

Official Report (Hansard)

Tuesday 24 January 2012
Volume 71, No 4

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The Editor of Debates, Room 248, Parliament Buildings, Belfast BT4 3XX.

Tel: 028 9052 1135 · e-mail: simon.burrowes@niassembly.gov.uk

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Northern Ireland Assembly

Tuesday 24 January 2012

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

Members observed two minutes' silence.

Executive Committee Business

Rates (Amendment) Bill: Accelerated Passage

Mr Wilson (The Minister of Finance and Personnel): I beg to move

That the Rates (Amendment) Bill [NIA 2/11-15] proceed under the accelerated passage procedure.

I welcome the opportunity to address the Assembly on the motion, which will enable the speedy progression of a range of rating measures that are aimed at rebalancing the rating system and encouraging the revitalisation of our high streets.

The key measures in the Bill, including the funding provided through the large retail levy, are important in that they will help to address the issues that face many small businesses in this economic downturn. It should provide for some rebalancing in the rating system. The key measures in the Bill are important in a number of respects, not least that the funding from the large retail levy will allow the number of businesses receiving help under the small business rate relief scheme to be roughly doubled and the level of support increased by around 50%. Given that help is needed now and with the funding that will be raised through the levy, it would be a poor show if we did not implement the measures until 2013, when we all hope that the recovery will be under way. For that reason, of course, it is important that the Bill go through by accelerated passage rather than take the normal route through the Committee for scrutiny.

When I appeared before the Committee on 11 January to explain to members, as I am required to do under Standing Order 42(3), why it was necessary for the Bill to proceed by accelerated passage, I indicated the consequence if that

were not granted. I had a productive session with the Committee at that stage. I thank the Committee members for recognising the need to expedite the process for the Bill and for their support in seeking Assembly approval for accelerated passage.

The use of accelerated passage is not something that I take lightly. Having been on the other side of the process, as a Chairman of a Committee and as a Back-Bench Member, I fully understand why Members wish to have the opportunity to deal with legislation properly through the line-by-line scrutiny that normally takes place in Committee. Of course, I recognise that it is a means of ensuring that legislation is fit for purpose and that we finish with the best legislation possible. However, it is important that we balance against that the fact that the packages focus on taking the strain from businesses during the economic downturn and ensuring that further decline in the high streets is halted. For that reason, it is important that we get the measure through the Assembly quickly so that it can be in place for the start of the rates year in 2012. If we do not do that, that cannot be achieved.

Some people have suggested that we should just let it go on to 2013. However, as I have said, the problem exists at present and needs to be dealt with. We cannot simply introduce changes in the middle of the rates year. Once rates bills have gone out, there would be a huge administrative issue if we had to change the size or nature of those bills in the middle of the year. Frankly, it is not possible operationally to introduce a change of that nature in the middle of a financial year; we have to introduce it for the beginning of the rates year in 2012, or it will not become operational until 2013. In the middle of the recession, it would reflect badly on the Assembly if we were not able to bring this much discussed and much welcomed measure on to the statute book at the appropriate time.

I am conscious that accelerated passage should not be used lightly or unnecessarily. As I have indicated, it will not be and has not been my form simply to use it as a means of getting things through quickly. I give the commitment to the Assembly that the Department will not be lazy in bringing forward legislation at the appropriate time. Of course, because of the timing of budgetary issues, we always have accelerated passage with the Budget Bill, but that is something that the Assembly has well accepted in the past.

Turning to my obligation under Standing Order 42(4)(c), I have already indicated that, where possible, legislation should be taken through the normal process because it ensures that due process is followed and that the Committee is afforded its proper place and given adequate time to scrutinise the Bill clause by clause. As I have said, I will take all necessary steps to ensure that accelerated passage is not unnecessarily exercised in future; I will resort to it only in exceptional circumstances.

I shall give some background. Last year, the Budget review group tasked me with taking forward measures to help businesses through the downturn. The Bill is the outcome of that process. Accelerated passage is unavoidable for the Bill as a result of the current economic plight. Members should bear it in mind that they will have the opportunity to raise issues about the detail of the Bill at Second Stage. I seek the support of the House for the accelerated passage of the Bill, and I look forward to hearing Members' comments.

Of course, I also said to the Committee that, if it requires additional information from officials during the process between now and Consideration Stage and Further Consideration Stage, officials will be available to come and speak to Committee members about any issues that may arise during the debate or subsequent issues that they wish to consider. I also want to point out that the Committee has done an extensive investigation into the Bill. Indeed, the Committee report has already informed the shape of the Bill. Therefore, there has been a degree of scrutiny.

Bearing in mind that Members will have opportunities to raise details, I ask for the same all-party support for accelerated passage in the Assembly that was demonstrated in Committee.

Mr Murphy (The Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a Cheann Comhairle. The Department of Finance and Personnel originally briefed my Committee on consultation proposals on the large retail levy on 8 June 2011, advising that it intended to seek accelerated passage for the Rates (Amendment) Bill. The Department also informed the Committee that it would consult publicly on proposals with a view to the subsequent legislation being passed by the new Assembly to allow its changes to take effect from April 2012.

In evidence to the Committee on 11 January 2012, the Minister outlined the reasons for accelerated passage and the need for changes to take effect from April. I am mindful that the Committee may not have the opportunity to scrutinise issues during the normal Committee Stage in advance of the Bill being introduced to the Assembly. The Committee undertook detailed analysis of the policy proposals and took views from a range of stakeholders to establish a sound evidence base for its report on the proposals. It published its report on the proposed large retail levy and the expansion of the small business rate relief scheme on 7 December 2011.

The Committee recognises the urgent need for the measures, in particular the need to facilitate steps to ease the disproportionate rating burden on small businesses during the economic downturn. The Committee also notes that the provisions regarding the large retail levy are short-term in nature. Members received assurance from the Minister that the levy will not apply beyond March 2015. The Committee agreed that it was content to support the Minister on seeking approval for the Bill to proceed by accelerated passage, having been satisfied by the explanations and assurances provided. On behalf of the Committee, I therefore support the motion that the Rates (Amendment) Bill be granted accelerated passage.

Mr Girvan: I thank the Minister for tabling the motion. I want to reiterate the Chairperson's comments. As a Committee, we have already done extensive work on consultation with key stakeholders on the issue. It is important that, as an Assembly, we react to what is a very trying time for the economy and the retail market in particular. It was important that we addressed that. I appreciate that it is probably not best practice to go down the route of putting a Bill

through by accelerated passage; however, in the circumstances, it is vital that we move quickly to put legislation in place to allow us to move forward in time for April. I appreciate that the Committee has already been lobbied on the issues. Changes that the Committee identified have been taken into account in bringing forward some of the considerations that are before the House. I appreciate that they will be discussed at Second Stage. Therefore, I am pleased to support the Bill going forward under accelerated passage.

Mr Cree: Similarly, the Ulster Unionist Party understands the need for the Bill. It certainly supports its accelerated passage through the House.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. Like the other parties, the SDLP is willing to support the accelerated passage of the Bill. My party is usually wary of accelerated passage and forgoing the usual Committee scrutiny process. However, we are satisfied that the urgency of the need among smaller retailers should encourage us to support accelerated passage at this stage. We are satisfied that the Committee process to date has resulted in the collection of objective evidence that has informed members of my party and other Committee members on the issue. Therefore, we are happy to support accelerated passage on this occasion.

10.45 am

Mr Allister: The contributions to date have been quite predictable in their compliance. Some might say that my contribution will be equally predictable in its non-compliance. However, I think that there is an issue of significant importance to do with the workings of the House. Our Standing Orders make it clear that resort to accelerated passage is to be exceptional; yet, this morning, people such as Mr Girvan jumped to their feet to express their pleasure in supporting something that is meant to kick in only when it is exceptional. The excuse is that we have to give relief to small businesses. We do, but the terms of the Bill do not give that relief to small businesses. That comes by another mechanism. This is about funding that relief; it is not about the giving of that relief. Therefore, it is a deception by some if they believe that.

The real focus has to be on what has been going on since the proposals were first

announced on 4 March last year. It took 16 weeks to 28 June 2011 to publish a consultation document. If there was a burning desire to help small businesses and a great anxiety to make sure that we did not have slippage into 2013, what was the Department doing between 4 March and 28 June in getting out its consultation? Where was the urgency then in activating a process, which could have ended up in the House being given the due process of proper procedures? Then, of course, we had a 16-week consultation, which took us happily through to the end of October, and it took from the end of October until last week to produce a Bill. Therefore, I really do not buy into the concept that the Department has been straining every sinew and pushing hard in the interests of small business to get the Bill before the House. The House was first told about this on 4 March 2011, and it was more than 10 months before the Bill got to the House. Therefore, I repeat: if there had been urgency and anxiety, it could have manifested itself a lot sooner than now.

It is not that we have not had time. Since this Assembly came into existence, we have spent eight months proverbially twiddling our thumbs and debating motions that bind no one. This is the first legislation apart from the hangover Budget to come before the House, and what is the Executive's response? Let us ram it through, let us not bother with due process of proper debate and let us get rid of the Committee Stage, because we know best anyhow. Perhaps there are lots of little private Members' motions that we could better spend our time on than on the detail of legislation. It sends out a very wrong and disappointing but, to me, not surprising message from the House that, when it comes to the very first legislation that we are to debate, we cannot wait to get it through. We cannot wait to avoid due process, and we cannot wait to rush it and accelerate it, whether it is exceptional or not.

Mr Wilson: I thank all Members for the views that they have expressed during this short debate. As Mr Allister said, the response has been fairly predictable. I would have been surprised had Members from other parties that were well represented on the Committee and know about the preparatory work that has been done in the run-up to today's debate not acceded to accelerated passage. I want to make it clear that the idea that the Executive somehow sit, plot and plan how they can ram

legislation through the House — to use the term used by the Member for North Antrim — without due consideration for the process and everything else is nonsense. The very thought of the Executive encouraging Departments to drag their feet in bringing forward legislation is just nonsense. I think that the Members who support accelerated passage understand the exceptional circumstances out there at present much better than the Member who opposes it.

There is a recession in Northern Ireland at present. I have been round many towns in Northern Ireland, and members of the chambers of trade and commerce in those towns have shown me empty shops; they have told me about the difficulties that traders face; they have indicated the overheads that rates create for businesses; and they have asked, “What can be done by the Assembly to help us through the recession?”. So, there are exceptional circumstances.

We are also going through changes in shopping patterns that are putting pressure on the high street. I suspect that — I hope that I have the number right — the 460-odd traders in the Ballymena area who will be impacted by this measure might have a message for Jim Allister today, and it is this: “If you do not think that we are living through exceptional circumstances, catch yourself on. We are living through exceptional circumstances”.

