supplementary? *[Laughter.]*

**Mr Butler:** I suppose, being new to the House, that I will get away with this only once or twice more. With that in mind, I am more than happy to wait for the question for urgent oral answer and for my supplementary to be answered then.

**Mr Weir:** On the basis of not repeating myself, I refer the Member to the answer that I gave some moments ago.

## **Education: Chief Inspector's Annual Report**

T5. **Mr Kelly** asked the Minister of Education to outline the key messages in the Chief Inspector's annual report. (AQT 520/16-21)

**Mr Weir:** The Chief Inspector will hold schools to a very high standard of account. A mixed picture emerged from the report, which talked about there being much to celebrate in our system. Primary schools have remained on a steady but fairly high level, and we have seen improvement in post-primary schools. However, the report also challenges us, saying that not everything that we have is fit for purpose. In part, that is because we need to ensure that educational resources are focused very directly on that.

The report highlights the need to ensure that opportunities for early intervention to make wider changes need to be taken. It is a useful document in the way that it drills down into that. While the inspectorate receives its budget

directly through the Department of Education, it is an independent organisation. At times, schools will be a little frustrated at the level of its independence. It is important that we acknowledge that schools are delivering against a very tight financial background, and some have been very successful. Some are improving, and some are remaining the same, despite the fact that their budgets are tighter.

**Mr Kelly:** Gabhaim buíochas leis an Aire as an fhreagra sin. I thank the Minister for his answer. I appreciate that he will look at underachievement, but will he be a bit more specific about how the report will focus him and his Department on the issue?

**2.45 pm**

**Mr Weir:** Obviously, this is a key part of the PFG targets as well. It is important that, if we are looking at what actions are taken on underachievement, they are seen against a baseline of data that shows where some of the problems are. That is where the scoping exercise comes in. The other advantage is that the inspectorate, albeit against toughening conditions from a budget point of view, can give snapshots not simply of where we are today but of where we were in 2014 and 2012 etc. I have to say that, while there are challenges, there are encouraging messages as well. For instance, we have seen a driving-up of standards, particularly with improved exam results amongst those on free school meals. That is to be welcomed. We need to embrace the gains and see where there are further gaps. It gives a statistical basis and, indeed, a professional judgement basis for deciding what actions need to happen next. That is why it is a very important document.

**Mr Deputy Speaker (Mr Kennedy):** Time is up. We must now move on to questions to the Minister of Finance.

**Ms Bailey:** On a point of order, Mr Deputy Speaker.

**Mr Deputy Speaker (Mr Kennedy):** Sorry?

**Ms Bailey:** Can I make a point of order?

**Mr Deputy Speaker (Mr Kennedy):** Not during Question Time.

**Ms Bailey:** For the Minister?

**Mr Deputy Speaker (Mr Kennedy):** No. Points of order are not permitted during Question Time.

**Ms Bailey:** Sorry. Thank you.

## Finance

### EU Updates

1. **Mr Beggs** asked the Minister of Finance whether the funding guarantee from the Chancellor of the Exchequer on structural and investment fund projects signed before the United Kingdom leaves the European Union applies to all such projects. (AQO 730/16-21)

3. **Ms Boyle** asked the Minister of Finance for an update on his engagement with the European Union. (AQO 732/16-21)

**Mr Ó Muilleoir (The Minister of Finance):** With your permission, Mr Deputy Speaker, I will answer questions 1 and 3 together.

The guarantee for structural and investment fund projects signed prior to any change of relations with the EU applies to all projects approved under those funds. I have already placed a copy of the correspondence in that regard from the Chief Secretary to the Treasury in the Assembly Library. I visited Brussels last week, where I continued to press the importance of EU funding and continued full engagement with the EU. As the Member knows, I have taken and will continue to take all opportunities available to me to vigorously promote the interests of this jurisdiction within the EU.

**Mr Beggs:** It is important that there is clarity, so can the Minister say definitively, once and for all, whether the commitment by the Treasury that it would guarantee funding for structural and investment fund projects signed before the UK leaves the EU, even where projects continue after we have left, applies to the York Street interchange? There has been a lot of discussion about that. Does he accept there is a divergence between what he and the Infrastructure Minister have been saying and what the Treasury has said? Can he explain?

**Mr Ó Muilleoir:** Yes, but the Member has to listen this time, so we will try again. You are right: absolutely, as I said in my answer, any letters of offer signed off before relations with the EU change will be honoured in full. Any letters of offer signed off after that, if such a thing could happen, will not be honoured in full.

There are programmes, including infrastructure programmes, that we believe will not even open until 2018, and it is possible that letters of offer will not be signed or issued until after an exit from the EU. I am very clear on that, I think Mr Hammond is very clear on it as well and I think Ministers are.

**Ms Boyle:** I thank the Minister for his answer. What specific measures is he putting in place, as he alluded to, to protect funding streams for the North?

**Mr Ó Muilleoir:** As the Minister responsible for Peace funding and INTERREG funding in particular — other Ministers have responsibility for other packages and other streams of funding — I have made it my priority, as the House would expect, to try to protect those funding streams. I have tried to expedite the issuing of letters of offer, taking due cognisance of the need to not rush into arrangements that are less than the excellence we expect in our letters of offer and our projects. Last week, as part of this work, I was pleased to be able to report to our colleagues in the European Union that letters of offer for €120 million had been issued in relation to INTERREG and that the first letters of offer in relation to Peace had been issued.

There is a little way to go. Some programmes have opened just recently.

I am reasonably confident that we will have issued all our letters of offer under INTERREG and Peace by the spring of next year. On anyone's timeline, that is well within the period guaranteed by the Chancellor. I should also say that I had the opportunity in Brussels last week to address the 27 other states at a lunch as part of the general affairs council meeting of the regions. I managed to address the 27 other Ministers for Europe. I thought that we had a sympathetic listen. Sympathy is not really what we want, but I think that actions will follow. There is an awareness that the peace process is the crowning achievement of the European Union, and it will take additional steps to make sure that the peace process is protected and that we get a special deal or special recognition in the time ahead.

**Mr Allister:** Has the Minister now reached the logical position that, when we exit the EU, he cannot — nor can anyone — reasonably expect more from the Treasury than what the Chancellor has said it will do: until we exit the EU, it will underwrite approved schemes but that, after that watershed, no such assurance

can be given because there will be nothing to assure?

**Mr Ó Muilleoir:** I disagree with the Member. When we first said to the Chancellor, "Will you guarantee Peace and INTERREG funding?", some people thought that that could not happen, because why would he guarantee funding after September, as it was at that stage. We secured that. We then had a much more important victory when the Chancellor said that he would guarantee all funding as long as it was signed off before an exit or our relations with the EU changed. Our friend Theresa May said yesterday that there could be a transitional parting of the ways. It could be not two years but 15 years, for all anyone knows. Let us put our best foot forward in relation to CAP payments after 2020, ERASMUS and the other wonderful programmes that allow our young people to enjoy the bounty of Europe. Let us make the case for those programmes and for funding for them to continue. I would be surprised if any Member would like the Minister of Finance to say to the British Government, "Don't go any further to guarantee EU revenue streams". I expect that everyone here would be disappointed if I did not go the extra mile to ensure that funding from Europe continues or is replaced in full.

**Mr Humphrey:** I thank the Minister for his answers so far. I will return to the York Street interchange, if I may. I know that the Minister, as a Belfast representative like me, will have an interest in that. Given that the public inquiry has progressed, the proprietary work has started and procurement is well advanced, does he agree that work has essentially begun on what is a crucial infrastructure project for this city and region, connecting airports, ports and the two motorways in Belfast with the west of Northern Ireland?

**Mr Ó Muilleoir:** As the Member knows, I am not the Minister for Infrastructure, but we find common ground in that we both believe that this is a priority project that could transform the road infrastructure of Belfast. It is my view that we should speak to everyone who has influence over these matters, including the European infrastructure fund, which will not come on stream until 2018, and the British Government. It remains a priority. I think that the Member and I are agreed on this: we need to and will deliver the York Street interchange.

## New-build Housing: Environmental Sustainability

2. **Mr Agnew** asked the Minister of Finance whether there has been an evaluation of the withdrawal in 2012 of the low-carbon homes rate relief scheme to determine the environmental sustainability of new-build housing. (AQO 731/16-21)

**Mr Ó Muilleoir:** I thank the Member for his question. As Mr Agnew will be aware, in 2011, the then Finance Minister, Sammy Wilson, made the decision to withdraw the scheme for low-carbon and zero-carbon homes. I see merit, however, in using the rating system to help to increase and incentivise environmental sustainability. Since taking up ministerial office, I have asked my officials to undertake work on the feasibility of a more modern and tailored scheme in this area. That work is ongoing in my Department.

**Mr Agnew:** I thank the Minister for his answer and for looking at the scheme again. He will probably not be surprised to hear that I am not disappointed that Sammy Wilson is no longer the Finance Minister. He suggested in his earlier statement that this may be part of a package of measures. How does he envisage bringing that package forward? Is he proposing primary legislation, or will it be done through regulations?

**Mr Ó Muilleoir:** First of all, you can be sure of one thing: you and I are going in the same direction on this. I believe that it would be advantageous for us as a society to encourage the development of low-carbon and zero-carbon homes. The measures that I take forward, whether in primary or subordinate legislation — I suspect that it will be primary — will be aimed at trying to encourage homeowners and developers to develop homes which are compliant and eligible for grant aid or rates relief or support in the time ahead. We now need to get into the fine detail. We have done a fair bit of work. The landscape has changed since this was originally introduced, which is why we could not just retrofit and put it back in, but I am pleased with the briefing that I have received so far from my officials. If the Member wishes, I am happy to ask my officials to give him an individual briefing. I know that he will have lots to say about this and lots of input. If he wants to have that input early, I am very happy to oblige.

**Ms Armstrong:** I was going to ask the Minister whether or not he had raised with the Executive the financial savings in the long run from sustainable buildings, whether they be homes, offices or public-sector buildings, but given his announcement today, can the Minister give us a

quick update on the research on standards and the value for money that he spoke about and that is already under way?

**Mr Ó Muilleoir:** I will just say one thing about the entire construction industry: one of the best visits that I have had the pleasure to make as Minister was to the South West College in Enniskillen, where they have absolutely focused on this area of work and are skilling up young people to deliver zero-carbon and passive-energy homes. They have forged a path that is unique in Ireland. If we really want to be up in the champions' league of European homes which are low carbon or zero carbon, we need to partner with business and the construction industry. The value will therefore be not only in energy efficiency and tackling fuel poverty, but in gearing us up for a set of skills that will increasingly be in demand in the time ahead as we try to increase our delivery of buildings which are carbon neutral, low carbon or zero carbon.

## US Visit: Update

4. **Mrs Cameron** asked the Minister of Finance for an update on any outcomes resulting from his recent visit to the United States of America. (AQO 733/16-21)

**Mr Ó Muilleoir:** I thank the Member for her question. I had a very constructive visit to the US. I met a number of influential public finance and Government representatives, including the New York State Comptroller, Tom DiNapoli; San Francisco Treasurer, José Cisneros; the California State Controller, Betty Yee; and the Chief Deputy Treasurer of California, Collin Wong-Martinusen. I also addressed a meeting of tech leaders in the Airbnb building in San Francisco which was convened by serial entrepreneur Seamus McAteer and, at the request of Invest NI, met a potential investor.

I view all these meetings as ongoing engagements. A number of avenues for continued cooperation and collaboration are being discussed, and I am hopeful of reporting back to the Assembly in the time ahead on plans to deepen this process of engagement to our mutual benefit. During this trip, my officials, working with the assistance of Invest NI and the bureau, also held some very helpful meetings with various finance officials to consider what options might be progressed to enhance external financing for companies and projects here.

**Mrs Cameron:** I thank the Minister for that detail. Given the outcome of the recent

election, does he expect Northern Ireland to enjoy the same unique and special relationship, as it has been called, with the USA?

**Mr Ó Muilleoir:** Yes, I do. I think that the Member will find it interesting that the person who gave us a tour of the Airbnb building in San Francisco was a Belfast-born gentleman called Marc McCabe. We have friends right across the US who are determined to ensure that the peace process is transformed into a prosperity process. Not only are they right across every sector of society, whether it be arts, community, third sector or education, but they are in politics. You will find that we have political friends on both sides of the aisle. While there has been traumatic change, some would say, or tumultuous change in US politics, the constant will be that there is continued support for the peace and prosperity process here.

**Mr Chambers:** Can the Minister confirm whether his trip to America at the start of this month included any meetings, even in his own time, to do with his personal interests as a director of Belfast Media Group Limited or with the Sinn Féin party?

**3.00 pm**

**Mr Ó Muilleoir:** I am here to speak as Minister. In the seven days that I spent in the US, we did enormously beneficial work for the community here. As I travelled from coast to coast, I received a gracious welcome from people who are focused on the work ahead, people who want to build rather than tear down and people who want to accentuate the positive rather than focus on the negative.

If you ever have the opportunity to travel representing this Government, I think that you will find that it is more arduous than you might believe. While I had free time, I was not able on this occasion to use it to represent Sinn Féin or take on any other responsibilities.

**Mr Lyttle:** Did the Finance Minister gain any impression during his visit to the US of what impact a lack of access to the EU single market might have on US investment in Northern Ireland?

**Mr Ó Muilleoir:** I was on both coasts, and I met different audiences; some were Irish-American audiences and some were solely business audiences, such as the meeting that we had in the Airbnb and those with other businesses. No one put up their hand and said, "We think this is a great idea that you're leaving the EU and the single market". I think that it is fair to say that

those who wish to use us as a base for investment see us as being a gateway to the EU. The Member will not be surprised by that; it has been repeated many times by our friends on both coasts, particularly those who have been working closely with us over recent years. Of course, you know some of them.

## Ministerial Car: Cost

5. **Mr Clarke** asked the Minister of Finance, excluding the cost of the driver, what was the annual cost of his ministerial car over the last three years. (AQO 734/16-21)

**Mr Ó Muilleoir:** I thank the Member for his question. During the past three complete financial years, the running costs for the ministerial car were £748 for 2013-14; £1,406 for 2014-15; and £3,687 for 2015-16. Those costs include fuel, maintenance and MOT-related expenses. The figures are subject to yearly variations depending on the Minister in charge and the associated mileage and fuel usage. They are also dependent, of course, on whether the car is under warranty and subject to an agreement for servicing.

**Mr Clarke:** I thank the Minister for the answer. I understand the need for and value of a ministerial car in terms of Ministers doing their duty. However, you have not included in those figures the depreciation costs of the vehicles used. I am trying to draw a parallel, Minister — I raised this question with the Health Minister last week — and I wonder what you can do to encourage your colleague to try to fix the disparity for some nurses who work in a crisis team and are paid a measly 20p per mile for the use of their own private cars.

**Mr Ó Muilleoir:** I am not responsible for the car fleet or the policy, but, if the Member wants to bring forward any alterations to the policy, I am happy to consider them.

**Mr Kearney:** Aire, an dtiocfadh leat cur síos? Cá mhéad uaireanta a mbíonn do thiománaí aireachta ag obair de ghnáth gach seachtain? How many hours would your ministerial driver typically work each week?

**Mr Ó Muilleoir:** He claims that he is overworked — that is the first thing. I thank the Member for his question. Mar atá a fhios agat, tá sé de chlú ar mo thiománaí gur oibrí díograiseach é agus go gcuireann sé uaireanta fada isteach. Bhí sin le feiceáil an tseachtain seo chuaigh thart agus inné. My driver has a reputation for hard work, early starts and long

hours. He neither clocks in nor out for me. Last Thursday, we started — this is not untypical — with a breakfast with Chartered Accountants Ireland in the Clayton Hotel in Belfast city centre and ended after meeting the Kilkeel Harbour Works folk at Annalong. It was a 7.30 am start for me and perhaps an 11.00 pm end. The car, of course, has to be parked up and so on, so the driver would start earlier than me. Where I am from, it is basically a 17-hour day. Yesterday was quite similar: we again started early with a coffee at 8.00 am; we were in this place and then had one more meeting; I was home at around 10.00 pm, and he was home later. When I was Lord Mayor of this great city, I had the privilege of having three drivers who worked full out and did a great job. In my view, we have discovered the three-in-one, in that my driver is performing the same job that three people performed.

**Mr Deputy Speaker (Mr Kennedy):** I thank the Minister for the diary of Máirtín Ó Muilleoir.

**Ms Hanna:** I do not envy anyone who has to drive you around, with the schedule that we know you keep. Does the Minister's driver come from the pool of Civil Service drivers, and if not, why is that policy still in place?

**Mr Ó Muilleoir:** No, the driver does not come from the pool of Civil Service drivers, but if you can find a superman or superwoman who wants to take on this job from within that pool, no doubt some people would consider that. The present system works very well. It delivers for the Department and for me, and it is a system that has been in place for some time now. There have been efforts to snipe at the driver, who has a huge commitment to this institution, to the Department and to the Minister. He is doing a very good job, and the system is a very good system.

## Citizens' Budget

6. **Mr McGuigan** asked the Minister of Finance what plans his Department has to produce a citizens' budget. (AQO 735/16-21)

**Mr McGuigan:** I thank the Minister for driving forward the economy in the North.

**Mr Ó Muilleoir:** I thought you were going to congratulate me on driving through these questions. This is the first time that I have managed to get to Question 6.

I thank the Member for his question on the citizens' budget. I am committed to open and

transparent government, and I am convinced that the production of a citizens' budget would be a positive development for all of us. I have asked my officials in the open government team to work with the Open Government Network to determine what a citizens' budget might look like and to progress this work at pace to allow its publication to become standard practice over this mandate.

**Mr McGuigan:** I thank the Minister for his answer. What steps is he taking to simplify Budget information?

**Mr Ó Muilleoir:** The interesting thing about the Open Government Network is that — maybe Members will not be surprised at this — the majority of people who pay rates, or pay tax or are the recipients of our services, generally, do not know where the money comes from or how it is allocated. To encourage not only compliance but engagement with our citizens, it would be helpful if we could publish, after the upcoming Budget, for example, a summary, hopefully on the website but also in other formats as well, to let people know how the money is divided up. It lets them know the amount that we raise on their behalf but also how the money is allocated between Departments. Sometimes, the confusion around what taxation is paid and how it is delivered back into the communities would be clarified by such a system. However, more than that, we want people to be proud of the services that are delivered and understand how much we appreciate the contribution that their taxes — all types — make to the delivery of those services.

**Mr Smith:** Does the Minister accept that what the Executive have at present, namely, secret monitoring rounds, no longer any public consultation on annual Budgets and absolutely no transparency on how Department's baselines are generated or altered, is exactly the opposite of the thinking around a citizens' budget?

**Mr Ó Muilleoir:** I thank the member for his question. I ask the Member to get on the phone to Mr Hammond, because if it was not for the dog's dinner, the mess and the shambles of the British Government, we would have had our Budget presented to the House long before now. Unfortunately, due to those difficulties and the crisis in London, our ability to bring forward a three-year resource Budget has been hampered. On the other hand, I will speak to the Chief Secretary tonight and we will see the outworkings of the autumn statement tomorrow. We will move expeditiously to bring a Budget in

front of the House. I believe that I will recall the House to do that before Christmas. I hope that we will have as long, or longer, than we had to review the Budget last year.

As the British Government settles, Philip, that will enable us to bring forward a Budget system that, in fairness to some of my colleagues in other parties and in particular to Mrs Hanna of the SDLP, lets us simplify the entire process. There is a complicated Budget process. Let us simplify it internally, but also let us make sure that people outside understand what is being delivered and how it is being delivered.

**Mr Stalford:** I welcome what the Minister said about providing citizens with an itemised receipt for their rates and the other taxes that they pay, as I have raised that issue with him. Does he agree that it is important that people know and can see for themselves on a piece of paper precisely how the amount that they are billed in their rates is calculated in order that they get a full understanding of, for example, why in some areas their rates have gone up by significant sums?

**Mr Ó Muilleoir:** I thank the Member for his question. Perhaps that is going to be a little bit more urgent after today, because of the changes that we are making to business and domestic rates. Although we have had a stab at it, when we issue rates bills, we are only starting. People need to have a clearer view of where their money is going.

I found it interesting when a deputation came here from the Basque Country a month or two ago. We met the group in Newry, and one of the points that they made was that they collect all their taxation and duty. They said that people really understand what they are getting for their money. They do not let the Government away with anything but have great engagement with them. Very importantly, compliance — the willingness to pay taxes — has increased.

The Member has brought up the issue before. He will agree that we have made a start, but we are nowhere near where I would like us to be. I want people to get their rates bill and be able to see what council services they are paying for but also how their rates are making a contribution to the greater government Budget.

## Capital Investment

7. **Ms Seeley** asked the Minister of Finance what plans he has to increase the scale and

effectiveness of capital investment. (AQO 736/16-21)

**Mr Ó Muilleoir:** Aside from the real terms increases in our local capital Budget, I plan to utilise any additional capital funding that may be announced tomorrow as part of the Chancellor's autumn statement to take forward an economic stimulus package with the agreement of my Executive colleagues and the House. That is a good idea, and we will be bringing it forward.

I also plan to ensure that the Executive seek ways in which to introduce capital investment from other sources. That is why I have organised a symposium with Ibuc and the CBI on 27 January. It will give the construction and business sectors an opportunity to engage with government on investment opportunities and, of course, on where the funding will come from. In addition, I have recently appointed seven new external members to the procurement board from the private and voluntary and community sectors to determine how we spend our money. That includes Colin Maxwell, who is an artist and architect. I have tasked him with bringing forward proposals to promote architectural excellence and to further the arts in the Executive's infrastructure projects.

**Ms Seeley:** I thank the Minister for his answer. He has touched on my supplementary question, but, given that he has a keen interest in the arts, how does he intend to use capital investment to support the arts further?

**Mr Ó Muilleoir:** That is commonplace south of the border. Cork city in particular has published an evaluation recently of how it uses Per Cent for Art. It is common in parts of Europe and very common in San Francisco and New York that, when you undertake a capital project, you set aside a percentage for the arts. The consequence of that is that you really change the entire cityscape, or landscape of a city. It is my wish that we reinvestigate how Per Cent for Art, which existed but we have stopped for many years now, might be brought back to the centre of the procurement process and the centre of the building process. When you go to many great cities across Europe and the US and see new investment in capital build, you also see new works of public art. That is a good way to go, and I hope to be able to bring forward more ideas on that to the House.

**Mrs Little Pengelly:** I have been speaking to some people about some very exciting proposals for capital investment. Given that we are anticipating a four-year multi-year Budget tomorrow in the Chancellor's statement, will the

Minister outline the time frame for the much-needed investment fund?

**Mr Ó Muilleoir:** We are doing better than we were when the Member, or one of her colleagues, last brought this up. She knows that we had some disappointing news from the European Investment Bank. We thought that it was not prudent for it to proceed along the lines that we had originally envisaged with the NI investment fund, which was first put forward by your colleague Minister Hamilton.

**3.15 pm**

We are now making significant progress. I hope that we will get an OK from the Office for National Statistics and that we can move the investment fund off balance sheet, which means that we could deliver it in the middle of next year. As the Chairwoman is very aware, there are a lot of private sector people with energy projects in particular who really hope that we get this investment fund up and running because they will be coming to our door asking to borrow money to make transformative investments in the community.

**Mr Deputy Speaker (Mr Kennedy):** That ends the period for listed questions. We move on to 15 minutes of topical questions.

## Councils: Urban Regeneration and Community Development Powers

**Mr Attwood:** I remind the Minister that on 8 November he said:

*"I and my party wish to see a stepping-up of the pace of transfer of powers to councils"*

*[Official Report (Hansard), 8 November 2016, p27, col 2]*

T1. **Mr Attwood** asked the Minister of Finance whether he would agree that, if we were to learn in the next short while that urban regeneration and community development powers were not to be transferred to councils, that would be a big blow to those councils, which are seeking those powers and are, to quote the Minister, "as bold as possible in their vision and plans for the future". (AQT 526/16-21)

**Mr Deputy Speaker (Mr Kennedy):** I remind the Member that it should be a topical question, not a typical question. *[Laughter.]*

**Mr Ó Muilleoir:** Actually, I have met the 11 councils, and I do not see any of them with heads down or not willing to embrace the new opportunities that come from being larger councils. I have been in communication with some of the chief executives, whom the Member also knows, and am in no doubt that, in the time ahead, you will see a stepping-up and a considerable ramping-up of activities by councils as they are masters of their own destiny and will lead the charge for investment in their boroughs and cities.

**Mr Attwood:** Larger councils need larger powers; that is part of the deal for the reorganisation of local government. Will the Minister agree that, if development powers are not transferred, we have the Government pulling in two directions: you trying to help the high street, and another Minister, it might be, trying to impede the development of the high street?

**Mr Ó Muilleoir:** I do not agree with that. I do not reduce councils to just the high street. I heard a senior person on Belfast City Council talking this week about projects that, as he will acknowledge, are as important, pioneering and transformative as any on the island of Ireland.

As I engage with CEOs, I have made it my business to engage with the mayors and the chairs, who come from all parties. I do not know whether the Member has seen this, but he knows that I met his brother who is a councillor in Belfast at a gathering in Lisburn, and I sense a change of direction and a greater ambition. Yes, absolutely, some councillors are disappointed that they are not getting all the powers that they wanted. However, I do not agree with the Member that that will negate or hold back the ambition and the boldness that I see. In the Budget, I hope to bring forward measures focused on councils as full partners, and as they step up we will step up with them. The Member deals in particular with Belfast City Council, and I understand some disappointment in these matters.

Tonight, I am attending a meeting that involves Belfast City Council about investment in the city centre. Before Christmas, I hope to engage again with Lisburn and Castlereagh about investment. I have been contacted by Mid Ulster District Council. Just last week, I was at a dinner in Derry attended by John Kelpie, the CEO of Derry City and Strabane District Council.

We should take our inspiration and take heart from the attitude of councils. They are not getting everything that they want, or some

councils are not getting everything that they want, but in no way is there any lessening of pace, and I intend to match that pace in the time ahead.

## Rates: Small Business Rate Relief Scheme

**Mr Storey:** I thank the Minister for his answer. Returning to his statement on rating policy earlier today, the Minister may be aware that the Northern Ireland centre for economic policy's conclusion in relation to the review of business rates was not supported by the evidence that was gathered from some 500 businesses, and they argued that the scheme should be retained and were against any attempt to restrict it.

T2. **Mr Storey** asked the Minister of Finance whether, in light of the statement today, he takes into account the concerns of businesses that argued for the retention of the small business rate relief scheme in that survey. (AQT 527/16-21)

**Mr Ó Muilleoir:** I do, and I think that we have to move forward on these matters together. The Member knows that not every business organisation or business is supportive of the direction in which I am moving. We cannot ride roughshod over people. I ask him to bear in mind, however, that we need to do something different. We introduced a set of, if you wish, emergency business reliefs for small businesses in 2010 at a time of terrible economic crisis. I am not underestimating the challenges facing businesses today, but I think we have made progress.

I will try to take as many people as possible into account. As the Member will be aware, I do not think for a minute that I have all the answers; the proposals will be tweaked as they come forward. The only thing that I will say to him is this: let us not water down the proposals so that we end up with something that does not make an impact. If he can give me that assurance, I can assure him that I will consult all my colleagues on the best way forward as, of course, I must do.

**Mr Storey:** I thank the Minister for his reply. Will he give an assurance that small businesses, in particular those in the retail sector in my town of Ballymoney and in places like Ballycastle and Ballymena in my North Antrim constituency, that are deemed as retail will not be outside his definition of what retail is so that other sectors may benefit at their

expense, hence their rates might increase? That would obviously be of grave concern.

**Mr Ó Muilleoir:** I think that I am visiting your constituency either before or after Christmas to meet businesspeople and, no doubt, this will be high on the agenda.

I have not actually stated one definitive definition of retail. There are areas — hairdressers, for example — that seem to me to be services that are very close to retail. For things like payday lending and other matters — I have to apologise to my many friends who are accountants and solicitors — there are a lot of people who occupy offices and bring footfall to town centres. They have enjoyed business rate relief for seven years, but we now need to focus on the hospitality sector and the small retail sector.

I hope that we can do it in a way in which we can join up with councils or business organisations if there is a business improvement district to get extra power behind this push so that we are not standing alone on these matters and on the proposal. None of this will work, if it is seen in isolation. It really needs all those who have goodwill and have the interests of the high streets and town centres at heart to work together. The Member can be assured that I will work closely with those whom he represents. He can also be assured that I am convinced that we have to do things differently and that this will get a bigger bang for our buck.

## Social Investment Fund

T3. **Mr Lunn** asked the Minister of Finance, given his position as guardian of the public purse, to give his assessment of whether there is waste, inefficiency or dead weight in the administration of the social investment fund. (AQT 528/16-21)

**Mr Ó Muilleoir:** It would not be Question Time if, somehow or other, the Alliance Party did not get the social investment fund into every question. I am neither the First Minister nor the deputy First Minister, he will be pleased to note.

I cannot think of a programme or an area of government that could not become more efficient. At the same time, I think that we should all acknowledge that there have been Trojan efforts, in recent times in particular, to deliver services more efficiently and, at the same time, do so in a way that saves money for the public purse. What I will say is that he can take it that I am 100% committed to making

sure that every penny of public money that we have is guarded zealously and that, when it is spent, it is spent properly and in a way that is of benefit to the public. Those who pay taxes — we have talked a lot about that today — can be assured that, if their taxes are to be used and turned round, we will do everything to make sure that they get a full return on what is, I suppose, their investment.

**Mr Lunn:** I am quite encouraged by the Minister's answer. On the back of that, does he think that GEMS, which has done a lot of work in his constituency on employability, really needs an organisation like Charter NI to provide management services, given that it has provided much larger contracts without that requirement in the past?

**Mr Ó Muilleoir:** That would move me too far into another Department. I take the opportunity to commend the work of GEMS. The Member and I know of their work over many years. They are diligent, have an eye to the public purse and are really concerned to make sure that they make a difference in people's lives. Where they deliver work — I do not know whether they are in your constituency in Lisburn, but they are in mine — they make a real difference. I reiterate my earlier comments — I know that he will agree with them — that we are all guardians of the public purse. I have an additional obligation and will make sure that it is carried out to the full.

## Business Empowerment Zones: Newtownards Road, Belfast

**Mr Lyttle:** As part of the rates reform announcement today, the Finance Minister proposed business empowerment zone pilots, one of which will be in my constituency of East Belfast from the Newtownards Road to the Holywood Arches. I declare an interest as a long-term tenant of Holywood Arches.

T4. **Mr Lyttle** asked the Minister of Finance whether he recognises the role that the entire Holywood Arches triangle from the Newtownards Road to Grampian Avenue has to play in the key regeneration challenge on the Newtownards Road. (AQT 529/16-21)

**Mr Ó Muilleoir:** I welcome the Member's comments. I know that he has had only today to mull over the idea. We will have a greater opportunity to return to it in the time ahead, especially the MLAs for West Belfast and East Belfast. It will be a pilot, and, if it works, it

would be great if we could have a rural pilot after that.

As you know, I said this morning that that is where I think the likely boundaries will be. It would be unfair of me to say that it will definitely start here and end there, and that is why I said that it was likely to be there. LPS has done some work in that area and calculated that the investment by the Government in that pilot business empowerment zone would be about £1 million. That will be for boosting businesses that are already there to ensure that they invest more and for attracting new investment. We will, of course, debate and discuss it with the other stakeholders in the area, but, if the Member thinks that it can be tweaked a little to bring in another slice of the Newtownards Road, he should put that forward. I do not think that we should be too definitive, but I also urge caution that we do not end up going down lots of byways and highways.

**Mr Lyttle:** I thank the Minister for his response. Will he undertake to meet businesspeople in the Holywood Arches and me to ensure that they are fully included in the proposal?