Mr Allister: At no time have I suggested otherwise. At no time have I said that the legislation is not needed. What I have questioned is what the Executive have been doing since 4 March last year, when they announced the legislation, so that we could have had due process. What about the 16 weeks lost before, during and after consultation? We have heard no explanation of that.

Mr Wilson: For goodness sake, at least give me a chance to build up my argument. I want to bring Members along gradually in order to explain this. I am just going through the points that were made.

The first point was that accelerated passage should be used in only exceptional circumstances, and I am saying that there are exceptional circumstances. Therefore, the reason why Mr Girvan takes pleasure in my request for accelerated passage is that I am responding to the problems of the traders I met in Ballyclare last Friday and responding to the issues that traders face in Ballymena,

Larne, Carrickfergus, Lisburn, Coleraine and Londonderry. Where else was I? I have done a tour of Northern Ireland, and I am responding to the issues raised.

Mr Humphrey: I am grateful to the Minister for giving way. Like him, I have spoken to people across the business sector in Belfast, to Belfast City Centre Management, to the Chamber of Commerce and to local traders in my constituency. Given Mr Allister’s contribution, does the Minister agree that the economic situation that prevails in the United Kingdom is the most difficult one for a long time? Indeed, the Business Secretary in our national Parliament at Westminster has said that the business climate now is the “economic equivalent of war”.

Mr Wilson: I accept the point. Indeed, I think that, with this kind of legislation, we are ahead of other parts of the United Kingdom. Mary Portas suggested that this is the kind of thing that can be done to address the issue.

Mr Allister’s second argument was that this is only an excuse. As he quite rightly points out —

Ms Ritchie: Will the Minister give way?

Mr Wilson: Just let me finish the point; I want to deal with this.

I am sure that we have all read the Bill, line by line, clause by clause, word by word, comma by comma and full stop by full stop. I would not expect anything less than for the assembled Members to have done that. They will have noted that the Bill does not mention small business rates relief. The Member said that the Bill is an excuse and that we talk about helping small businesses but the small business rate relief scheme is not mentioned in the Bill. It will come in separate legislation; he is right about that. However, before we can pass that legislation, there is the small question of where we get the money. There is no point in passing legislation and then searching for the money. This Bill will fund the legislation that will come forward quickly, but we must first have the funding in place.

Ms Ritchie: I thank the Minister for giving way. I do not wish to dilute the terrible economic circumstances that have beset many in our business community. However, perhaps the Minister, as a member of the Executive and as he progresses through his speech, will elucidate

the general reasons why it has taken so long to bring forward legislation in a legislative Assembly.

Mr Wilson: I will come to that point. However, I am sure that the Member can think of legislation that she brought forward when she was a Minister and of the lead-in time for it. The reasons for that lead-in time will be well known to her.

The point has been made that the Bill is an excuse that has nothing to do with small business rates relief and that we should not ask for accelerated passage. However, the Bill will help to get the money for the next piece of legislation required. That legislation will be brought forward in February and will introduce 20% relief for small businesses.

The Member for South Down and the Member for North Antrim have asked a reasonable question: why, if this was announced in the Budget last year, is the legislation only before the House today? Mr Allister rightly pointed out — you can always be sure that he will have done his homework; he even had the dates — that there was a period between 4 March and 28 June before we put the consultation document out. It may have escaped his notice that something happened between 4 March and 28 June.

Mr Allister: It did not escape your attention.

Mr Wilson: No, it did not; I did fairly well in it.

Between 4 March and 28 June, we had an election to the Assembly. The Member will also know that, in the run-up to an election, it is not permitted to introduce measures that are seen as likely to influence voters or as a means of electioneering. We could not have launched the consultation document during that period. Had we done so, I suspect that the first person to talk about bribing voters would have been none other than Mr Allister.

Mr Allister: Will the Member give way?

Mr Wilson: Let me finish my point. We could not have done that during purdah, as it would have been seen as a cynical exercise.

There was also the small matter of drawing up exactly what would be in the consultation document, and I am sure that the Member will also appreciate that any consultation document has to be cleared by the Executive. Therefore, we had the announcement in March, the run-up to the election, the drafting of the consultation

document and its clearance by the Executive. That is why there was a delay between this being announced in the Budget and 28 June. I will take the intervention now.

Mr Allister: I am obliged. The Minister made the point that he could not be seen to be electioneering. However, if that was a concern, the announcement of 4 March could also be interpreted as electioneering. Purdah had not kicked in until April, if I recall correctly. Why was no work done to get the consultation out?

11.00 am

We then had a 16-week consultation. The Minister may recall that he was not so enthusiastic about having a lengthy consultation on his previous Budget, the period for which was reduced considerably and certainly did not run to anything like 16 weeks. There is that gap between 4 March, from when the Department was apparently sitting on its hands, and the end of June, when it woke up. I have not heard that properly explained.

Mr Wilson: I have explained it, but it would not matter what explanation I gave to the Member. Given the nature of what we were proposing here, if he thinks that a consultation document was going to be drawn up within a week, got out before purdah started, consulted on during the election, and drafted as legislation as quickly as that, he does not understand the process. No, I actually think that he does understand it but has chosen not to.

Ms Ritchie: I thank the Minister for giving way. Will he not accept that it has been some eight months since the election, which gave plenty of time for a consultation document to be issued, for the drafting of legislation amounting to seven or eight clauses and for revisions? Surely that is a long time to wait for a small piece of important legislation that will bring benefit to our retail establishments and our small business sector.

Mr Wilson: I understand Mr Allister's making the point about the length of time taken for the consultation. At least he shares some of my concerns about the nonsense surrounding extensive consultation, human rights considerations and all the rest. However, I really cannot understand such criticism coming from the SDLP, which was the author of half the bureaucratic nonsense that we have to

go through. On many occasions, that is used against us if we do not properly consult.

The question has been asked —

Ms Ritchie: Excuse after excuse.

Mr Wilson: — why we had a 16-week consultation. This is, and has proved to be —

Ms Ritchie: Excuse after excuse.

Mr Hamilton: Your party supported it. Dominic spoke in support of it. What are you getting on about? He has just welcomed it. It is another split in the SDLP

Mr Speaker: Order.

Lord Morrow: Will the Minister give way?

Mr Wilson: I will give way in a wee moment or two. Let me just finish my point. Splits in the SDLP are, of course, fairly common these days anyway. We can always expect around 17 opinions. How many Members does the SDLP have?

Mr Hamilton: It does not have that many.

Mr Wilson: It might have 17 opinions but fewer Members.

As I am sure Members will point out at Second Stage, this has proved to be fairly controversial legislation. It has been and will continue to be opposed by some very powerful interests. If we had shortened the consultation period, there could well have been grounds for people saying that the consultation was not properly undertaken, and, therefore, there would have been grounds for a judicial review. The maximum period of consultation, which, of course, has always had the support of the SDLP, was undertaken.

Then there was the analysis of the consultation. Indeed, as a result of that and of listening to what happened during it, I will table an amendment to the Bill on the rating of empty shops and the fact that 50% rate relief will be given to empty shops that are brought into occupation in the first year.

I am not blaming the Committee for Finance and Personnel for the gap between the consultation finishing and the legislation coming forward. The Committee undertook an excellent piece of work in doing its own investigation and producing a report. Before any legislation was drafted, we wanted to read the Committee's report. In his speech, the Chairperson of the Committee will

probably mention that we accepted a number of the report's recommendations, which, of course, have been included in the legislation.

So, again, the period was stretched as a result of work that was being undertaken by the Committee. I am sure that the Members who have objected would not have wished us to ride roughshod over the Committee's report and go ahead with the production of the legislation anyway as soon as the consultation was over. As a result, there was further delay, but that delay has made the Bill a better Bill. I do not think that anyone will condemn us for doing that. That brings us to the fact that we were into the new year and, if we were to get the Bill through in time for 2012, it would need accelerated passage.

As Mr Bradley said, the SDLP has accepted that we have to take it through by accelerated passage, although its former leader seems to take a different view. I would not have expected anything other than the opposition that I have had from Mr Allister on the motion for accelerated passage, although, given the explanation about the timeline, people will see that that really is just Mr Allister being Mr Allister and wanting to oppose anything that the Executive bring forward. If that is his role, that is fine. The important thing is that, as far as we are concerned, accelerated passage is an exceptional measure, and I have made that clear. I do not want to use that as a regular way to introduce legislation, but it is an exceptional measure for the best of reasons to ensure that, if the legislation gets through the Assembly, more than 8,000 businesses in Mr Allister's constituency, Ms Ritchie's constituency, my constituency and everyone's constituency will find a reduction in their overheads. That is a good measure, and I therefore ask for accelerated passage to be granted so that we can get on with discussing the detail of the Bill in the Assembly.

Question put and agreed to.

Resolved (with cross-community support):

That the Rates (Amendment) Bill [NIA 2/11-15] proceed under the accelerated passage procedure.

Rates (Amendment) Bill: Second Stage

Mr Wilson (The Minister of Finance and Personnel): I beg to move

That the Second Stage of the Rates (Amendment) Bill [NIA 2/11-15] be agreed.

I welcome the opportunity to open the debate on the Bill, which introduces a range of measures aimed at rebalancing the commercial rating system during a period of economic downturn. Before turning to the detail of the Bill, I thank the Committee for Finance and Personnel for its excellent work on the issue in recent months, particularly the extensive evidence sessions and research that it undertook. The Committee report was extremely helpful in shaping the final decisions that I, along with the Executive, reached. In a number of areas, the Committee's work has complemented the research that was undertaken by my Department. It has also, I trust, resulted in a more robust and acceptable set of proposals to which the Assembly can give its support. Although there are differences between the Committee and my Department over some aspects of the final policies, particularly on the scope of the levy, we all have a common goal of providing and funding much-needed assistance for small businesses.

The importance of the Bill is highlighted by the continuing downturn and the calls from many for measures to support small business ratepayers and to revitalise the areas of town centres that have large numbers of empty shops. Through the Bill and the associated funding of the small business rates relief scheme, the Executive want to encourage the right conditions for a sustained recovery.

Let me make it abundantly clear to Members and to those outside the Chamber that the large retail levy and the associated expansion of the small business rates relief scheme will be time-limited in legislation to three years. Both schemes will come to an end on 31 March 2015.

I will briefly address some concerns that were raised during the policy development process that relate to the impact of the levy on jobs and discouraging investment. It is important to look at those changes in proportion. The levy is a temporary change that will last for only three years; on average, it will cost about £66,000 a year per store. That represents, again on average, 0.19% — less than a fifth of one

per cent — of the indicative individual store's turnover. That puts the levy in some context.

I will give a bit more context: one store that complained to me about the size of the levy, which, in its case was about £76,000, in one day sold £62,000 worth of designer handbags. I am not indicating that that was £62,000 of profit on those handbags, and I did not buy any of them. However, that puts it in context: the levy is £76,000 and, in one day, just one item in the store raised £62,000.