**Mr Ó Muilleoir:** Yes, absolutely. We have consulted stakeholder groups on the proposals and will be talking to people today, but I think that we need a wider meeting in east Belfast. This is an opportunity that needs to be seized. If we implement a business empowerment zone rates support or relief in isolation, it will not work; it will take MLAs, Departments — especially the Department for Communities — business organisations and Belfast City Council to get behind the idea. Of course, as he knows, I have an open-door policy and would be happy to welcome him and his constituents in to see me.

## Rates: Charity Shops

T5. **Ms Bradshaw** asked the Minister of Finance whether, when consulting on the potential changes to rates for charity shops, he will meet the likes of the hospices, which provide beds for children in the last stage of their life and are very reliant on the income from shops and other sponsorship and funding efforts. (AQT 530/16-21)

**Ms Bradshaw:** There is an increasing gap between the amount that charities get from government and the amount that they have to raise. I want to put it on record that I am very concerned about the implications for front-line services of the policy announced today.

**Mr Ó Muilleoir:** I meet the folk from the Northern Ireland Hospice often. They know of my strong support for their efforts: my personal support and my support as a Minister. They also know my view that it is important that everyone who occupies a high street shop should make some contribution to the rates. If it turns out to be 10% — it is 20% in England, Scotland and Wales — it will be about £15 a week. I do not believe that any charity out there could not ask its landlord — many landlords are making a fortune because they renegotiated with charities that did not have the nous or the cutes to understand what they were signing up for — to take some of the pain. I am not saying that that is the case with the Northern Ireland Hospice, but they could certainly tell their landlord that they should take some of the pain on this.

I do not see it as being a threat to the charities in any way.

Some charities are much larger than others, of course, and some are very well resourced, of course, and, in my discussions with them I said, "Could we not look at ways of ring-fencing this money to work on entrepreneurship in the social sector?" In all the hubs around Belfast, I meet start-ups, small businesses and entrepreneurs who are focused on social enterprises, so there is an opportunity for us to find new, additional ways to raise revenue. I will say this to the Member: she should not be overly concerned, but if she wants to share those concerns, she should do so in the time ahead. I will certainly maintain the very warm and close contact I have with the NI Hospice in the time ahead.

**3.30 pm**

## **Question for Urgent Oral Answer**

### **Schools: Proposed Industrial Action by the NASUWT**

**Mr Deputy Speaker (Mr Kennedy):** Mr Chris Lyttle has given notice of a question for urgent oral answer to the Minister of Education. I remind Members that, if they wish to ask a supplementary question, they should rise continually in their places. The Member who tabled the question will be called automatically to ask a supplementary question.

**Mr Lyttle** asked the Minister of Education to outline the planning that has been made for schools affected by proposed industrial action by the National Association of Schoolmasters Union of Women Teachers (NASUWT).

**Mr Weir (The Minister of Education):** Industrial action by teachers has been ongoing since 2011. Very specifically, the last ballot by NASUWT was in 2011 voting for industrial action, and it has continued ever since.

The most recent escalation is linked to the recommendation by the management side of the Teachers' Negotiating Committee (TNC) regarding teachers' pay for 2015 and 2016. The total pay deal across those two years is 2.61%. The Teachers' Negotiating Committee is the recognised negotiating machinery for teachers' terms and conditions, represented on the trade union side by the Northern Ireland Teachers' Council (NITC), which encompasses the five main teacher unions, and, on management side, by the main managing authorities, particularly the Education Authority and the Council for Catholic Maintained Schools (CCMS).

The management side of the TNC issued a letter to boards of governors and school principals on 17 November 2016 that included guidance for helping schools to manage in the face of escalated industrial action. I understand that today, management side urged the Northern Ireland Teachers' Council to suspend its industrial action and engage with management side in urgent negotiations to resolve the matters that have resulted in industrial action, with a particular focus on 2017 and beyond. I think we need to see not simply settlements of disputes that have been ongoing for a number of years but whether we can reach

a realistic position as we move forward from 2017-18 and for the rest of this mandate.

**Mr Lyttle:** I thank the Speaker's Office for taking this question and the Education Minister for his response. I regret that we are only getting this opportunity so close to scheduled industrial strike action next Wednesday. Why has the Minister failed to support a 1% cost of living pay increase for teachers across Northern Ireland in 2015-16? What immediate action is he taking to avert industrial strike action scheduled for next Wednesday, which is likely to impact schools across Belfast and beyond?

**Mr Weir:** I am glad to see the urgency from the Member, given that I do not think he has been in contact with the Department to seek a meeting with me on the subject.

**Mr Lyttle:** You have refused to meet me on other issues, so —

**Mr Deputy Speaker (Mr Kennedy):** Order.

**Mr Weir:** With respect, you have not. This may be a little bit about grandstanding rather than having real interest in the subject.

On the 1%, let us be clear: across the last two years ongoing negotiations took place, and a realistic approach was not taken. The initial position taken on the trade union pay claim, including the 1.13% increase in increments, was for an annual increase of 8.23%. That was sought by trade unions. There was then an increase, including an increment, of 3%, with no indication of a removal of that increment.

The Member and others refer consistently to the 1%, and, in particular, parity with England, Scotland and Wales has been raised. It should be noticeable that, for example, in Scotland, the pay rates are below those in Northern Ireland, and where annual increments are concerned, every teacher earning below £37,500 will receive a pay rise for 2015-16, but annual automatic increments were abolished in England a number of years ago. So, if we are looking to compare, we have to compare like with like. Even the more modest claim of a while ago of a 3% pay rise in-year would be three times what people get in England. If there has to be parity on the 1%, it has to be across the board.

There is no doubt that all of us would like more pay for a range of public-sector workers, but we are in tight financial circumstances. Let me make it clear: I want negotiations and discussions, particularly on how we deal with

the rest of this mandate from 2017 onwards, but no additional money is available in-year. The Executive do not have the money, and, if it were to be injected into the system, given where school budgets are, it would simply lead to additional redundancies. If faced with the choice between additional pay and additional redundancies, I want to keep people in jobs and to put pupils first by ensuring that teachers are kept employed.

**Mrs Overend:** I thank the Minister for his responses. I understand that teachers are taking action over pay, workload and job security. What is the Minister doing to reduce the workload on teachers, including cutting down on paperwork and other non-teaching duties, to enable them to spend more time doing what they do best: teaching? What is he doing to help on job security issues?

**Mr Weir:** We have much greater job security than in England, for example, and that is where a like-with-like comparison is not being made. There is better tenure and job security in Northern Ireland. In that sense, there are better terms and conditions in Northern Ireland than in other parts of the United Kingdom.

The Member makes a valid point about the pressures with paperwork. That is why, as part of the preconsultation exercise that I embarked on a couple of weeks ago, I wrote to every school, asking not simply where there should be greater autonomy but where burdens are being put on schools by the Department, the Education Authority or anybody else that are unnecessary and that duplicate work. I agree with the Member that, if we can reduce unnecessary administrative burdens as much as possible and, indeed, remove them, we should embrace that.

**Mr McElduff:** In light of the fact that there have been increases to teachers' pension contributions and employees' National Insurance contributions as well as, in recent years, changes to income tax thresholds, will teachers be better off or worse off? How does that compare with other public-sector workers?

**Mr Weir:** The Member raises a number of points. There will be a mixed bag as a result of some of the changes. Income tax thresholds, for instance, have moved upwards, which means that a reduced level of tax will be paid on that side of things. With National Insurance contributions, there is additional pressure on the Executive. We always look at the headline figure on where we are with the block grant, but, because of changes made nationally to

National Insurance contributions by employers, an extra £22 million burden has been placed directly on schools. Some £40 million has been placed on Education, but that is not unique to Education. I am sure that one of the Members opposite will look at the fact that a massive burden has also been placed on the health service because of those changes. In effect, it is not just a cut to Education but a cut across the board.

Other public-sector workers were mentioned. I indicated that the changes mean that, for 2016-17, everyone will get a direct pay increase and an increment, and everyone earning below £37,500 for 2015-16 will see a pay rise. Mention was made of the rate given to nurses. It should be remembered that automatic progression in teaching to the top point of the upper pay scale takes a teacher up to £37,900. For a nurse in a similar position, the maximum rate is £28,000, which is for longer hours. Indeed, a teacher's hourly rate is about 50% higher than that of a nurse when both are at the highest point of the upper pay scale.

When comparisons are made, they have to be made within the full context. It should also be indicated that the pay rises are not simply to basic pay; there is also 1% for 2016-17 on every teaching allowance, whether it is a management allowance or additional activities that the teacher does for which they are paid. That is also being increased.

**Lord Morrow:** Has the Minister had any feedback from principals and chairs of boards of governors re the impact of the industrial action that has been ongoing since 2011 on children and educational attainment?

**Mr Weir:** There are obviously concerns out there. To be fair, despite any industrial action, children have achieved. We have seen good results in Education and Training Inspectorate inspections and in exams. The aim of this should always be to ensure that we put pupils first. The biggest concern that has been raised with me consistently, time and time again both before I came into office and since I came into office, is the state of school budgets. I have to be very wary that, as been highlighted on a number of occasions, there are schools that will move into greater deficit problems. I have to say that the solution to that, if schools are to live within budget, will be greater levels of redundancy. If we put additional costs into the system — the vast bulk of expenditure in schools is pay, particularly teacher pay — unfortunately we will simply force more people out of the profession. We will increase

redundancy levels. That is something that we need to bear in mind as well, and it is why people need to think again and act realistically.

**Mr McGrath:** Does the Minister agree with the teaching unions that the real-terms decrease in teachers' pay from 2010-11 has been 15%? Does he accept that that has a poor impact on teaching morale? Is there anything that can be done to address that?

**Mr Weir:** No, I do not agree. Indications are given about cuts to pay: pay is actually rising. For example, in the last two years, pay has risen by 2.61%. There is no inexhaustible supply of money, and that is the same throughout the public sector, where there are big pressures. The overall education budget is down this year. Given the pressures on the Executive, we are not in a position to give the 15% pay rises that people are talking about. At one stage, one of the unions talked about how they needed 13% to be brought up to parity. Those are just not realistic figures. Quite frankly, all of us have to live in the real world. There have to be discussions about how we can best move forward. However, if fantasy figures are produced for what should happen on pay, there has to be a realisation that that can only be paid for out of the budget for schools, which itself can only be paid out of the budget for education and the block grant. Such pay increases are not realistic. Instead of people grandstanding on issues sometimes, we need to ensure that we deal with things realistically.

**Ms Armstrong:** What action is the Minister taking to rationalise the administration of education in Northern Ireland to ensure that the system allows adequate pay for teachers and adequate resources for our schools?

**Mr Weir:** There has been a wide range of rationalisation in the movement and the Education Authority. In terms of the pressures that are there, the uptake of the voluntary exit scheme has been considerable; indeed, the bid that has been put in for voluntary exit in the Department of Education is greater than that in any other Department. So there has been a reduction of staff in the Department and in the Education Authority, and that is an ongoing issue. However, given where we are with school budgets, that in and of itself will not match all of the gap. That is why we need to be responsible when it comes to levels of pay. I will try to drive out any additional cost that is in the system, but that cannot simply happen overnight. To be fair to my predecessor and to the Executive as a whole, that has been embraced in terms of VES and investing in the

teacher workforce, which, as it moves forward, will not only refresh the workforce but lead to a reduction in cost pressures. However, ultimately, there is a limit to what people can be paid. As I said, if automatic increments are simply to be held onto when they are not there in other parts of the United Kingdom, teachers cannot also claim that there should be parity on every issue of pay.

**3.45 pm**

**Mr E McCann:** Would the Minister and Members not agree with me that teachers do not take lightly to industrial action but they recognise the inextricable link between teachers' pay and conditions on the one hand and the provision of first-class education to our children on the other? Is it not the case that they are defending the public service against the job losses etc involved in the Fresh Start Agreement? They are, therefore, giving good example to children and to people generally across society. In light of that, would the Minister and other Members care to join me and my comrade Gerry Carroll on the picket line with the teachers next week — [*Interruption.*]

**Mr Deputy Speaker (Mr Kennedy):** Order.

**Mr E McCann:** — and join me in saying that they are giving good example? I say this: let us back the local teachers and defend the future of our children.

**Mr Deputy Speaker (Mr Kennedy):** The Member has asked his question, thank you.

**Mr Weir:** I indicated at the start of my comments that there had been an ongoing state of industrial action since 2011. I suspect that, for the Member, there has been ongoing industrial action since about 1971. I will not be joining him.

With respect, the Member seems to propagate the same fantasy politics. At least I have some sympathy for the previous questioner, who asked what we could do to drive out unnecessary administrative costs. Ultimately, we should look to reduce administration, and that means ensuring that voluntary redundancies and the VES are at the maximum. If we put those savings into education funding, that is a sensible way forward. I am sure that the Member wants to see an expansion of the numbers in the public service and greater pay for everyone in it: mathematically, that does not add up. I cannot simply pluck figures out of the air or add money to it. I wait to see the industrial action where

the Member and his colleague are not on the picket line; when the Member refuses to join the picket line, that is maybe when I should go onto it.

**Mr Agnew:** There will have been Barnett consequentials to the pay rise that was given to teachers in England. Whilst I appreciate that that would not have been ring-fenced, did the Minister make the case to the Finance Minister that that money should come to him and his Department?

**Mr Weir:** There are not Barnett consequentials to that. We must keep our spending within the block grant. There is a myth that separate money was set aside by Westminster for teacher pay. That was not the case, nor indeed, as some have alleged, was that money going back to Westminster. The money that has not gone into the pay rise has gone directly into school budgets to provide teachers with jobs. That is something that we have to realise: if we inject additional cost into the system, it will lead to redundancies. On the flip side, if we are able to spend that money directly on schools in providing education and not a penny goes elsewhere, we can actually help to protect those jobs. Those are the real choices, as opposed to the choices that some in the House would have us make.

**Mr Logan:** Will the Minister detail for the House the average annual salary of a teacher in Northern Ireland?

**Mr Weir:** Inclusive of employer contributions, the average teacher salary is £48,874 gross. The majority of teachers are above upper pay scale. Upper pay scale, at present, in terms of what they directly receive, is £37,870. As I indicated, increments are included in 2015-16 for anybody below that scale. Therefore, we are not talking about the low-paid. The low-paid in teaching are being protected, because they are receiving increments, which means that everybody below the level of £37,870 will see a pay increase for 2015-16.

**Ms Seeley:** I thank the Minister for his answers so far. I am sure that he will join me in commending the sterling and invaluable work that our teachers do, day and daily, at a time of increased pressure.

What action has the Minister taken, or will he take prior to Wednesday, to do all he can to avert strike action and to bring the ongoing industrial action to an end?

**Mr Weir:** The direct relationship in respect of the pay is between TNC and the unions. I join, though, with the call from the chair of the TNC, today, urging the unions to get back around the table to look at where we can have pay settlements from 2017-18 onwards, to look at the long term and, indeed, to look at any of the issues that people want to be brought to the table. I am not going to pretend to people that there is a pot of money, which I am holding back and could give out if only there was agreement. There is no more money. That is where we are, unfortunately, in the current financial circumstances.

I do not want to mislead people. I urge people from the management side and the trade union side to engage seriously to address these issues and to get round the table and try to discuss those issues. It is a problem that previous Ministers had as well. When we were talking about the 2015-16 settlement, discussions went on for 15 months, without agreement being reached. It stretched over the last two jurisdictions. I think that people have to engage seriously.

**Mr Lunn:** Does the Minister agree that we train too many teachers? One of the criticisms of his two predecessors was that they asked for far too many teachers to be trained without the expectation of a job. Will he undertake to review that situation now that he has control of the numbers?

**Mr Weir:** I am certainly happy to work with the Economy Minister, in particular, because, obviously, there is a split. When we talk about teacher training, there is the issue of the numbers, which, I suppose, directly falls to my Department and the Economy Department, so I am happy to look at those issues. I do not think that the gap between the numbers coming into the profession and numbers being trained is that enormous. We have to look at the correct model. I think that getting the correct model for sustainability in teacher training is a wider piece of work. I am happy to look at those issues, but I do not think they are directly related to the current dispute. However, it is, obviously, an important, separate issue.

**Ms Lockhart:** I thank the Minister for his answers thus far. It is disappointing that, at a time when, I believe, staff morale is low, we have this question before the House in such a manner. I thank the Minister for his efforts in assisting teachers in this role. Will the Minister explain to the House and dispel the myth that teachers on the mainland are better off than those in Northern Ireland?

**Mr Weir:** There is a difference of position. As I said, starting salaries in Scotland are lower than those in Northern Ireland, and that even works up to the maximum level. I do not have the figures in front of me, but I did read earlier, if Members would give me a moment, that, in Scotland, they reach the maximum position of £35,409 at the end of the scale, which is approximately £2,500 less than in Northern Ireland. Yes, the 1% that was put in for England and Wales would leave the maximum of the scale at a higher level. However, the difference is that the Northern Ireland wage settlement for 2015-16 and 2016-17 contains pay progression by way of an automatic increment, because there has not been agreement to remove that. That was abolished in 2013 in England, which means that there is no automatic pay progression based on time served in England. You are dependent on performance and are at the whim of the board of governors. So, there is a differential on that side of it. On that basis, there is a distinction.

The pay deal across the board in Scotland, for example, was 2.5% over the last two years. It is 2.61% here. So, I think there is a myth being put out. If some of the unions were simply saying, "We will accept a 1% pay deal" or "We will accept a deal on that basis", on the basis of parity, the offers that they made, the initial positions, were, in composite terms, round about 8.3%, which is massively different from what is in the rest of the United Kingdom. Therefore, if people are going to ask for parity, they also have to bear that in mind in their demands.

**Mr Deputy Speaker (Mr Kennedy):** I call Jennifer McCann.

**Ms J McCann:** My question has been answered.

**Mr Deputy Speaker (Mr Kennedy):** OK. That completes questions on the topic. Before we return to ministerial statements, I ask Members to take their ease while we make changes to the top Table.

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

## Ministerial Statements

### Regeneration Bill

**Mr Deputy Speaker (Mr McGlone):** I have received notice from the Minister for Communities that he wishes to make a statement.

**Mr Givan (The Minister for Communities):** I wish to make a statement on the extension of my Department's urban regeneration and community development powers to local government.

Over the past year, we have seen real change in local government. The 11 new councils have been established, and a range of additional functions and powers has been transferred from central government to them. The aim of the transfer of such key functions as planning, local economic development and local tourism, coupled with the new responsibility for community planning, was to allow councils to take the lead in reshaping and building their communities.

As Members will be aware, it was also the intention of the Executive to extend to councils the Department for Social Development's statutory powers for urban regeneration and community development, but that was unable to progress in the mandate of the previous Assembly. It was also recognised that the new Department for Communities would have responsibility for a much wider range of functions than the Department for Social Development and that it would be better to assimilate the various new functions into the new Department before deciding whether and when some of those responsibilities would be best delivered at a local level.

I have now completed six months as Communities Minister. I have spent a lot of that time on the ground, speaking and listening to the people who use my Department's services and receive its funding, to elected representatives and to community activists. I have seen at first hand the transformative impact that regeneration projects can have on our town and city centres and the contribution that they can make to enhancing the shared space and vibrancy of our communities. I have seen, irrespective of where legislative responsibility lies, that local government plays a huge role in ensuring the successful implementation of our regeneration programmes. Whether it is in Belfast, Londonderry, Lisburn, Armagh or Newry or in our important towns across Northern Ireland,

such as Enniskillen, Dungannon, Ballymena and Bangor, a key feature of all that work has been the level of collaborative working that has been achieved between local councils and my Department. That is exactly the type of cross-boundary working that is needed under our new Programme for Government.

The Programme for Government sets out an entirely new context for the delivery of our services, including the way in which we address poverty and disadvantage and the way in which we use our statutory powers to drive economic growth and lever new investment to benefit everybody in this society. The key message from the Executive is that we all, whether we are in central government, local government or outside of government, must ensure that we work in a joined-up way across departmental, organisational and sectoral boundaries and use all our resources and skills to deliver lasting change.

It is my assessment therefore that the new context calls for a new direction of travel. I want my Department to be at the forefront of that change, using all the powers and resources at its disposal to achieve the outcomes and the ambition that the Executive have for our society, as set out in the Programme for Government.

#### **4.00 pm**

This is not the time to tinker with who is responsible for what or to concern ourselves with the splitting up of the regeneration budget. Rather, it is the time for all the stakeholders to work together to maximise our joint effect and achieve positive change in the issues that have bedevilled this society for too long.

Therefore, I am announcing today that I do not intend to bring forward proposals to extend my Department's urban regeneration and community development powers to local government during this mandate. Rather, I want to see central and local government operating within our respective existing legislative, community planning and resource frameworks, working with other stakeholders, whether in the community or private sectors, to maximise the impact that we can make together. This is not simply about improving our public realm and increasing our shared space; it is about creating more vibrant places with more employment opportunities and better housing, addressing poverty, and improving the quality of people's lives.

I also want to explore whether there is a case for extending our regeneration activities to

settlements of fewer than 5,000 people. There are many small settlements that serve the same role in the community as larger places, but which, because of our current policy to restrict access to town centre regeneration funding to towns with populations above 5,000, do not directly benefit from investment in the enhancement of public and shared space available to their larger neighbours.

A change to — or, indeed, the removal of — the population threshold could open up opportunities to lever in much greater investment, including from the private sector and local government, into new areas, producing employment opportunities by, for example, exploiting social clauses. This proposal also offers scope for enhanced collaboration and cross-government working with the Department of Agriculture, Environment and Rural Affairs and with the Department for Infrastructure.

I have, therefore, asked my officials to review the population thresholds and consider options for extending my Department's physical regeneration programme, public-realm schemes, development grants and revitalisation activity to projects that promote the vibrancy and vitality of smaller settlements currently designated rural but which provide retail services and employment opportunities equivalent to more populous ones. That would ensure that citizens living, socialising and availing themselves of services in smaller settlements had access to the same benefits of public-space developments as their counterparts in larger conurbations.

In all of this, I want to emphasise the essential involvement of colleagues in local government. We already have many fine examples of good public-realm improvement resulting from the combined efforts of local government and my Department. Nothing I have said today will change that. On the contrary, I want to see more such collaborative work, where each sector exploits its strengths and authority to maximise the benefits and reach of our public realm programmes.

Finally, I want to set out my intentions with regard to the neighbourhood renewal programme. Neighbourhood renewal was a 10-year strategy, launched in 2003 to deal with the circumstances at that time, and, since its inception, there has been investment of almost £280 million. The programme has had many successes in helping to nurture community development and in improving the physical fabric, facilities and environment of many of our most deprived areas, and there have been

significant improvements across a number of social and economic indicators during the lifetime of the strategy.

The programme has been subject to interim and final evaluations. These studies reported that, whilst there has been some narrowing of the gap between the neighbourhood renewal areas and the rest of Northern Ireland on a range of social and economic outcome indicators, those areas remain some way behind the rest of the country.

Neighbourhood renewal had notable success in community development outcomes. It laid many of the foundations necessary for ensuring that communities can engage in community planning with councils. It instilled a sense of pride amongst residents in their areas and encouraged high levels of community participation in the development of action plans and in the interventions that flowed from them.

The strategy had many demonstrable successes in physical and environmental improvements, with ample evidence of the benefits accrued through neighbourhood renewal capital investment. Examples include sports facilities, childcare facilities, community centres, business units and play parks.

However, we have to recognise that things have moved on; there is a different context now. The Programme for Government places responsibilities on us to focus our efforts on things that make a difference and to challenge ourselves to find better ways of making a positive impact on the outcomes it sets out to achieve. Given where we are, and in the context of the achievements of the programme over the last 13 years, it is my intention to review the current strategies for tackling deprivation with a view to replacing them with a programme that will be more closely aligned to support the delivery of the new Programme for Government outcomes.

It is in all our interests to see whether we can design a programme that will have a greater impact on the intractable social and economic barriers which limit the life chances of so many in our community. In that way we can be better assured about the effectiveness of our interventions to address poverty and deprivation and improve the lives of people facing barriers to participation in the economy and in the cultural and social life of Northern Ireland. It will be important to ensure that any new programme builds on, and does not lose, the real benefits of the existing programme. I will also wish to consult stakeholders on the way forward as proposals are being developed

and their impact assessed. The current neighbourhood renewal strategy has provided many good news stories across all of the areas that have participated in the programme and, in acknowledging these successes, I record my gratitude to all involved.

I conclude by giving an assurance that there will be no sudden change to the delivery of the neighbourhood renewal programme and it will remain in place until the review is complete. This is a process that will take 18 months to two years to complete. The development of proposals will be informed by widespread consultation. I particularly want to ask those who have been involved in the neighbourhood renewal process to bring their experience and knowledge to these discussions with my Department as we take this work forward.

In closing, my statement today brings much-needed clarity to an issue in which there is huge interest across Northern Ireland. It sets out an inclusive way forward, which will allow us to exploit the strengths of central and local government. More than that, it provides an opportunity, through collective effort, to extend the reach of our programmes so that more of our constituents can better benefit from our interventions. The new Programme for Government signals a new way of working, a renewed focus on outcomes that requires us to think differently and challenge the way we do things. This is an important step on that journey and I look forward to the outcome.

**Mr Eastwood (The Chairperson of the Committee for Communities):** I thank the Minister for his statement. There will be much disappointment at the announcement that the regeneration powers will not be transferred to councils. There will also be new uncertainty injected into community groups around the North as a result of the announcement on neighbourhood renewal. Does the Minister accept that with Brexit and all the uncertainty in the funding environment for these groups, this injects a new level of uncertainty? Can he guarantee, going forward after his 18-month review, that money and funding will be given to groups on the basis of objective need and that we are not looking at creating another social investment fund (SIF)?

**Mr Givan:** I reject the assertion that this is going to be met with disappointment: quite the opposite. There may be some with their own interests who may be disappointed, but those who share the common goal of improving our town centres and tackling deprivation and poverty will recognise that I have outlined a real opportunity. It is a way for us to come together,

look at the outcomes that we want to achieve and at how best to achieve them.

Let me be clear: the end users of all these services do not differentiate between the ratepayer and the council delivering them or the taxpayer and Stormont delivering them; they want services to be delivered in the most effective and efficient way possible. The process I am going to take forward will be able to deliver those services and those who will benefit will be thankful for having them delivered.

Let me assure the Member and other Members of the House, as I did during the statement, of the huge value that I place on the work that neighbourhood renewal has carried out and of my commitment that, as part of the process, there will be widespread consultation. Neighbourhood renewal will continue until the process concludes. The end goal in all of this is to make sure that we can tackle poverty and deprivation in the communities that need to have it addressed. We will take this forward in the inclusive manner that I hope everybody will recognise and come to the table and take part in a genuine commitment to address all the issues that we share and reach the end goal that we want to achieve.

**Mr McQuillan:** I thank the Minister for his statement, which I welcome. Given the emphasis, Minister, that you have put on the new Programme for Government, what PFG outcome will the Department align its regeneration activities to?

**Mr Givan:** My statement mentioned the new Programme for Government, within which are indicators that my Department leads on and others that my Department will contribute to. The Department leads on indicator 19, which is about reducing poverty; indicator 32, which is to increase the economic opportunities for our most deprived communities; and indicator 42, which is to increase the quality of life for people with disabilities. Those are good examples.

We are also contributing to other areas. We contribute to indicator 31, for example, which is about increased shared space and is primarily the responsibility of the Executive Office; and to indicator 30, which is to improve our attractiveness as a destination and is primarily for the Department for the Economy. Where I have direct responsibility and where I have responsibility to support other Departments in achieving these indicators, it is vital that we have all the tools at our disposal to do that. That is why we need to take the step that I have taken today of enabling this Department to have

those tools available to it to really drive forward in tackling the issues that the Programme for Government highlights.

**Ms Ní Chuilín:** As some will, no doubt, be disappointed that functions will not be transferred to local government, will the Minister confirm something that he said in his statement? I welcome his commitment to neighbourhood renewal and that there will be a continuation for 18 months to two years while the review is going on. However, can he confirm that any review will be done on the basis of tackling poverty and deprivation, that it will look at the role of other bodies and agencies to ensure that they, too, have a part in the delivery of any new neighbourhood renewal programme, and that it will be built on objective need? In my opinion, in the past — not under your watch — reviews were a result of political vetting.

**Mr Givan:** I am happy to give the assurance to the Member that we need to ensure that all the stakeholders feel very much a part of the review and that we collectively recognise the needs that exist and how best we want to meet them. Neighbourhood renewal plays a very significant role in all of that. I had conversations with a number of councillors, and they were keen to have the regeneration powers for public realm work, environmental improvement schemes and revitalisation, but there was certainly a concern from a number of councillors about having the neighbourhood renewal functions transferred to local government. There was no consensus in local government on the issue when I spoke to a number of councillors.

This is an opportunity, Members, for us to tackle these issues and for my Department to take the lead on it. I am a Minister who wants to be held to account, who recognises the challenges and who wants to have the responsibility of leading on all this change on behalf of the Executive through the Programme for Government. For me to do that, we need to have the tools at our disposal in the Department, and Members will rightly be able to hold me to account for the actions that I take.

**Mr Allen:** I thank the Minister for his statement. Minister, do you not agree that this decision goes against the ethos of the local government reform, given that devolving regeneration powers to councils was a central element of that? Is this an aspect of the Government retaining power for the sake of holding power? Minister, will you advise where this leaves community planning?

**Mr Givan:** As indicated in the statement, the way in which the Executive Departments have been reconfigured means that there is a new context. This Department is the biggest Department in the Executive and has a range of functions now within its responsibility. I considered those responsibilities and the way in which the Programme for Government is changing how it wants to deliver government through the outcomes-based approach, and that set the context in which I had to consider the issue. I do not recognise the narrative that the Member outlined. My Department is involved in the community planning role and in subcommittees within community planning, and it will continue to be very much a part of that.

My statement makes clear that local government has its strengths, and we have partnered with local government on a wide range of areas. We have funded master plans and had councils lead on the contracts for public realm work. That has worked very well, and that will continue to be the case. I know local government will recognise the opportunities that will exist for the Department to tackle a wide range of areas, and I know it will find in me, as Minister, someone who wants to very much partner with it by recognising its skills in addressing these issues.

**4.15 pm**

**Mrs Long:** One key aspect of the transfer of regeneration powers was the ability to use comprehensive development and land assembly powers, alongside planning and economic development responsibilities, to co-invest in schemes. Developers have said clearly that what they want from councils is a one-stop shop so that they can regenerate major sites. Is this not simply the hallmark of an Executive showing control freakery, whereby distributing power or allowing other people to take a lead on things is sneered at? In fact, is it not the case that local government was the one that lobbied for those powers to be devolved?

**Mr Givan:** No, I do not accept the "control freakery" comment. This Department, when it was previously DSD, was able to use those powers to assemble land for development, not least for some of the major retail centres that now exist in Belfast city centre. There should be no conflict in being able to progress all those matters when assembling land. I will do that where the case has been put forward to do so.

The Member made the point that my Department is holding on to power rather than passing it on to local government. I will point

out that it is the two Executive parties that also make up the majority across local government, so it cannot be the case that we are holding power away from it when, in transferring this to local government, it will be the two Executive parties that will control the majority of all its authorities. Members need to move away from that mentality and recognise that this is about delivering services. Ultimately, as I said in my earlier comments, the public do not differentiate between local and central government. All they want is the service delivered and their area improved, and through this approach we will do that in the most efficient and effective way possible.

**Mr Stalford:** I welcome the Minister's statement, because it provides much-needed clarity. This issue has been running for a long time in local government. The Minister will be aware that different councils were at different levels of preparedness for the planned transfer of powers. Under the announcement that has been made, is there scope for tailored cooperation going forward between different councils that were at different levels of preparedness to deliver, as the Minister said, the services all our people want?

**Mr Givan:** Very much so. That is the approach I have taken in office when local government has come to me to outline what its plans are and ask whether we can partner with it. When that request has come in, local government has always had a very sympathetic hearing. We have then developed those relationships and have been able to partner with local government, not least with Belfast City Council in the area the Member represents. At a strategic level, the Belfast regeneration directorate has formally adopted Belfast City Council's city centre regeneration and investment strategy. Again, throughout the country, the regional regeneration office has worked with councils to produce master plans for our towns and cities. At a project level, the public realm schemes have all been developed in partnership with councils, and often the councils lead on the delivery of those projects.

Through neighbourhood renewal funding, the Department has delivered many projects in partnership with councils. In Londonderry, for example, two play parks were delivered in the past year in the interface areas of Irish Street and Top of the Hill. I was able to visit both of them earlier in the year during the summer. That again demonstrates the benefits of partnership working with councils. I very much want to work with local government, and I know it wants to work with me. When, in a spirit of collaboration, we come together wanting to

address the same areas we recognise need to be addressed, we will be able to collectively achieve that desired outcome.

**Ms Gildernew:** I thank the Minister for his statement. I am delighted he is considering lowering — hopefully, he will remove it altogether — the threshold for public realm investment in smaller towns and villages.

It was regrettable that the threshold was introduced by a previous Minister for Social Development. It has really been a disadvantage to many small towns and villages.

The Minister has outlined some of the things that he sees as being part of that: childcare, play facilities etc. He has set down a timescale of 18 months to two years. Is there an opportunity for the Department to engage with smaller towns and villages about what they would see, or do they have to wait to the end of that process for a decision on the threshold?

**Mr Givan:** We have decoupled the two issues of neighbourhood renewal and the threshold with regard to how we use urban regeneration powers around public realm and that type of work. It will not be held back in looking at neighbourhood renewal. Once we have a review and consider how we would do it, I hope to be in a position to announce, if the threshold is lowered, what it is lowered to or, indeed, whether there should be a threshold at all. I know of the valuable contribution that smaller towns and villages make, and they are very much the hub of rural communities. It is important that they get investment, not just the bigger towns and cities. I hope to be in a position to announce what the threshold will be and whether it is lowered or removed altogether much sooner than the neighbourhood renewal review, which will take around 18 months to two years.

**Ms Lockhart:** I thank the Minister for his statement. The public, I believe, do not mind who does the work as long it gets done. As an MLA for a constituency with many small towns and villages, such as Dollingstown, Waringstown, Seapatrix and Scarva, can I ask the Minister how his Department will determine which small settlements will benefit from public realm schemes?

**Mr Givan:** I think that the Member fitted in all the small settlements in the Upper Bann constituency. She has had me out at a number of them, making the point that investment needs to be carried out in these villages and not solely in larger towns and cities. Currently, the

settlement classification for public realm works is determined solely on the basis of population. That means that, to date, settlements with a population of 5,000 and over get the investment and those below that are denied investment from the Department's regeneration programmes. There has been criticism of that approach in some quarters. We want to explore whether a case could be made for smaller settlements based on other criteria that would take in, for example, service provision in those smaller towns and villages.

**Mr Smith:** If the public do not care who does what, it raises this question: why have devolution at all? The Minister will, I hope, be aware of correspondence that I have sent him seeking feedback on my private Member's Bill, which proposes devolving powers to local government, including regeneration powers. As he is, I believe, now responding on behalf of the Executive but has yet to do so, can I assume that his statement indicates his lack of support?

**Mr Givan:** The Member has been very astute in understanding what the ministerial statement has outlined for regeneration powers. That is not to say that there are no other functions that the Executive may wish to consider that could go to local government and may be more appropriate for local government to deal with.

As the Member will know, I chair the regional partnership panel on behalf of the Executive, where I formally meet 11 representatives of the local authorities. We have now extended that to include the chief executives. That allows a direct connection between local government and Stormont where we are able to engage on these issues, and the councils are able to have input. We can update local government. It is a framework that could do more than what it has been able to achieve so far. I indicated at our last regional partnership panel meeting that I very much recognise this as the key connection between local government and the Executive. It will be the vehicle by which we will want to have more detailed engagement with local authorities.

The Member's request has come into my Department, and he will get a formal notification. The statement, however, is very clear: the Department is best placed to deliver on regeneration powers.

**Mr F McCann:** I thank the Minister for his statement. People have believed for a long time that the concept of neighbourhood renewal is excellent. The delivery by Departments and sometimes statutory bodies fell down, and

communities felt it. Can the Minister give an assurance that local government will still have the opportunity to deliver regeneration programmes and projects with the Department, given that those functions will not be transferred to local government?

**Mr Givan:** I give that commitment to the Member. Obviously, local government will have greater powers when it comes to taking forward a range of issues, working with my Department. Where local government wants to make investment around the regeneration of communities in its areas, it will be able to do so. I will certainly be supportive of councils that want to take forward projects. I will happily partner with them as well. Where there are single issue-type areas in which local government wants to take forward regeneration work, it will be able to do that.

**Ms Mallon:** Can the Minister explain the lack of coherence and consistency coming from the Executive? We have a Finance Minister making statements about the need to regenerate our towns, cities, communities and high streets and then a Minister for Communities who today announces that the tools needed to make that happen — the transfer of regeneration and community development powers to councils — will not happen.

**Mr Givan:** I am sure that the Member listened carefully to the Minister of Finance and to my ministerial statement. I do not think that you will see a contradiction in what was said anywhere. I made it clear in my statement how much I valued the work that local government carries out and how much I wanted to work with it in collaboration, which is the way we have been able to work with local government on a range of issues. Local authorities have been with me, outlining programmes that they would like the Department to support. I will very much work with local government to take forward all the programmes that they want within the responsibilities that I have in my Department.

Local government can be reassured today. This provides clarity around the issue. Local authorities have talked about it at length. It is an issue that they have asked me to give clarity on. Often, a decision one way or the other is exactly what they want. They then know the framework that they are operating in, and we can collectively move forward. Local government and the Executive are committed to achieving the same objectives: to regenerate our communities, improve our town and city centres and tackle the poverty and deprivation

that Members spoke about at length yesterday during the debate that the two parties brought forward. This is a way in which I have demonstrated my commitment to tackling the issues that Members raised during the debate yesterday.

**Dr Farry:** This really is a kick in the teeth for local government; the hard-working and free-thinking councillors from all political parties; the community planning process, which is a bottom-up process; and the review of public administration itself. Will the Minister comment specifically on the implications that this has for the ongoing development work that councils have been taking forward, which was predicated on the transfer of regeneration powers? I particularly have in mind the Queen's Parade development in my home town of Bangor, which was very much based on the transfer happening. Other work will now have to be done to accommodate the change of course by the Department.

**Mr Givan:** This is very much a vote of confidence in the ability of local government to partner with the Executive. I know that local government will welcome the fact that I have made it clear that I want to work in collaboration with the 11 councils in Northern Ireland. Together, we will be able to maximise the strengths that each of us has in terms of the Executive and local government, recognising that we have different strengths and abilities to achieve the end objectives that we all want to address. This is very much an opportunity for us now to move on, recognising the framework in which we will operate, and collectively put our shoulder to the wheel to address the issues. Councils will be able to continue with the work that they have been doing in developing their plans and assessing how they want to regenerate towns, cities and villages. My Department will very much play a full role in that process to make sure that those plans become a reality.

**4.30 pm**

**Mr Attwood:** I want to make it very clear that we, on these Benches, unlike some others nearby, take with a big pinch of salt the DUP's commitment to neighbourhood renewal and the principles that have underpinned that strategy for many a long year; a huge, big pinch of salt. We will be watching you, Minister, very closely. Laugh as you do, but there are a lot of people who will not have smiles on their faces today.

Does the Minister not accept that the very essence of the transfer of powers to local

councils was that, if they took planning and development powers, the resources and the ability to do more than just make plans would follow in due course? Minister, do you not accept that what you have done today has run a coach and horses through local government reorganisation and the legislation of the House, as the deal with local councils has been openly and callously breached by you, by your statement to the House today?

**Mr Givan:** I knew that Mr Attwood always had his eye on me. I look forward to having a watchful eye on the activities that I carry out.

In respect of the issues that the Member has raised, I have been in a number of areas where neighbourhood renewal has transformed areas. I was in Ballymena, where I saw at first hand the important work that has been carried out. I have been in areas of east Belfast and north Belfast where neighbourhood renewal has transformed communities. It was a scheme that was created in 2003, and £280 million has been spent on it. Is the Member seriously suggesting that, when you develop a scheme, you do not then look at how it has delivered against the objectives that were set and at where we, as a society, want to look at addressing the needs that exist around tackling poverty and deprivation and making sure that all the government schemes align to addressing that? That would be a foolish approach to take on the way in which government operates. I point out, as I did in the statement, that there were numerous attempts in the last mandate to introduce this and there was not consensus.

Local government authorities and councillors are saying to me that they would like some of the regeneration powers but not to give them neighbourhood renewal because that is a very difficult one to manage. They do not want to have that. So, there has not been consensus in local government as well. In the absence of that consensus and recognising the new way in which the Programme for Government is being delivered and the way in which this Department has brought together a range of its responsibilities — the biggest now in the Executive — I believe that, in that context, the decision that I am taking is the right one to take.

**Mr Lyttle:** Does the Minister not recognise that councils, themselves, believe that it is folly to charge them with local development plans, community plans and setting out a vision of regeneration for their area, only to sweep the powers for master plans and spatial planning from under their feet?

**Mr Givan:** No, I do not, because it has been councils that have led on creating the master plans and the Department has often funded that, or councils have put in a percentage contribution around revitalisation schemes and public realm schemes; it has been a partnership approach. So, in the development of the plans that they are carrying out, the decision by me to retain these powers in my Department in no way will harm the delivery of the plans that councils will be able to come up with. Indeed, I believe, it will actually ensure that they will be delivered because we will maximise my Department's strengths and local government's strengths to achieve the objectives that we want to address.

**Ms Bailey:** It is very disappointing news that we are getting today, not just for local government, which is always best-placed to identify and work on local need, but for those working at ground level in community development and regeneration, who find it much easier to engage with and access their local council than they do Departments and the Assembly. I am slightly heartened to hear that the Minister is keen to keep engaged and ask those who have been involved in the neighbourhood renewal process to bring their experience and knowledge to the discussions and that there will be no sudden change in the delivery of the programme. Will he give his assurance that these organisations and people will not have to prove their need all over again in order to access any continued funding? Will he be happy to keep existing measures and allow them to continue with the great work that they do?

**Mr Givan:** I have met countless community organisations that my Department has supported, whether through financial resources or help in the various offices. I have yet to meet one group that has said that it does not like working with my Department, that does not believe that it helps their community to address issues in the community or that wants councils to deliver that help. However, I was with a group yesterday that Mr Easton, who is not here today, brought to see me. The Ards Development Bureau is an umbrella organisation that works with nine or 11 different community organisations across Northern Ireland. It pleaded with me not to pass responsibility to local authorities. It wanted my Department to continue to do the work and not to transfer it. Those are people who are working at the coalface in our communities and they have an excellent relationship, as they said, with my Department. They recognise the work that it has been able to carry out, and they were concerned that this responsibility was going to transfer to local authorities. I believe

that that organisation was being funded through the community investment fund, which will be staying in this Department. That has provided reassurance, certainly to that organisation, on behalf of those local grass-roots community organisations.

**Mr Allister:** When the Minister says that the £280 million spend on neighbourhood renewal has produced some narrowing of the gap between those areas and the rest of the Province but that they remain some way behind, can one infer that, despite some good schemes, overall there has been disappointment with the outcomes of neighbourhood renewal and that it does need fixed? Will he tell us whether the Department has done a comparative costing in terms of delivery centrally as opposed to delivery locally through the councils?

**Mr Givan:** Certainly, delivering this centrally will allow a consistency of approach across Northern Ireland. It will allow us, in the review, to ensure that when we consider how neighbourhood renewal and that £280 million has rolled out, we look at its effectiveness, what changes could be made to make it more effective and what areas that currently do not benefit from neighbourhood renewal should be benefiting. Having my Department take responsibility for that will allow us to look at that issue rather than breaking those functions up so that there are 11 different approaches to tackling, primarily, poverty, deprivation and regeneration across the different councils. We will be able to do that.

We recognise that there has been some narrowing of the gap, but it is a scheme that started in 2003, and it is timely to carry out a review of that so that, as we seek to address these areas, we can determine whether we are doing it in the most effective way. It is timely now to carry that out.

**Ms Armstrong:** As the Minister has already said, the public want services delivered. However, today is a very sad day because the public who came out to all those community planning meetings, providing their input and their ideas as to how they wanted their towns and villages regenerated, have been stomped over. Does the Minister have the support of the Northern Ireland Local Government Association (NILGA) or of any single council? Has any single council advocated this change, or is he telling local government what to think?

**Mr Givan:** As I indicated, I have met councils and I recognise the excellent work that they

have carried out around regeneration. I opened the Portstewart public realm works that were carried out, and I have been in Carrickfergus to see the public realm works that were completed there. In those cases, those local authorities have been the lead. They have appointed the contractors and have managed those projects. My Department has provided, in most cases, the vast majority of that resource, and they have been able to achieve those outcomes.

As I indicated in previous answers, however, there were those in local authorities who did not want to have neighbourhood renewal. There were councillors who did not want to have neighbourhood renewal but wanted to have regeneration functions. Ultimately, these decisions are taken by the Executive, and by me as Minister, in respect of how we seek to address needs in our society. In my statement, I outlined that the best way to do that is by local government and the Executive collectively working together to drive forward on these issues. I repeat: the public does not differentiate between the two; they just want to have the service delivered. My Department, and I as Minister, have engaged with a whole range of community organisations, and I do not believe that any of them will say that they are not getting the support that they need to be getting from this Executive.

I appreciate that Members in the Opposition and those who are not in the Opposition but are opposing want to use this as an opportunity to make a point against the Executive: that is part and parcel of politics. That is fair enough — I am not going to criticise that — but, if we can lift it above the politics of the Chamber and put ourselves in the communities that we represent, we will see that they want us to deliver the service, not to be involved in bickering about who does what. This is the best way in which to achieve the objectives.

**Mr Bell:** Is it not the case that, for people on the ground, this should be looked on as a win-win situation? The people who need this are not interested in party political point-scoring across the Chamber; they want to see local government and central government working together. You are absolutely right to say that the end users are interested in delivery. They are interested not so much in the route map for how we get there as in real delivery. How can we ensure, despite the nonsense of political point-scoring here today, that we bring the stakeholders along with us and that, at the end of the process, we see a genuine win-win for central and local government?

**Mr Givan:** The Member makes the point very well that this is ultimately about delivering services to our community. I have outlined how that is best achieved, and it is through collaboration. It is not a case of "them and us" when it comes to local government and the Executive but a case of us working together collectively. Councils are well placed through the community planning process to have the statutory framework for engaging with different agencies and the public. My Department has a key role to play in that process, and we will be able to bring all the tools at our disposal to achieve the objectives that local government wants to have addressed.

**Mr Lunn:** I will give the Minister another chance to answer the question that he failed to answer a few moments ago. Does he have NILGA's support for what he is doing, and can he name a council that supports his position?

**Mr Givan:** I have met NILGA — I declare an interest, as my father is an executive member of NILGA — and the National Association of Councillors Northern Ireland (NAC NI), and I have met them through the partnership panel process. On all those occasions, councillors raised the issue of the transfer of regeneration functions to local government. What they were saying is that they wanted to have a decision. I understand that there are those in local authorities who wanted to have powers transferred, but I have now set out the context on which the decision is based, and I have explained it extensively. I hope Members will now recognise that a decision has been taken and that we should move on collectively so that we can address the needs that exist in our community.

**Mr Deputy Speaker (Mr McGlone):** That concludes questions on the statement.

## British-Irish Council: Environment

**Mr Ross (Junior Minister, The Executive Office):** With your permission, Mr Speaker, in compliance with section 52 of the Northern Ireland Act 1998, I will make the following report on the fourteenth British-Irish Council (BIC) meeting held in environment sectoral format in the St Pierre Park Hotel, Guernsey, on Friday 4 November 2016. The Northern Ireland Executive were represented by me, on behalf of Minister Michelle McIlveen, and Megan Fearon, junior Minister in the Executive Office. The report has been endorsed by junior Minister Fearon, and she has agreed that I should make the statement on behalf of both of us.

Members will be aware that the BIC was established in 1999 and is a forum for members to discuss, consult and use best endeavours to reach agreement on cooperation on matters of mutual interest within the competence of its member Administrations. The environment work sector is led by the UK Government. It has proved a constructive forum for facilitating evidence exchange and practical collaboration since the Council was first established.

The meeting in Guernsey focused on addressing the problem of food waste and on improving the quality and quantity of recycling. The meeting was chaired by Dr Thérèse Coffey MP, the Parliamentary Under-Secretary of State for the Environment and Rural Life Opportunities. The Irish Government were represented by Seán Kyne TD, the Minister of State for Gaeltacht Affairs and Natural Resources. The Scottish Government were represented by Roseanna Cunningham, Cabinet Secretary for the Environment, Climate Change and Land Reform. The Welsh Government were represented by Lesley Griffiths, Cabinet Secretary for Environment and Rural Affairs. The Isle of Man Government were represented by Geoffrey Boot, Minister for the Environment, Food and Agriculture. The Jersey Government were represented by Deputy Steve Luce, Minister for the Environment. The Guernsey Government were represented by Barry Brehaut, President of the Committee for the Environment and Infrastructure.

### 4.45 pm

Ministers discussed food waste and responses across their Administrations. Tim Smith, group quality director at Tesco, attended for the first part of the item to set out how Tesco is addressing the global issue of food waste. Tesco is working to meet an ambition of

sending no surplus food that can be safely eaten to waste from its UK stores by the end of next year. The approach includes partnering with producers and growers to tackle food waste across the supply chain and helping customers to reduce waste in their home. Ministers endorsed the need to tackle food waste for a variety of financial, environmental and moral reasons and noted that all members of the Council shared the goal of reducing food waste wherever possible. Ministers agreed that all members of the Council will wish to see concrete steps taken towards achieving the UN sustainable development goal target to, by 2030, halve per capita global food waste at retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses. Finally, Ministers committed to working together to develop and share ideas and experiences of policy interventions to support each Administration's ambitions on food waste.

Following the discussion on food waste, Ministers discussed recycling and how to improve both quality and quantity. They noted that the materials that flow through our economy represent a valuable resource and that recycling those materials can create economic opportunities for business and local authorities whilst playing an important role in minimising our call on finite global resources. Ministers noted that the diverse experiences across Administrations presented opportunities for collaboration and learning to enable the citizens of these islands to view everyday materials as a resource and to recycle them effectively. Ministers also agreed that all Administrations should continue to share information and experiences on the challenges, particularly with reference to increasing the quantity and quality of recycling and improving material prices. They agreed that member Administrations should work together to tackle common challenges on recycling, where opportunities arise to do so. They also agreed to identify and share research on recycling in cities.

Following on from the thirteenth BIC environment ministerial meeting, held on the Isle of Man in 2014, Ministers reaffirmed the threats posed to their respective ecosystems from invasive non-native species. They noted that that continued to be a matter of concern across these islands and agreed to continue collaboration and cooperation between all BIC member Administrations, including holding a workshop for those working on the issue.

Ministers reaffirmed their commitment to agreements on natural capital and resources

made at the Council's London summit in November 2015. They discussed and noted the progress made on those agreements in the intervening period, including a series of workshops held earlier this year that explored matters relating to pollinators and natural capital accounting. Ministers agreed to continue collaboration and cooperation on natural capital and resources.

Ministers agreed that the fifteenth ministerial meeting would be held in Dublin in 2018. In addition to the commitments outlined, Ministers asked that the work sector collaborate on a programme of work looking at ways to collaborate on the implementation of the UN sustainable development goals, with a particular focus on goal 6, which is to ensure the availability and sustainable management of water and sanitation for all, and goal 13, which is to take urgent action to combat climate change and its impact. The work sector will report on progress to the next meeting of Environment Ministers.

**Mr Nesbitt:** I am grateful to the Minister for the update. I note from his statement that he records that all involved:

*"reaffirmed their commitment to agreements on natural capital and resources made at the Council's London summit in November 2015."*

Of course, the main focus of that was on pollinators. I would be grateful for an update on the Executive's work on pollinators.

**Mr Ross:** That was work that was carried out after the last meeting. I will touch on natural capital first, if I may. It is a concept that we are looking at with some interest because it is one of those areas that can make a huge positive impact across the country in identifying our natural resources. I will write to the Member on the pollinator process, because, as he will know, I was standing in for the Minister of Agriculture, Environment and Rural Affairs. I will write to him with all the details, and I am sure that he will be able to absorb them in due course.

**Mr Irwin:** How is the Department working with councils to increase the amount of domestic waste, including food waste, being recycled?

**Mr Ross:** This year, upwards of £2.5 million of financial assistance has been allocated by the Department for councils to invest in and improve recycling infrastructure and services. The Department will also work in partnership

with councils on communications, especially on food waste, research — particularly to identify options, costs and timelines for increasing council household waste recycling rates — and to agree action plans to reinforce the strategic approach to dealing with Northern Ireland municipal waste.

It is important that we work in partnership. Across the various councils, there is a mixed bag in the recycling rate and in the way in which they ask their constituents to separate their food and waste in bins. We need to work on that to try to improve it across the Province.

**Ms Archibald:** I thank the Minister for his statement. It would seem that there was quite significant discussion on food waste, which we need to have a bit more of a focus on. There are some very good examples of good practice in other EU states. Will the Minister tell us what measures, relating to how the issue is dealt with in other jurisdictions, he feels could be applied here?

**Mr Ross:** It is a hugely important issue, particularly given the importance of the agrifood sector in Northern Ireland. The inefficiency from food waste arising throughout the supply chain from farmer to householder undermines the economy and wastes natural resources. By addressing food waste, we will help businesses to become more resource-efficient, more competitive and more sustainable.

It is not, of course, just businesses. UK households throw away in the region of 7 million tons of food and drink every year and that costs us in the region of £12.5 billion. By improving the whole structure, the average family could save in the region of £700 a year. That shows how important this is. In Northern Ireland, 56% of food waste is sent to landfill, which accounts for about a third of all household waste that is sent to landfill.

In the discussions that we had across the different jurisdictions, I am not sure that it was so much that we were learning from others; it was important that we shared information about the various things that we were doing and got reassurance that we all face the same challenges in educating people in how to ensure that they are not wasting their food sources and how to separate food waste, which is a particular challenge with the older generation. There is also a significant difference between urban and rural areas, which all jurisdictions will have to address.

It was encouraging that particular note was given to some of the things that we are doing in

Northern Ireland. A number of initiatives were mentioned that other places have also done. The Love Food Hate Waste campaign was very successful. The Waste and Resources Action Programme was noted, as were the hospitality and food services sector responsibility agreement and the Rethink Waste capital and revenue funds. Most significantly, other jurisdictions are learning from us through the Food Waste Regulations that were introduced in January 2015 and that place a number of responsibilities on businesses in reducing food waste. We should be proud of that and of the fact that other countries have taken an interest in those regulations.

**Mr McPhillips:** I thank the Minister for his statement, which mentions the importance of tackling non-native invasive species across these islands. The Minister will be aware that invasive species are causing environmental concern across the North, particularly in Fermanagh, on the land and even in Lough Erne. Will the Minister outline what steps he has taken to tackle the like of Japanese knotweed that is a huge concern, not alone in Fermanagh and South Tyrone but across the North?

**Mr Ross:** I am not sure that I have taken any particular steps, but I know that the Minister has worked on that issue. There was a debate on 20 September, and I know that Members from constituencies across Northern Ireland raised particular issues. At constituency level, many of us have been approached by people who are getting increasingly frustrated that action cannot be taken to deal with this. I know that the Minister has asked officials to examine the policy options available to her Department and the consequential financial and resource implications that those would have. She has a mind to report back on that in due course.

**Mr Ford:** I thank the Minister for his stand-in role, at the meeting and today. I must say that I was slightly disappointed to see so much of a focus on recycling given that I thought that we had got slightly higher up the waste pyramid and were looking more at reduce and reuse. In relation to the Minister's reference to UN sustainable development goal 13 on climate change, is there any chance of us hearing that the Executive will introduce a climate change Bill by next week, which is the first anniversary of the Assembly calling for it?

**Mr Ross:** I sincerely doubt it.

**Mr Anderson:** I thank the junior Minister for his statement. How do recycling rates in Northern

Ireland compare with those of other BIC members?

**Mr Ross:** We sit somewhere in the middle. The European average is 40-45%, and Northern Ireland has a household recycling rate of 42%. You have to take these figures with a pinch of salt because different countries use different definitions for recycling. That is a broad indicator rather than the definitive figures. The exemplar region appears to be Wales, with a rate of about 53%, but it uses a slightly different definition from the one used here, in England or in Scotland. At 32%, Jersey has the lowest rate because it relies quite heavily on incineration. We are sitting at 42%, which is around the average of all the countries in the BIC.

**Mr McMullan:** I thank the junior Minister for his answers so far. I draw his attention to paragraph 11 on the threats to ecosystems from invasive non-native species. I will bring the question of Lough Foyle into this and the unregulated fishing practices of fishermen bringing in seed mussels. Some might be non-invasive species that could wipe out the natural mussel or oyster in that area. Will the work sector look at how we can move this on so that agreement can be made between the British and Irish Governments on regulations for Lough Foyle before its ecosystem is wiped out?

**Mr Ross:** That was not discussed at the BIC meeting in Guernsey, but I am happy to pass that on to the Minister, and I am sure that she will respond directly to the Member.

**Mr M Bradley:** I thank the junior Minister for his answers so far. He referred to the problem of food waste here in Northern Ireland. What specifically is being done by the industry to tackle the issue?

**Mr Ross:** That is an interesting point. We had an opportunity to talk to Tim Smith from Tesco at the BIC meeting. It is important that supermarkets play their role in reducing waste, and there are a number of things that they are trying to do. The first is making sure that packaging is appropriate and that customers recognise that grouping a number of food items leads to a lot of wastage and people throwing food away. Increasingly, they are looking at the packaging of individual portions of food.

The other issue raised was food labelling and the difference between use-by dates and best-before dates, particularly for the younger generation, who tend to look at the best-before date and throw away food when it has gone

past it, even though it could be perfectly safe and healthy to eat. They are looking at labelling in order to encourage people not to throw food away when it reaches its best-before date and look at the use-by date instead.

They are also looking at ensuring that their canteens use up foodstuff that would otherwise be left on the shelves. They are collaborating with local charities to make sure that that food is available to people who need it. They are also looking at giving away fruit. Tesco, in particular, gives away fruit to children while their parents are shopping.

I noted that, in the last number of weeks, Members received a package from Sainsbury's on what it is doing to reduce waste. The supermarkets are taking it seriously, and it is important that we continue to monitor what they are doing. In Northern Ireland, there is legislation in place under the food waste regulations to make sure that supermarkets in Northern Ireland are doing all that they can to reduce waste.

**Mr Kennedy:** I am grateful to the Minister for his statement and answers. I refer him to paragraph 9, which states:

*"Ministers noted that the diverse experiences across administrations presented opportunities for collaboration and learning to enable the citizens of these islands to view everyday materials as a resource and to recycle them effectively."*

Will the Minister give examples of that?

Paragraph 13 states that the next meeting is scheduled for Dublin in 2018. Given the importance of these matters, why are meetings only biyearly?

## 5.00 pm

**Mr Ross:** Where some of the learning is concerned, the concept of the circular economy and putting an economic value on wastage was something there was a great deal of discussion about. Sometimes we see waste as having no value, but it has an economic value. I think it is important we recognise that recycling and reusing are good for the economy and for the environment. There is learning in that and in how we get to a higher level for that circular economy and keep using resources as long as possible until there is no value left in them.

As a former Minister, the Member will know that the BIC and the North/South bodies do not

meet that quickly between meetings, but, of course, meetings between Ministers go on in the interim period anyhow. When I was over in Guernsey, the Welsh Minister said she met our Minister in three or four weeks out of the previous eight or nine at different events. Conversations continue to go on between Ministers, and I think relationships are good between different jurisdictions, in that officials will continue to work together. The official meetings of the BIC tend to be where there is reporting back on previous agreements. Of course, if something extraordinary happened, I suspect different jurisdictions would want to get together before that.

**Mr Durkan:** I thank the Minister for his statement and answers thus far. I think these types of fora are a very useful opportunity to look at and learn from practice in other jurisdictions as we all move towards our ultimate goal of a circular economy. In that vein, I am aware that the Scottish Executive were proceeding with a deposit return scheme. Did they elaborate on that? Was any information given to the meeting on it? Do the Minister and, indeed, the Executive concur that such a scheme would be useful here in the North?

**Mr Ross:** There was a brief mention of it, and they certainly thought it had been proven to be relatively successful. I know our Minister is looking at that issue along with a number of others that other jurisdictions are doing. In particular, the Welsh Government have set themselves quite difficult targets for their initiatives, so the Minister is keeping under consideration a range of different initiatives taking place in other member states.

**Mr Robinson:** Can the junior Minister expand on what is meant by "natural capital"? Is the concept something the Department is embracing?

**Mr Ross:** The definition of natural capital is the elements of nature that produce value, directly or indirectly, to people, such as the stocks of forests, rivers, soils, minerals and oceans. It is, I think, fair to say it is a relatively new concept to the Department here in Northern Ireland, but it has monitored progress in the rest of the United Kingdom and in the Irish Republic to learn about the approach and the processes that have taken place. The Department here appears to have developed the concept further than others perhaps have, and it has asked the Office for National Statistics to incorporate natural capital into its budget decision-making process by 2020.

It is an incredibly complex issue. Placing value on forests, natural resources and peatlands is quite a difficult thing to do, and it obviously leads to discussion, debate and some level of disagreement. For example, with a forest, some people may put a higher value on the timber because of the uses it has for producing paper, whilst others will look at the forest's impact on and value for tourism and recreation. Where other jurisdictions have tried to put a value on some of their natural resources, it has led to widespread disagreement. I think that is indicative of the complexity in this. I know the Minister here in Northern Ireland is open to and intrigued by the concept and wants to make sure that officials carry out further work on it to see whether it is something we want to take forward here in the Province.

## Executive Committee Business

### Savings (Government Contributions) Bill: Legislative Consent Motion

**Mr Deputy Speaker (Mr McGlone):** We will pause while we retrieve the Minister for this bit. He cannot be too far away.

**Mr Givan (The Minister for Communities):** Mr Deputy Speaker, I apologise to you and the House for the delay. Therein lies the problem when your diary runs out, and you end up trying to put meetings in. I was meeting representatives from the deaf community, but the door was knocked and I was told to come down here. That is my apology; hopefully, Members will accept it in the spirit in which it is offered.

I beg to move

*That this Assembly endorses the principle of the extension to Northern Ireland of the Savings (Government Contributions) Bill as introduced in the House of Commons on 6 September 2016, including the provision in clause 5(2) making bonuses under the Bill an excepted matter under the Northern Ireland Act 1998 and the provision in paragraph 16(8) of schedule 2 dealing with information sharing.*

The Savings (Government Contributions) Bill was introduced in the House of Commons on 6 September. The Bill comprises two policies: the lifetime ISA and help to save. These schemes will support more people as they save for the future and provide them with new options to do so. From April 2017, adults under the age of 40 will be able to open a lifetime ISA and pay in up to £4,000 each tax year. They will be able to continue making contributions up to the age of 50. The Government will add a 25% bonus to those contributions. That means that individuals who save the maximum will receive a £1,000 bonus from the Government each year.

Tax-free funds, including the Government bonus, can be used to help to buy a first home worth up to £450,000 at any time from 12 months after first saving into the account. The funds, including the Government bonus, can be withdrawn from the lifetime ISA from age 60 for any purpose. Lifetime ISA holders can also access their savings if they become terminally ill. Savers will also be able to make withdrawals at any time for other purposes, but

with a 25% Government charge applied to the amount of withdrawal. This returns the Government bonus element of the fund, including any interest or growth on that bonus, to the Government, with an additional charge of 5% applied.