I also reject claims that the levy will result in reduced investment in Northern Ireland or will discourage large retailers from investing here. Although I appreciate retailers' concerns, I consider such claims to be exaggerated. For example, Waitrose has indicated that the large retail levy will not put it off potentially locating in Northern Ireland. Indeed, Waitrose is looking at opening up to 20 stores across Northern Ireland. I also do not believe what Tesco said — that £100 million of investment over 25 years will be put in jeopardy as a result of a levy, which, over the next three years, will take £630,000 in extra tax from it. Investment decisions are not made on such margins. Large shops need to locate here to sell their goods; I doubt that any large supermarkets want to see competitors take their place. Therefore, the fact that this is a temporary measure is a key provision in the Bill. It is a proportionate measure, and I do not believe that it will lead to the disinvestment that people talk about to try to frighten us off the course of action that we have undertaken.

Another key provision of the Bill is that the large retail levy will apply to the largest and some of our most profitable retailers. In fact, it is significant that, at a time when some retailers affected by this complain about its possible impact, those retailers also boasted that their profits had been better than the previous year, their turnover was up and so on. Again, we must put it in context.

The Bill also has provisions aimed at making our town and city centres more vibrant; it will allow ratepayers to brighten up shop windows without incurring full occupied rates. That should encourage those who hold empty retail properties to work with their local communities to brighten up shopping areas in which empty properties may otherwise contribute to a run-down, neglected and forgotten appearance.

Finally, Members will be aware that, in 2010, I postponed the general non-domestic revaluation, largely due to the downturn in the property market and the lack of reliable market evidence. The Bill contains provisions to clarify the valuation assumptions used for general revaluation, and it makes more explicit the circumstances that can be taken into account in determining property values.

Before I turn to the detail of the Bill, I wish to advise Members briefly about a directly related matter that can be provided for only as a result of the Bill.

11.15 am

The money from the large retail levy will be used to fund the much-needed additional support for small business ratepayers, who continue to struggle during these difficult economic times. Through separate subordinate legislation, 20% rate relief will be provided on properties with a net annual value of between £5,001 and £10,000, with around £6 million likely to be awarded in 2012-13. Around £5 million will be raised from the levy, with the shortfall of around £1 million being met from a modest increase in regional rate revenue compared to the estimates that were made when the Budget was settled.

I turn to the detail of the legislation. Clause 1 provides for the introduction of the additional rate or levy on large retail properties with a rateable value of £500,000 or more. That will cover occupied properties for the three years through to 31 March 2015. At present, 23 companies, occupying 75 properties, will be affected. A levy of 8 52p will apply for the 2012-13 rating year. That should roughly represent a 15% increase on average on what the rate bills would otherwise be, based on the estimated district rate increases for next year.

In years two and three, the amount of levy will be set out in subordinate legislation, which the Assembly will have to debate and vote on. That will enable more up-to-date district rate figures to be used in determining what the 15% increase on the overall bill should be in the form of a regional rate increase. The clause also sets out the definition of a large retail property and retail sales of goods, and allows those to be amended by subordinate legislation. There are also minor consequential provisions to allow the large retail levy to be collected in line with the general regional rate.

Clause 2 ensures that, where shopfronts or shop window displays are used in empty retail premises, ratepayers will effectively continue to receive the 50% empty property rate relief, or an exclusion if that is applicable. Without that, full occupied rates would otherwise have been charged. That is a measure that the Belfast Chamber of Trade and Commerce was keen to see introduced to help brighten up town and city centres without ratepayers being penalised. The clause outlines the properties that will be covered and also provides the depth of the window display, which must not exceed 1.5 m, while the area of the window display must not exceed 5% of the floor area of the part of the building fronted by the window display. The window display must not be used for purposes of identifying a trade or business or for political purposes, or be detrimental to the advancement of good community relations.

That change will apply for three years, and will ensure that the rating system does not discourage shop owners from working with their local communities to improve the appearance of shopping areas. Given increasing numbers of empty shops, that should enable town and city centres to be made more vibrant and attractive to shoppers without ratepayers being penalised.

Clause 3 makes changes to clarify the valuation assumptions used in a non-domestic revaluation. That makes the legislation more specific about the matters that can be taken into account when a property is being valued for purposes of a new valuation list. The clause covers matters affecting the physical state of the property, its locality, the nature of its occupation, its use and the use or occupation of other premises situated in the locality. It is intended to make the legislation as clear and explicit as possible to deal with all eventualities, while ensuring relativity and consistency of assessment between business ratepayers. It will also ensure that a revaluation can proceed in 2015, provided that there is a better number of transactions and more consistency in the property market, which I fully expect to be the case. Members will wish to note that the change will not affect the custom and practice that has been adopted at previous revaluations.

Clause 4 of the Bill repeals the rule applied to properties valued by reference to the volume of trade carried out at the property, such as pubs. The change will have the effect of standardising valuations and providing greater consistency

of treatment between business sectors. Land and Property Services (LPS) will still be able to take into account any trading evidence that properly helps it determine property values at the valuation date. I stress that clauses 3 and 4 should not impact adversely on the amount that ratepayers have to pay, all other things being equal, and also reflect current custom and practice. The remaining clauses simply deal with the interpretation and commencement of the Bill's provisions.

Having outlined the content of the Bill, I would also like to take the opportunity to advise Members that I will be tabling a ministerial amendment to the Bill. During consultation, concerns were raised about the impact that empty shops can have on our town centres and shopping areas. Although I have shared those concerns for some years, we have experienced a transformation in the way the retail economy behaves. It seems likely that we face a long and structural oversupply of shops in all our town centres and cities, combined with fierce competition emerging from online retailers.

We need to protect the core of our urban centres from the growing blight of empty shops by keeping them alive. Therefore, I intend to provide a one-year concession during 2012-13 that will effectively allow 50% empty property relief to continue for one year. That change will apply to long-term empty retail properties previously used for the sale of goods or services that become occupied in the next rating year. The property will have to have been empty for at least a year. The measure will go beyond the calls made during the consultation by many who wanted the 50% relief for new businesses to be provided for six months. Having listened to those views, I decided that I want to go much further to help the long-term empty retail premises back into business next year. That is particularly important given the many concerns expressed about declining high streets. Given that this change arose from the consultation, it was not possible to get the detail of the clause finalised before the Bill was introduced.

An amendment will be tabled, and Members will have an opportunity to debate the issue in more detail next Tuesday. This, along with clause 2, is intended to help revitalise our town centres through encouraging and promoting the use of empty shops and getting them back into business. I look forward to the support of

the Assembly in taking forward these important measures.

Mr Murphy (The Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a Cheann Comhairle. I welcome the opportunity to speak on the Second Stage of the Bill on behalf of the Committee. As mentioned earlier, the provisions have been brought forward following an intense period of Committee scrutiny and a series of meaningful engagements with key stakeholders in the limited time available.

I would like to take this opportunity to thank the Minister and his officials for the constructive way in which the Department engaged with the Committee during the consultation process and the development of the proposals that now form the contents of the Bill. The Minister provided a detailed response to the Committee report on the proposed large retail levy and the expansion of the small business rate relief scheme and accepted the majority of the Committee's recommendations.

As outlined by the Minister, the primary purpose of the Bill is to implement a levy on the largest retail premises to fund an expansion of the small business rate relief scheme, which, in turn, will be implemented through the forthcoming subordinate legislation. It is important to recognise at the outset that the provisions in the Bill for a large retail levy are a temporary measure and will be time-limited to 31 March 2015.

Members will be all too aware of the difficulties faced by small businesses across the North at present. Small businesses make a significant contribution to the local economy, providing around 60% of turnover and employment. The intention of the small business rate relief scheme is to alleviate the impact of the rates burden on small businesses and, in turn, help support their growth and sustainability. There was a generally positive response to the aim of supporting small business through the current downturn, including from large retailers.

While supporting the primary aim of providing expanded relief for small business, the Committee was concerned to ensure that there is a comprehensive evaluation of the effectiveness of the existing small business rate relief scheme. The Department responded positively to the Committee's recommendation in that regard and is to initiate an evaluation of

the existing scheme in 2012. It will make any necessary changes to the scheme in time for the rates bills in 2012-13.

The Committee welcomes the fact that the valuation will also include consideration of a separate area of potential refinement identified by the Committee: namely, the business case for small industrial units benefiting from both the industrial derating and the small business rate relief scheme under the expanded scheme. The Committee also sought to ensure that businesses that form part of a larger chain do not benefit from the scheme. The Minister is to act on both Committee recommendations and will exclude multiple business premises from the scheme.

It is essential that we have a fair and transparent means of distributing the rates burden in the longer term. The Minister has assured the Committee that the non-domestic rates revaluation, due to take effect in 2015, will rebalance the rating system and that there will no longer be a need for a large retail levy.

The Committee's concern is to ensure that there should be no delay in implementing the 2015 revaluation and that all necessary preparatory work is carried out well in advance so that no gap occurs between the ending of the levy and the revaluation taking effect. An assurance has been provided to the Committee that it will be kept updated regarding the preparatory work being carried out for the 2015 revaluation.

The Committee also notes that the Minister intends to write to the Executive in early April to secure an agreement for revaluation. At its meeting last week, the Committee agreed that I should write to the Department to reinforce the need for revaluation and preparatory work to be carried out in good time. Although supportive of the continued relief for the small business sector, the Committee was keen to ensure that the burden placed on the large retailers was proportionate and equitable.

It has been noted from evidence presented to the Committee that the targeting of the large retail sector alone was the most contentious aspect of the Department's proposals. The levy is to be applied to all retail properties with a rateable value of £500,000 and above. As originally proposed, that would have represented a 20% increase on the rates bills on those properties.

The Committee heard from a number of large retailers and representative organisations on the negative impact of the levy on their businesses. For example, in its evidence, Asda asked whether supermarkets were being targeted because they are keeping their prices down, while utility companies are being rewarded for increasing their prices. Also, B&Q explained that it is liable to pay the levy on all nine of its stores. It claims that the levy will wipe out its profits and that it would be unable to trade here. It further pointed out that it has no flexibility in the size or location of its stores as it needs large storage space for high-volume, low-cost products, and it also needs large car parks.

Following careful consideration of the evidence, the Committee recommended that the funding burden should be spread more equitably, and identified various options for increasing the number of large business sectors that would fund the expanded business relief scheme. The Committee was of the view that the levy could be widened in a measured way to include some other sectors, including banking and financial institutions and telecoms companies, in years two and three. It was considered that the spreading of the cost of the levy fairly across more large business ratepayers would help to mitigate any risk of the levy being the tipping point that could force individual businesses to make decisions that would have detrimental implications for consumer prices, future investment or employment.

In addition to the other sectors highlighted, the Committee called for the Department to further investigate the option of extending the levy to utility companies. It also requested that the Utility Regulator require utility companies to make efficiency savings rather than passing on additional rate costs to consumers.

The Committee was, therefore, of the view that the various options identified for extending the levy represented a valid compromise and an opportunity to spread the burden in a more measured way. However, the Department of Finance and Personnel (DFP) did not favour extending the scope of the levy, arguing that it would create uncertainty and would not align well with other Executive policies. It also emphasised that the levy is to apply to large retailers only for the full three years until the end of March 2015.

Following publication of the Committee's report, the Minister announced on 15 December 2011 that the levy would focus on large retailers, but would be reduced from 20% to 15% on average, with the shortfall being paid out of a modest increase in regional rates revenue receipts compared with what was budgeted. I told the Department that that change appears to run counter to previously stated DFP policy and that the expansion of the small business rates relief scheme would be cost-neutral for the Executive. Indeed, the Department's public consultation paper stated that the changes would be redistributive in nature, so there should not be further pressures on the public purse.

In response to the Committee's report, the Department confirmed that there is no scope to prevent utility companies from passing on the cost to consumers under the current price-control arrangements. In addition, DFP stated that any extension of the levy to other selected business sectors with large rateable properties is highly likely to present compliance issues around state aid. The Committee was further assured that this point is not presented as a spoiling tactic for its recommendation for the scope of the levy to be widened. Although I have to take this explanation and assurance at face value, I am mindful that it can be frustrating when state aid is cited as a barrier to new or innovative policy initiatives. In this regard, the Committee has sought a briefing on state aid generally, and may decide to commission research to further inform members' consideration of the issues.

The Committee was also briefed by the Minister on 11 January in relation to the proposed ministerial amendment to the Bill. The amendment, as outlined by the Minister, provides for the continuation of the empty property relief. New occupiers of vacant premises will be entitled to a 50% rebate for 12 months. The Committee received a copy of the proposed amendment in time for last week's meeting, and I can confirm that members support the measure, which will apply for the 2012-13 year only and is intended to get empty shops back into use.

In response to the Minister's briefing on 11 January, the Department also provided clarification on points of detail raised by members, including why the pence-in-the-pound rate for years two and three of the levy is not contained in clause 1 of the Bill.

11.30 am

A Cheann Comhairle, the Committee has, from the outset, been supportive of the need for an intervention to help reduce the disproportionate rating burden borne by small businesses during this exceptionally difficult economic climate, and Committee members have sought to work with the Minister and the Department to achieve the best possible outcome. The Committee will continue to engage with the Department on the ongoing work that arises from the Bill — most importantly on the 2015 revaluation and the review of the effectiveness of the current small business rate relief scheme — in order to ensure that the Assembly and Executive can deal strategically with economic pressures in future. In the meantime, and given the assurances provided by the Department, on behalf of the Committee I support the motion and the general principles of the Bill.

Mr McQuillan: As a member of the Finance and Personnel Committee, I support the Bill and take this opportunity to thank the Minister for coming to Coleraine, listening to local traders and getting their views on the legislation.

Aspects of the Bill originate in the Programme for Government and are intended to ensure fairness in our rates system, as well as to ensure continued assistance for small businesses across our Province. The Bill represents a better deal for the large retail chains and small businesses which are at the heart of our economy.

Clause 1 relates to the additional rates levy on large retail units with a rateable value of over half a million pounds per annum. It applies only to those properties that are occupied and used primarily for retail sales. The levy will cost the retailer an additional 8.52p for every pound of the unit's rateable net annual value. It must be made clear that the additional levy will not be made on those businesses involved in the sale of meals or refreshments prepared to order for immediate consumption elsewhere, or of vehicles; for example, car lots.

The average rates bill of those affected will increase from £440,000 to around £506,000 in 2012-13. Despite much huffing and puffing in the media, large retailers will be 5% better off every year, which, in monetary terms, is £20,000 on average. Such businesses will therefore be £1.5 million better off in total annually. The average levy will be in the region

of £66,000 per store, raising around £5 million at 2012-13 levels. That will be a massive boost to Northern Ireland's finances and will improve our financial situation, given the Tory-led Government's cuts to our block grant in October 2010. To me, this is a Government reacting to the economic crisis and providing leadership in difficult times.

Clause 2 of the Bill will ensure that those unoccupied business units that have a form of window advertising but are not occupied are exempt from rates. That is in many ways a technical change, but it will have a positive impact on the business community. Without it, Land and Property Services would consider the property to be occupied.

Another aspect of the Bill is one that will help small businesses through the small business rate relief scheme. Small businesses are the lifeblood of a community, especially in rural areas. They provide jobs as well as services for the local community. Therefore, they should be supported, and I am pleased that we have a Government that are keen to do that. I am pleased that the current scheme is to be expanded, with 20% rate relief for businesses with net rateable values ranging from £5,001 to £10,000. That means a saving for business totalling £6 million per annum for 8,300 businesses. That represents a much-needed boost in the current economic climate, where business is tough.

I am also pleased that a 50% rate relief scheme will be in place to assist new businesses in their first year of trade. It will seek to breathe new life into town and city centres across the Province, and I am sure that Members are only too aware of the empty shopfronts in the towns that they represent and agree that the scheme will do something to revitalise them. I commend the Bill to the House.

Mr Cree: I also welcome the opportunity to speak to the first Bill that we have had the opportunity to consider during this Assembly's mandate. I commend the First Minister for bringing it forward.

It has undoubtedly taken us a long time to get to the point of considering legislation in the Chamber, and we have been rightly criticised for it. However, today a positive step is taken, and I hope that we will start to see legislation from other Departments flowing through from their respective Committees.

The Finance and Personnel Committee has considered evidence from a wide range of stakeholders over the past few months and has heard a cross-section of views in support of and opposition to various aspects of the Rates (Amendment) Bill. However, the Ulster Unionist Party has from the outset been supportive of the rationale of what the Minister is trying to do in the Bill. The rebalancing of business rates is a step towards rebalancing the Northern Ireland economy, which is well documented as being over-reliant on the public sector.

It is essential to do all that we can to ease the burden on small and medium-sized enterprises, which are finding it increasingly difficult to survive. An extension of the small business rate relief scheme will be advantageous in helping those businesses through the economic downturn.

Members of the Ulster Unionist Party fully recognise the difficulties facing small businesses, and we outlined that in our 2011 manifesto and in our proposals for the 2011-15 Programme for Government. In both documents, we underlined our commitment to provide a competitive environment for smaller businesses where they can grow, for example, through reductions in red tape and a review of public procurement processes, to make that market more accessible to small businesses.

The proposals in the Bill would take effect for three financial years, and I broadly agree with that timescale. With regard to the rating of commercial properties, we believe that it is important to retain the ability to react to any changes in the economic environment, given the uncertainty of growth. Three years is a reasonable period to enact changes. However, the rebalancing of our economy is a much more long-term aspiration and requires long-term solutions.

If we are serious about taking a long-term approach to helping our economy, there are two issues that we must also consider aside from what is included in the Rates (Amendment) Bill. First, business improvement districts have the potential to deliver sustainable solutions because they focus on the chief barriers to trade and growth affecting town centres. That is in contrast to business rate relief, which simply redistributes money. Secondly, a re-evaluation of business rates, which is happening in Scotland and Wales, is needed in Northern Ireland. Those

issues should be on the Minister's radar, and I believe that they are.

I will now move on to the Bill itself. Clause 1 deals with the levy on the largest retail premises, and I generally have no issues with that. However, I will comment on the definition of "large retail hereditament", which means a hereditament that:

"(a) has a rateable net annual value not less than £500,000; and

(b) is occupied and used primarily for retail sales".

As I have stated, we, like most in the House, support the rationale for the Bill, but I have some concerns at this stage that the cost of funding and expansion of the small business rate relief scheme is not spread across a number of large business sectors, rather than just retail. Some larger stores such as B&Q and IKEA have outlined reservations about being able to cope with the increased burden without cutbacks and potential job losses. That, of course, is not ideal.

Clause 2 tackles the issue of empty shops and the negative impact that those have on town and city centres. As has been outlined by other Members, the Bill provides 50% empty property relief where a shop window is used for community or non-commercial means. The Ulster Unionist Party welcomes that as a pragmatic way forward to deal with an increasingly prevalent problem.

Clause 3 clarifies assumptions about rate valuation by being more specific about the matters that should be taken into account when valuing a property for the purposes of a new valuation list. That change will not alter how revaluations are currently conducted, although it is intended to bring about increased clarity and scrutiny, which must be welcomed.

The Finance Committee was clear that the Rates (Amendment) Bill should act alongside other interventions in order to influence the economy positively. That, certainly, is also the view of the Ulster Unionist Party.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. Tá áthas orm labhairt ar an ábhar tábhachtach seo.

I am pleased to speak on the general principles of the Bill. The basic principle underlying the Bill is quite straightforward: to help our smaller retailers at a time when their trade

is under great pressure from the effects of the recession and to do that by placing a levy on larger retailers with a rateable value of around £500,000. Therefore, you could say that the basic principle behind the Bill is a sound socialist one. I very much welcome that, especially from the present Minister, who is not known for his socialist principles.

In any case, the SDLP recognises the pressure that small retailers are labouring under at the moment and agrees with the Executive on the action that has been taken to alleviate their plight. There is a large degree of political agreement, including from even my learned colleague to my left, that this should be done. As I said, the SDLP agrees with the accelerated passage of the Bill so that the measure will apply in the coming financial year. My colleague Ms Ritchie did, I think, raise some relevant points in that debate, none of which contradicted the point that I had put forward. The Minister took the opportunity to do his "Sammy Wilson at the Apollo" act in response to that. That act has been honed and is gradually improving.

The measure is a short-term measure; we could almost call it an emergency measure. It is being afforded accelerated passage through the House so that hard-pressed retailers can be helped as quickly as possible under the present economic circumstances. There may, indeed, be better ways of bringing relief to small retailers in the longer term, but those would take some time to be brought forward under the existing rating system. A rating review is planned, and perhaps that will afford the opportunity to hone a more accurate instrument in the future.

Much of the criticism of the Bill has come, I suppose not surprisingly, from the larger retailers, which operate 77 or so premises that will be subject to the larger levy. One of their criticisms is that other large businesses with smaller outlets, like banks, for example, will escape the levy. The Chairman of the Committee has referred to that. Although that is a true and valid criticism, I am happy that the Minister and the Department have promised to look at that aspect of the Bill. I am sure that the Minister will have something to say about that particular issue when he sums up.