The lifetime ISA is not part of the pension system or about replacing a pension. It is an additional flexible savings product. It is about giving people a complementary product to help them to save for later in life, while keeping open the option of building up money to put towards a house. It is not an either/or choice. Factual sources of information on the lifetime ISA will be available on the official Government site prior to its launch. The lifetime ISA will not be marketed as an alternative to a workplace pension such as auto-enrolment, as it is a complementary product. That should reduce the risk of people choosing a lifetime ISA rather than a workplace pension.

The Government are fully committed to auto-enrolment and want to have a robust, functioning pension system. They do not expect that people will opt out of their workplace pension to pay into a lifetime ISA instead. The launch of the help-to-buy ISA in December last year did not lead to a surge in the opt-out rate for auto-enrolment. People, particularly young people, are sticking with auto-enrolment and not opting out at the rate that some thought they might. As with other ISAs, the Financial Conduct Authority will regulate the product. It published a consultation last week that will inform the regulatory framework for the lifetime ISA.

The help-to-save scheme is intended to help working families on low incomes to build up their savings. The scheme will be open to adults in receipt of universal credit with minimum weekly household earnings equivalent to 16 hours at the national living wage, or those in receipt of working tax credit. It will provide a 50% Government bonus on up to £50 of monthly savings into a help-to-save account. The bonus will be paid after two years, with an option to save for a further two years, meaning that people can save up to £2,400 and benefit from Government bonuses worth up to £1,200. Limiting the scheme to in-work universal credit claimants and those in receipt of working tax credits will ensure that it targets those on the lowest incomes effectively. It is not meant to be an additional subsidy to out-of-work households. The focus is on working households.

Under the help-to-save scheme, people will be able to save as little as £1. It will be up to

individuals to choose how much they want to save each month. A higher limit not only allows individuals to build up a bigger savings buffer against unforeseen costs; it makes the scheme more flexible, as savers can choose to put aside more money when they can afford to.

Help-to-save will be available no later than April 2018. At the outset, there will be a single provider — National Savings and Investments — which is an executive agency of HM Treasury. However, there is provision in the Bill to allow more people to provide the product in future. It was decided that National Savings and Investments would be the single provider at the outset in order to guarantee national coverage of the scheme.

There is currently provision for information on universal credit to be shared between the Department for Communities, the Department for Work and Pensions and HM Revenue and Customs. That current provision is limited and prevents HM Revenue and Customs from using the information for the purposes of the help-to-save scheme.

The Executive Committee considered the matter and gave their approval on 27 October; the Communities Committee gave its approval on 10 November. Now the Assembly is asked to consider the principle of the extension of the provisions in the Savings (Government Contributions) Bill, including the provision to make bonuses under the Bill an excepted matter under the Northern Ireland Act 1998 and the provision dealing with information sharing. I hope that Members will agree that the lifetime ISA and the help-to-save scheme are worthwhile and will support the motion.

**Mr Eastwood (The Chairperson of the Committee for Communities):** I thank the Minister for his contribution and welcome him to the House. The Bill, which extends to Northern Ireland, makes provision for two of the London Government's measures to encourage saving. The Committee has considered the purpose of the Bill and the appropriateness of the measures being provided for by way of a legislative consent motion rather than bringing an Assembly Bill.

The Committee noted that the government bonuses under the lifetime ISA and help-to-save scheme will be a benefit not unlike welfare, which is devolved to Northern Ireland and therefore requires the consent of the Assembly. Members of the Committee noted that the provision making bonuses payable under the Bill an excepted matter under the Northern Ireland Act 1998 was to reflect the fact

that they will be administered and funded by the London Government and agreed that it would be more efficient and less complex to deal with the provisions in a Westminster Bill, rather than promoting a specific Assembly Bill.

The Committee agreed that the provisions of the Bill are a positive measure to support and incentivise those who are in a position to save to do. The Committee, however, recommends that the London Government should highlight the difference between a lifetime ISA and automatic enrolment and, as recommended by the House of Commons Work and Pensions Committee:

*"make it clear that the LISA is not a pension and that, for employees who have been automatically enrolled, any decision to opt-out is likely to result in a worse outcome for their retirement."*

I ask the Minister to relay that recommendation to Westminster on the Committee's behalf.

The Minister seeks the Assembly's support for the LCM today so that people in Northern Ireland can take full advantage of the new lifetime ISA and help-to-save scheme. The Committee calls on the Minister to acknowledge that, while these are positive measures, many low-income families simply do not have the disposable income that would allow them to access those schemes.

Nevertheless, the Committee for Communities recommends that the Assembly endorse the principle of the extension to Northern Ireland of the Savings (Government Contributions) Bill as introduced in the House of Commons on 6 September 2016, including the provision in clause 5(2) that makes bonuses under the Bill an excepted matter under the Northern Ireland Act 1998 and the provision in paragraph 16(8) of schedule 2 dealing with information sharing.

**Ms Mallon:** This is certainly a positive measure. Anything that encourages people to save is a positive measure, but it is important that we put on record the reality faced by many homes in the North. It is a fact that people struggle to pay essential bills. While this is a positive measure, it is important to realise that many families in Northern Ireland do not have the disposable income to access or benefit from this saving scheme. We do not mean to be negative at all, and we support the motion, but we just want to add that caveat about the reality that is faced by many individuals and households across Northern Ireland.

5.15 pm

**Ms Gildernew:** I concur with much of what the Chair of the Communities Committee and my colleague on that Committee Nichola Mallon have said. I am sorry that I was not able to stay for last night's debate, but I too want to point out that, while this is a welcome development, there are people in my constituency, Minister, who are stretching a jar of milk to pay day. These are people who are working and are not on benefits; they are working families who really struggle to make ends meet. We need to recognise that there is real poverty out there. Over 20% of children and around the same number of older people live in poverty. People do not have the disposable income to put into a savings scheme. We welcome it, but there will be people who will not be able to access it.

**Mr Deputy Speaker (Mr McGlone):** That concludes comments. We return to the Minister to respond.

**Mr Givan:** Thank you, Mr Deputy Speaker, and I thank Members for their contribution. Let me take up the request from the Committee Chairman to raise the concerns that people may see this as a way in which they could opt out of the automatic enrolment pensions. I will happily relay the concerns that have been outlined to the Minister at Westminster.

I share the comments that Members have highlighted: some people will not be able to save. I have highlighted that people on low incomes can save £1 a month, but some may not be able to do that. Others may be able to do that, and the Government are able to provide moneys into that scheme to incentivise people to think about saving, where they are able to do so, so that they can prepare themselves better for some of the future needs that may arise. I fully acknowledge that this is not a scheme that will be attractive for some people, but, for others, it may be, and it will provide them with an opportunity to save.

*Question put and agreed to.*

*Resolved:*

*That this Assembly endorses the principle of the extension to Northern Ireland of the Savings (Government Contributions) Bill as introduced in the House of Commons on 6 September 2016, including the provision in clause 5(2) making bonuses under the Bill an excepted matter under the Northern Ireland Act 1998 and the provision in paragraph 16(8) of schedule 2 dealing with information sharing.*

## Private Members' Business

### Energy Affordability and Security

**Mr Deputy Speaker (Mr McGlone):** The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer of the motion will have 10 minutes to propose and 10 minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

**Mr Aiken:** I beg to move

*That this Assembly notes with concern that electricity prices for non-domestic large energy users are almost 60% higher than the EU15 median; further notes the policy vacuum that exists in the Department for the Economy regarding renewable energy following the closure of the Northern Ireland renewables obligation and the collapse of the renewable heat incentive; calls on the Minister for the Economy to clarify the position on future subsidy arrangements for all forms of energy generation in the context of decarbonisation and mitigating the effects of rising costs; and further calls for long-term energy security and affordability to be given a much higher priority in the emerging Programme for Government 2016-2021.*

I rise to move the motion on one of the most important issues affecting all of us in Northern Ireland — our energy affordability and security. I welcome the Minister for the Economy's commitment yesterday to having an open discussion. Throughout the debate, I hope that we will be able to find a consensus view on the urgent need for a coherent energy policy that will set the agenda for the next decade and beyond.

Be in no doubt of this: there is no point in pretending that all is well with our energy situation. The report published by the Executive's ministerial energy and manufacturing advisory group, chaired by Dr David Dobbin, in March 2016, states that:

*"local energy costs faced by our manufacturing sector are some of the highest in Europe. This is most acute for large energy users (LEUs) who face electricity prices almost 60% higher than the EU-15 median, while for medium and small/medium users, the price differential is over 40%."*

In the report's 24 recommendations, there is, in the carefully worded prose, an underlying and clear message that there are issues around cost, security of supply, the avoidance of excessive policy bill being attached to renewable targets and obligations, the need to build the North/South interconnector, the need for a plan to support the grid and future grid requirements, and uncertainty over the delivery of a secure and sustainable electricity system.

I am sure we all agree that, with their recommendation, the Executive should provide long-term policy certainty by developing a clear, consistent, long-term energy and decarbonisation strategy for Northern Ireland by 2030. Although the absence of any actions being taken by the Department and of a stand-alone outcome in the Programme for Government raises obvious concerns.

Before we get into the detail, let us say up front that we need from the Executive an energy policy that delivers three practical things: the integrated single electricity market (I-SEM), the North/South interconnector and an effective delivery mechanism with no more renewable heat scandals.

It is also worth pointing out, for the record, some of the challenges. First, the Minister must acknowledge that his Department has failed spectacularly for every taxpayer in Northern Ireland. We have been witness to the renewable heat incentive scheme debacle, which will cost us £30 million a year and potentially over £1 billion in total. No Minister or civil servant is seemingly responsible for that. We may be about to repeat that debacle. We have a significant energy-from-waste scheme being proposed, the economics of which are, at best, uncertain. It should be a matter of concern that, despite the lessons from the renewable heat incentive scandal, we have the Agriculture Minister offering to recommend the provision of financial support to help offset additional costs potentially over the next quarter-century lifespan of the project. I am sure that we would all be interested in hearing the Minister for the Economy and the Minister of Finance's views on that.

In addition, we have a grid that is at capacity for renewable energy, which stands at 24%, or 846MW, of our energy mix. We are busily installing another 17.8%, 720MW, by the end of March next year, and we are looking to install another 500MW by 2020. That is all very laudable, but, bearing in mind that our total requirement is a maximum of 1,800MW and that our grid can only manage, with very judicious balancing, 55% capacity, many are

perplexed by the rush towards wind energy installation and by how we can afford a system of generation that can only deliver just over half of its capacity. How, in view of that, can we help sustain our local renewable industry?

I was heartened to hear the Minister state in the Assembly that all of the renewable capacity that is due to be installed will be connected to the grid and that all its generation would be usable, although he was careful not to imply that it would be connected by 31 March or any other time. As I am sure the Minister is aware, wind energy is not free, and the costs of distribution and capacity baseload matching are significant and are often in considerable excess of the costs of conventional generation. The last thing we want, in addition to the DUP's annual £300 million lack-of-oversight own goal, is our consumers picking up renewable costs for the 45% of the energy that we cannot use. However, without a route to export in order to achieve any form of system balancing across Ireland, that is precisely what our Government will be doing.

That is why we need the 420kV North/South interconnector and the I-SEM to make it effective. That is critical. Indeed, any delays to the North/South interconnector will put at risk our energy supply unless we make an expensive agreement with our conventional coal and gas generators. We have the majority of our conventional generating capacity being decommissioned by 2021, yet there is no urgency to make sure that we do not enter our second century in Northern Ireland with the real possibility that we will be suffering from brownouts or even worse. That is not the message any of us wish to send about Northern Ireland plc, especially to eventual investors, but it is more than an unfortunate or inconvenient truth.

What should be done? No more studies; it is time for action. Given the amount of reports, papers from Committee meetings and Hansard transcripts we have, we could use them as an alternative fuel for all our biomass boilers, incidentally saving us several millions. We know what needs to be done. The Executive must affirm their commitment to the I-SEM and ensure that, post-Brexit, its provisions are maintained and that the model itself is instituted in 2017, as planned.

Secondly, in view of the importance of the I-SEM, and the critical importance of the interconnector, the lack of a clear and unambiguous message from the Minister, and the Minister for Infrastructure, on why the interconnector must be built, and on time, is a

major worry — to energy suppliers and distributors as well as our economy. We would welcome from the Executive an early statement committing them to the commissioning of the interconnector by 2020. To echo the view of the Utility Regulator last week, there is no plan B.

Thirdly, the Executive must clearly signal to the regulator that we must drive our energy costs down — down towards the average level of that for all consumers in GB and the Republic of Ireland — and indicate clearly to our generators and renewal providers that we need to drive the cost of subsidy down and then, if possible, out. We need a Northern Ireland energy business that is not dependent on costly subsidy or Horizon 2020 grants or that is being forced to maintain a decarbonisation strategy out of step with the rest of the United Kingdom.

We as an Opposition are for renewables, especially those provided by our excellent local companies, but as part of an energy mix that supports energy efficiency, maintains security and delivers energy at a cost that sustains our economic growth rather than penalises energy users.

Finally, Minister, I do not envy you your task ahead. Above all else, for the future of Northern Ireland, you have to grasp hold of a Department that has proven to be unfit for purpose. You have to persuade your Sinn Féin colleagues that burying the North/South interconnector will kill the project stone dead and, in effect, make the I-SEM unworkable. You need to prevent your colleague the Minister of Agriculture supporting unrealistic economics. You need to avoid carrying the can for blue skies — should I say salty brine? — storage projects. You need to ensure that there are no more examples of colossal renewables negligence. Above all, you need to maintain the security of supply, keep the cost down and provide export routes for our energy providers.

There is no doubt that, from whatever quarter, and from the Minister himself, there is a strong acknowledgement that our energy system is struggling. There is no clear direction, and it is beset by challenges — challenges that we as an Opposition understand that you are seeking to address, despite a lack of Executive unanimity of purpose.

We therefore call on the Assembly to support the motion and encourage the Minister to implement rapidly an energy policy that delivers for Northern Ireland, now and for the next 30 years.

**Mr Storey:** We will not be accepting the motion, and I will quickly set out a reason. In fact, the Member confirmed for us why we should not. In his opening remarks, he was heading in the right direction when he talked about having an opportunity to ensure that we debate and discuss the issues. He welcomed the comments from the Minister yesterday, and it took him all of two minutes to get to the point at which he then said, "However". It was downhill from thereon. It was a blame game. It was a case of, "Our hands are clean. We've never done anything like that. We are completely faultless when it comes to these things. It is all the fault of the Minister and the Executive". Given the negativity of the motion, there is no way that we can come to the House and be able to support what is being said, and that is disappointing.

*(Mr Speaker in the Chair)*

However, I welcome the opportunity to contribute to the debate for a couple of reasons. The first is the importance of the issue. Let none of us have any doubt that we are talking about an issue that impinges on all our constituents and all our homes. Secondly, since coming on to the Economy Committee, I have found it to be a steep learning curve. I am trying to understand what some try to present as the complexities of the energy market but what others tell you are easily understood. Maybe the complexity is there because it suits some who believe that they can confound us with all the information. It has been a learning curve for me, and I want to understand for my constituents how we ensure that we deliver for them. That is vital.

### 5.30 pm

Before I comment on the lack of detail in the motion, I would appreciate it if the Minister could give the House an update. In moving the motion, the Member made reference to the electricity and manufacturing advisory group report and how its recommendations were being progressed. I have no doubt that the Minister will take the opportunity to update the House and give us his opinion on electricity prices for large energy users, the integrated single electricity market, and security of supply.

I also notice that the motion makes reference to the Programme for Government and it is important that the Member set that out to the House. Before I leave this point, let me quote from one of the companies that the Member referred to as one of the excellent companies that we have in Northern Ireland that provide

some of our energy for us. They said that they are:

*"confident that the Executive will create a policy environment that supports renewable energy projects in the years ahead, whether this means the review or complete overhaul of the strategic energy framework, we know that policy makers appreciate the role of local renewable energy in supporting business, attracting foreign direct investment and meeting consumer needs. Cost and supply are among the most important issues affecting energy users in Northern Ireland and through the creation of a dedicated indicator for energy in the Programme for Government, the Executive has demonstrated its commitment to addressing local energy challenges during the current Assembly mandate."*

**Mr Nesbitt:** I appreciate the Member giving way. Does he dispute the fact that the Programme for Government graphically states that Northern Ireland goes into energy deficit in 2020? If he agrees with that graphic illustration, how does he spin it as a positive?

**Mr Speaker:** The Member has an extra minute.

**Mr Storey:** As leader of the Ulster Unionist Party, the Member is the expert in spinning negatives into positives, so I will leave him to be the person who does that rather than him, yet again, trying to undermine what is being said and done.

Let us go to the consumer, because it is vital that we remind ourselves that what we do here is not about building empires — although some tried to do that and failed — it is about delivering for our constituents and consumers. Let us remind ourselves of electricity prices for domestic customers. They are estimated to be 13% lower than in the Republic of Ireland, and Northern Ireland is on course to meet its renewable target of 40% by 2020. We should also welcome the fact that over 900MW of potential renewable electricity generation has now been connected to the grid. Moreover, between 2015-16, almost 26% of our electricity consumption was from renewable sources. I think that that recognises the investment in the interconnection between these islands —

**Mr Speaker:** Will the Member conclude his remarks?

**Mr Storey:** — the great infrastructure and the integrated single electricity market. It is disappointing that we do not have more time,

because, no doubt, we will hear in the debate today the weasel words of those who claim —

**Mr Speaker:** The Member's time is up. The Member's time is up.

**Mr Storey:** — to help, whereas what they do is only cheap political point-scoring —

**Mr Speaker:** I call Mr Conor Murphy.

**Mr Storey:** — That is why they were rejected by the electorate and that is why they are in opposition.

**Some Members:** *[Interruption.]*

**Mr Speaker:** I ask the Member —

**Some Members:** *[Laughter.]*

**Mr Murphy:** I hope to take a bit of heat out of this electricity debate as I go along. I came to the motion earlier with an open mind, and I feel the same. However, the presentation from the Deputy Chair of the Economy Committee has probably ruled out any chance that anybody in these Benches could support the motion, even though it is important that we begin to debate these issues. I want to hear from the Minister about renewables, because it is key that we have a policy on renewables and on bringing down the wholesale cost.

The issues that we hear about time and again in the Committee are cost and security. Security of supply and sustainability are the two big issues. I am keen to hear from the Minister in that regard. Certainly, the evidence that we have received to date in the Committee is clearly that renewables do provide the opportunity to bring down the wholesale costs in the single energy market. I know that the motion mentions large-scale consumers but, in an area with such high levels of fuel poverty, it quite clearly could have done with also mentioning ordinary consumers who struggle through that. I have no difficulty with hearing from the Minister about that.

As I said during a debate last week, I would rather that we learn lessons from these things and get these issues right than say, "The time for action is now". That sounds good in terms of grabbing a headline but I would like to see a proper, thought-out renewable energy policy as part of a broader energy policy that gives us a cheap, affordable, secure and sustainable electricity supply here. It is important that these things are got right, and there are clearly

lessons to be learnt from the previous experience of what the British Government did with the NIRO and the renewable heat initiative. We said at the time, and continue to say, that the renewable heat initiative has placed an unacceptable burden on the Executive and we want to see that issue being dealt with by the Executive.

The motion also complains that:

*"energy security and affordability to be given a much higher priority in the emerging Programme for Government".*

The indicator on energy is the first indicator in the Programme for Government. I know that it is not ranked in priority and is not meant to be ranked in that way, but I am not sure where else you can put it ahead of that to give it a higher priority. It is mentioned there. In the first chapter of the Programme for Government, there is a clear reference to security of supply and affordability in relation to all of that.

I am not quite sure what the motion intends to achieve. I very much welcome the fact that we are having a debate on these issues, but I think that it could have been phrased in such a way that we could all have got on board with the motion, because we do want to see the sort of things that Mr Aiken outlined.

We have debated this, and the Committee will undertake a significant piece of work on this in the new year. It is about the "trilemma" of cost, security of supply and sustainability. That is what we are clearly looking at. We have heard from many stakeholders at the Committee and individually as MLAs, and having sat around that table since June and dealt with this almost on a weekly basis, I have to say that no one around that table is an expert in all these matters. I do not profess to be an expert and none of the people whom we have heard from can have expertise across all the broad range of complex issues that are involved in the energy market. That argues for the fact that, collectively as a Committee and as an Assembly, we need to work with the Department and the Executive to ensure that we have the best energy policy that suits the people on this island and one that is very firmly part of the single energy market.

I expect to hear soon from the Department about the energy delivery plans. There is an argument — I have heard it from many people in the field — that, rather than simply renewing the strategic energy framework, we have an opportunity to go with something bigger and bolder and something that will take us forward

for the next 20 to 30 years. That should not be rushed into. It is not an excuse for undue delay, but these things have to be got right. The PAC is dealing with the renewable heat initiative scheme and that is the where it is being analysed at the moment; but we want to hear how that unsustainable burden will be dealt with by the Executive.

I feel somewhat disappointed that I do not feel that I can support the motion. If it were presented better and were not simply about trying to attack the record of the current Executive and previous Executive, of which your party was a member, and instead tried to bring together some solutions, we probably would be in a much better debate in the House and would have had something that produces more value rather than simply leads to slinging insults across the Chamber.

**Ms S Bradley:** As SDLP spokesperson on the economy, I support the motion and thank those who brought it forward for debate. The motion begins by raising concern that electricity prices for non-domestic large energy users are almost 60% higher than the EU-15 median. Along with the proposers of the motion, I would argue that we should all share that concern. Whilst we endeavour to understand the reasoning behind it, we must also look at and aim to fully address it in a realistic fashion. This is an economic burden that we can ill afford to carry at this time of such volatility across Northern Ireland businesses.

It is widely acknowledged that the wholesale fraction of most energy bills is, at roughly 60%, proportionately the most expensive. It is also known that the most significant factor in determining the price of wholesale electricity is the price of fossil fuel used by the conventional fossil fuel generators. Costs are forecast to rise significantly, which is a point that we need to rethink.

In 'Northern Ireland Electricity Price Transparency: Follow-up Paper', the Utility Regulator rightly highlighted that there were no straightforward answers to lower electricity prices for Northern Ireland customers, as energy use can be complex and interwoven. It is important to be clear about the key drivers of price and the levers that can be used to impact on prices in the short and longer term. The paper also highlighted the tensions between the energy policy goals of sustainability, security of supply and keeping cost as low as possible. That is what is known as the "trilemma".

Of course, we need a long-term strategy that details the efficient, sustainable generation of

power, identifies an agreed and considered transmission process and delivers a fit-for-purpose and, equally, a reliable distribution network while ensuring a fair and open competitive retail market. We must not lose sight of the renewable targets, which were put in place for very good reasons, such as the reduction in greenhouse gas emissions, while broadening our vision of emerging technologies, such as battery storage, as they come closer to market.

The motion rightly refers to the policy vacuum in the Department following the closure of the Northern Ireland renewables obligation and the dramatic failing of the renewable heat incentive. The cost attributed to the renewable heat incentive — this is without fear of exaggeration — is staggering. The estimated £1 billion bill is a major mistake that the Executive cannot brush aside and dismiss. Budgets for many years to come will carry —

**Mr Agnew:** I thank the Member for giving way. Given that the renewable heat incentive was, effectively, set up by the UK Government and all we had to do was administer it, does she agree that the blame for this shambolic situation can be put only on those who were in charge — effectively, the First Minister in her previous role?

**Mr Speaker:** The Member has an extra minute.

**Ms S Bradley:** Thank you. I thank the Member for his intervention. There is no place for anybody to hide, and that will become a matter of public record, given that it is with PAC at the moment.

The estimated £1 billion bill is a major mistake that the Executive cannot pretend did not happen. For many years, budgets will carry the scar of RHI, which has been described outside the House as "grossly negligent". Funds to support strategies such as the one we speak of today will inevitably be disadvantaged as RHI claimants are paid off.

I urge the Minister to ensure that a good dose of realism is injected into any scheme that aims to forward the integrated single electricity market. He must consider population growth, the hope of economic growth and the overall rise in demand. As the Minister is no doubt fully aware, serious and legitimate concerns have been raised by residents in close proximity to the proposed North/South interconnector. In that context, in 2001 the Moyle interconnector went into service, an undersea cable between Islandmagee and Ayrshire connecting the

Northern Ireland energy market to GB at 500 megawatts. Fifteen years later, we are told that technologies have developed significantly. In that context, does the Minister appreciate the legitimate questions raised by residents about the proposal to build the infrastructure for the North/South interconnector at 600 megawatts?

**Mr Frew:** Will the Member give way?

**Ms S Bradley:** Yes, I will.

**Mr Frew:** I understand what the Member says about the North/South interconnector and the Moyle interconnector, but she is talking about two different things. Does the Member realise how many problems we have had with the Moyle interconnector? When there is a fault, it takes years to fix. It has been running at 50% capacity.

**Mr Speaker:** I ask the Member to conclude her remarks.

**5.45 pm**

**Ms S Bradley:** I accept that intervention, but I also ask the Minister to consider the time period and the developments in technologies that have happened since the original infrastructure was put in place.

**Mr Speaker:** The Member's time is up.

**Mr Lunn:** I support the motion. I hope I do not say the wrong thing and cause Mr Storey to light up again. [*Laughter.*] I am not a member of the Committee, but I must say at the outset that it is not clear to me why electricity prices for non-domestic large users are as much as 60% above the European median, because other users' prices are falling. That is for a more expert person than me to figure out. I can see that the pure cost of energy in the UK is amongst the highest in Europe, given our peripheral position and the fact that the UK is a net importer of energy. Our dependence on imported energy is, I believe, now back at levels last seen in the 1970s, although, in fairness, all EU countries are now energy importers. The dependence the UK now has on imported energy from unstable areas of the world — the Middle East and Russia — really is very worrying. There are wars in the Middle East, and our gas and oil pipelines that come from northern Russia somewhere actually run through the Ukraine and Georgia — all these happily contented countries where nothing ever happens that could cause destabilisation.

The ability of our generation system to meet peak demand is still worrying, and I think others referred to that. The consequence of sterling's decline against the dollar following the referendum — it is almost 20% now since 23 June — is worrying. It may be good for retailers along the border, but it is not much good in the long term that sterling is weak. Eventually, if energy is expensive, prices rise, trade becomes more difficult and international investors will look elsewhere.

At that point, I will just say something about the North/South interconnector. It really is the elephant in the room: do we need the North/South interconnector or not? Of course we do. It is the only thing that can give us any long-term stability of supply. It has now been in planning, I believe, since 2009. It has the ability to consolidate the all-Ireland energy market. Most of continental Europe is already interconnected. Somebody mentioned the Moyle interconnector: how many years out of those 15 has the Moyle interconnector worked at full capacity? I think the figure is none. It has been out of commission for some of those years. Even now, it is still not working at its full capacity. We are in trouble here with the electricity supply if we do not do something about it. I look forward to listening to the Minister's comments about the North/South interconnector.

The motion refers to:

*"the closure of the ... renewables obligation and the collapse of the renewable heat incentive".*

It also refers to the "policy vacuum" that caused. I completely agree with Ms Bradley. We do not disagree with the ending of the renewables obligation, but the discussion about the RHI will soon take place in the House and, frankly, the sooner the better. For the record, it should be said that whoever sanctioned the RHI scheme — there were various stages in the process — which was an arrangement designed in such a way as to ensure profit for overheating commercial premises and effectively legalise fraud, should hang their head in shame and not deny liability by protesting that they could not be concerned with every jot and tittle of major departmental policy. That jot and tittle will cost upwards of £600 million. It may well go to £1 billion. It is an absolute disgrace.

**Mr Agnew:** I thank the Member for giving way. Is he aware that, whilst this was a UK-wide scheme, the rest of the UK made a decision to effectively reduce the subsidy as demand

increased to make it sustainable? It continues to exist in the rest of the UK. Only in Northern Ireland did we manage to muck it up.

**Mr Speaker:** The Member has an extra minute.

**Mr Lunn:** Thank you, Mr Speaker. That is, in a way, the tragedy of the RHI. The rest of the UK was a year and a half ahead of us and had a perfectly good scheme that is still running satisfactorily, and we did not take the best and most prudent aspects of that scheme and run with them, such as the ability to tier payments and degression. I really do not want to spend my time on that, because it is for another day. There will be another day for that in the House, and some sections of the House will have a field day on it. It is a disgrace.

The call for long-term energy security and affordability in the motion is well made. It should be given a high priority in the emerging Programme for Government. I look forward to hearing from the Minister about that and all the other aspects that Members raised. The two Government parties should not, as usual, just dismiss a valid motion that has a lot of merit. It is an important issue. No offence to Mr Storey, but we should not talk it down in the way in which it has been. It is valid. It needs to be discussed. The lights could go out. We could have a brownout: I had never heard that word before; I thought that we had blackouts. Whatever kind of outage it is, it is coming down the track. This place will be in an energy deficit by 2020 or 2021 if we do not do something about it.

I look forward to hearing from the Minister, even though he is not particularly listening to me at the moment. [Laughter.]

**Mr T Buchanan:** I think that the entire House is agreed on one issue: long-term sustainable renewable energy is vital for the continued growth of Northern Ireland's business sector. As that sector has a high dependency on electricity, it stands to face a number of challenges in the next few years. Opportunities for economic growth will be very much dependent on providing an electricity system that provides affordable, secure and sustainable energy for our businesses and consumers right across Northern Ireland.

My constituency is renowned for manufacturing. When it comes to competitiveness, it is dependent on not only energy costs but the totality of costs and overheads faced by businesses. While there is clear evidence to show that Northern Ireland is competitive when

it comes to labour costs, property costs and other costs associated with the manufacturing industry, more work needs to be done on the reduction of energy costs. Each one of us around the Chamber tonight will say that more work needs to be done on that, and we need to work together. If some parties continue to point the finger, it will not do much to move the matter forward. The security of our electricity supply is of extreme importance. Perhaps the Minister will give an indication this evening as to the ongoing work between his Department, the Utility Regulator and the System Operator for Northern Ireland (SONI) on how current and future electricity demand will be met.

It is fair to say that, looking back over the past 10 years, the energy market in Northern Ireland is almost unrecognisable due to the increase in renewable energy. Changes in the way in which electricity is generated are clearly evident when travelling throughout Northern Ireland. In west Tyrone, there is a proliferation of wind farms and single wind turbines throughout the countryside. With the increase in wind generation comes the difficult issue in some areas of accessing connection to the grid. There is no doubt that the grid is a scarce and valuable resource. Every effort should be made to ensure that all connections to it maximise the efficient use of the network to the customer's interest. Of course, that is a two-way process; while those seeking grid connections have every right to expect the application and connection process to be transparent, efficient, timely and flexible, landowners' interests must be respected throughout the process.

Little respect has been shown in an ongoing scheme in west Tyrone to a few landowners who have genuine concerns about the direction of the overhead network. Although they have offered alternatives on their land with the support of neighbours in the surrounding area, they have practically been treated with contempt. The issue must be approached with sensitivity and due respect as renewable energy is taken forward. I have heard much about the North/South interconnector this evening. Of course, a lot of landowners are involved across that whole section of ground. It is important that lessons are learned and that people are treated with respect so that pitfalls that cause animosity, bad feeling and delay in schemes going forward are avoided in future.

In conclusion, I will mention the gas network. The Gas to the West project is expected to add some 40,000 to 50,000 additional customers by the end of 2018 when works are completed. This provides a welcome alternative for many businesses feeling the financial pressure of

high costs. A number of businesses in west Tyrone are awaiting the arrival. However, with the increase in demand from both domestic and businesses over the next few years, no doubt this will add extra pressure to the gas supply. Again, perhaps the Minister could give the House some indication of the security of the gas network as we move forward to the future.

**Ms Archibald:** I welcome the opportunity to contribute to the debate on this important issue. I believe that we all share the concern around energy costs. Energy affordability and security of supply are clearly very important aspects of our economic development, both for indigenous companies and also to attract FDI. Indeed, at last week's Economy Committee meeting we heard the Utility Regulator outline the potential for investment in the energy market itself. We need a very serious look at our energy policy. As my party colleague and the Chair of the Economy Committee, Conor, has already highlighted, it is a key issue for the Economy Committee, and we are carrying out an inquiry into energy in the new year.

The closure of the NIRO and the renewable heat incentive (RHI) leaves us with currently no renewable schemes, but the Utility Regulator highlighted last week the fact that these were very successful in incentivising the uptake of, particularly, onshore wind. When I questioned her about the future direction of renewables policy, she indicated that there needs to be a focus on a mix of new technologies around generation and storage. Renewables will obviously have a part to play in that. The regulator indicated that, in her opinion, onshore wind has been maximised in the North, and there needs to be a better use of the renewables that we have to maximise their use on the grid. She stated that, due to the unpredictable nature of wind, there should be a mix which includes both renewable and thermal generation, and that, in her opinion, there is potential for offshore generation of energy and that further scoping of marine sources such as wave or tidal energy is necessary.

Here in the North, we are committed to various targets on greenhouse gas emissions and renewable energy generation, and that requires a policy direction. Under the EU renewable energy directive, there are legally binding targets to reduce greenhouse gas emissions by 2020 through renewable energy generation. The overall target is 16% energy from renewable sources, with a 40% target for electricity. According to various stakeholders, we are on course to meet this target. However, we also have further challenging targets in terms of the 80% reduction in greenhouse gas

emission by 2050 and, under the 2015 Paris agreement, to reduce EU greenhouse gas emissions by 40% by 2030. Those will require commitments to a much-lower-carbon economy, and therefore we need to look at how this can be achieved and ensure that the policy and practical basis for this are in place.

In terms of what the motion is calling for, as has already been outlined, the Committee has a focus on the development of energy policy, and I am sure that will inform the Department's future energy policy direction. Specifically with regard to the Programme for Government, it is my understanding that the PFG is based on outcomes and indicators rather than priorities. The PFG process has been a consultative one, and that is a good path to take to ensure that what we are trying to achieve as a Government is relevant to the needs and priorities of those that we legislate for.

The current draft out for consultation has acknowledged responses to the first consultation which called for more inclusion of energy. It specifically states that other respondents call for a strengthening of position in relation to housing, the environment, water and energy. We have taken on board those views in this latest version of the programme. In this draft, there are particular mentions of the importance of secure, sustainable and cost-efficient energy within outcome 1, which is to promote a strong, prosperous and regionally balanced economy. It mentions the opportunities that it provides in employment, innovation, knowledge and skills and the wider economy.

There is also an acknowledgement of the cross-cutting nature of energy through to other outcomes, in particular outcome 2, which is to live and work sustainably, protecting the environment. We have already talked about the various targets that we are committed to meeting. There is also a specific mention of the role of energy in a circular economy model and the need to address energy generation from waste.

In my opinion, the PFG process has been responsive, and there is clearly a focus on energy security and supply, and also on looking at alternative forms of energy generation.

**Mr Aiken:** Will the Member give way?

**Ms Archibald:** Go ahead.

**Mr Aiken:** I thank the Member for her comments. One of the concerns that we have

is that you have mentioned a lot of things about EU directives and directives to look at energy requirements and the rest of it, but your other party in Government is not committed to any of these EU directives going forward.

What is your view, therefore, about being able to keep the necessary requirements to have green energy at the required levels, bearing in mind the potential of Brexit?

**6.00 pm**

**Mr Speaker:** Interventions should be short and focused. The Member has an extra minute.

**Ms Archibald:** There is an awful lot of work to be done on the policy directions going forward and the entire outworkings of the process of exiting the EU, however that may transpire.

I am encouraged that the new draft of the Programme for Government has taken on board the findings of the initial consultation. I envisage that further responses to the consultation will be reflected in the final version.

**Mr Dunne:** I, too, welcome the opportunity to speak on this important issue in the House today, as a member of the Economy Committee. There is no doubt that energy affordability and security of supply are important issues, and we must ensure that they are kept high on the agenda. The cost of electricity to consumers continues to be a real challenge for domestic and non-domestic large energy users in our economy.

We must ensure competitive conditions to retain existing businesses and to attract new foreign direct investment into Northern Ireland. Energy costs continue to be one of the major overheads for any business here, particularly our large manufacturing companies, some of which are proposing to go off the grid to generate their own energy. Companies such as Bombardier have gone down that route or are proposing to do so, as they plan to remain competitive in the aircraft industry.

I welcome the fact that Northern Ireland is on course to meet its renewables target of 40% by 2020 and that over 900 megawatts of potential renewable electricity generation has now been connected to the grid. Between April 2015 and March 2016, 25.4% of our electricity consumption was from renewable sources. There has been considerable investment in renewable energy locally over the past decade. I know that many businesses and domestic

users now rely on renewable energy as their main energy source.

The renewable heat incentive scheme, which has already been mentioned, was established to encourage the renewable generation of heat by giving support payments to eligible generators. There were clear risks from the start, with two bodies involved: DETI was responsible for the policy framework, and the Office of Gas and Electricity Markets (Ofgem) managed the applications and installations, including compliance, but did not have any representatives based in Northern Ireland. Lessons must be learned from the scheme and corrective actions put in place to stop the recurrence of such system failures in future.

There is a clear need for the North/South interconnector to be established between the Republic of Ireland and Northern Ireland, allowing interconnection between GB and the Republic of Ireland. I welcome confirmation that the Planning Appeals Commission is to resume its consideration of the North/South interconnector in the next few months — in fact, in February 2017. The ongoing delay costs consumers here around £7 million every year, and progress on the project is vital for future energy provision. The establishment of a community fund by SONI and the other providers is critical in ensuring long-term support for the communities directly affected by the proposed installation.

There is clear evidence that our electricity network needs to be upgraded. It was largely constructed in the 1950s and 1960s and is in need of considerable investment to improve consumer protection. During periods of extreme winter weather, we have seen that there can be particular pressures on our existing network. Investment in our grid and further work to develop the single electricity market are crucial in making our energy sector more competitive and, ultimately, reducing the cost to users.

I trust that the Minister will bring forward a new energy strategy that will address the needs of domestic and business consumers and that work will continue with the Utility Regulator and all other energy stakeholders to ensure that we have sustainable, secure and affordable energy in future.

**Mr Smith:** The motion rightly highlights two critical issues, each of which has the potential to derail Northern Ireland's economic policy — namely, energy affordability and security. I want to address the most important issue, which is energy security.

It is rare to get a consensus on any issue, but the potential for the lights to go out in Northern Ireland if we do not secure our supply and develop an energy strategy comes close. The CBI stated in 'Success through Smart Choices' that, even if the second North/South Interconnector was in place before 2021, the Executive would still face potential security of supply and system stability challenges.

Last month in 'The Irish News' Jamie Delargy said:

*"There's one clear message coming through about the North South Interconnector. If the power link isn't built, the lights may very well go out."*

SONI general manager, Robin McCormick, in this month's 'agendaNil', stated that Northern Ireland is facing an energy supply crisis, as old, conventional fossil-fuel generators retire. He goes on to say that, over the next five years, we will be at a point where we are in energy deficit and states:

*"As the system operator I can't stand up and speak confidently about keeping the lights on".*

I can quote many others, like the economist John Simpson or the NI Utility Regulator, Jenny Pyper, saying similar things, but time is against me.

**Mr Nesbitt:** Will the Member give way?

**Mr Smith:** Yes.

**Mr Nesbitt:** At the risk of setting off the Member for Naples, Mr Vesuvius, to my left, I know the Member has seen the graphic in the Programme for Government consultation that says we go into deficit in 2020. Is the Member surprised that in the following pages, under the headline, "What will we do?", there is no mention of fixing the problem?

**Mr Storey:** Is that the Ulster Unionist manifesto?

**Mr Speaker:** The Member has an extra minute.

**Mr Nesbitt:** No, it is your Programme for Government.

**Mr Smith:** I thank the Member for his point. The reality, as he points out, is that we are going from generating a 600 MW surplus last year to a 200 MW surplus this year, and from

2021, as the Member rightly points out, our generating capacity will be in deficit.

While we currently are secure in our electricity supply, a prolonged outage of a large generation plant or of the Moyle interconnector would force us into deficit at any time. All that was recognised in DETI's 2010 strategic energy framework —

**Mr Frew:** Will the Member give way?

**Mr Smith:** I have already given way, so I want to make progress.

Hence its endorsement of a second North/South interconnector, which was then forecast to be operational in 2013-14. Here we are in late 2016, no further on and keeping our fingers crossed that we have enough capacity to deliver our energy requirements. That may be one of the less newsworthy failures of the Executive but is, possibly, the one with the biggest impact. It is ironic and cold comfort that our low growth and energy demand due to flatlining economic growth may be our saviour.

What are our options? The return, as we have talked about, of the Moyle interconnector to full capacity will be helpful, but its record of faults does not instil great confidence. SONI proposes greatly increasing wind capacity to deliver the double benefit of building local capacity along with meeting our 40% renewables target by 2020. Whatever your views are on doubling or more the number of wind turbines in Northern Ireland, the reality is that wind generation is intermittent and still requires backup capacity. Furthermore, integrating additional large amounts of renewables onto the grid will require significant investment in the transmission and distribution network. While both of those developments will help build capacity, the key action is the building of the second North/South interconnector to secure an integrated single energy market, but, for it to be in place on time, work must get under way now.

I acknowledge that there are concerns about the use of overground rather than underground cabling and the resulting impact on public health as well as the local landscape, and those objections may well hold up progress. The issue of interconnection is closely related to the issue of renewables policy. Where will all the consented renewables go if the interconnector is further delayed? Where is the grid capacity? With the sudden closure of the NIRO and the RHI does the Executive have a policy or a plan for renewable energy? Leaving to one side for a moment the unfolding scandal of RHI

currently being investigated by the Public Accounts Committee, the fact is that there is nothing to replace what has gone before. All that remains is a policy vacuum and a massive bill that, as the Audit Office identified, could and should have been avoided.

I hope the Minister can, in his response, provide reassurance that the lights will not go off in Northern Ireland any time soon and that he can detail his plans for securing the additional generating capacity needed to avoid that. If we do not take action now, electricity outages could become a reality by 2021, if not before.

**Mr Lyons:** I welcome the opportunity to take part in the debate. I commend the mover of the motion for giving us the opportunity to talk about what is a very important issue, although I do not agree with the tone of the motion or the way in which he proposed it. This is an important debate. We need to have energy affordability and security of supply. If we do not have them, we are going to be in difficulties in the future. Although I do not want to get involved in the doomsday scenarios that some are predicting, it is important that we have energy that is affordable and that it has the security that is necessary for our economy to grow and prosper. I therefore welcome the fact that we can have a debate on what is a complex issue. I think that it was Conor Murphy who said earlier that no one on the Committee pretends to be an expert. Well, perhaps the Deputy Chair does sometimes, but I think that we can all learn more about the issue.

Take first the issue of affordability. There is no doubt that there are challenges out there, especially for our large energy users, but it is wrong of us to send out the message that Northern Ireland is an extremely uncompetitive place in which to do business. We need to be very careful about doing that, because we can move into that territory very easily. Of course we want to see more affordable energy and our large energy users being able to compete with other parts of the European Union, but domestic costs here in Northern Ireland are much lower than those for our neighbours, and our non-domestic energy prices are smaller than those for our neighbour the Republic of Ireland. Even though our large energy users have higher costs when compared with the EU-15 median, as Mr Aiken pointed out in his motion, it is important to note that they are below the UK average.

I take issue with what Mr Lunn said. He said that there has been no difference in energy prices for large users over the past number of years. That is not true at all. In fact, if we look

at the figures in front of us, provided by the Utility Regulator and the Assembly Research and Information Service, we can see how, in the past two years in particular, there has been a decrease in the cost. I am not saying that that makes everything rosy in the garden, but at least let us be factual here and say that there has been a decrease in the past number of years and that that should be welcomed. That may be cold comfort to those who are trying to compete with elsewhere in the EU. It is important to note, however, that, for competitiveness, our labour costs, transport costs and property costs — other indicators of competitiveness for the sector — are lower.

**Mr Aiken:** Will the Member give way?

**Mr Lyons:** If he is very brief.

**Mr Aiken:** I will be very brief. I ask the Member to reflect on the fact that some of our major energy users, including Michelin, cited high energy costs as one of the reasons for not being in Northern Ireland and on the fact that we now have major concerns about large energy users going off-grid.

**Mr Speaker:** The Member has an extra minute.

**Mr Lyons:** I do not dispute that that could have been a factor that contributed to it, and that is why we need to look at the issue and why it needs to be addressed.

**Mr Storey:** Will the Member give way?

**Mr Lyons:** Yes. He had better be brief.

**Mr Storey:** Following on from that point, it also needs to be remembered that the wholesale price is 70% of the bill. There are issues that we cannot always control, because electricity is a tradable commodity. That fact has to be placed on the record, given that some people would like to make mischief with the issue.

**Mr Lyons:** The Member is absolutely correct, and I thank him for that intervention.

I wanted to make a few comments about the North/South interconnector, but I think that the reason that it is so important and why we need to have it in order to secure our energy supply has been well placed on the record by other Members. It is also good for investment and job creation and ensures that we have a more competitive economy.

The Programme for Government is very clear. It states that we want a:

*"Secure, sustainable and cost-efficient energy supply".*

That is the headline outcome in the Programme for Government. It is up to the Minister to deliver that, and I know that he will do that through the new energy strategy as well.

In the time that I have left, I want to address the issue of the renewable heat incentive scheme. We know the problems and can see the failures that have taken place. It is obvious that there were officials in the Department who did not bring it to the attention of those higher up or to the Minister. It is worth placing on record that as soon as it was brought to the attention of the then Enterprise, Trade and Investment Minister, Arlene Foster, she took appropriate action, and the investigation of the matter began.

I want to point out one thing. Members are saying that it was the Minister's job to be involved in the scheme and to scrutinise it. What about the members of the Enterprise, Trade and Investment Committee? What about Members from other parties who sat round the Executive table and never made a peep about any of it? In their scrutiny, did they have any problem with it at all? No. What are they doing now? They come here and say, "Not my circus, not my monkeys". That is what they are saying, and that is an abdication —

**6.15 pm**

**Mr Speaker:** I ask the Member to conclude his remarks.

**Mr Lyons:** — of responsibility. [*Interruption.*] I will not support the motion; I will oppose it. [*Interruption.*] I urge the Minister to do all that he needs to do to —

**Mr Speaker:** The Member's time is up.

**Mr Lyons:** — secure it. [*Interruption.*]

**Mr Mullan:** I thank the House for the crescendo, the very warm introduction, and the accessories. [*Laughter.*] As a Member for East Derry, I too welcome the opportunity to participate in the debate about the future of our energy supply, especially in the renewables sector. It is clear that there is broad consensus that a transformation is needed in our energy system if our society is to meet the challenges of environmental sustainability, security of supply, infrastructural renewal and, as has been

reflected this evening, economic sustainability and affordability.

It is concerning, as highlighted in the motion, that energy costs for SMEs in Northern Ireland are among the highest in the European Union, with only Italy being more expensive. Energy prices for large and very large businesses are the third highest in the EU, which led the chief executive of Manufacturing NI, Stephen Kelly, to state that the high rates are:

*"damaging economic recovery, impacting on investment and job retention and creation."*

We have also seen significant job losses in the manufacturing sector, which is of great concern. Like many others, I do not believe that the Executive have done enough to drive down prices.

There is also great concern that non-domestic customers in the North are paying up to 20% more than those in the South and 10% more than those in GB. That puts us at a competitive disadvantage, especially in relation to attracting foreign direct investment.

In an attempt to drive down prices, we have seen moves to incentivise renewable energy along with moves to have a fully integrated all-Ireland network. However, with the end of many subsidies and Brexit hanging over us, there is great uncertainty over the future of the energy market in Northern Ireland. Energy supply and generation is now in uncharted waters: the financial supports for many renewable projects of the past have been withdrawn and little has been done to replace them. Subsidies for all new wind generation under the Northern Ireland renewables obligation (NIRO) have ended and current beneficiaries will cease to receive subsidies from 31 March 2017.

As the motion highlights, we have also witnessed what has been described — my colleague referred to it extensively — as the biggest scandal since devolution: the renewable heat incentive. Successive Ministers and the Office of Gas and Electricity Markets (Ofgem) have been asleep at the wheel, and that has resulted in a £500 million black hole in the block grant. That is money that could have gone to our health service or been used for educational services or social housing. Instead, it is literally being burned to heat empty sheds. The scheme is a disgrace, and it is also a disgrace that the First Minister failed to ensure that the necessary safeguards were in place to avoid exploitation. Although that has been

denied by some Members, nevertheless the facts remain.

**Mr Agnew:** I thank the Member for giving way. A couple of people have drawn Ofgem into it when discussing responsibility. Given that Ofgem administered the scheme UK-wide and that it was only in Northern Ireland that the scheme went awry, does he not agree that responsibility is firmly with the former Minister, Arlene Foster, who implemented the scheme?

**Mr Speaker:** The Member has an extra minute.

**Mr Mullan:** I cannot agree more. We now face a very uncertain future for renewables and I welcome the Minister's comments on how he intends to plug that financial gap without hampering future renewables investment. In addition, there is uncertainty over how EU directives will work, as they require cross-border connectivity, but these directives, like many EU initiatives, face an uncertain future as little to nothing has been done to prepare for Brexit.

An all-island integrated single energy market, which is heavily reliant on EU cross-border funding, should have been up and running this year while we have also consistently witnessed stalling after stalling on the North/South interconnector. We have spoken enough about that this evening.

I welcome the Minister's commitment to the interconnector and I am sure he will agree that the project must be pursued as a matter of urgency in considering the very real risk to the long-term supply of electricity across the North. All these developments are hugely concerning, and the Minister and the Executive have not done enough to militate against growing fears and unrest in the sector as evidenced by stakeholders such as Manufacturing NI, the FSB and others. Of particular concern is the fact that the Executive have done little to secure alternative schemes around renewable energy, which has not only impacted on renewable targets but has caused a spate of job losses across the North. The SDLP supports the motion.

**Mr Speaker:** I call Mr Paul Frew. The Member has three minutes.

**Mr Frew:** Oh dear. I am aggrieved that I have only three minutes. [*Interruption.*] I commend the Members for bringing this debate. The House will know how passionate I am when it comes to energy and everything around it. I believe that it is one of the most fundamental

issues that a Government can tackle or grapple with. So, I was annoyed and disappointed at the wording of the motion, but I will give credit where credit is due. The content of the contributions was very factual. It was very good, but it was all doom and gloom.

Whilst it is very important that we get energy right, it is about the energy mix. It seems that the Ulster Unionist Party has a real worry, nervousness and panic around sustainability. Have lessons not be learnt that when decisions are taken in panic, it costs. That is the most important thing that we should take away from this today. It is the cost of energy to our people and our businesses that is the massive issue.

They talked about the grid, the step change and going into deficit. That is the grid if nothing happens. That is what happens if nothing happens. I take exception to the words "policy vacuum". There is no policy vacuum. Just because we do not have subsidies for renewable energy does not mean that there is a policy vacuum. Interconnection is there. Interconnection needs to happen in the most affordable way and at the most affordable price: that is overground. It has to happen because it will reduce constraint charges on our people — some £30 million in a pot that has £152 million of constraint. That is the prize for interconnection, but it is not the only prize. We should be interconnecting everywhere. We should be connecting with GB more, and we should be connecting with France. Even Iceland is being talked about. That is where the future is with regard to interconnection.

I have very little time, Mr Speaker, but I ask the Minister to look at RP5 and at the fact that NIE was given £459 million in this price control, and it has not spent that money quickly. If it does not spend it, it gets to keep 50% of it because of the price control determination. I ask the Minister to investigate that and see where we are with regard to that spend in RP5.

[*Interruption.*]

**Mr Hamilton (The Minister for the Economy):**  
Mr Frew followed that old lesson of leaving them wanting more.

Shortly after taking up post as Minister for the Economy in May, I was introduced to a new phrase, "the energy trilemma". The World Energy Council's definition of energy sustainability is based on three core dimensions: energy security; energy equity, in other words accessibility and affordability; and environmental sustainability. The motion, whilst not using the awful phrase "energy trilemma" does, perhaps unwittingly, touch on each of the

issues of affordability, security and sustainability, and it is on each of these three important elements of energy policy that I want to focus my remarks this evening.

The motion notes the high cost of electricity for large business users, and I agree that a perception certainly exists that electricity prices in Northern Ireland across the board are high. That, of course, is not the case for everyone. Earlier this month, the Utility Regulator published a report titled 'Electricity Prices in NI: A Factual Analysis'. The regulator found that Northern Ireland's approximately 800,000 domestic customers pay just below the EU average for electricity and considerably less than their counterparts in the Republic of Ireland, Germany and Denmark. The price paid by our smallest industrial and commercial customers, who account for around two thirds of all the roughly 80,000 business customers, is slightly higher than the EU average.

The issue, as the motion acknowledges, is for large and very large electricity users. The amount that the remaining approximately 34% of all business customers pay for electricity is amongst the highest in the European Union. I am not arguing that that is not an issue, but is worth noting that the prices remain lower than the UK average, lower than places such as Italy and comparable with the Republic of Ireland and Germany. Furthermore, for July to December last year, unit prices on a per kilowatt hour basis were 7.9p in Northern Ireland compared with an EU average of 5.4p, a difference closer to 30% than the 60% more referenced in the motion. It is also worth remembering that the average annual domestic bill in 2016 is approximately £475 compared with nearly £700 in 2008. This represents a 32% decrease and is the lowest in 10 years.

Even for large and very large industrial and commercial customers, electricity prices have dropped considerably in recent years. I am not for a second trying to take away from the genuine concerns that exist, especially amongst some of our biggest energy-consuming businesses. Whilst competitiveness is affected by a range of costs, including property and wages, I accept that, for some of our key companies, electricity costs affect their competitiveness.

Members will recall that the Electricity and Manufacturing Advisory Group was established by my predecessor specifically to review the effect of energy costs on the competitiveness of the manufacturing industry in Northern Ireland. The group was also tasked with offering advice and recommendations on energy cost reduction

measures, and I am looking very closely at those recommendations; indeed, I am using them to inform my thinking.

I am committed to doing all that I can. Some Members have acknowledged the limited capacity of any Minister to affect many aspects of electricity prices. Even though the tools at my disposal are limited, I want to ensure that the House is aware of my commitment to keep a downward pressure on electricity prices for business customers. I have been giving careful consideration to any and all options that are presented to me to remove cost from business customers' bills, and I look forward to the support of Members in doing so.

The motion talks about an absence of a renewables policy. Perhaps it will be useful to recap the impact that the Executive's policy of generating electricity from renewable sources has had. The motion points out that the Northern Ireland renewables obligation is now closed to new onshore wind projects and will close to all other technologies on 31 March next year. It is important to note, however, that projects accredited to the NIRO will continue to be supported by Northern Ireland electricity consumers until 2037. When the NIRO was introduced in 2005, electricity consumption from renewable sources stood at just 3%. Since then, over 900 MW of potential renewable electricity generation has been connected. The latest official figures published by NISRA show that, during the 12-month period between April 2015 and March 2016, 25.4% of our electricity consumption was from renewable sources such as wind, solar photovoltaic, combined heat and power, and hydro.

With a further 700 MW of committed projects with accepted grid connection offers, plus around 200 MW of offers still to be made, I am confident that the Executive's 2020 target of 40% can be achieved over the next few years. Furthermore —

**6.30 pm**

**Mr Agnew:** I appreciate the Minister giving way. I appreciate the positive impact the NIRO has had to date, but what options is he considering going forward, for example, through CFD or even negotiating Northern Ireland's inclusion in the refit?

**Mr Hamilton:** I will come to that later. I thank the Member for his acknowledgement of the success so far, which is highlighted by that jump from 3% to over 25% in a very short period. I am also confident that, when all the

renewable projects with offers for connection or those that will receive offers are eventually connected, Northern Ireland will have the capacity to meet 100% of peak electricity demand of around 1,800 MW from renewable sources. In short —

**Mr Aiken:** Will the Minister give way?

**Mr Hamilton:** Yes, I will.

**Mr Aiken:** I thank the Minister for his comments, but, of course, one of the big issues we have is that the grid at the moment can manage only 55% of synchronous electricity. Going forward, we would need to boost that to somewhere close to 75%, and there is no technology globally anywhere that can do that. Could the Minister comment on that?

**Mr Hamilton:** I will come to that in a moment. What I was going to say was that, in short, the NIRO has successfully helped Northern Ireland to make huge strides forward in generating increasing amounts of electricity from renewables. As I consider the future of renewables policy, I have to contemplate a range of factors. They include the potential of the scarce and precious resource that is the grid — that is how we should view the grid; it is a scarce and precious resource — and its capacity to accommodate more renewables, the absence of significant storage options and the cost of a new support scheme. The motion implicitly, I think, calls for new subsidy arrangements. I am sure that, when penning the motion, the proposers were aware of the impact that a new scheme like the NIRO would have on the large non-domestic electricity customers that the motion also wants me to help reduce prices for.

As regards the renewable heat incentive, which was raised by several Members, I am acutely aware of the enormity of that issue. Members will appreciate not just that the matter is under investigation by the PAC but that, very soon after taking up post, I commenced an independent investigation of the allegations of fraud and abuse of the scheme. I neither want to cut across the PAC's important work nor go into detail about the independent investigation, which is ongoing. What I want to make clear is that I am giving the issue my fullest attention. Lessons are being learnt, and I am carefully considering how we can address the cost that the scheme has for the public purse. The RHI suffered from systemic failures on the part of officials. The important thing now is that decisive action has been taken and a long-term

plan is being developed to deal with the problem.

Finally, I turn to the third element of the energy trilemma: security of supply. As I said at Question Time yesterday, with the existing generation capacity at our three conventional power stations at Ballylumford, Kilroot and Coolkeeragh, as well as existing interconnection, including the Moyle interconnector being restored to 450 MW transfer capacity, and the additional 250 MW capacity provided by the SONI AES reserve services contract from January, there are no concerns about meeting our electricity demand to 2020. I acknowledge that emissions legislation could further impact on the Kilroot coal-fired plant in particular from 2020.

A key element of securing future electricity supply and creating a more efficient market via the integrated single electricity market will be the second North/South interconnector, which was much mentioned in the debate. Clearly, the interconnector must proceed through the planning process, but I once again wish to put on record my view that it is a critical piece of energy infrastructure for our energy future. As Mr Frew emphasised in his short but important contribution that, coupled with other plans, such as the proposals by Evermore Energy for a new gas-fired power station in Belfast, battery storage by AES, small-scale wind storage options, the Gaelectric compressed air energy storage project, which is a project of common interest status and has the potential to attract huge investment, and the Islandmagee gas storage project, there is a range of ways in which our security of supply could be enhanced in the years ahead. I assure the Assembly that I am working closely with the Utility Regulator and SONI, the system operator, to consider how best to ensure our security of supply after 2020. If it is considered necessary, I will agree further actions to safeguard our electricity supply.

The motion calls for energy security to be given greater priority in the new Programme for Government. I wish to point out to Members — some Members have already done so — that the draft Programme for Government includes an indicator on a secure, sustainable and cost-efficient energy supply, with the measure being a percentage change in the security of energy supply margin. I believe that that emphasises the importance that the Executive attach to the security of our energy supply.

The World Energy Council states that addressing the three goals of the energy trilemma entail:

*"complex interwoven links between public and private actors, governments and regulators, economic and social factors, national resources, environmental concerns, and individual behaviours."*

I am increasingly aware that not only is energy policy a complex and often technical area but it is massively interlinked. As I consider the issues raised in the motion, I am mindful that movement on one will in all likelihood impact on another. It is for that reason that I intend to address all the issues relating to affordability, sustainability and security of supply in a comprehensive and long-sighted new energy strategy for Northern Ireland that I intend to move forward on in the near future.

Energy policy must take account of the range of complex issues that have been highlighted today: energy costs, the grid, the link between energy infrastructure and the economy, electricity generation and security of supply, and the decarbonisation of the energy sector. That is what I intend to deal with in a new energy strategy, and I look forward to the support of the whole House as we grapple with these considerable challenges, which are of such importance to our economy and to our wider society.

**Mr Speaker:** Members, the Question is that the motion — Sorry, my apologies. I call Mr Alan Chambers. My apologies, Mr Chambers.

**Mr Chambers:** Thank you, Mr Speaker. Reports on energy and electricity are not in short supply. We have reports, inquiries and investigations. The ETI Committee had three volumes in its inquiry in the last mandate. Currently, the Northern Ireland Affairs Committee at Westminster is holding an inquiry, and it recently held hearings in Northern Ireland. Despite all the reports and inquiries, it is not at all clear to me what the policy of the Department or the Executive is on generation, security of supply, price control and renewables.

There were recommendations in the ETI Committee reports in November 2013 and February 2014 on the security of supply and electricity prices. More recently, there were 24 recommendations in the Energy and Manufacturing Advisory Group (EMAG) report. I remind Members that that was a report that the former Minister, Mr Bell, commissioned after major job losses last year and in the light of complaints about lack of action to tackle the

high energy prices faced by our large industrial users.

How did the Executive respond to an expert report that they had commissioned in such a hurry? Interestingly, the chair of EMAG, Mr David Dobbin of Dale Farm, is reported in the November edition of 'agendaNi' as saying:

*"The timing of the report was unfortunate as Purdah had started and the previous minister couldn't comment on it. We then had the election and then the appointment of a new minister and that was followed by the changes to the departments. I have had some behind the scenes talks with the Department for the Economy but so far their approach hasn't been announced."*

The EMAG report was received by the Department of Enterprise, Trade and Investment on 5 April 2016 — almost eight months ago. In May, my colleague Robbie Butler asked the new Minister for the Economy for his assessment of the recommendations of the Energy and Manufacturing Advisory Group. The answer he received, three months later, on 22 August from the Minister was:

*"I am currently considering the recommendations of the Energy And Manufacturing Advisory Group."*

My colleague Steve Aiken submitted a question for written answer on 10 October:

*"To ask the Minister for the Economy when his Department will respond to the recommendations contained in the Energy and Manufacturing Advisory Group Report."*

It remains unanswered.

It is time that the Assembly said that we need and demand answers. We need to know what policy direction the Minister and the Executive want to take us on with renewables and the decarbonisation agenda. We need to know what action the Executive intend to take to tackle the crippling energy costs that our major industrial users have been complaining about for years.

We also need to hear some sort of response to the reports that the previous Enterprise, Trade and Investment Committee compiled, and a response from the Department and Minister for the Economy to the EMAG report, which his predecessor commissioned to try to cover his embarrassment at the major industrial job losses announced last autumn, where the cost

of energy was cited as a contributory factor, especially in the case of Michelin.

I turn now to a few of the contributions. My colleague Steve Aiken highlighted the fact that our industrialists have some of the highest prices of electricity supply in Europe. He talked about the North/South interconnector and how important that is. He said that there is no plan B. That is not his rhetoric; those were the words of the Utility Regulator, last Wednesday, to the Economy Committee. There is no plan B.

Mervyn Storey demonstrated that he is a bit touchy about criticism. He acknowledged the seriousness of the situation, but he was unable — or maybe unwilling — to answer the question from my colleague Mr Nesbitt about energy deficit, because it was contained in an Executive —

**Mr Speaker:** Mr Chambers, may I ask you to miss the mic with your papers?

**Mr Chambers:** OK, sorry.

The energy deficit claim was contained in an Executive publication. Mr Storey reminded me that the best form of defence is attack, but bluster fools no one.

Mr Murphy put his cards on the table and told us immediately that he was opposed to the motion. He talked about policies that needed to be thought out, and he said that they had got to be got right. That is code for more reports and more prevarication. How much time does he need?