Many of the larger retailers have expressed the view that business improvement districts, or BID's, would be a more effective way of helping

to regenerate town centres, and have expressed their willingness to participate in and contribute to such an approach. That, of course, is to be welcomed. BIDs may well prove to be a more effective way of helping town centres and smaller retailers. However, under the present circumstances, the relief is needed quickly, and I believe that the Bill will attempt to deliver that relief in the next financial year. The Department for Social Development is bringing forward legislation on BIDs. It will be interesting to see what measures it brings forward to help smaller retailers.

There has been criticism of the actual amount of eventual relief that smaller retailers will gain from the legislation. The estimates are around £750 to £1,000. Many people say that such a sum would not save a business that is teetering on the brink of closure. That may well be true in some cases, but, to use the slogan of one of the Minister's friends, "every little helps" under the circumstances.

I believe that the principle of helping smaller retailers is widely supported across the range of stakeholders. Although they may disagree on the means to the end, it is good to see a general positive attitude in this direction. That is something that can be built upon for the future.

Critics of the Bill will welcome the fact that the measure is time-limited by a sunset clause, which will bring it to a conclusion in March 2015. In the interim, the duration of the measure affords us the opportunity to begin the process of rating review and, as I said earlier, to shape an instrument that may be more effective in helping smaller businesses in the future.

11.45 am

In conclusion, I believe that the positive effect of the Bill in helping more than 8,000 small businesses should be welcomed. I hope the effects of the Bill will help to alleviate the plight of small retailers and ensure that they survive the economic downturn. I support the Bill. Go raibh míle maith agat.

Mrs Cochrane: I welcome the opportunity to speak on the Bill, as brought forward by the Minister, and to discuss the principles outlined therein. I appreciate that, before now, Members were concerned about the implications of the Bill and that a range of opinions and suggestions was offered in order to accommodate a variety of interests.

However, if the primary purpose of the Bill is, as stated, to alleviate economic pressures in a timely manner, then it deserves appropriate consideration by the House.

As discussed this morning, the Bill provides primarily for a supplementary regional rate to be levied on selected large retailers in order to fund an extended level of rate relief for small businesses. Additional funds for local and small businesses should be welcomed at a time when our economy is in need of renewed financial impetus. The manner in which the extra funding will be accrued, namely at a cost to only our large retailers, remains open to question, especially given the range of recommendations brought to the Minister by the Committee for Finance and Personnel. Nevertheless, the intent and end goal of such measures cannot be overlooked, and the extension of the small business rate relief scheme is undeniably worthy of merit.

In addition to the extension of the rate relief scheme, another significant provision in the Bill is the revised rating criteria that it proposes for unoccupied properties. That is particularly significant, given the number of vacant units currently evidenced in towns and cities across Northern Ireland. The revised criteria for window displays and the proposed ministerial amendment, which was referred to earlier, provide a renewed impetus for areas suffering from the ill effects of vacant units and the negative connotations they impose on other traders and businesses in the neighbouring area. That is a growing problem in my constituency of East Belfast, particularly in the area surrounding my constituency office, and I appreciate the recognition from the Minister that addressing vacant units can play a vital role in the regeneration of such areas. I hope that that is something that can be built on further in the near future.

Further detail found in the Bill and its supporting documentation estimates that the financial effects of the changes will give rise to marginal additional costs. That, too, should be viewed in a positive light. When we consider the minimal financial cost relating to the implementation of the Bill, the favourable conclusion of the regulatory impact assessment and, notably, the positive results of the equality impact assessment, in accordance with our section 75 obligations, we see that there is little within those aspects of the Bill to warrant a critical response.

In recent meetings that I had with commercial banking representatives and SME facilitators in east Belfast, it was interesting to note that, in the current climate, the impact and availability of additional rate relief does not seem to be a priority concern in new business planning. Whether that is due to lack of awareness or to the notion that the level of the relief is considered inconsequential, I am not sure. Regardless of their nature, we cannot fail to recognise the efforts of the Minister to provide additional financial support in tough economic times.

Further to points touched upon today and to discussions held over the course of the Finance and Personnel Committee's consideration of the initial proposals, suggestions for change and requests for amendments may be forthcoming when the Bill reaches its Consideration Stage. Keeping that in mind, I offer my support for the principles and objectives of the Bill.

Mr Girvan: I speak as a member of the Finance Committee. In doing so, I think that it is imperative that we see the danger of not reacting to the financial crisis in our retail and town centres. I believe that the Bill, as presented, will go some way in helping to deliver some benefits to the areas greatly affected.

I met a number of retailers who, this time last year, were making exactly the same comments about the rate relief programme, which gave them a 20% rates reduction on properties that were under £5,000 of rateable value. Unfortunately, they believed that that did not go far enough for high street properties. So, the move to help small business by doubling that level to £10,000 will have an impact. An additional 8,300 businesses will take advantage of the change in the coming year. I appreciate that the change is not just for this year; it will be in effect for the next three years.

The number of vacant properties on our high streets has been touched on. Unfortunately, every town seems to be blighted by empty shops and empty shop windows. The Bill makes provision for properties that have been vacant for one year, giving new businesses the advantage of a 50% reduction on the rates for those properties for one year. I encourage that. The Bill will help those who are teetering on the edge of making a decision about starting a business because of the extra cost. At least, those people will have the opportunity to see how things go and, ultimately, their businesses

may fill up some of the redundant windows in our towns.

The provision for advertisement and allowing shop windows to be used is welcome. There is nothing worse than driving down a high street and seeing a row of empty windows. It is important that our high street shop windows are used for some form of retail. However, there is always one problem; in this case, it is the levy for large retailers.

Representatives of the large retailers made presentations to the Committee. The draft Bill included a 20% levy for large retailers. However, in light of some of the evidence that was received, there has been movement, and the levy has dropped down to 15%. We are glad to see that. The 15% levy, as opposed to 20%, equates to an average saving of somewhere in the region of £20,000.

There are a number of areas that we need to look at. Some people said that the large retailers would go out of business. A number of those retailers have made a lot of money over a lot of years. I appreciate that the 15% levy will bring back £5 million to the Executive, which will help to fund the small business rate relief scheme.

As the Minister said, Waitrose, another large retailer, has declared an interest in opening stores here, irrespective of whether we go ahead with this or not. I appreciate that Waitrose is showing a willingness to invest in Northern Ireland.

This Bill warrants the support of the Assembly. We should appreciate that this is only its Second Stage; there are other stages to go through to ensure that we get it through prior to the March implementation of the bills going out to properties. Any business, irrespective of its balance sheet, can take the advantage and reinvest, whatever that difference might be. There will be £750 to £1,000 savings for some small retailers. They will reinvest that money in their businesses. Some of those small businesses said to us that they worked last year for no profit. We are not talking about billions of pounds of profit, we are talking about no profit. Those businesses just managed to cover their overheads, and the Executive should offer any help they can to them. The Bill shows that this Assembly has reacted to the concerns that were brought to the electorate and those who represent our town centres.

I support the Bill with pleasure. I hope and pray that we can get it pushed through. There are those who say that we are pushing it through, but there are time constraints, and it is important that we react to that and get it dealt with as quickly as possible.

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

Mr Humphrey: As a member of the Finance Committee, I, too, speak in support of the Bill. Throughout the process over the past number of months since I was appointed to the Committee, I have been taking part in informal consultation with traders in Belfast in my constituency and the greater Shankill area, as well as in the city centre through the Belfast City Centre Management Company and the Belfast Visitor and Convention Bureau.

Each member of the Finance Committee and, indeed, all Members will, I am sure, have been contacted through their constituency offices about the issues. I also had the opportunity to speak to large retailers at Committee and in my constituency office, and I understand Members' concerns and fears about the Bill's accelerated passage, a process that the Minister explained. For many years, unionists in particular had complaints and concerns about the guillotine process of the Order in Council at Westminster, so I understand those concerns. However, the Bill is about local government delivering for local people and local traders. The Assembly must be seen to be responsive in dealing with the prevailing economic situation in Northern Ireland and throughout the United Kingdom. In that context, accelerated passage is, in my view, appropriate.

Mr Allister and others mentioned the consultation process. Of course, my party has grave concerns not only about the time that the process takes but about the cost of the consultation itself, research, production of publications, sending out executive summaries and then the full publications on glossy paper and, of course, the postage. Those costs apply across all Departments, but look at what opportunities could be created if that money went elsewhere, not to mention the time taken and wasted.

Government here must be responsive, and I think that the Minister of Finance and Personnel has been responsive and responsible. Just as the Committee consulted extensively, so did the Minister. We heard about his tour of

Northern Ireland, and I also praise him for meeting the Belfast Chamber of Commerce and Belfast City Centre Management Company to address the issues of traders in the centre of Belfast. I understand that more Members do not represent Belfast than do, but Belfast is the tourism and transport hub of Northern Ireland, and it is important that, as the capital city, it is taken into consideration. That is why there was wide consultation with the Northern Ireland Independent Retail Trade Association (NIIRTA), the Federation of Small Businesses, Pubs of Ulster and the large retail sector. As pointed out by Mr Girvan and at Committee, it is important for traders to move from a negative position to normal profit. The scheme will provide a salary for some traders who currently do not receive one; a man who gave evidence to the Committee made that point. The income from the large retail scheme will be £5 million, which will be used to offset the cost, which is about £6 million, of the small business rate relief scheme.

I think that we must, at the same time, take into consideration the concerns, as Mr Cree mentioned, of B&Q and IKEA. However, those large retailers must remember that business can be cyclical, as I know from working in the private sector for 16 years. There was a time when large retailers had it good. Many, particularly in border towns, still have it very, very good; and, of course, the Republic of Ireland's increase in VAT to 23% will provide a huge boost to their business. The next number of months will show that to be the case.

It is important that we in Northern Ireland are fit for purpose and do all that we can to ensure that business are strong, fit and able to deal with the issues arising from the prevailing economic climate. However, we should not lose sight of the fact that we are dealing with one of the worst economic situations in the world since the 1930s, and it must be remembered that a lot of our trade is with countries in a euro zone on the verge of collapse.

People will accuse you of being irresponsible for saying that, but it is a fact. If a country like France loses its AAA status, there is a serious issue in the euro zone, not to mention the issues in Spain, Italy, Greece and, of course, the Republic, our nearest neighbour. The truth of the matter is that we have to do all we can to ensure that our businesses are fit for purpose.

12.00 noon

With regard to the large business relief scheme, every member of the Committee who met those people understood the pain that this will have for their businesses. However, the truth is that we cannot simply sit and do nothing. Our towns and city centres need to be rejuvenated. Past Times and Peacocks are going into administration, following others who have gone down that route.

This action will be connected with those that local councils will take. I pay particular tribute to Dungannon council for its empty shop project, improving the frontage of shops that are disused or derelict. That is hugely important to our small towns. Equally important, particularly in our larger towns, is the proposal for business improvement districts. They will allow our towns and cities to be seen as vibrant, open for business and the heartbeat of the community.