Mr Agnew made a significant intervention in Ms Bradley's contribution, as he did a couple of times during the debate. He added further fuel when he attributed the blame for the developing renewable heat incentive scandal on where the blame lies.

Mr Dunne supported the concerns on electricity prices for our manufacturing industry. I welcome his support for the interconnector.

My colleague Mr Smith highlighted security of supply, which is absolutely important.

Mr Lyons talked about the interconnector being important. It is not enough to acknowledge that we need it; we have to acknowledge that we cannot afford any delay. He demonstrated the concept of spreading the blame. He pointed the finger at the Enterprise, Trade and Investment Committee. I do not know; his

attempt to spread the blame would not even fool a monkey, Mr Speaker.

Mr Frew talked about the Ulster Unionist Party showing a characteristic of real panic. I do not accept that assertion, but the actions of this Executive would cause you to have a bit of panic at times.

**Mr Storey:** Will the Member give way?

**Mr Chambers:** No, I will not be giving way. I think I have heard enough bluster from you today. [Laughter.] I was delighted to hear the Minister. He has talked about what he is going to deliver. In actual fact, he is going to deliver an awful lot of what is in our motion, but his colleagues do not seem to accept that. It concerns me when I hear Members deride and decry concerns about security of supply. It displays a blasé and complacent attitude which is all too commonplace in the ranks of the Sinn Féin/DUP coalition. I remind them that it is not just members of the official Opposition who have raised concerns. We have heard quotes today from SONI, the Utility Regulator, the CBI and respected commentators like John Simpson and Jamie Delargy. If Members on the Executive Benches do not believe the experts, I refer them to the graph on page 25 of their own draft Programme for Government consultation document. The electricity supply margin is 400MW and currently meets security standards. In terms of generation adequacy, the level is sufficient in Northern Ireland in the medium term. An accompanying graph shows Northern Ireland going into a generation deficit by 2020.

(*Madam Principal Deputy Speaker [Ms Ruane] in the Chair*)

Our motion has deliberately called upon the Executive to clarify their position on future subsidy arrangements for all forms of energy generation. That is because it has not, as some have alleged, been just the renewable sector that has been the recipient of government subsidy. Generation based on fossil fuels has been a heavy beneficiary over the years.

#### 6.45 pm

From engaging with the sector, it is clear to the Ulster Unionist Party that the renewables industry is not asking to be subsidised in perpetuity, but it needs a route to market. There is a crucial need for a mechanism that subsidises the wholesale price to enable investors to invest. At the moment, on

wholesale prices alone, no one is willing to invest in any form of new generation. It is in everyone's interests to structure a route to market that is competitive and technology neutral. That way, the market brings forward the least cost generation technologies.

Above all, the Assembly and the general public need reassurance that the Executive have a long-term plan to keep the lights on. I look at what has been going on over the last few years, with the fiasco around the renewable heat incentive scandal. That is a glaring example of a good concept being undermined by maladministration and a lack of ministerial scrutiny, and it leaves me with little confidence that those in charge know what they are doing.

Six months into the new mandate, is it too much to ask the Minister and Executive to give us an indication of what they plan to do on renewable policy? Is the 40% target still achievable? Is the NIRO going to be replaced? Are we looking at the contracts for difference model? How are we going to pay for the renewable heat incentive fiasco, and is anyone going to accept responsibility for it? We have brought this motion to the Assembly in the hope that we will start to get some answers to the questions that we have raised. I commend the motion.

*Question put.*

*The Assembly divided:*

Ayes 35; Noes 53.

#### AYES

*Mr Agnew, Mr Aiken, Mr Allen, Mr Allister, Ms Armstrong, Mr Attwood, Ms Bailey, Mrs Barton, Mr Beattie, Mr Beggs, Ms S Bradley, Mr Butler, Mr Chambers, Mrs Dobson, Mr Durkan, Mr Eastwood, Dr Farry, Mr Ford, Ms Hanna, Mr Kennedy, Mrs Long, Mr Lunn, Mr E McCann, Mr McCrossan, Mr McGlone, Mr McGrath, Mr McKee, Mr McPhillips, Ms Mallon, Mr Mullan, Mr Nesbitt, Mrs Overend, Mrs Palmer, Mr Smith, Mr Swann.*

*Tellers for the Ayes: Mr Aiken and Mr Chambers*

#### NOES

*Mr Anderson, Ms Archibald, Mr Bell, Mr Boylan, Ms Boyle, Mr M Bradley, Ms P Bradley, Mr K Buchanan, Mr T Buchanan, Mrs Cameron, Mr Clarke, Ms Dillon, Mr Dunne, Mr Easton, Ms Fearon, Mr Frew, Ms Gildernew, Mr Girvan, Mr Hamilton, Mr Hazzard, Mr Humphrey, Mr Irwin, Mr Kelly, Ms Lockhart, Mr Logan, Mr Lynch, Mr*

*Lyons, Mr McAleer, Mr F McCann, Ms J McCann, Mr McCartney, Mr McElduff, Mr McGuigan, Miss McIlveen, Mr McQuillan, Mr Maskey, Mr Middleton, Mr Milne, Mr Murphy, Ms Ní Chuilín, Mr Ó Muilleoir, Mr O'Dowd, Mrs O'Neill, Mr Poots, Mr Robinson, Mr Ross, Ms Seeley, Mr Sheehan, Mr Stalford, Mr Storey, Ms Sugden, Mr Weir, Mr Wells.*

*Tellers for the Noes: Mr McQuillan and Mr Robinson*

*Question accordingly negatived.*

**7.00 pm**

**Madam Principal Deputy Speaker:** I will allow time for Members to leave the Chamber so that we can have a good debate.

## **Assembly Business**

**Madam Principal Deputy Speaker:** Order. I inform Members that the Speaker will rule — order — on the point of order raised by Jim Allister at the start of this morning's session at the end of the next item of business and before the Adjournment debate.

## **Private Members' Business**

### **Arm's-length Bodies**

**Madam Principal Deputy Speaker:** The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer of the motion will have 10 minutes to propose and 10 minutes to make a winding-up speech. One amendment has been selected and published on the Marshalled List. The proposer of the amendment will have 10 minutes to propose and five minutes to make a winding-up speech. All other Members will have five minutes.

**Mr Logan:** I beg to move

*That this Assembly notes the reduction in the number of government Departments and the associated efficiencies; and calls on the Executive to review the number and function of their arm's-length bodies with a view to reducing their number, where possible, and maximising the available revenue.*

I move the motion in my name and that of my party colleagues. First, I wish to state that arm's-length bodies (ALBs) are necessary for the proper functioning of government; they perform an important role in helping Departments to fulfil their obligations. The review is not intended to eradicate all arm's-length bodies but aims to improve the public's, and even the Assembly's, understanding of arm's-length bodies. The review is intended to produce better scrutiny and stronger accountability and to ensure that arm's-length bodies are carrying out their functions as intended, meeting their aims, and achieving value for money.

In 2010, the Assembly debated a motion that called on the Executive to review the roles and functions of quangos and arm's-length bodies to ensure that there was accountability and value for money. The Democratic Unionist Party has tried to make streamlining government and its associated arm's-length

bodies a key ambition. In the previous mandate, the Executive made huge strides in streamlining Departments and their arm's-length bodies and made provision to reduce the number of MLAs from the year 2021. In the 2011 mandate, the Executive delivered a reduction in the number of Departments from 12 to nine; a reduction in the number of special advisers; a reduction in the number of MLAs per constituency by one from 2021; and a reduction in the number of councils from 26 to 11. As of 31 March 2015, the number of public bodies stood at 103. Even then, that figure was collated after the creation of the Education Authority in place of the five separate education and library boards.

Progress is being made, but this party believes that a fundamental review is required of future delivery of the work carried out by arm's-length bodies. The Department for Communities alone has 21 ALBs — excluding the Northern Ireland Housing Executive — which collectively have a combined budget of £78 million. The main drivers included in the review should be as follows: reducing budgets; sharing services and accommodation; more collaboration; different accountability and governance models; and reducing the number of ALBs. On Wednesday past, I asked staff from the Equality Commission, in Committee, what England and Wales lose by having a combined Equality and Human Rights Commission. They did not know. I asked them how they justified not only separate buildings and support staff but the split thinking that comes along with them.

**Mr Lyons:** I thank the Member for giving way. The Human Rights Commission and the Equality Commission are one body in England. Over the last five years, its budget was around £100 million. The two organisations in Northern Ireland have a total budget of about £30 million. That works out at £17 per person in Northern Ireland and only £2 in England. Surely this needs to be addressed. There is no reason for that type of spend on such organisations.

**Mr Logan:** The Member makes a great point and backs up the reason for having the debate today.

There should not be a reduction in the number of arm's-length bodies just to save money at the expense of sacrificing useful services. Good government requires that the public bodies supporting it are efficient and effective. This is not a case of overhauling the most expensive arm's-length bodies but of looking at each organisation's functions, including at why those need to be done by an arm's-length body as opposed to in-house and at how efficiently they

are done by any other organisation and how much they contribute to society.

This is not a straightforward process — at times it will be difficult to compare organisations — but we have seen instances where even sharing services has made a significant difference. The use of shared services has delivered significant savings across government. For example, IT Assist has reduced the cost of IT provision per user by more than 30% over three years and saved over £29 million. Utilisation of existing government shared services such as IT Assist, Account NI and HR Connect must be considered as opposed to each arm's-length body delivering its own IT and HR services internally.

This is a challenging discussion. We talk about reviewing arm's-length bodies abstractly and in general terms. It all sounds simple, but no doubt each stakeholder involved in the organisations is passionate about what they do and what they contribute. If an arm's-length body delivers, we need to recognise that and give praise.

Sometimes we get caught up in framing all arm's-length bodies as a waste of money or as unnecessary extras but some of them do fantastic work and contribute well to Northern Ireland. For example, on Friday I met with a business in my constituency of North Antrim. It ships pharmaceutical products all over the world and made clear that it was delighted with the support it gets from Invest NI.

Invest NI, for example, is an organisation that exceeds targets to help the Northern Ireland economy. In 2015-16, the agency once again exceeded its targets, promoting over 5,500 jobs across Northern Ireland against a target of 4,000. There is an organisation that is delivering.

I recently spoke in the Chamber about the Middletown Centre for Autism and the fantastic service it provides. The glowing reports from its most recent inspection highlight its effective service.

When individuals in my constituency contact me about work-related issues, the Labour Relations Agency is exemplary in the support, information and advice it provides to my team and to the individuals concerned. So, praise where praise is due.

However, there is room for a review of arm's-length bodies to see where there are inefficiencies. As the motion indicates, where

the number of arm's-length bodies can be reduced, that is the most preferable option; but the review should be allowed to examine all options to maximise service delivery and reduce administration overheads.

In conclusion, the Executive are committed to delivery. We want the very best for the people of Northern Ireland and ALBs help us to achieve that through their various functions. What the motion is asking for today is simply a review. If a reduction in cost, administration, bureaucracy or duplication can be achieved, that would be beneficial for everyone. I commend the motion to the House.

**Mr Attwood:** I beg to move the following amendment:

*Leave out all after "departments" and insert  
"and acknowledges the important contribution of current and past arm's-length bodies across a range of social, cultural, environmental, economic, legal, rights and equality issues; recognises that arm's-length bodies have independence which avoids decisions and funding being politicised, produces best policy outcomes and has access to technical and specialist capacity; and calls for a review of the financing of arm's-length bodies to establish proper resourcing with an objective and sustainable funding process through which arm's-length bodies can deliver effectively their work."*

I will make one preliminary comment on the speech that we have just heard. On reading the motion, it is quite clear what the DUP was at: taking a battering ram to arm's-length bodies in Northern Ireland. What we heard from the proposer of the motion, Mr Logan, who was very measured and moderate in his tone, was him trying to reconfigure the motion to disguise its real intentions. Let us remember, as we go through the debate, that whatever is said by the DUP in proposing the motion —

**Mr Logan:** Will the Member give way?

**Mr Attwood:** — the intent of the motion is to do undue damage to ALBs. I will give way in a second. ALBs need review, but the motion would do them undue damage.

The proof of that is that there was only one intervention during Mr Logan's speech. What was the intervention? It was to reply to comments being made by Mr Logan. Why was the intervention made by Mr Lyons, other than to launch an assault upon the Equality

Commission? In that moment and in that space, did the DUP not reveal the true intention behind its motion, despite the worthy efforts of Mr Logan to disguise it? For Mr Logan then to accept the scripted point from his colleague, without trying in any shape or form to recognise the different environment, culture and history in Northern Ireland when it comes to equality issues, and to subscribe casually, in that shallow way, to the analysis put forward by Mr Lyons of merging the Equality Commission and Human Rights Commission, as happened in England — something that many people rejected and the consequence of which is that many people feel that both the equality and human rights functions of that new body have been degraded — really did reveal much of the true thinking behind the DUP motion.

The SDLP supports reform. There are too many places in Northern Ireland society where people still cling to the past and the old ways of doing things. We agree that there should be a review of arm's-length bodies, but, in conducting that review, let us look more laterally rather than looking in the one-dimensional way of the DUP. I will come back to that in respect of the content of the motion. Let us bring into the heart of government the specialists in outside agencies who know best about how to mainstream into the life of government and the life of the North proposals and requirements in respect of equality, human rights, childcare, anti-poverty and older people. If you bring the people who have those specialisms into the life of government, government might live up to the ambition and needs of society. Let us do that.

When we are dealing with the issue of arm's-length bodies, what will we do about the gender imbalance in those bodies? At the moment, the number of men is twice the number of women, and the number of men who are chairs of arm's-length bodies is four times higher than the number of women. If we are going to do a review, let us deal with the gender imbalance across arm's-length bodies, especially at senior positions.

If we are going to review, let us be radical about it. When I was Minister, rather than conducting a light-touch review of the Housing Executive, I initiated a fundamental review in order to protect the legacy of its great achievements over the last 40 and more years —

**Madam Principal Deputy Speaker:** Sorry, may I just inform you that your microphone has switched the wrong away and is not picking up?

**Mr Attwood:** All right. That might be a relief to some people, but obviously not to the Principal Deputy Speaker, who is very anxious to hear all my words. I welcome that.

Let us conduct a fundamental review, as we did in the Housing Executive, when, in an effort to ensure that it was fit for purpose for the next 40 years, we protected its legacy against those who wanted to degrade it.

What is revealing in the motion —

**Mr Durkan:** I thank the Member for giving way. Does he agree that the review is not necessarily tantamount to reduction? It is about how we do things more effectively, and it might lead to the creation of a new arm's-length body — an independent environmental protection agency, for example?

**7.15 pm**

**Mr Attwood:** Yes. I see that the Programme for Government is silent on that, despite the urgings of the SDLP in our very substantial Programme for Government submission, which we will publish in the near future. It will provide a very useful checklist against the inadequacies of the Programme for Government produced by the DUP and Sinn Féin.

What does the motion from the DUP say? Is says we are going:

*"to review the number and function",*

and cost. That is it. Number, function and cost. Do not rely upon the British Government — I barely rely on them on this — but even they publish guidelines on reviews of arm's-length bodies. They talk about it a lot more than even the DUP talks about it, because the British Government talk about whether the bodies are still needed, still deliver, carry out their activities effectively and contribute to policy development. I go a lot further than the British Government, but it is revealing that the DUP does not go even as far as the Cabinet Office advice from the British Government; the DUP concentrates just on numbers, money and function.

I will say this to Sinn Féin, because I presume it may or may not be inclined to support the DUP motion —

**Mr McGuigan:** Will the Member give way?

**Mr Attwood:** It should be vigilant and warned about those who use soft words tonight about

an arm's-length review when we know that part of its intention is to damage fundamental values and architecture in Northern Ireland. I will give way.

**Mr McGuigan:** I am a wee bit confused about Mr Attwood's contribution on the amendment. He seems to be talking at odds about the amendment, which is calling for only a review of the finances of arm's-length bodies; it does not call for a review of arm's-length bodies.

**Mr Attwood:** I will deal with my amendment in my closing remarks. I want to deal first, though, with what should be off limits in the DUP intentions to prey on fundamental requirements of our society. There is a wide range of arm's-length bodies that, in the view of the SDLP, should be off limits in any fundamental revision of their function or future. Somebody once wrote that, once national conflicts are fully evolved, they revolve around issues of law, order and justice. Our society demonstrates that, when our national conflict entered its most recent phase — I reject the use of violence to bring about a resolution to that national conflict — it revolved around issues of law, order and justice. Consequently, through the Good Friday Agreement and other interventions, we created an architecture to ensure that issues of law, order and justice did not again become the engine for conflict in our society. When we come to the Equality Commission, the Human Rights Commission, our policing arrangements, our criminal justice arrangements and our oversight arrangements —

**Mr Stalford:** Will the Member give way?

**Mr Attwood:** I will give way in a second.

— through all the criminal justice and other agencies in the North, let us be jealous in guarding them. They are fundamental features of the new order of politics, uncertain and turbulent though it may be, in Northern Ireland. I will give way.

**Mr Stalford:** Thank you. If law, order and justice are fundamental to what caused the conflict in Northern Ireland and should be off limits, why did the SDLP support the devolution of those powers to the Assembly?

**Mr Attwood:** Because we are better than a British Government at shaping the destiny of this part of Ireland and the needs of our people. Are you now saying to Sinn Féin that you did not want the devolution of justice and policing? I remember that, in 2007 and 2010 —

**Madam Principal Deputy Speaker:** I ask Members to make —

**Mr Attwood:** — you spent a lot of time going down that particular road —

**Madam Principal Deputy Speaker:** I ask —

**Mr Attwood:** — and rightly so. I will come back to —

**Madam Principal Deputy Speaker:** Will you please take your seat? I ask Members to make their comments through the Chair. Thank you.

**Mr Attwood:** I will conclude, Madam Principal Deputy Speaker, and go back to the issues. I judge from the intervention that Sinn Féin is not inclined to support an amendment that is more rounded, grounds a review in fundamental values and requirements, talks about the need for independence in decision-making on certain matters, tries to protect the areas that need the most protection, looks to the strengths of arm's-length bodies rather than their deficits and talks about:

*"a review of the financing of arm's-length bodies to establish proper resourcing with an objective and sustainable funding process".*

That is where we should concentrate our efforts.

**Madam Principal Deputy Speaker:** Will the Member please bring his comments to a close?

**Mr Attwood:** We should not go down the road the DUP is encouraging Sinn Féin to go down, as it would see a degradation of fundamental issues in Northern Ireland society.

**Mr Lynch:** Ba mhaith liom labhairt i bhfabhar an rún agus in éadan an leasaithe. I support the motion and oppose the amendment. My party colleague will speak on the amendment later.

The motion is short and concise, and it calls on the Executive to review the number of functions of their arm's-length bodies, which few would disagree with. I agree with Mr Attwood that there are fundamentals, and we need to look at things laterally and protect human rights and equality. We all know and understand that it is a time of Tory cuts to the block grant and of great financial difficulties for this Administration. There is a greater need and a responsibility on us to look at what more can be done to ensure

the proper scrutiny and accountability of already reduced resources. Indeed, arm's-length bodies should be reviewed regardless of the state of the finances. There is also a responsibility on us to review public bodies to ensure that they remain fit for purpose, well governed and accountable for what they do. Good governance requires public bodies to be efficient, effective and accountable. We also have a responsibility to ensure that we get the service that we deserve and require for the people whom we represent at the lowest cost.

I was a member of the previous Justice Committee, and a number of arm's-length bodies came under the Assembly and Committee that previously had not been. They came to the Committee regularly to brief us and to be questioned — for example, the Criminal Justice Inspection, the Probation Board and the Police Ombudsman. Those organisations play an important and useful role in delivering services, and many in the public recognise that. As Mr Attwood said, those are key parts of the architecture of the new dispensation.

Since a similar debate took place in 2010, some progress has been made. The streamlining of five education boards into a single Education Authority, which was established last year, could save millions of pounds each year. Any review should consider issues of efficiency, including the potential for savings, and examine whether the public body could provide better value for money. It should also consider the performance of the body and the extent to which it meets its objectives, and whether it should be streamlined, as with the education boards. Could overlapping public bodies be amalgamated to avoid duplication? That could establish whether individual bodies should be abolished, absorbed into their parent Department or merged with another body, resulting in efficiencies and savings.

If the Assembly and Executive were seen to address the issues of public bodies through a review, they would inject greater public confidence. The matter needs to be addressed not as a cost-cutting exercise but as something that could have the beneficial impact of saving money. It would demonstrate that we are serious about tackling inefficiency and delivering value for money. There is an opportunity now, with these institutions bedding down and as we move further and further away from the days of direct rule, to bring about positive change with arm's-length bodies.

Mr Attwood mentioned a whole plethora of issues — for example, how members are appointed to public bodies, representation of

minorities and gender balance. I read the research pack, and it was noticeable that women were under-represented, particularly in terms of remuneration.

**Mr Stalford:** I am grateful to the Member for giving way. He will be aware that, in the Executive Office Committee, I have consistently raised the issue of the class background of people who are appointed to public bodies because there is a tendency for a small self-perpetuating group of people to occupy quango-land.

**Madam Principal Deputy Speaker:** The Member has an extra minute. Tá nóméad breise ag an Chomhalta.

**Mr Lynch:** I agree with the Member. Young people were also under-represented, and all those issues need to be addressed in any review. Over the years, I have heard people complaining about duplication of the work of two bodies in the House. This motion affords us that opportunity.

**Mr Nesbitt:** I am not sure whether it is an obligation on me, but I will nevertheless declare an interest, having been a commissioner in the Commission for Victims and Survivors for Northern Ireland, an arm's-length body of the former Office of the First Minister and deputy First Minister and now, of course, the Executive Office.

It was an interesting experience that gave me some insight into the relationship between an ALB and the Executive Office in Northern Ireland.

Principal Deputy Speaker — do you see how I hold an audience? — what about the clock?

I have some direct experience of the relationship between an ALB and a Department in Northern Ireland. I was hoping that the debate might focus on why we have ALBs. I know that Mr Logan touched on it, but we have to drill down a bit and say that surely the function of an ALB is to do something that government cannot easily do or to do something that government can do but do it more effectively or more efficiently. The latter can be quite challenging, because there is a strong umbilical cord between the ALB and the mother ship. It seems to me that the Executive like to keep their control. I remember that, for example, there were 36 policies that we had to adopt with regard to sole working, alcohol and drug abuse, expenses and so on. With a lot of them you can see the need for a consistent

approach across ALBs, particularly when you have seconded civil servants working on your staff. However, it makes things very tight, and, when you try to use initiative, it can be difficult.

I will give you one little example. When the commission was established, we were in temporary government accommodation in the centre of Belfast with two seconded civil servants who were spending 10 hours a day photocopying. They had to photocopy every policy document three times because, suddenly, they had been presented with four commissioners rather than the one they had been expecting. The point was made to us that the photocopier was about to break down. Using my initiative and a bit of entrepreneurship, I thought, I contacted a man in the business community who rented photocopiers to the government, including one to the then First Minister in his home, I believe. Anyway, he lent us a photocopier without charge for six months, but, when it arrived, the civil servants said they would not touch it because we had not tendered it. They expected a tender for those who were prepared to give a machine for free. In the real world, I do not believe that that happens.

We talk about the independence of arm's-length bodies, but they are only independent in one sense. That was put to me by a civil servant who, I believe, was not perhaps the greatest fan of the Victims' Commission. He said to us one day that we had to realise that we were only independent in terms of the advice that we offered Ministers. With a little more relish than perhaps might have been deemed professional, he went to say that, while the Ministers were obliged to listen, they were not obliged to take our advice. If we are going to have a review, let it be a comprehensive review — an audit that includes looking at the unnecessary shackles that we place on arm's-length bodies.

I see that junior Minister Ross is here to respond to the debate. Earlier, perhaps unkindly, I referred to an archived document to do with the environmental British-Irish Council meeting that he had been at; I am afraid that I will do the same thing to him this evening. This document is a Budget review group report from September 2010 on a review of arm's-length bodies that was discussed as part of the Stormont House negotiations. At September 2012, it appears that there had been an agreement to

*"abolish, integrate or merge 62 ALBs"*

while 40 others "should remain unchanged". We have tried to do our own little forensic trail

this week to see whether the 62 were indeed abolished, integrated or merged, and it is difficult to get to the bottom of it. I do not know whether the Minister has the information to enlighten us. Several of them are still around, including the Council for Catholic Maintained Schools and the Livestock and Meat Commission. The Armagh Observatory and the Armagh Planetarium were to go, and the Arts Council and the Sports Council were to merge. NI Screen takes me back to my first point: with a global player like NI Screen, you cannot have set rules such as you have only £4.99 per head for lunch, not when you are going to Cannes, Hollywood or the Oscars to try to attract business.

The SDLP amendment says that we want to review the financing only —

**7.30 pm**

**Madam Principal Deputy Speaker:** Will the Member bring his comments to a close?

**Mr Nesbitt:** It does not allow for a change in the numbers, so reluctantly, on that basis, we cannot accept the amendment. We will accept the motion.

**Madam Principal Deputy Speaker:** The Member's time is up.

**Ms Armstrong:** I find myself in an unusual situation where I can accept absolutely the amendment and the motion. Reading the detail of both, if only they were together, we would have something structured that we could take forward.

There needs to be a review of the performance, range and number of arm's-length bodies. If that review identifies duplication of service, of course, there should be positive action to ensure efficiencies. As the amendment identifies, we have a range of arm's-length bodies that have and continue to deliver effective outcomes for this government and, importantly, for our citizens. Those bodies are as relevant now as they were in 2010 when the subject was last debated. We should give credit where credit is due and ensure that sustainable funding is provided to allow them to go forward, but, where there is a failure of service delivery, we need to take proactive action to reduce and remove any unnecessary expenditure.

In 2010, my colleague Stephen Farry confirmed that there absolutely was a role for arm's-length bodies between Departments and the

community. Many arm's-length bodies deliver services and functions that are best served outside government, and that was recognised in 2012 by the former First Minister Peter Robinson. If a review finds that arm's-length bodies are no longer needed, the rationale for reaching that decision must be based on factual evidence that the service is no longer required and not just on saving money — I was glad to hear Mr Logan say that the intention of the motion was not just to save money — or bringing services back inside core Departments.

If rationalisation occurs, there may not be the savings that the original motion envisaged. Rationalisation should be considered only if services are no longer necessary or are being duplicated. Rationalisation can create the benefit of better service delivery and could enable effective mergers and improve the general process of good financial management. We have heard that for many years in the community and voluntary sector, have we not?

Having reviewed the guidance on reviews of public bodies provided by the Cabinet Office, as was mentioned by Mr Attwood, we should follow the first principles approach to whether each function is needed, is still being delivered, is carried out effectively by the organisation and contributes to the core business of the organisation, the sponsor Department and the government as a whole. It must have respect to devolved arrangements, and we must, of course, consider if the function is provided in order to meet reserved matters. As noted in that report, we must also consider the extent to which the public body's functions are delivered in an environment currently directly affected by EU regulations or processes, and how the body will deal with the impact of Brexit has to be part of the review.

What we could do here is take the best of the reform programme utilised by our colleagues in Westminster, where the reform effectively reduced the number of bodies and enabled mergers where duplication and overlap occurred. Some were asked to improve functions in order to meet challenging and changing needs, and others were simply retained. The Public Bodies Act 2011 ensured that a framework was enshrined, ensuring that a fair and transparent process was followed. That is key here. We need that consistent approach. We may need to streamline the number of arm's-length bodies, as long as it is a positive and proactive change, but that can only happen if there is a clear, open, consistent and impartial process.

**Mr Irwin:** This is a timely motion, given that we are well into the first year of the new Assembly term. Already, the restructured Departments appear to be responding well to the mergers that took place. Having been the Chairperson of the ARD Committee and having worked through the merger of the Environment and ARD Departments, I know that there was a clear argument for the combination of those Departments, given the many cross-cutting functions of each division of government. I recall that, in earlier discussions on the issue, the DUP was out in front in actively calling for and subsequently working towards a reduction in Departments. For much of that time, our party was a lone voice in pursuing this important matter.

The public rightly stated that Northern Ireland, for its size and population, was over-governed compared with other parts of the UK. We in the DUP listened intently to those concerns and took action. We have already overseen the reduction in Departments from 12 to nine and a reduction in local councils from 26 to 11. There are further targets to hit, namely a reduction in the number of MLAs by one in each constituency by 2021. That was all in a bid to rationalise our Government to better reflect our population size. It is therefore only right that we take that a stage further and look at the many arm's-length bodies that exist across our remaining departmental remits and seek, where possible, to reduce the number of such bodies.

There are, of course, arm's-length bodies that play a very important role, and no one is saying that every single body should be done away with. However, it is the right time to start looking at the role and functions of all arm's-length bodies to see where and how efficiencies can be made. In areas where the duplication of remits and services takes place, steps can surely be taken to ensure that that is not the case, and if that means that a particular body is no longer needed or can be subsumed into another existing body with no loss of service, surely a realistic assessment must be made of its future.

There are innumerable arm's-length bodies. I am aware that the Communities Department, for example, has 21, not including the Housing Executive, and that is only one Department.

**Mr Humphrey:** I am grateful to the Member for giving way. I want to make the House aware of a visit that I made last year to Cairn Lodge Amateur Boxing Club in my constituency, to which public servants from the Sport NI organisation had committed to give funding. Two weeks later, they withdrew that funding

simply because of an affiliation issue of boxing in Northern Ireland. That sort of arbitrary behaviour by public servants is simply not acceptable. Does the Member agree?

**Madam Principal Deputy Speaker:** The Member has an extra minute.

**Mr Irwin:** I thank the Member for his intervention, and he certainly makes a valid point.

Clearly, a review is the most appropriate method of determining the number, function, benefit and, crucially, the cost of operating each body. It is only through a review of all arm's-length bodies that we can be fully informed and then actively work towards making efficiencies. In an era of efficiencies and prudent expenditure, it is incumbent on the Assembly to initiate the process with arm's-length bodies. I certainly encourage Members to support the motion in order that the Executive can work towards the commencement of a review process. I support the motion.

**Mr McGuigan:** Like my party colleague, I support the motion. I see what it suggests as the sensible thing to do to ensure efficiency, public accountability, good governance and, hopefully, value for money when it comes to arm's-length bodies. It was a Sinn Féin manifesto commitment to have a review of arm's-length bodies, and it is one that I wholeheartedly agree with. This subject, as has already been pointed out, and as is clear from the briefing pack, has been debated before in the Assembly Chamber, and there have been questions on it many times. The majority of the arguments that we have heard so far today and will continue to hear are similar to the arguments that were debated in the last debate, in 2010.

From my point of view, there was a time when it could have been argued that we needed the number of arm's-length bodies that have accumulated here in the North. That time was when there was no functioning Assembly, but direct rule has long gone, thankfully, and will not be coming back. The work of these institutions and the changes to local government have brought about enhanced democratic accountability, and, as a result, that surely means that we will need to reduce, reconfigure and adapt some of our arm's-length bodies. We need to bring about even more democratic accountability to those charged with decision-making, ie elected politicians. The motion quite rightly points out the recent reduction in Departments, so I think that this is

a timely opportunity to look at and review arm's-length bodies again. I will not argue with the reality that we need arm's-length bodies to provide support to government. I certainly do not envisage a situation in which we do not have any groups or bodies that assist that work in certain circumstances.

As the amendment states, there will be instances when "technical and specialist capacity" outside of government is required. Let those instances be determined by a review that is based on our current and future circumstances, not on our past structures and needs. I have to say that the sentiment of the amendment baffled me, and I was even more baffled by the contribution of —

**Mr Stalford:** Will the Member give way?

**Mr McGuigan:** Go ahead.

**Mr Stalford:** Does the Member think that it is bizarre to find a party with the word "democratic" in its name advocating rule by experts and technocrats, rather than rule by the elected representatives of the people?