Tourism is hugely important for Northern Ireland. Therefore, it is important that we have events such as the large one in London last week, when the First Minister and deputy First Minister were selling Northern Ireland plc and trying to get people to come here because this year we have the Titanic centenary. In the next number of years, however, we have lots of things: Londonderry City of Culture and, of course, others that will roll out. We have got to be out there, selling Northern Ireland plc as a place to visit and a place for foreign direct investment but also as a place to shop locally and a place to shop if you are coming across the border. There is clear evidence in Belfast and in out-of-town shopping centres around Belfast of Southern shoppers coming to Northern Ireland and spending money here.

As I said, we do not have control over fiscal policy. That resides at Westminster. As a unionist and someone who believes in continuing to strengthen the union, I believe in parity. However, fiscal policy here is limited in terms of rates. The rate relief scheme will help. It is not a panacea, but it will help business and local traders as they face the most difficult of times, with some facing closure. We heard that directly in evidence to the Committee. Therefore, I hope the Bill receives support across the House. The Bill is about local government responding to local concerns, local fears, local people and local businesses and delivering for them and helping them in their business and

maintaining Northern Ireland through a very difficult period.

Mr Elliott: I thank the Minister for bringing forward the Bill. First, I acknowledge the arguments that have been made about accelerated passage. I listened to some Members indicate strongly why the Bill should have accelerated passage. Some of those arguments, though, could be made for every piece of legislation: the cost of consultation, the amount of consultation, how long that goes on for and the time that is spent doing it. That argument could be used in a lot of other cases and not for just this Bill. We need to look at whether this legislation is fair and reasonable. Will it do what it is meant to do? Will it bring about the results that we hope for?

I listened intently to the Member for North Belfast. He will appreciate that I do not agree with his over-reliance on Belfast. There is much more to Northern Ireland than Belfast. I hope that the vast majority of Members appreciate that as well. All parts of Northern Ireland contribute significantly. I want to see many of the smaller retailers getting the benefit of what we achieve in the Chamber.

A number of businesses and town centre managements would disagree with what the Member for North Belfast said about many of them still doing very well out of cross-border shopping. That is relevant to some of the larger out-of-town retail stores, but not all of the town centres, especially those around the border, do well out of cross-border shopping. In fact, quite recently, four businesses in one town in my constituency closed within one week. That is a practical example of how difficult it is for businesses at this time.

I would like the Minister to clarify the specifics of the extension to the rate relief scheme and how it will apply to each business. One retailer indicated that the relief would only bring around £730 per annum to around 9,000 small businesses. I wonder what the Minister's opinion is of that figure. I assume that he indicates something different. There was an earlier indication of a 20% levy on large retail stores, which has now been reduced to 15%. I assume that that 5% difference will come from public spend and that other businesses or opportunities in Northern Ireland may lose out because of that 5% reduction. I would appreciate some detail on that aspect.

It might also be a good opportunity for the Minister to outline some of the details of the regional rates and where exactly they are spent. Many of us who have served in local government appreciate that each and every pound that is spent on the district rates is accounted for in the local rate base. Many see the regional rate as just a regional taxation for Northern Ireland; there is no real explanation of where exactly it is spent. I know that it is very difficult because you still have some reserved matters that it goes towards as well, but it would be a useful exercise to, at some stage, give a further explanation of that.

I appreciate the difficulties for small businesses. I hear what the large retailers say, but not as many of them go to the wall as small businesses. We must protect them. I am very focused on protecting the regional towns and market towns and the centres of Belfast and other cities in Northern Ireland. That is why it is vital that we protect them and provide any practical assistance that we can in a manner that will not overly discriminate or cause hardship for the businesses and multiples that make significant amounts of money. Although I appreciate that this is only one of the measures that may help in the current economic climate, I accept that, hopefully, it will go some way to rebalancing the Northern Ireland economy.

Mr Hilditch: I support the Bill as presented, and I welcome the accelerated passage afforded to it today.

The Assembly must react to the economic climate in which we find ourselves. We need to support our existing small businesses and encourage any potential new small business by the introduction of the Rates (Amendment) Bill and any forthcoming initiatives that go with it. The economic downturn has been difficult for a range of sectors, but it has hit our small businesses particularly hard. When walking through towns in my constituency of East Antrim, such as Larne and Carrickfergus, I find its effects very visible and very worrying. Other Departments are working on master planning for our provincial towns, with streetscapes and public realm schemes. However, if closure rates continue, particularly in the retail sector, those planned works will not matter too much. Although the Bill will not resolve the problem, it can take a small but meaningful and significant step towards trying to sustain town centres. In particular, where larger retailers have been

sucking the blood out of town centres, it is time to put something back. Hopefully, the sacrifice made by larger businesses is understood on one hand and appreciated on the other.

Although this is the Second Stage of the Bill, there has been fairly substantial consultation and, indeed, public debate on it over the past few months. Hopefully, now, everyone has had their say, drawn conclusions and formed opinions. It is known that more than 98% of businesses in Northern Ireland employ fewer than 50 people. That is just less than half of the number of businesses that are registered for VAT purposes as having a turnover of less than £100,000. Therefore, small businesses are a crucial sector in the economy. Their contributions are vital to development in communities and will drive and support employment growth.

The additional support that any future expanded small business rate relief scheme is offering is around £6 million per year. There is no doubt that that will go some way towards helping the quoted 8,000 businesses in 2012-13. In Carrickfergus, where I am based, it is estimated that more than 300 small businesses in the borough will be beneficiaries of the scheme. That is an estimated 50% increase in Carrickfergus and, likewise, in Larne.

The large retail levy will affect, as the Minister has indicated with updated figures, 23 companies with 75 properties. Obviously, that includes Asda, Sainsbury's, Tesco and other department stores. The average rates bill of those affected will be £66,000, as we have already heard. To put that into perspective, one large retailer — Tesco, I believe — was listed as having a £24.4 billion market capitalisation as of 15 January 2012. Therefore, £66,000 per annum can, surely, be absorbed by the multinational company over the three-year period. Indeed, many would already have been paying substantially more had rates review taken place before now. We appreciate and acknowledge the importance of multinationals to Northern Ireland's economy and the positive impact that they have had on employment, and we want to continue to support their growth and sustainability. However, we would struggle to say that large businesses are in the same vulnerable position as small businesses.

Ten years ago, you would probably have had to travel some distance to find a Tesco,

Sainsbury's or Asda. Now, they have at least one large retail unit in virtually every provincial town. If you take a walk through most town centres today, you will find it difficult to say that they need another multinational. The evidence is clear from the boarded-up shops, derelict buildings and smaller retail outlets. Businesses are required in those centres. That is why my party welcomes clause 2. Even aesthetics would be improved by its provisions on shop windows and frontages.

Businesses, such as coffee outlets, shops, offices, restaurants and community facilities add footfall, vitality and liveliness. Improving the built environment and retail outlets in towns would attract a greater number of visitors and tourists to spend money in communities. The Rates (Amendment) Bill is a small but important step to try to help the sector. It is for those reasons that I urge the Assembly to support the Bill. My party is not saying that the Bill will rectify the problems faced. However, it will be an important step towards addressing the cost base and the very survival of the small business and retail sectors.

Many good points have been highlighted and arguments made with regard to the scheme's boundaries and which businesses should be included and which should not. Lines have to be drawn somewhere. The scheme has reached the best balance possible at this stage. I welcome the Bill, and I look forward to the Minister's response.

Mr Allister: It has been an interesting debate, both because of things that were intended to be said and some that were not. Unless I misheard Mr Cree, I noticed that he thanked the First Minister for introducing the Bill. I know that there is, apparently, a new dawn of co-operation between the Ulster Unionist Party and the DUP. However, unless Mr Cree knows something that the rest of us or, certainly, some of us do not, it was an interesting observation. I also noted that it very quickly brought the present First Minister right into the Chamber to stamp out any such seditious suggestion. When the ship was settled, he left again.

12.15 pm

With regard to the principles of the Bill, part of the justification for this approach is to bring greater equity and balance to our rating system and to recognise the undoubted reality that many of our town centre businesses are being crippled by rates. Their customers have to

put up with town centre car parking charges, whereas large out-of-town retailers have benefits in terms of what looks like paying less in rates pro rata, and, very often, they have the benefit of free car parking. So it is suggested in the Bill that we can do something to right the balance somewhat in that regard. To an extent, that may be true, but the real tool in rating for dealing with imbalance and bringing equity is the mechanism of a general revaluation. Yet, that is something that we have not had since 2003 and will not have until 2015, not because of the actions of some wicked, slothful direct rule Minister who does not care about the imbalance in the rating structure but because of the actions of the Executive in postponing a general revaluation of rates. In doing that, they perpetuate the inequities that are now said to justify the bringing forward in part of this proposition. Rather than grasping the nettle and dealing properly, adequately and fully with the inequities that afflict our rating system through embracing a general revaluation, they do the very opposite. They put it off, thereby perpetuating the fact that many local retail stores in town centres are being unduly put upon in contrast to others. So it is important that we identify that issue.

Of course, it is compounded in Northern Ireland by the fact that we do not have interim revaluations based on a change of circumstances. Elsewhere in the United Kingdom, you can make an application from the last valuation and make a case, and, if you succeed, you can have your rates adjusted. You cannot do that here. That is a further inequity and one that the Executive could have addressed in legislation, be it accelerated or slow legislation. They have chosen not to address it at all.

One has to ask why the Executive have shied away from the obvious due process in addressing rate inequities through a general revaluation. The answer is probably finance-driven. They are quite happy to exploit the fact that businesses are being over-rated because it helps the infill into the coffers. They are quite happy to have valuations based on values that may no longer be in keeping with current commercial valuations, and they are quite happy to reap the benefits of that. In so doing, they do a great disservice to businesses and householders in this community. It is in that context, therefore, that one has to measure the sincerity and authenticity of the protestations

about a desire to help businesses and households through tough times. Why has it not been done through a proper revaluation, which, I suspect, ought to have been done?

Instead, we now have a Bill with some stopgap measures to try to bring some balance where there is none. The main target, of course, is big retail business, be it out of town or not; mostly, undoubtedly, it is out of town. I detect something of a contradiction in that. I am not a big supporter of huge business, but it has its place. It creates and devotes a great, valuable contribution to our society. However, we all stand aghast at times when we see the profit levels that it reports and the bonuses that it pays. It is hard for consumers to be friendly towards it, but it has its place. As I said, I detect something of a contradiction between, as it would see it, the crusade against big business — I think that that is overstating it — putting extra rates on it and the Executive's head-over-heels approach to corporation tax reform. That, of course, is designed specifically and exclusively not to help small business, the struggling shopkeeper in the high street or the corner shop owner but to help big business and to attract more big business. The Finance Minister may not be the greatest supporter of that on the Executive. He may occasionally ask proper, sceptical, searching questions about the proposition. However, the Executive as a whole have no room for scepticism or questions about the wisdom of that. They are head over heels in favour of corporation tax reform but send out a very different message on rates. That message is this: we are the friend of big business on corporation tax, but, when it comes to rates, we want to soak them a little more. I detect a contradiction in that that has never been properly explained.

Then there is the issue of what the extra levy will bring in, which, we suddenly discover, will be very modest indeed. It is but £5 million, we are told. In financial spend terms, £5 million is very small beer indeed for the Assembly. The Assembly spends £5 million a year on spin doctors. When I say "the Assembly", I mean the Assembly and the Executive. The Assembly funds an organisation, Invest NI, that can spend £200 a plate on a night out to hear Van Morrison. Last week, the Finance Minister told the Assembly that he had £40 million to spare and that Departments were looking for only £20 million of it. The Assembly spends £100 million every four years on useless North/

South bodies. Therefore, suddenly discovering, in the context of what I have described, that the levy is an imperative prerequisite for helping small business to garner £5 million from big business seems quite a tall story. Last week, the Finance Minister was happily able to find £120 million down the back of a sofa somewhere for education. Good. I do not buy the propaganda that, without the levy, we could not and would not help those who need help: small businesses. The Executive could readily help small businesses without the levy, and they know it. I am a little sceptical about some of the motivation for all this.

I want to turn to some other issues in the Bill. The Bill will be applied on an all-or-nothing basis to companies with an NAV of over £500,000. That is the cut-off or kick-off point for the extra tax. Therefore, companies with an NAV of £495,000 will breathe a sigh of relief, while companies with an NAV of £500,000 will pay — what is it? — an extra £43,000 a year. Companies with an NAV of £1 million or £1.5 million will pay proportionately more on the basis of 8.5p in the pound. Why is there no graduation or scale in the Bill that might allow for a lesser commencement figure and a higher ultimate figure? If we want to bring equity to the playing field, could that not have been done? Maybe there is an explanation for that. I have not heard it today, but, if there is an explanation, no doubt we will hear it.

We also discover that the Bill will apply to retail only but not to all retail. Why is that? Why, for example, are companies that sell vehicles excluded? If I drive my car up the M1, I will pass Makro on my right-hand side. I do not know what the NAV of that business is, but, even if it is over £500,000, it will escape the levy because it is a wholesaler and not a retailer. If I pass a large, sprawling vehicle-selling centre, it will also be exempt from the levy, whatever its NAV. Why? If I pass Marks and Spencer or another store at Sprucefield, it will be included in the levy. Why? Why is it a levy for some and not for all? Why will some retailers in some categories be excluded? Again, interesting though the debate has been, I have not heard an explanation of that.

One thing that is clear — it causes me some unease — is that the Bill offers no certainty beyond the first year. We know that the additional regional rate of 8.52p in the pound will be charged in the upcoming financial year. We also know that something will be charged

in the next year and in the year after that, but we do not know what that will be. That will be decided by secondary legislation at some point in the future, possibly by a different Minister. I would have thought that the business community wants certainty and to know what it has to budget for. The Bill tells business what it has to budget for next year. Why does it not tell it what it has to budget for in the following two years? We are assured that that will be temporary, but we have all heard those assurances before. My goodness, mandatory coalition was supposed to be temporary, but everyone in the House knows that it is here for as long as those who prop it up choose to prop it up.

12.30 pm

I suspect that the levy could remain for longer than the three years. That would, of course, require further primary legislation, but within the second and third year, further secondary legislation is not required. At a whim, almost, subject to the affirmative resolution process, a Minister could decide to increase the amount of the levy or revisit, redraft or totally recast the definitions section of the Bill. It is surprising that primary legislation is passed that sets out key definitions in clause 1 — what would be the new article 7A(3) of the Rates (Northern Ireland) Order 1977 — of what is a large retail hereditament and of what is retail sales and sale of goods, etc, and then slips in at new paragraph (4) that:

“The Department may by an order which is made subject to affirmative resolution modify paragraph (3).”

So those definitions are not worth a lot if, in the future, without primary legislation, they can be revisited and recast. Why is that necessary in this Bill? Why are we not even allowing that degree of certainty, so that we can have a situation where, next year, the NAV might not be £500,000, but could be £400,000 or £700,000? Who knows? It is because the power exists, in the proposed paragraph (4), to amend that by secondary legislation. Is that a good way to proceed with primary legislation such as this?

No doubt we will be told that it is, but I am uncomfortable with the blank cheque approach that the Bill embraces.

Mr Hamilton: In developing this latest contradiction in his argument, the Member has described the

Bill’s provisions as a blank cheque. Having, it seems, read the Bill, has he not taken note of the fact that it says that further changes can be made only by way of affirmative resolution, and that, therefore, it is not a blank cheque? Indeed, if any amendments are tabled they must come before the House and be voted on by all Members, including himself.

Mr Allister: I was careful to read from the Bill about affirmative resolution. Of course I know that. *[Interruption.]* Sorry?

Mr Hamilton: It is not a blank cheque.

Mr Allister: It is a blank cheque in that it is a departure from the route of primary legislation. It is saying to the Minister, you, by secondary legislation, can have another go at the Bill and change its framework. You can change the NAV and who is in and who is out; you can do all that by secondary legislation. *[Interruption.]*

Mr Deputy Speaker: Order. Blank cheque or no blank cheque, all remarks must be made through the Chair.

Lord Morrow: I have listened with interest to what the Member has been saying. In keeping with his attitude on other things, he is quite critical. I suspect that, if the Executive were to give gold diamonds to businesses today, Mr Allister would be critical of it and would say it should be silver or something like that.

He has come out with much criticism and he feels that a different route should have been taken. During the consultation period that was available to us to hear all these things, how many ideas did he put forward in his submissions? How did he give the Executive, the Minister of Finance and Personnel and the Department of Finance and Personnel the benefit of his wisdom on this issue? Can he catalogue for us, in some detail — I know that he is a man for detail — his submissions on the Bill during the consultation period? Will he accept that, when we are talking about rates, there are others who can play a role?

For instance, Dungannon and South Tyrone Borough Council, which strikes a part of the rate, has had a zero rate increase for the past two years. I advise him to watch the space in Dungannon to see what will happen in the third year. Is there not an example there?

Mr Allister: I am sure that there is, but I am sure that those who are affected by that will be

echoing the point that that is good and gives us certainty until the Bill comes along. The Bill introduces uncertainty; we know that, next year, there will be an extra 8.5p in the pound, but we have no idea of what it will be in the years after that. Although Dungannon council may have been very good in giving stability and certainty to its traders in that regard and is being commended for it, we have no control over what DFP does.

Being a Member of the House gives me the advantage of making a point about the response to the consultation. If we were in the non-accelerated process, there would also be the opportunity to properly table and debate amendments. There would also be the opportunity for the Minister to respond and to reflect on issues made, but, because —

Mr Weir: Will the Member give way?

Mr Allister: In a moment. Because we have truncated all of that and decided that we are going down the fast route on this, we are not looking for alteration, improvement and amendment. They know best. If Lord Morrow thinks that the Executive would have listened to one word that Jim Allister would have said, he is even more naive than I thought. One knows that that might be the surest way to ensure that it was not listened to.

Mr Weir: I thank the Member for giving way. He does himself a disservice by saying that Lord Morrow and others would simply ignore his words. I appreciate that the Member is relatively new to this institution, but I would have thought that he should realise that accelerated passage does not cut out the opportunity for any amendments, and, indeed, I am sure that we look forward to whatever amendments he wishes to table. Accelerated passage simply removes Committee scrutiny and, indeed, ensures that scrutiny is on the Floor of the Chamber. The Member is wrong if he says that accelerated passage precludes amendments in some way.

Mr Allister: It excludes line-by-line consideration of the Bill, which is the Committee Stage. The Member can dance around the issue as much as he likes, perhaps imbued by a certain embarrassment that he is a party to the short-circuiting of a process. It abrogates entirely the Committee Stage of the Bill, and that is where it removes the line-by-line examination of the Bill.

Lord Morrow: Mr Allister, every time you speak, you come across as a very generous man. Surely, as a public representative, you have a social conscience. You have poured out issues that you feel would enhance the Bill immensely. Is it not reasonable to say that you should have put those forward in the consultation period? You could then have got up and said with some authority and credibility that you had put up reasonable suggestions that the Executive did not listen to. You cannot say that, or can you? I suspect that you will say that.

Mr Allister: I can say —

Mr Deputy Speaker: Order, please. I must remind Members that interventions should be really short. Also, I have to tell Members that, if Mr Allister is not finished by 12.45 pm, I will have to suspend the meeting. That is not because he has been speaking but because a Business Committee meeting is taking place.

Mr Allister: Mr Deputy Speaker, you will understand that they keep interrupting me. On Lord Morrow's point, I have had lots of experience where my advice has been unceremoniously rejected, and I have no doubt that it will be no different in this case.

Speeches at Second Stage should be on the principle of the Bill, but, if we are not to have line-by-line scrutiny, I wish to elucidate from the Minister some information relating to clause 2.

That is the one that refers to window displays. A bit like the Executive, the pretence is that work is ongoing but the reality is very different. What will become paragraph 9(2)(b) tells us about the conditions, to which I referred earlier, that restrict or set the parameters of those window displays, stating:

“the window display is not for the purposes of, and does not identify, a trade or business”.

I struggle to understand the intention of that. Does that mean identify a trade or business in the generic sense of any trade or business? Or is it intended to be focused on not identifying a trade or business in a specific sense? If, for example, those well-known milliners “S Wilson’s” who sell handbags had a shop and part of their premises next door was vacant, and they want to put a display in its window, were they to put a display of handbags, hats or whatever —

Mr Hamilton: That is what a milliner would do.

Mr Allister: Yes. If they put a display of handbags or hats, because they are identifying that window with a trade or business in the drapery line — as a milliner or whatever — are they offending that clause? Or would that only be the case if they put something that specifically identifies their business, S Wilson's? That is a serious enough point when it comes to the interpretation of the Bill. It is the sort of point that would have been teased out in a line-by-line examination of the Bill. Therefore, at this peculiar Second Stage, one is entitled to ask what the clause means when it says that a display shall: "not identify, a trade or business". If it is meant to be the specific trade or business that owns the window, is the wording adequate to cover that? I will be interested to hear what the Minister will say about that.

The preceding head contains the arbitrary declaration that the:

"window display does not exceed 5 per cent. of the floor area".

What is the nexus between those two? What is the thinking behind stating that your window display must not be more than 5% of your unseen floor area? Where is the logic or the reason for that? What is the source of it? For any legislation to be good, it needs sensible justification for the detail that is in it. Certainly, I have heard nothing to indicate the logic or source of that provision. That is the sort of detail that it would have been useful to have the opportunity to explore.