**Madam Principal Deputy Speaker:** Tá nóméad breise ag an Chomhalta. The Member has an extra minute.

**Mr McGuigan:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. I would not suppose to answer questions from other political parties.

As I was saying, I was baffled by the contribution of Mr Attwood. He said that arm's-length bodies need to be reviewed, yet there is no indication in the amendment that they need to be reviewed, and the only things that the amendment suggests need to be reviewed are finances and resources.

I certainly acknowledge the:

*"contribution of current and past arm's-length bodies"*

— that is contained in the amendment — and the honest work of individuals who sit on them. I do, though, have to question the rationale of calling for:

*"a review of the financing of arm's-length bodies to establish proper resourcing",*

as is stated in the amendment, without any call for a review of the number, make-up and functions of those bodies in the first instance. Surely that is putting the cart before the horse.

In all honesty, it is probably allowing two horses to pull the cart when only one is required. As Kellie Armstrong pointed out, if the amendment about resources had been added to the motion in the aftermath of a review instead of completely ignoring the need for review, it would have made more sense.

I am not sure that I can completely agree either with the sentiments in the amendment that the make-up of arm's-length bodies in all cases allows decision-making to be totally independent and:

*"avoids decisions and funding being politicised".*

As has been pointed out, given the nature of appointments and the number of current, silent or ex-political party members appointed to some public bodies, I doubt whether the public would agree with that assertion either. My colleague coming after me will touch more on the detail of that, as well as on other important questions of how the make-up of some of the bodies is reflective of society.

I want to address another point regarding Sinn Féin's position on defending equality and human rights. Our position on both issues is quite clear. Regardless of the position of other political parties in the Chamber, we can state that we will be standing four-square behind equality and human rights in any review process.

In conclusion, and without predicting the outcome of any review process of arm's-length bodies, I am mindful of the need to ensure accountability and for the public to get the best value. Thus, where savings can reasonably be made while still providing the best outcomes, that is something that we need to do.

**Mr Stalford:** I am determined to entice Eamonn McCann into the voting booth with me at least once, so I will start with a quotation from Tony Benn. He said that the questions that all powerful people should be asked are:

*"what power do you have; where did you get it; in whose interests do you exercise it; to whom are you accountable; and, how can we get rid of you?"*

We are dealing with a new reality in Northern Ireland. Over the past year and a half or so, the number of Departments has been reduced, and the number of Assembly Members will be reduced at the end of this Assembly term. The institutions that were established in 1998 have

undergone radical change. We now have an Opposition. Nowhere should be immune from change and reform in public life and the public sphere in Northern Ireland.

It is sad to hear Mr Attwood become the conservative defender of the establishment in his contribution. The fact of the matter is that the motion calls for a fundamental review to ensure the best delivery for the people whom we are sent here to represent.

We know what created the situation of why there is so much power in the hands of quangos and arm's-length bodies. In the late 1960s and the 1970s, local government was accused of not being fit to be trusted with power, so that power was moved from local government into the hands of quangos.

Effectively, and in real terms, Northern Ireland was governed as a sort of colony where a Secretary of State acted like a proconsul, appointing people to arm's-length bodies that —

**7.45 pm**

**Mr Humphrey:** I am grateful to the Member for giving way. The Member will remember that, in July of last year — I served as a member of the Committee for Culture, Arts and Leisure at the time — nine resignations took place from the Sport NI board for reasons that we still do not know. Those nine people, who had been selected from a pool of people skilled in the wide sporting field, were replaced by public and civil servants. Does the Member agree with me that we must never again allow a situation where a Minister can appoint nine public or civil servants to replace people who had the skills to bring to the table?

**Madam Principal Deputy Speaker:** The Member has an extra minute.

**Mr Stalford:** I absolutely agree. This is one of the issues that I have raised consistently in the Committee for the Executive Office. Arm's-length bodies and quangocracy or quangoland are not reflective of society in all sorts of ways. Mr Attwood raised the issue of gender, and I acknowledge that that is the case, but there are all sorts of other ways in which they are not reflective. They are not reflective of age, and they are certainly not reflective of class. In fact, I will go so far as to say that my constituency is probably the most over-represented constituency in terms of the population of quangoland of all the constituencies, with the possible exception of North Down. That is not right. If arm's-length bodies are charged with

delivering services to the people of Northern Ireland, they should look like the society that they are supposed to serve.

**Mr Allister:** Will the Member give way?

**Mr Stalford:** I will give way to Mr Allister in one second, and then I will give way to Mr Attwood. Arm's-length bodies exercise enormous power, and it is right that we should review how they function and whether or not some of them are still fit for purpose.

**Mr Allister:** Indeed, it is not right, but it has not been right for a very long time. What expectation is there that this promise to deal with the situation will be any more successful than the DUP's last promise to deal with it? Seven and a half years ago, in May 2009, Mr Robinson had a headline, "Robinson vows to axe 'quango waste'". He talked about a bonfire of quangos, and it came to nothing because they turned into a vehicle for patronage.

**Mr Stalford:** Well, I am here now. [Laughter.] I will give way to Mr Attwood.

**Mr Attwood:** I think that you have just been taken off Peter Robinson's Christmas list.

**Mr Nesbitt:** I do not think that he was on it.

**Mr Attwood:** That is probably a good question.

**Madam Principal Deputy Speaker:** I ask Members to make all their comments through the Chair.

**Mr Attwood:** Can I just probe the Member a bit further? If he thinks that there should be a review, does he believe that the architecture in respect of criminal justice oversight, equality rights, and policing are areas where we need to tread with the utmost caution, or does he think that they are up for grabs as well?

**Mr Stalford:** I do not think that anywhere should be off limits, and I make no apology for saying that. We have seen, in some areas, arm's-length bodies, which are supposed to exist as a function of delivery of priorities, take upon themselves an entirely different character from that which they were established for. For example, we arrived at a situation some time ago where a significant proportion of the Arts Council's advertising budget, which was supposed to be used for advertising the events that it runs, was instead used to attack its sponsor Department because of budget cuts. That is not the correct and proper use of

taxpayers' money by an arm's-length body. It cannot be right that money that comes from a sponsor Department should be deployed in that way. That is why I think —

**Madam Principal Deputy Speaker:** Will the Member bring his comments to a close?

**Mr Stalford:** — in the context of the reform of the institutions that has taken place here, it is timely and right that we should look at this now.

**Mr Boylan:** Ba mhaith liom labhairt i bhfabhar an rún agus in éadan an leasaithe. I rise to speak in favour of the motion and against the amendment. On the way in, I asked Mr Attwood whether he was moving the motion, and he said that he was moving the amendment. I was looking forward to his contribution because I wanted it clearly defined. It must be his great ingenuity. It is not for me to question the Speaker, but this is a good one as to how this got past the Business Committee. Members have been saying that they may support the amendment and that they may support the motion, but, if you read the motion and the amendment, you will see that it does not fit that way. If you read the first line of the motion and then the amendment, you will see that one completely overrides the other. I think that there was the opportunity in the motion to bring something forward. Fair play to him for his ingenuity.

My colleague Philip McGuigan asked the question. The amendment clearly calls for a review of the financing of arm's-length bodies, and there has been no objection to that whatsoever. Everybody would support a review. That is what I have been hearing from the Floor of the House.

We will hold Mr Stalford to what he said in response to Mr Allister. He said that he was here now. I thank the research team for the documentation. To be fair to Mr Allister, he has teased out some of the information on quangos right up to 31 March 2015. It is about the terms of reference of the review and how we go about it. I think that there is a good opportunity here.

We have to recognise good work. Some of my colleagues have already mentioned the groups that have been in to some of the Committees and the work that they do. We recognise the good work and the specialist knowledge that they have and everything else. Nobody is questioning that at this time. That is the point that we are all making here, and that is why I support the motion and that view.

I want to pick up a very good point that Mr Attwood, to be fair, brought up on the gender issue. The stats show that there is not enough female representation. I want to quote something for the record. I will read this out to the House because we want to get this right. If we are serious about reviews, I want to put this on record. Section 75 of the Northern Ireland Act places public authorities under a duty to:

*"have due regard to the need to promote equality of opportunity—*

*(a)between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;*

*(b)between men and women generally;*

*(c)between persons with a disability and persons without;*

*and*

*(d)between persons with dependants and persons without."*

The amendment mentions that arm's-length bodies produce best policy outcomes. It should be about producing those outcomes through section 75, and that is why I wanted to read that in.

Another point is on the public appointments process. A report on diversity published by the Commissioner for Public Appointments in 2014 acknowledged that initiatives to date had had little impact on increasing diversity. The report contains a range of recommendations to government to improve diversity on public boards. I support that, and I support the gender issue. I support those minor groups —

**Mr Attwood:** I thank the Member for giving way. Given that Mr Stalford said explicitly on the record in Hansard that nothing was off limits in the review and that that, for him, included human rights, equality, policing and criminal justice oversight organisations, are you not concerned that, behind the motion and behind the words, there is a wolf in sheep's clothing in that they have ambitions that maybe you should be very concerned about?

**Madam Principal Deputy Speaker:** Tá nóiméad breise ag an Chomhalta. The Member has an extra minute.

**Mr Boylan:** I accept the Member's intervention. I will state this clearly on behalf of our party, Sinn Féin. We will look at the terms of

reference, and we will look at what is going to be reviewed. I take it on board, and it is clearly noted. Your note is clearly noted in Hansard as well, Mr Attwood. I think that we have a good opportunity now. We made commitments to the review of public administration, which reduced the number of councils. We have now reduced the number of Departments. Surely, it is time now for us to take another look at these bodies, and let us see whether we can get it right. It is not about finances; it is about efficiencies and doing things right, and I think that there is an opportunity to do that.

In conclusion, I support the motion and agree that we must assess, evaluate and review the number and functions of arm's-length bodies. I look forward to the terms of reference of that review.

**Mr Poots:** It has been an interesting debate thus far. I noted that Mr Atwood, when moving his amendment, did not speak to that amendment; he just criticised the motion. Maybe I will spend some time speaking to Mr Attwood's amendment in the absence of him attempting to do it. Mr Attwood's amendment is keen to recognise that the skills to make decisions lie with quangos as opposed to political bodies. As Mr Stalford pointed out, quangos came about largely as a result of direct rule. Those bodies were answerable to direct rule Ministers, but, in essence, they were able to do largely what they liked because the direct rule Ministers did not pay that much attention. Now that we have the Assembly, a bolstered local government system and an Executive, those are the people who should make the decisions on behalf of the people. If the people do not like the decisions, the people can change the individuals who make them. We need to be very clear that quangos are not fit for purpose in a modern, democratic society. Quangos should be very limited and very technical, and particular skill bases can be applied to them. In the era that we live in, we do not need 100 quangos for a population of 1.8 million. I am fascinated by the SDLP wanting to defend them.

According to the SDLP, quangos have "technical and specialist capacity". I am not sure how the SDLP arrives at that conclusion. I looked at many of the applications from individuals to join quangos. It seemed that a huge surplus of people who have just retired from the Civil Service apply for quangos, and they seem to get through with far greater regularity than people who had far greater skills. The retired civil servant seemed to get recommendations, whereas the people more skilled to carry out the job had fewer

recommendations. Many of us believe that, in quangoland, there is a fair degree of "jobs for the boys". Of course, certain parties were associated with that, and that may have led to Mr Attwood's stout defence of quangoland. Historically, the SDLP has not done badly out of quangos. The SDLP would be better withdrawing its amendment and supporting the motion. Mr Attwood's amendment goes on to say that we need to put more resources into quangos.

**Mr McGrath:** Will the Member give way?

**Mr Poots:** Yes, I will give way to you.

**Mr McGrath:** Thank you. You mentioned that it is all about jobs for the boys, but is it not your party and Sinn Féin who have been making the appointments for the last 10 years?

**Madam Principal Deputy Speaker:** The Member has an extra minute.

**Mr Poots:** Thank you for giving me the extra minute. I pointed out that, very often, people who are very well qualified to sit on quangos do not get through the process and retired civil servants do. That is where the jobs for the boys comes from. Ministers do not get an option to pick individuals who are extremely well qualified because they have already been screened out.

**Mr Stalford:** Will the Member give way?

**Mr Poots:** Yes.

**Mr Stalford:** Does the Member agree that, if Ministers had such power, the Opposition would be the first to decry it?

**Mr Poots:** Yes, absolutely. On Mr Attwood's —

**Mr Nesbitt:** Will the Member give way?

**Mr Poots:** Yes.

**Mr Nesbitt:** On a point of factual accuracy, in some appointment processes, Ministers are given lists of those deemed appointable, and they make the final choice.

**Mr Poots:** That is correct, but, very often, there are people who should have been deemed appointable but do not get through the system. If you know all the buzzwords and get a bit of help writing up your application, it is much easier to get through. I am not convinced that

the skills and abilities that lie with quangos do not also lie elsewhere. I just do not think that that stacks up.

Mr Attwood and his team go on to say that we need to put more finance into arm's-length bodies to establish "proper resourcing". What exactly does that mean? It means that we take money from somewhere else in government and give it to the quangos. He had 10 minutes to speak on this, and I never heard him say once where he was going to take that money from. Where does the money exist? Where does the resource exist that you will feed to the quangolands and the people who are unaccountable and unelected? It is very interesting that that is a point Mr Attwood and his colleagues made.

**8.00 pm**

**Mr Attwood:** Will the Member give way?

**Mr Poots:** If you are going to tell me where that money will come from, I would be happy to.

**Mr Attwood:** The point is that, if you do not fund the arm's-length bodies to do their job properly in crucial areas of public policy like equality, rights, policing and the oversight of criminal justice, we know from our history and experience that that will not be a healthy situation.

**Madam Principal Deputy Speaker:** Will the Member bring his remarks to a close?

**Mr Poots:** We are saying that £30 million seems excessive for equality and human rights.

**Madam Principal Deputy Speaker:** Before I call Richie McPhillips, let me say that he has three minutes because of the time constraints on the debate.

**Mr McPhillips:** I welcome the opportunity to participate in the debate concerning the call for a review of each Department's arm's-length bodies with a view to reducing their number and maximising available revenue.

Arm's-length bodies are supposed to operate independently of politics, and that needs to be respected as we consider the potential for a review. It is ironic that the DUP has brought the motion to the Chamber, considering what can only be described as the fiasco in its dealings with the social investment fund that has been played out in the media in recent weeks. The lack of accountability, due diligence and

transparency with the SIF is a cause for great concern, and I have worries that other bodies, set up as similar pet projects, are in similar positions due to political interference.

The proposal put forward in the motion is wholly unreasonable. At a time when public finances are stretched, it is important that this institution takes all reasonable steps to ensure that services are streamlined and there is no double-jobbing, if you like, where public bodies provide the same service. In those instances, we need to forensically examine arm's-length bodies and their roles following the reduction in the number of Departments. In saying that, I have great concern that, in going down the route of rationalisation, there may be a tendency to slash and burn to save costs. A review cannot simply be a cost-cutting exercise to tackle wastage in the system without giving proper consideration to the role arm's-length bodies play in Northern Ireland. We must also remember that, over recent years, many arm's-length bodies, such as the Northern Ireland Fire Service, have faced budget cuts and been greatly impeded in their ability to carry out their duties. Any cuts to services, such as the Fire Service, the Victims and Survivors Service or the Equality Commission, which perform important roles, have the potential to greatly impede the services the public receive and could risk job losses. I know that some Members on the Benches opposite may have issues with the Equality Commission and other bodies that provide those services, but that cannot be put before the public's right to access basic public services.

It is important, too, that, when such a review is undertaken of arm's-length bodies, we look at ways in which we can improve services and accountability in this institution. For example, we have seen the Executive move to reduce transparency in the budgeting and monitoring round process. Statutory Committees, which perform an important legislative and scrutiny role —

**Madam Principal Deputy Speaker:** Will the Member bring his remarks to a close?

**Mr McPhillips:** — do not have access to the draft Budget or monitoring round bids.

The SDLP has proposed the amendment, as we do not want to see —

**Madam Principal Deputy Speaker:** The Member's time is up.

**Mr McPhillips:** — a cost-saving exercise being undertaken by the Executive.

**Madam Principal Deputy Speaker:** The Member's time is up. I call junior Minister Alastair Ross.

**Mr McPhillips:** I urge support for the amendment.

**Mr Ross (Junior Minister, The Executive Office):** I thank everyone who contributed to the debate this evening, and I thank my colleagues for tabling the motion. I am happy to respond on behalf of the Executive.

It is worth noting at the start — a number of Members referred to this during the debate — that, as the motion acknowledges, on 9 May this year, which was the Monday after the Assembly election, we began a new Assembly mandate.

We did so on the basis of a more streamlined Administration, with a reduction in the number of Departments from 12 to nine. That example of doing business in a more streamlined and efficient way should be emblematic of how we intend to do business in this mandate. The reduction in Departments was a transformational change and represented the biggest shake-up of government since devolution in 1999.

A reduction in the number of Departments is not the only significant change that there has been in recent years, aimed at improving bureaucratic structures and modernising our government system. Legislation is now in place to reduce the number of MLAs per constituency. As a result, the next Assembly will be smaller and more cost-effective. We also advanced the voluntary exit scheme, which has provided an estimated annual pay bill saving of almost £90 million. Of course, it is not just at Assembly level that we have seen change. The same is true for our colleagues at local level. We now have a significantly more streamlined tier of local government, with 11 councils where previously there had been 26, and, of course, they have additional powers to help to provide greater community focus on public services and enable them to react more quickly and better to local need. Centrally and locally, our institutions have been maturing and improving. The Executive have shown that they are willing to embrace change across the board. In particular, given the financial climate, the Executive have sought to drive efficiency throughout the entire system.

I will point to a few examples of where the Executive have made significant savings. Areas such as rent, rates and service charges in the office estate, and energy consumption, have been reduced; collaborative procurement contracts have been let to ensure that economies of scale have been enjoyed across large areas of the public sector; and IT provision and telephony have been harmonised to achieve a better service at a lower cost. Of course, those do not take into account the savings that individual Departments have extracted from their own reform programmes in recent years.

Since the start of the mandate, the Executive have demonstrated that they are determined to build on these successes and are not afraid to make change where it is needed. We had a new approach on how we drafted the Programme for Government, and the use of an outcomes-based approach will focus on outcomes of societal well-being. More than ever, we need to look at how we can do things differently, use new ways of reaching people, consider alternative ways of delivering services to constituents and ensure that everything that we do delivers for the public and is cost-effective.

In that spirit, it is timely that the motion has been brought forward. Members have had the opportunity to debate and discuss the current number and function of arm's-length bodies and expressed an aspiration, where appropriate, to reduce their number. As Members said, there are almost 100 organisations made up of Executive, advisory, tribunal and non-departmental public bodies, and health and social care bodies. The public bodies cost in the region of £7.9 billion and represent in percentage spend 73.4% of the block spend. Those are figures for 2014-15.

The Executive Office is certainly content to review the current provision and will reflect on how best to take forward the intention of the motion if the Assembly endorses it this evening. That may lead to the abolition, amalgamation or retention of existing ALBs, or it could examine sharing services or expertise in order to avoid duplication. In government, we should be continuously seeking to improve and become more efficient, and ensure that bodies are delivering what they are meant to deliver. Indeed, from next year, all public bodies must be able to demonstrate their contribution to PFG outcomes. If they cannot, they have no justification for continuing with any other focus.

That is why, as we roll out the Programme for Government, the Executive will be monitoring

progress against each and every indicator. We want to identify the things that are making a positive difference and do more of them, and we want to identify the things that are not contributing to societal well-being so that we can stop doing them. Ministers, central and local government and all our publicly funded bodies must look at the societal outcomes as their *raison d'être*. If the use of public money is not contributing to the delivery of these outcomes, we will be asking for better justification. Where none exists, we will bring that spending to an end. Of course, in that context, we must recognise our legal and statutory duties. Culling quangos is not an administrative blood sport. Any change needs to reflect a specific policy focus and deliver a key objective measure in terms of public well-being.

It is already a requirement in the management statement of all public bodies that they are subject to periodic review. The Executive will ensure that future reviews maintain the focus of delivering PFG commitments.

If I may, I will turn to comments made by Members during the debate. Mr Logan began by acknowledging that there is an important role for arm's-length bodies in the present conditions. He said that delivery was a critical function. Of course, we want our ALBs to be a critical friend of government, fulfilling, at times, a challenging function and, at other times, delivering on behalf of the Executive. He talked about monitoring performance against the PFG. As I said, we will be doing that moving forward. He also talked about value for money and reducing budgets. It is important to acknowledge that, whilst there will, of course, be savings if we rationalise the number of ALBs, they will be quite modest. They can certainly become more efficient and effective in what they are doing through shared services and expertise. That is why there is an onus on us to look at doing that.

Mr Attwood, proposing the amendment, talked about a battering ram being taken to ALBs. That is a little bit of a conspiracy theory, given the text of the motion. He talked specifically about the Equality Commission and the Human Rights Commission. I will resist commenting on specific bodies, but getting rid of certain bodies or amalgamating them does not mean that their functions disappear. That is what is important. It is much the same as the realignment of Government in Northern Ireland: whilst we created fewer Government Departments, the functions simply transferred. So it is perfectly reasonable to suggest that some of the functions of existing bodies could be under a

different umbrella or a different name, and it is important that we acknowledge that.

**Mr Attwood:** I thank the Minister for giving way and for beginning to share his thinking on these matters, but can I press him further? Do you accept that, when it comes to any review of criminal justice, equality, rights or policing ALBs and structures, you should proceed with great caution and tread warily, given the importance of that architecture and those functions to the new order of politics? Do you accept that those organisations deserve that sort of treatment in any review that you might bring forward?

**Mr Ross:** I am happy to say that we should proceed with caution in anything that we do, but I must agree with my colleague that nothing can be off limits. Even bodies that fulfil an important function should not be off limits in terms of reforming or restructuring them. That is something that we need to look at during a review.

Mr McGuigan, in an intervention, pointed out that the SDLP amendment is only calling for a review of financing. Mr Attwood called for a more fundamental and radical review, but, as has been pointed out by a number of Members, the amendment is not particularly ambitious. He talked about the gender imbalance on bodies, which, again, is something that other Members have talked about.

Mr Lynch said that he supported the review. He said that it was important that we did this in the context of public finances and how we do business. He acknowledged that the last time we looked at the issue was about six years ago and that it is important, therefore, that we look at it again.

When Mr Nesbitt stood up, time stood still for a short period. He talked about the relationship between the Executive and ALBs. It is important that we examine that relationship; at times there will be tension, and sometimes that can be positive. He talked about his story about the photocopier, although that is not the duplication that other Members were talking about. He also talked about the Budget review group, which was well intentioned but, unfortunately, various Executive Ministers were a little bit protective over the arm's-length bodies that they had responsibility for, and we did not see the support for rationalisation at the time that we might now. We are in a different mandate and a different environment, and I think there is more opportunity to move forward on that basis. I also suggest to Mr Nesbitt that in the next few days both he and I will know much more about pollinator initiatives and the

threat that exists, and we both may live to regret that.

Ms Armstrong said that she supported both the motion and the amendment. Hopefully she will support the motion. She questioned whether some functions are still needed; the whole purpose of a review is to find out. We are not talking about a bonfire of quangos; we are talking about a strategic review to identify what is still needed in the current context.

Mr McGuigan talked about the need for good governance and a Sinn Féin commitment to looking at a review. There is a DUP commitment as well, which augurs well for the Executive trying to make progress on the issue. He talked about things moving on, which is right, because we have evolved and adapted; we need to be an agile Government in how we look at things. That is in contrast, unfortunately, to the SDLP's view. It is so wedded to what was once described as the "ugly scaffolding" of the past that it is unable to be agile and adaptive to the environment, which does not serve anybody particularly well.

There is a list of things you never expect to hear, and Mr Stalford quoting Tony Benn is one of them, but that is how he began his contribution. He talked about the role of Government and the importance of Ministers taking decisions and being held to account by the Assembly. That is absolutely right. In devolution, we want to make sure that Ministers are able to take decisions and that they are held accountable for them instead of giving them to some bodies, which has perhaps been the aspiration of others.

He talked about quangoland and the make-up not necessarily being reflective of society. As I have acknowledged, other Members made that point, and it is something we need to look at.

### 8.15 pm

Mr Boylan talked about the support for a review. He acknowledged the good work and expertise of some of the ALBs that are in operation at the moment. Again, those ALBs have nothing to fear: if they are doing a good job and are delivering and effective, of course, we will want to keep them. There are perhaps question marks over how effective or efficient some are, and it is right that we would have a closer look at those to see whether they are necessary. He also talked — this is a fundamental point, and I made it to Mr Attwood — about the legal and statutory duties on the Executive. Those are not going away; they will remain. It is how we

deliver and live up to those duties that is important, and there are different ways in which we can do that from what is, perhaps, the case at the moment.

Mr Poots talked about how a number of the quangos were a hangover from direct rule. He talked about some of them needing to go away. There are differences in some of the ALBs that are in existence. Some have a very important role, but, of course, even in the ones that deliver in education or health and social care we have seen efficiencies in recent years and a reduction in the number of bodies around education and health. That shows that you can make progress and efficiencies.

The Member talked about the membership of the bodies and jobs for the boys. Maybe that was a reference to the gender make-up. I suggest it was not, but it is a theme that we heard across the Chamber. He talked about the SDLP amendment talking about more finance. It is just not based in the reality in which we are living. The context in which we have to make decisions and the context of public finances is very different from what it was 10 years ago. We have to accept that reality. Where is the money coming from? Maybe I will resist talking about selling airports that we do not own.

Mr McPhillips talked about the fiasco of the social investment fund. Perhaps some of his councillors and colleagues who turn up for the photographs at social investment fund events have not got that memo. Members need to be cognisant of that. He talked about his concern over slash and burn: nobody is talking about slash and burn. People are talking about reviewing the current set-up and seeing if there are better ways in which we can do things. That is the whole focus of the Executive and the Programme for Government. Nobody should shy away from trying to do things differently and improve how we operate.

**Mr Attwood:** Will the Minister give way for one final time?

**Mr Ross:** Pardon?

**Mr Attwood:** Will you give way? You said that nobody is talking about slash and burn. Mr Poots said that he would like to see very few ALBs as part of the outcome of the review. How do you reconcile those two points?

**Mr Ross:** We will review it and see whether there are efficiencies that can be made. The motion does not talk about slash and burn; it

talks reasonably about having a review and, where possible, reducing the number. That is perfectly acceptable language. I do not think it should challenge or upset anybody in the House. It is something that the public would support as well.

I conclude by again thanking everyone who took part in the debate. I look forward to working with Members from across the House as the Executive bring forward the new Programme for Government. They are an Executive who are not afraid to make changes where they are needed. That has been illustrated this evening. One of the 14 outcomes that the Executive will pursue in the Programme for Government is high-quality public services. In part, that means having public services that deliver for our people. It also means eliminating waste and inefficiency wherever we find it. That means stopping doing the things that are not delivering. We will not shirk from that responsibility, and I look forward to the support of the Assembly as we bring forward the changes necessary to deliver for all of our constituents. As I have indicated, I am content to support the motion, and I am confident that progress can be made, not least because Mr Stalford is now in the Assembly.

**Mr McGrath:** I rise to speak in favour of the SDLP amendment. We felt the need to amend the motion as there seems to be a fixation on numbers by our friends in the DUP. There is some apparent struggle to meet costs, so the first proposal for them is to cut services and to cut valuable services that work well in most places for our communities. We have seen similar proposals for our schools and our jobs and benefits offices, and now, it seems, we see the same when it comes to arm's-length bodies: "We think that they are not working well, so let us cut the life out of them".

Arm's-length bodies can be good. They are an important part of our government landscape, and they allow for the depoliticising of decisions and funding around crucial parts of our public sector in which there can be no room for party politics. Not only do they take the politics out of decision-making, they allow for decision-making to be devolved down, often to experts in their field and to those who have a specialty in the work of the body and know most about the issues and initiatives. It enables decisions to be made by the people who know best and, often, by the people who will be impacted on by the decisions. It is a great example of devolving down bottom-up decision-making.

**Mr Stalford:** Will the Member give way?

**Mr McGrath:** No. I think that all of us in the House would agree — [*Interruption.*] You cannot insult Peter again — that some decision-making being taken out of the hands of politicians and passed on to groups of citizens is not a bad idea, and it is one that has served us well in Northern Ireland.

Of course, the SDLP agree that examining the role and function of arm's-length bodies is acceptable and provides an opportunity to examine the work, review the resources and scrutinise outcomes. We agree that public bodies should be reviewed regularly.

**Ms Hanna:** Would the Member give way?

**Mr McGrath:** Yes.

**Ms Hanna:** Would the Member agree that all the rhetoric about streamlining and efficiency and cutting out the middleman rings a little hollow while the Government are paying an organisation like Charter hundreds of thousands of pounds [*Interruption.*] to manage a much more experienced delivery body?

**Mr McGrath:** It just manages to show up the duplicity —

**Madam Principal Deputy Speaker:** Can the Member just take his seat? The Member needed to be heard, and I could not hear what she said. I ask her to make her comment again.

**Ms Hanna:** I was pointing out the hypocrisy of talking about streamlining and efficiency while paying Charter hundreds of thousands of pounds to manage a much more experienced delivery body.

**Madam Principal Deputy Speaker:** The Member will have an extra minute.

**Mr McGrath:** I thank the Member for her intervention.

As I was saying, it just shows the duplicity that there can sometimes be in the decision-making here.

We are not suggesting that there is a straightforward need to cut the numbers, nor are we saying that we should enter a process with a predetermined outcome. Having preferred outcomes in a consultation process is misleading, and it is a disservice to our arm's-

length bodies and, indeed, to those who engage and work with them.

I do not accept the concept that, because we have reduced the number of Departments, it automatically follows that we need to reduce the number of arm's-length bodies. They sit below Executive level, below departmental level, and they often carry out work that would otherwise have to be completed by the Departments. To simply cut them would mean that their responsibilities would have to pass back to the Department, and then more civil servants would need to be employed to carry out the work that the bodies did with full ministerial and, thus, political interference. Whilst I accept that there can be rationalisation of the arm's-length bodies, I do not think that this is anything to do with the number of Departments.

Arm's-length bodies — quangos, as they are known — can be easy targets, filled by those jumping on the gravy train, sucking up large expenses and getting lots of free hospitality [*Interruption.*] but to simply think of them like that is totally disingenuous and does not bring proper balance to the debate. We agree with the concept that there needs to be a review, but we want the review to tell its own story and come up with its own suggestions and recommendations of how best to go forward. We should have a discussion about how to improve efficiencies, how to share resources and how to maximise the funding available while protecting the services that are provided by the arm's-length bodies. We want to see a robust examination of them but not with the decision made on the numbers before the process begins.

We want to support the work of our arm's-length bodies and commend the service of those who work hard on them. Many of them do so for just their travel expenses — not all, but many of them — and give their free time to provide that service. We want the public to get the best value —

**Mr Stalford:** Will the Member give way?

**Madam Principal Deputy Speaker:** Sorry, can the Member just take his seat? It is up to the Member to decide, and it is not appropriate to ask him to give way on three occasions when the Member clearly does not want to.

**Mr McGrath:** Madam Deputy Speaker, I take being heckled by the DUP as being a good day at work.

We want the public to get the best value for money too and believe that our amendment, without a predetermination loaded into it, allows the best method for achieving that. I ask for the support of the House for our amendment.

**Mrs Cameron:** I welcome the opportunity to wind on the motion this evening, particularly as it formed a vital part of my party's manifesto and is something that we have already done significant work on and are committed to progressing through this mandate and beyond.

Our commitment has delivered a reduction in the number of Departments and a reduction in the number of councils from 26 to 11. Going forward, we are dedicated to reducing the number of MLAs from the beginning of the 2021 mandate. We are a party of pragmatism and common sense, and we believe in getting good value for money for Northern Ireland and in looking at how we engage with arm's-length bodies. We are determined that we will achieve streamlined services and a more efficient way of working. For example, the amalgamation of the estate accommodation delivered savings through rent, rates and utility charges. There is also no doubt that we have achieved a great deal on rationalising services through the Civil Service voluntary exit scheme, but there is definitely more to do. It should be acknowledged that, while saving money is of paramount importance, this is a perfect opportunity —

**Mr Stalford:** I appreciate my colleague giving way; Cowardy Custard MLA for South Down would not. Does she agree with me that —

**Madam Principal Deputy Speaker:** I ask the Member to take his seat. I ask him to be respectful at all times and to refer to people by their proper title.

**Mr Stalford:** I am happy to apologise to Mr McGrath, Principal Deputy Speaker.

I agree that it is right that we should have the review. Does the Member agree with me that, if people say that we should not go into a review with predetermined outcomes, they should not then stand up and say that certain areas should be off limits?

**Mrs Cameron:** I thank the Member for his intervention. I agree fully that there should not be any limits to the review. It should be a strategic review and should be done appropriately.

**Mr Allister:** Will the Member give way?

**Mrs Cameron:** No, thank you.

As I said, we acknowledge that saving money is of importance, but this is also an opportunity to take advantage of technological advances and the public appetite for access to online services such as the registration of births, deaths, marriages or applying for rate relief. To carry on the process of streamlining, it is vital that we look at how we can improve on how we use arm's-length bodies. Whilst the key aim is focused on reducing capital spend, we should view this as a fortuitous time to revisit how we manage our government systems. We must do things better. We need to look at how we get best value for money and must work to provide efficiency as a strategic goal.

I will not dispute the valued wealth of experience and knowledge that we receive from arm's-length bodies, but it is right that we look at using those groups in a more holistic manner to achieve the potential savings. Through using one shared services model to provide human resources and IT, among other things, we could achieve a great deal of financial saving and efficiencies. Mechanisms such as IT Assist and HR Connect are already in place for our arm's-length bodies to use rather than setting up individual departments in each group. The savings are already evident in government. For example, IT Assist has made savings of over £29 million in the past three years.

I will move on to some of the comments made today. Phillip Logan proposed the motion and said that arm's-length bodies were necessary and the review was not intended to eradicate them. He referred to the debate in 2010 and said that we now have 103 public bodies, and that is after a reduction in the number through the creation of the Education Authority. He talked about the Human Rights Commission and the Equality Commission and said that, elsewhere in the UK, the two are combined. He also spoke of the need to have efficient and effective bodies. He said that it might be difficult to compare organisations and that it would be a challenging discussion. He praised the work of Invest NI and the Labour Relations Agency, among others, and said that praise should be given where it is due.

Mr Alex Attwood moved the amendment and enlightened us on his conspiracy theories. He agreed that there should be a review and was concerned about gender imbalance, especially in senior positions. He wanted us to be jealous in guarding some of the ALBs in particular.

Mr Seán Lynch supported the motion but not the amendment —

**Mr Humphrey:** I am grateful to the Member for giving way. She has moved on from Mr Attwood, but I want to say, to be fair, that he said that he wanted a review of arm's-length bodies. Does she agree with me that, had his party's amendment stated that, it might be in a better place and have got support across the Chamber? Would she also join me in calling on the SDLP, even at this late stage, to withdraw its amendment and vote for a motion that, clearly, the SDLP is in absolute agreement with?

**8.30 pm**

**Mrs Cameron:** I thank the Member for his intervention. I agree with his points fully.

**Mr Attwood:** Will the Member give way?

**Mrs Cameron:** I will.

**Mr Attwood:** I am sure that Mr Allister feels very disappointed; he may have another go later.

No, we are not going to withdraw our amendment. Why should we? The Minister and DUP Members have made it crystal clear — they have put it up in lights tonight — what their ambition is for policing, justice, equality and rights oversight.

**Mrs Cameron:** Thank you. I move back to Seán Lynch. He supported the motion and not the amendment and said that the review of ALBs should happen regardless. He spoke about the Criminal Justice Inspection (CJI) and the value of its contribution at the Justice Committee during his last term. He asked whether some bodies could be amalgamated to make efficiencies and savings, as that would demonstrate that we were serious about reducing costs. He also mentioned the under-representation of women and young people.

Mike Nesbitt spoke about why we have ALBs: they do the work that government does not do. He said that ALBs were only independent in one sense and that was in offering advice to Ministers, who are obliged only to listen to their advice, not to take it. He supported the motion, not the amendment.

Kellie Armstrong supported the motion and the amendment, and she spoke positively on both counts. She gave credit where credit was due and said that appropriate funding should be given. She also said that there should be rationalisation to do away with any duplication.

William Irwin said that the motion was timely. He spoke from his experience as a former Chair of a Committee and stated that we were oversized and over-governed. He said that a better reflection of our population size was needed and that ALBs played important roles. He mentioned in particular the Department for Communities, which has 21 ALBs, not including the Housing Executive. That is just one Department. He said that a review was the most appropriate method of working towards efficiencies.

Philip McGuigan also supported the motion; he said that it was sensible and a Sinn Féin commitment. He suggested that there was a time before devolution when all ALBs were appropriate but we now needed more democratic accountability. He said that ALBs were needed to support government. He was baffled by Mr Attwood's comment and likened it to putting the cart before the horse.

Mr Stalford said that we were dealing with a new reality after the number of Departments had reduced, with the number of Members to follow. He talked about the need for radical change and the changes that we have with an Opposition. He said that the call in the motion for the best delivery for the people we have been sent here to represent was appropriate. He spoke about how ALBs or quangos were set up in the past and said that quangoland was not reflective of society in age or class and noted that ALBs exercised enormous power and that it was right to review them at this time.

Cathal Boylan questioned the amendment's suitability to the motion. He said that everybody had spoken in support of a review and agreed with the issue raised on gender representation. He said that he would look carefully at the terms of reference of the review and said that it should be not just about finances but about efficiency and doing things right.

Mr Edwin Poots said that Mr Attwood did not speak to his own amendment and that he would do it for him. He said that the Government should make decisions and that quangos should be limited in the era that we live in. He spoke of a surplus of newly retired civil servants being appointed to quangos and suggested that the SDLP should withdraw its amendment and support the motion.

I feel that the comments from across the Floor today have been in broad agreement. We all want the best service and the best value for money delivered in a timely manner. I have no doubt that efficiencies can be achieved through

a review of our arm's-length bodies, and I look forward to the benefits that can be delivered.

*Question, That the amendment be made, put and negatived.*

*Main Question put and agreed to.*

*Resolved:*

*That this Assembly notes the reduction in the number of government Departments and the associated efficiencies; and calls on the Executive to review the number and function of their arm's-length bodies with a view to reducing their number, where possible, and maximising the available revenue.*

**Madam Principal Deputy Speaker:** The House may take its ease while we prepare for the next item of business.

(*Mr Speaker in the Chair*)

## Assembly Business

**Mr Speaker:** Members, I want to address the point of order that was raised by Mr Jim Allister this morning. It was indeed an important point of order and indeed considerable time was spent researching the issue. I want to address it at this stage given the importance of the item in next week's business.

I wish to return to the point of order that was raised by Mr Allister this morning in relation to the legislative consent motion on the Policing and Crime Bill which is scheduled for debate on Monday. It appears to me that, in this instance, the UK Government have respected the convention that they will not legislate on a devolved matter except with the agreement of the Assembly.

I am content that the Committee for Justice has been given sufficient time to consider the new amendments as it took evidence from the Department and then produced its report within the time frame that is required by Standing Order 42A(8)(a). I recognise that Standing Orders do not provide for the exact circumstances that are presented by the amendments to the Bill, to which the Member has referred. This is an area that the Committee on Procedures may wish to consider in the future.

On the matter of the legislative consent motion memorandum's being tabled prior to the new amendments being made to the Bill, I am content that a similar approach has been taken on a range of motions.

In conclusion, I am content for the legislative consent motion on the Policing and Crime Bill to remain on the Order Paper for Monday 28 November. It will be for the Assembly to decide then whether it wishes to give its consent. Members will of course have an opportunity to set out their views on this question during the debate.

**Mr Allister:** Further to my point of order, Mr Speaker. Thank you for that advice. I am bound by and do accept your ruling, Mr Speaker, but, at some appropriate point, I think that the House would benefit from some guidance in the light of that ruling as to what then Standing Order 42A(11)(a)(ii) actually means and what purpose it serves because it appears to say that, until the amendment has been made to the Bill that the legislative

consent motion wishes to bring in, the memorandum cannot be laid. What is the meaning then of Standing Order 42A(11)(a)(ii)?

**Mr Speaker:** Allow me a few moments to consult on the matter.

I thank the Member for that further point of order. As I said, I am content that it is in order for the motion to proceed, but I recognise that Standing Orders may need to be reviewed, as I said in my reply to you.

*Motion made:*

*That the Assembly do now adjourn. — [Mr Speaker.]*

## Adjournment

### Road and Footpath Maintenance: North Down

**Mr Speaker:** In conjunction with the Business Committee, I have given leave to Mr Alex Easton to raise the matter of funding for road and footpath maintenance in North Down. The proposer of the topic will have 15 minutes.

**Mr Easton:** I have been left appalled and deeply concerned by the level of funding from Transport NI for footpath and road maintenance, weed spraying, potholes, resurfacing and general maintenance for the north Down area. I had suspected for some time that the north Down area had been discriminated against by Transport NI through having the least funding for the general maintenance and resurfacing of roads and footpaths. That was confirmed in answers to numerous questions for written answer that I submitted. For instance, an answer to one of those recent questions revealed that the eastern division gets £2.5 million whereas the northern, southern and western divisions get a great deal more.

We see from other answers that, for grass-cutting maintenance right across the Ards and North Down Borough Council area, we get the least funding. We also get the least money for fixing street lights, footpath resurfacing and weed spraying. My North Down constituency finds itself in a truly appalling situation: it has the least funding of all the council areas across Northern Ireland despite its population being the third highest in Northern Ireland and it having a vast rural network.

Minister, the real nub of the Adjournment topic is to get a satisfactory answer to why my constituency gets the least funding. When I challenged you recently about that, you said that somebody has to get the least. I am sorry, but that answer is really not good enough. I need to know why we are not getting more. I hope that you understand.

My constituents deserve funding equal to that received by any other area in Northern Ireland. After all, the Minister's party believes in equality. I want equality for my constituents. As things stand, they are being discriminated

against, and I want to know why. I want to know who made the decisions to give my constituency the least funding. What are the reasons for that? Who agreed to it? Was it Transport NI or the Department for Infrastructure?

Last year, I had to practically beg Transport NI to spray the weeds — I think that my colleague will agree. I had to beg for the grass to be cut. I had to beg to get potholes repaired. I had to beg to get street lights fixed. I even had to walk round housing estates on my own because the street-light people would not go out and fix them. I had to go out to get the street-lamp numbers. I should not have had to do that.

I have been fighting for years to get roads such as Beechfield Drive and Ashfield Drive in Donaghadee resurfaced. An answer to a question for written answer — they can be very useful — revealed that they have not been resurfaced in over 40 years despite over 50 letters from many residents to the previous Minister to try to get that resolved. No records have even been kept of the history of William Street in Donaghadee, other than it might have been resurfaced before 1973. When I asked you to visit so that I could show you the state of those streets — they are crumbling and in a bad state — you did not want to come down to my constituency to see them. Hopefully, you will change your mind.

**Mr Hazzard (The Minister for Infrastructure):**

I thank the Member for giving way. It is not a case of not wanting to come and see them. If I visited every single street in the land, I would not have time to be in the Chamber or to attend other important events and meetings. It is not a case of not wanting to go; we have to prioritise a very tight diary. I have been in position for only six months. I have five years and have no doubt that I will be out with the Member on a number of occasions.

**Mr Easton:** I will hold the Minister to that promise. Other streets that need resurfacing because they have not been maintained properly are Churchill Avenue and the Shore Road in Millisle, Tower Road in Conlig, and Shrewsbury Drive, Chester Park and Hazelbrook in the Clandeboye area.

There is also a need for new footpaths to be resurfaced in Fairfield Park. They have not been maintained, but they were on the list to be resurfaced and were pulled due to a lack of funding. Wellington Drive, Towerview Crescent, Rockmount Park and Greenwich Park in Bangor all need to have their footpaths

done because they have been short-changed by Transport NI and have not been maintained.

It is becoming clear why we cannot get things fixed in North Down, and this discovery through Assembly questions shows that we are the poor relations compared with other constituencies across Northern Ireland. This is a damning indictment of Transport NI, and it is no wonder I have been getting so many complaints over the last several years. I have been banging my head against a brick wall trying to resolve these issues, and I know that many of my colleagues have been banging their head against a brick wall also on the issue.

**8.45 pm**

Minister, what I want to know tonight is this: who sets the budgets? Why are North Down and the Ards and North Down Borough Council area getting the lowest amount of funding? How long has this been going on with the lowest amount of funding for roads and footpath maintenance? There needs to be some accountability for why this is happening, and the buck stops with the Department for Infrastructure. I want fairness and equality, and I hope the Minister will listen to me fairly tonight and will, hopefully, address some of the deep concerns I have for my constituents.

**Mr Speaker:** All other speakers will have approximately 10 minutes.

**Mr Chambers:** I thank my colleague Alec Easton for arranging the topic for the Adjournment debate tonight. I know he is certainly not the only one who gets complaints; I think we all get our fair share of them.

I take the point Alec has been making over recent weeks about North Down having the least amount of the cake, as it were, in the budget. I will be interested to see how the Minister responds to that before I join in any finger-pointing about it. It strikes me as a relative thing, because, when I talk to colleagues from all over the Province, they all identify the same problems. There does not seem to be anywhere that is Shangri-La with the grass being cut and the potholes being fixed. Everybody is complaining. You have only to go on Twitter and look at the photographs. There are competitions about who can find the deepest pothole in Northern Ireland. It is an endemic problem; it is not unique to North Down. Naturally enough, the Minister will appreciate that we, as representatives from North Down, will bat in our constituents' corner on this.

Before I say any more, I will acknowledge to the Minister that it is not all doom and gloom. A lot of good work is done by the local Transport NI in and around Bangor. Certainly, the huge capital investment in the Gransha Road roundabout is money that has been really well spent. It has contributed to road safety. I know there are issues — I have identified them, and Alec has talked about them — about the timing of the traffic lights and stuff at Gransha Road, but, when I see young kids going to school, old people on Zimmers and young mothers with a toddler in a pram and a toddler by the hand crossing that road in safety, I think it is money that has been really well spent.

There a lot of the older parts of Bangor that were built maybe 40 or 50 years ago and do not seem to have had any investment in footpaths. That means in and around the Towerview area and the Ashford area. I am not too sure, but maybe the Minister can enlighten me about this so that I have a better understanding of why the issues are there and why we are here tonight having the debate. I will refer to the olden days when we had guys who went round at night and identified the lights that were out and took the appropriate action. The lights were categorised and fixed in a certain time frame. As Alec said, the responsibility now seems to fall on us, as elected Members, to get individual light numbers and report issues. As well as that, I am not sure — again, the Minister will confirm it — whether footpaths are walked in the way that they used to be by inspectors who identified defects and marked them with paint spray for repair and so forth. Some of the footpaths in and around that area — I mentioned Towerview — are just not fit for purpose. When I ask the local office to do something about it, it comes up with all sorts of excuses.

When it comes to grass cutting, I have to put it on record that the grass was cut a few weeks ago and it is probably the best cut that I have seen for a couple of years. It is unfortunate, coming into the winter, that we will not get the benefit of it. When we were in high season and looking for tourists to visit, the place looked like a jungle. In fact, I tweeted a joke about the Department appointing a couple of big game hunters to patrol the Bangor ring road because the grass was so long and God knows what was running about in it.

Following on from that, I have a bee in my bonnet about noxious weeds. Transport NI is probably the biggest landowner in Northern Ireland if you add up all the strips of land that it owns. When I asked a question, however, about statutory notices being served on landowners for allowing noxious weeds to

prosper on their land, I was told that, in the last five years, 30 statutory notices were issued to landowners but only two warnings were given to Transport NI, which, as I say, is probably the biggest landowner in Northern Ireland. It concerns me a little that one Department is not prepared to face down another Department. It is a genuine concern that those noxious weeds are growing on Transport NI land, and they should be attended to. The Programme for Government talks about improving Northern Ireland as a tourist destination, but, if we allow the infrastructure to deteriorate, particularly in places such as Bangor and other coastal areas, we will not fulfil that Programme for Government aspiration.

We were told that contractors were unavailable in 2015-16. If I read that right — again, the Minister will confirm it — for a whole financial year, a contractor was not appointed to resurface, do patchwork or clean gullies. It is rather disturbing that, for a whole year, North Down got nothing done, never mind whether there was enough money there. The money was not spent, and nothing was done. I would also point out — I do not know whether councils are responsible for this — that somebody should take a robust approach to kerbsides and the amount of debris lying in them. That is a nursery for weeds for next year. Nobody seems to take a shovel and go along the kerbsides and clean up. That needs to be done, but the Minister will confirm whose responsibility it is.

I want to put on record something that really has nothing to do with tonight's debate but it would be remiss of me not to mention. My colleagues will be familiar with The Point, which is a street in Groomsport. It has not been adopted and is built on the coast, so it is a rocky road. It would not even take a horse and cart. Bin lorries struggle to get down it, and postmen do not want to go down it. No one wants to go down in a private car. There are about 10 houses on the road, and the residents have to endure that. The houses have been there for about 70 years, and nobody is prepared to grasp the nettle. I want to put it on record that somebody, somewhere, in this day and age needs to take responsibility for that and get it sorted out. I know that the residents would be prepared to get involved in a joint venture to get that road surfaced and adopted. I thank the Minister for his attendance tonight.

**Mr Dunne:** I also welcome the opportunity to contribute to the debate. I am sure that the Minister is glad to hear that North Down is on the agenda again. We appreciate him coming along and look forward to him coming down to

spend some time in North Down and to look at roads such as the A2 and so on.

**Mr Hazzard:** I cannot go tonight.

**Mr Dunne:** It is only down the road, you know. It is not far, and you will be welcome.

Road maintenance in North Down, as my colleagues have said, continues to be one of our residents' biggest issues of concern. Road and footpath resurfacing, weed spraying, hedge cutting and street lighting repairs are not being maintained to the required standards by Transport NI in North Down.

I genuinely mean this: it is probably the biggest issue in our office. Roads, planning and housing are generally the priorities, and they have been for years. The people in North Down pay their rates and make their contribution, and they expect to have decent standards. When they go home at night they cut and strim their gardens, yet they look over their fence and see weeds, growth and grass, which really frustrates people who make a contribution to society.

There are many housing developments in North Down that were built over 40 years ago, particularly in Holywood, Bangor and Donaghadee, and they still have the old, broken footpaths throughout. We need considerable investment in the resurfacing of our footpaths and roadways in those residential areas.

Again, it is the number one issue when you go to the doors. Those footpaths are a real risk to everyone, including the elderly, as they can be a trip hazard, and they can often become overgrown with unsightly weeds, some of which are not sprayed in a timely manner. Minister, we appreciate that you got that going this year, although it was late, but even in October people appreciated the work that was done, and the weeds are now generally under control throughout the area.

I have looked at the southern division spring report to Ards and North Down Borough Council dated July 2016, and there is evidence that North Down has done very poorly when compared with the Ards section of the area. Is that a carry-over due to the fact that we have recently moved into the southern division? I notice from the map that we are right at the edge of the southern division. There is clear evidence that we have been done very badly in that report. One example is in relation to asphalt resurfacing of roads and footpaths: 20 were done in Ards and seven in North Down. For bitmac resurfacing during the same period,

there were seven in Ards and one in North Down. For surface dressing, there were 14 schemes in the Ards area, compared with one in North Down. There were four footway reconstruction schemes completed in the same period, all in the Ards area. There were 14 drainage maintenance schemes in the Ards area and three in North Down. That highlights the points made by my colleague Alec Easton.

Following the many discussions we have had — we have regular meetings with the section engineers, and we appreciate their contribution in coming to meet us regularly — we now understand there were contractual issues, as raised by my colleague Alan, relating to the roads contracts, and that no contract in relation to a lot of the work was in place for North Down. Minister, the frustrating thing is that we were not advised of that. At no point in the last year or 14 months were we told that the contract was in dispute. I understand there was a legal challenge to the contract and, as a result, the work was not carried out. We were told that there were money issues. Surely the Minister recognises the need for investment in the north Down area to address the shortfall in maintenance work actually being carried out on the ground?

Again, there are real issues in the maintenance of the A2 dual carriageway — dare I mention it again this week? — and some of the points were raised during the recent debate. Resurfacing has not been carried out. Previously, a section of it was done every year causing some traffic disruption on that high-volume road. Those sections were done on an annual basis. Nothing has been done in the last couple of years in the area.

Grass cutting on the A2 is another concern, and it comes up every year. The target is five cuts per year, yet larger sections have just got their second cut in October. One area in Holywood has still only been cut once. Minister, I argue that we need a separate maintenance contract similar to that for the A1 for the A2 carriageway, which has such a high volume of traffic. It is because of the high volume of traffic that the road is so dangerous, and we need proper maintenance.

Weed control is another issue that needs to be prioritised. We got a spray, as was mentioned earlier, in October, but frustrated residents rightly believe it should have been carried out much earlier in the year.

Finally, street lighting repairs — it has already been mentioned — continue to be a real challenge. I understand we now have a new

contractor in place who has just taken on the responsibility and is working through a backlog of work to get the lights fixed. Alan Chambers MLA made the point that no inspections of street lighting are now carried out. I would like to hear the Minister's assessment of that. Are there any plans to reinstate such inspections?

### 9.00 pm

The other issue is online reporting. How effective does the Minister think the online reporting system is? I really think that he needs to do something to increase public awareness. We need to have some increase in public awareness through PR or perhaps through television advertisements about the online system, because the man or woman in the street is not really aware of that. We need to invest some money in that. We need to see investment in our road network and much-improved maintenance programmes in North Down.

**Mr Agnew:** I thank the Member for proposing this topic for debate. I am sure that, when he did so, he did not realise that we would be here until this time. I will not blame him for that; I will blame the Ministers who made the various statements this morning. I also thank the Minister for being here so late for what is the second Adjournment debate on North Down in recent times. I do not think that it is an exaggeration to say that he has perhaps done more than any individual in Irish history to eradicate the border between North and South — Down. I appreciate him taking the time to heal some of the old wounds that we may have had in the past.

I have sympathy with the Minister on the issue, but I, of course, share many of the frustrations that my colleagues have about contacting Transport NI, in particular, about the issues. There is no doubt that it comes up time and again when I go round the doors, whether it is in respect of weeds, cracked pavements or potholes on roads. Constituents get frustrated because they have reported things many times to many MLAs, and we all get frustrated at the Department's apparent lack of ability to resolve the issues. I have sympathy because I watched his predecessor, Danny Kennedy, make the point that there would be consequences if more resources were not given to his Department, and he was told to live within his means. So, he sought to introduce revenue-raising measures, but he was told that he was not to do that.

We have to be realistic, and we have to be honest with our constituents about the fact that we have choices to make. We can choose to raise revenue, which means somebody paying more somewhere, and I reference the recent debate about reducing parking fines. Time and again, we hear proposals for where we can reduce revenue, but reduced revenue means, in most cases, reduced services, bar finding efficiencies. To be fair, a lot of work has been done by Departments to find efficiencies. We sometimes need to find more revenue. It is important to put it on record that, if we want more, we will, to some extent, have to pay more. That is why, today, I welcomed some of the Finance Minister's revenue-raising proposals on rates, some of which I have been calling for for some time, including lifting the cap on rates. That will have a disproportionate effect on residents in North Down, but it is right that those who have more and can afford to pay more should do so. As I have said repeatedly, our constituents in Kilcooley should not continue to fund the rates of our constituents in Cultra. That might not be a popular thing in Cultra, but I think that it is fair point of view.

As I say, these are the issues that come up time and time again. One suggestion that should not have a huge revenue impact is that about communication. One of the things that are said to me time and time again is, "Our street has not been done in 30 years, yet the street round the corner was done only last week". As for street lighting, it does not help that my street got brand new LED lights. They are lovely, and I am very grateful for them, but my neighbouring streets do not have them, so people will, I am sure, look at that and say, "Oh aye, the MLA gets new lights".

It is one that feels a bit close to home in that regard.

Minister, my suggestion is about communication, even if it is through MLAs, so that we can communicate more widely what the plans are. Maybe I do not do enough to find out these things, but what are the plans to roll out new LED street lighting or new tarmac pavement to replace old cracked paving stones? That communication might help with some of the frustration. If people feel that they are on the list and their time is coming, and we can communicate that, they may not put as much pressure on us, and, in turn, we may not put as much pressure on Transport NI. It is those who feel that their turn is never coming who will shout the loudest. I put that out as a suggestion and make the point about revenue raising. I thank Members for their contributions

and look forward to hearing the Minister's response.

**Mr Hazzard:** I thank the Member for securing the Adjournment debate. I also thank the four Members who have stayed to discuss it. I will quickly start with a few points before I get into, as they say, the meat and bones.

It would be proper to put something on the record from the start. Perhaps the Member who secured the debate was not alluding to it, but he gave the impression that recent responses to Assembly questions for written answer had, in his words, confirmed a practice of discrimination against North Down. I absolutely refute that, certainly for the six months that I have been in position. I probably should say on the record that your party colleague was the Minister before me, and many of the things that you referred to were from that time. It is only right that we dismiss that idea.

The notion of equality, to me, is a notion of equity, and I think that the statistics bear that out. I was just doing the figures, and, for example, Ards and North Down have 15% of the entire roads in the southern division, yet receive 20% of structural funding. In my area of Newry, Mourne and Down, we have 40% of the roads but receive only 35% of the funding. Caitríona Ruane and I could come to the Chamber and, perhaps more legitimately, claim that some sort of discrimination is ongoing, but that is simply not the case. If we separate Ards and North Down, we see that North Down has 5% of the overall divisional roads; Ards has 10%. That is why, Mr Dunne, in your figures, there is the one third:two thirds split in an awful lot of the projects — that is how it will balance out. It is not a case of discrimination; it is a case of equity. I think that that is borne out.

My next point reflects Mr Agnew and Mr Chambers's comments. I think that the majority of MLAs have been out taking down street light numbers and looking at grass; we have all been doing it for years. There is no doubt that the Department does not have adequate resources to deliver the sort of services that we want. I do not think that anybody in the House would argue that we have enough money to get on with the job. There are simply not enough resources to do the sort of things that we want to do. Mr Agnew is 100% right: we will have to look at where we get the money. Can we get more money? Since I came into post, I have said that we need to look at different revenue-raising options, but those have to make sense, they have to be fair and they cannot punish the

public purse in the long run. I am willing to do that.

I go back to the point that roads and housing are the big issues in North Down. It is the same in South Down and right across the area. I was in the Carntogher/Slaughtneil area in south Derry last week, and there were potholes big enough to dip sheep in. There is absolutely no doubt that it is an issue across the board, and we simply do not have enough money. I want to dispel the notion of discrimination, and you will certainly see none of that from me over the next five years.

The independently established structural maintenance funding plan, which Members will be aware of, recommends an investment of some £140 million a year, 85% of which is capital to maintain the structural integrity of our road network. The current funding available to my Department for roads capital and resource maintenance is £81 million, significantly short of that requirement. In distributing the available resources for road maintenance, allocations are made by my Department to the four Transport NI divisions on the basis of need, using a range of weighted indicators tailored to each maintenance activity, such as resurfacing, patching, gully emptying or grass cutting. Divisions also use a range of indicators when apportioning across council areas to ensure, as far as is possible, an equitable distribution of funding.

The Ards and North Down Borough Council area is allocated funding for structural and routine maintenance on the same basis as other councils, using indicators such as road mileage, structural condition and population. To put that into perspective, the council area has a total public road length of around 1,100 kilometres out of a divisional total of nearly 8,000 kilometres. I should explain, however, that yearly allocations vary to reflect funding pressures in section areas and are also influenced by specific allocations for high-priority works, such as trunk road resurfacing schemes and coastal defence repairs. On that basis, it can be assumed that no section will receive a fixed percentage of the available allocation each year.

In general, each Transport NI maintenance section office maintains a priority list of resurfacing schemes for its area, and the list is determined from a range of indicators, such as surface condition, defect numbers and traffic volumes. The section offices use that information, as well as visual inspections, to decide the best use of the available resources in their area. The priority list reflects current

road maintenance needs in the area, and some degree of flexibility is therefore necessary to address any changes to the structural integrity of the roads network.

The current capital structural maintenance budget for southern division is £20 million, which includes additional in-year funding resulting from the outcome of June and October monitoring rounds. That funding is being used to deliver significant road improvements in 2016-17 in the division, including in the North Down constituency. I should point out that, as Members mentioned, in 2015-16, limited capital works in the form of resurfacing were carried out in North Down because of contractual difficulties in the awarding of a new contract, including a legal challenge to the Department. That meant that the awarding of the resurfacing contract was delayed, and therefore only schemes ordered before the expiry of the previous contract were delivered. Those included schemes at the A2 Bangor Road, Bangor; Abbey Street, Bangor; and Ballymiscaw, Holywood. Court proceedings were prolonged such that Transport NI was unable to award the new contract until August.

I am pleased to inform Members that those matters have now been resolved, and Transport NI has, in recent months, undertaken three major resurfacing schemes at Ballymiscaw Road, Holywood; Ballyrobert Road, Crawfordsburn; and Rathgael Road roundabout. The total cost is £636,000. In addition, a combined footway reconstruction and carriageway resurfacing scheme is being carried out in the Morston Park area of Bangor at a cost of £150,000. I will continue to bid in monitoring rounds to enhance structural maintenance funding during this year to invest further in the road network.

Following June monitoring, which delivered additional funding for capital structural maintenance activities, I announced the rural roads initiative in the Assembly on 28 June. The aim of that £10 million initiative is essentially a road improvement package to stop the deterioration and to repair severe defects on the local rural road network. I can advise Members that the Ards and North Down Borough Council area was allocated half a million pounds of that funding.

On resource funding for the delivery of routine maintenance functions such as patching, grass cutting, weed treatment and gully cleaning, Members will be aware of the difficulties faced by Transport NI over the last two years. A limited service was in operation because of financial constraints, with the budget available

being provided to the Department's internal workforce, and to external contractors where our internal workforce did not have the capacity. Despite the financial constraints, roads have been, and still are being, inspected as normal. However, patching repairs have had to be prioritised as far as resources permit.

In 2015, owing to the Department not being in a position to provide a schedule of work as a result of the financial constraints, the external contractor who provides services such as weed treatment and gully cleaning had to lay off much of his workforce. That created difficulties with the delivery of weed control and gully-cleaning services. I am pleased to advise Members that funding is now in place, and the external contractor recently completed a programme of chemical weed treatment and has now commenced scheduled gully cleaning. Regarding grass cutting, I can confirm that two cuts have now been completed, along with grass on sight lines, as required for road safety reasons.

In summary, I again thank the Member for generating this discussion and for giving me the opportunity to highlight the difficulties facing my Department in delivering a road maintenance service in general, and in particular to his constituency of North Down. I reiterate that my Department will continue to undertake comprehensive inspection and maintenance activities, in line with the available funding, for the benefit of all road users in North Down. I will continue to bid for additional funding for road and footway maintenance activities to improve the infrastructure.

I have one final point to make. The issue of online services was raised. I agree entirely. The NI Direct online service for the reporting of street light faults and potholes is very successful. I think that we need to send the message out to get it reported. It may take a number of weeks to get round to it, but it will go on a work programme, and we will get there. As Mr Agnew pointed out, we need a bit of realism. We need to understand that the teams of guys out doing this are very small now because of the voluntary exit scheme and because of a lack of resources. We get them on the works programme. We will get to it. It may not be tomorrow or the day after, but we will get to it.

*Adjourned at 9.15 pm.*

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