Finally, you will be glad to hear, the Minister mentioned a new clause, which I have not seen. I think that he said that it would carry forward a 50% rebate for the year in which premises are reoccupied. However, if I understood him correctly, that rebate would be restricted to retail. Why restrict it to retail? There are many empty office premises up and down Northern Ireland. If I understood the amendment correctly, why are they excluded? Is there a compelling reason for that? I will be interested to hear it.

12.45 pm

I trust that I have not tried the patience of the House too much. I return to the fundamental point that revaluation is the proper way to bring equity to the rating system. If large out-of-town centres are paying too little per square foot and town centre retailers are paying too much, as they undoubtedly are, is revaluation

not the proper way to do that so that there is a long-term — or a longer-term — equity to the situation?

Mr Deputy Speaker: The Business Committee has arranged to meet immediately on the lunchtime suspension. I propose therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm. The first item of business when we return will be Question Time.

The debate stood suspended.

The sitting was suspended at 12.45 pm.

On resuming (Mr Principal Deputy Speaker [Mr Molloy] in the Chair) —

2.01 pm

Oral Answers to Questions

Regional Development

Mr Principal Deputy Speaker: Apologies.

Translink: Fares

1. **Mr G Kelly** asked the Minister for Regional Development whether there are any plans to increase Translink passenger fares in the near future. (AQO 1122/11-15)

Mr Kennedy (The Minister for Regional Development): Mr Deputy Speaker, I never thought that I would be in a position to welcome your presence. *[Laughter.]*

I thank the Member for his question. Translink produces a rolling three-year corporate plan each year that must be approved by the Department. It normally focuses on the plan for the year ahead, taking account of cost pressures as well as revenue support from the Department and income projections. Fare levels will be a key element of the discussion. The plan is discussed with my Department as well as with the Regional Development Committee and the Consumer Council before finalisation. The process is ongoing.

Recent financial plans have helped ensure that fare increases are kept to a minimum. The last Translink general passenger fares increase was in June 2010. The current fares freeze on bus and rail services in Northern Ireland will continue until at least the end of the current financial year. That has benefited large numbers of passengers using bus and rail services in a period of economic hardship. As far as I am aware, that has not been the case elsewhere in the United Kingdom or, indeed, the Republic of Ireland.

Discussions with Translink regarding its financial plans for the next financial year continue. Although I cannot give any specific assurances about the position that will apply for the next financial year, I can assure you that I will endeavour to keep fares to a minimum for the consumer.

Mr G Kelly: Go raibh maith agat le haghaidh an fhreagra sin. Thanks very much to the Minister for that answer. Although he said that he cannot guarantee what the fares might be, he also said that he will try to keep them to a minimum. If there are increases, can we get a guarantee that the service will increase? Routes have been taken off and services made less frequent in some places in the Translink system.

Mr Kennedy: I thank the Member for his supplementary question. Those issues are, of course, primarily for Translink. Fare increases are always a last resort, but it is important to recognise the financial pressures facing Translink. In broad terms, we expect Translink to prepare plans that meet all its financial pressures and enable it to break even financially across Northern Ireland Railways, Metro, Ulsterbus and the Northern Ireland Transport Holding Company.

Translink remains a public corporation whose financial pressures are my responsibility. However, it would not be in the best interests of the consumer or the taxpayer for a financial plan to be agreed that could lead to major financial difficulties in the organisation. Indeed, Translink retains company status, and there are responsibilities as a direct result.

Mr Campbell: The Minister will be aware of the increasingly high cost of private car ownership and the cost of unleaded fuel and diesel. Setting the cost to the private motorist to one side, that opens up opportunities for Translink to focus on special offers to get people using trains and buses. I know that there is some linkage between Belfast and the north coast in that regard. Will he ensure that Translink will heavily promote those specially discounted fares in order to get people on to public transport?

Mr Kennedy: Yes.

Mr Nesbitt: Thank you, Mr Principal Deputy Speaker. This is very good exercise. I welcome the Minister's commitment that, if fares have to go up, they will be kept to "a minimum". Will he assure the House that such an increase would be below the level of inflation?

Mr Kennedy: As I indicated, any fare increase is always a last resort. If it were found to be necessary, I would want to keep those fares to an absolute minimum, which would involve looking at rates of inflation.

Mr Durkan: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. What work is the Department doing with the education and library boards with a view to keeping the cost of school transport down and affordable?

Mr Kennedy: I thank the Member for his supplementary question. Those issues are for Translink to carry forward, but I am aware that it is having discussions with the education authorities. I encourage that because there are competing financial pressures on education and library boards as well as on Translink. Finding a way forward by working together seems to be a very good thing.

Mr Principal Deputy Speaker: Before we move on, I advise Members that questions 4, 7 and 9 have been withdrawn and will require written answers.

A24: Ballynahinch Bypass

2. **Mr McCallister** asked the Minister for Regional Development for an update on the proposals for the Ballynahinch bypass. (AQO 1123/11-15)

Mr Kennedy: Roads Service has advised that a preliminary options report for the A24 Ballynahinch bypass proposal was published in 2009. Subsequently, work has been taken forward to identify a preferred route for the scheme. Three possible lines for a bypass on the eastern side of Ballynahinch are being considered. Those lines reflect the line included in the Ards and Down area plan, and were the subject of a public exhibition and consultation event held in the town in November 2009.

Roads Service has considered the comments received at that event and through subsequent representations, as well as the results of comprehensive engineering, environmental and economic assessments that have also been completed. That led to a comprehensive stage 2 preferred options report being undertaken, which also considered requests to provide a junction where the proposed bypass would cross Crossgar Road. I am pleased to inform Members that that report is now complete, and I will announce details of the preferred route in the Adjournment debate later this afternoon.

I recently had the pleasure of meeting elected representatives and local businesspeople from the Ballynahinch area, and although I fully acknowledge the significant representations

made by the local community in support of the scheme, and my Department's support, I am unable at this point to advise when the Ballynahinch bypass is likely to be provided, as the level of funding likely to be available for strategic road improvements in future years has not yet been decided. I intend to consider spending priorities across my Department, including the strategic roads programme, when funding is confirmed.

Mr McCallister: I welcome the Minister's reply. He will be aware that his regional strategic transport network transport plan reports that average journey times through Ballynahinch took place at speeds as low as under 8 mph. Does the Minister agree that this has a serious adverse effect on businesses, tourism and commuters across the south Down area?

Mr Kennedy: I am grateful to the Member for his supplementary question and his interest in this particular scheme. I have, on many occasions, travelled through Ballynahinch and enjoyed the facilities offered, including its shopping. My hope and intention is that we can proceed with the Ballynahinch bypass as quickly as possible. I am interested, as roads Minister, in upgrading the network of roads throughout Northern Ireland, and I have listened closely and taken the opportunity to meet local representatives and businesspeople who have been advocating the scheme. I am aware of the arguments, and we continue to move that scheme forward as quickly as we possibly can.

Mr McCarthy: I thank the Minister for his responses. I noticed that the Minister was indeed in my constituency last Wednesday morning. He had a number of representatives around him, shaking hands and all the rest. I was in the office dealing with constituency matters. He never thought of coming and saying, "Mr McCarthy, come out and talk to us, get your photograph taken and all the rest of it."

Mr Principal Deputy Speaker: Question?

Mr McCarthy: Perhaps the next time he will invite a very important element of that constituency to join him. *[Interruption.]*

Mr Principal Deputy Speaker: Order.

Mr McCarthy: In view of the cancellation or postponement of work on the A5 and, as has already been said, the seriousness of the situation, will the Strangford constituency and

the Ballynahinch bypass have priority? Can we get our hands on some funding to provide that much-needed road?

Mr Kennedy: I am grateful to the Member for his supplementary question. I hope that he is not being picky, because that seems to have been a recent criticism of his party leader. *[Laughter.]*

For all that, the issue that the Member raises is an important one. I am afraid that those issues are not yet settled. However, as Minister responsible for roads, I repeat my assertion that I am interested in improving the road network throughout Northern Ireland, including in the Member's beloved Strangford constituency and possibly also the Ballynahinch bypass.

Electric Vehicles

3. **Mr A Maskey** asked the Minister for Regional Development for an update on the electric vehicle infrastructure pilot scheme. (AQO 1124/11-15)

Mr Kennedy: The Member may be aware of the successful bid for funding from the Office for Low Emission Vehicles in Whitehall by the Northern Ireland e-car consortium, which includes my Department. It has taken forward a significant programme of planning and development to ensure delivery of the project within the agreed time frame. I am pleased to confirm that, as a result of that work, we are now at a stage where we can begin to install the infrastructure. Over the next few weeks, more than 40 public charge points will be installed in the areas of Belfast City Council, Newry and Mourne District Council, Armagh City and District Council, Derry/Londonderry City Council, Larne Borough Council and Fermanagh District Council, with four rapid-charge points to be installed at key locations on our strategic road network. They should all be on site by the end of March 2012.

Currently, there are plans to install further fast-charge points during the 2012-13 financial year. However, we are seeking to expand that, and we have sought from councils not currently involved in the programme expressions of interest in joining the e-car consortium with a view to locating charge points in those council areas. In addition, a grant incentive is also being provided for the installation of home and workplace charging points.

Alongside that, work has been taken forward to develop an IT payment system and the e-car website to provide access to charge point location maps, grant application forms and other relevant information. Delivery of that important project will ensure that Northern Ireland has access to one of the most comprehensive electric vehicle charging infrastructures on these islands.

Mr A Maskey: I thank the Minister for his comprehensive response to the question. I commend him and his Department for the work done so far. Is he in a position to elaborate on what measures are being taken to encourage private vehicle owners to participate in this initiative?

Mr Kennedy: We want to encourage uptake of the scheme, which has been relatively slow up to this point. However, it is important that we put in place the infrastructure for charging points to encourage low-carbon-emission vehicles. Although purchase of those vehicles involves high charges, we want to bring forward the opportunity for car users to own and use them, and such cars will have a very positive impact on travel in Northern Ireland in the future.

Mr Dallat: I am very impressed by the Minister's illuminating answer. Can he throw some more light on how people can be encouraged to take that first tentative step towards acquiring electric-powered vehicles?

2.15 pm

Mr Kennedy: I thank the Member. As usual, if not plugged in, he is sometimes wired up. *[Laughter.]*

Specific charge point locations have been identified throughout Northern Ireland. Each charge point will have two dedicated car park spaces, which will be located in priority car park locations in Department for Regional Development car parks, council car parks and shopping centres. Of course, home and workplace charging will be charged under existing home or workplace electricity bills. We are putting in place the mechanism whereby people can take up the scheme. Electric vehicles are only now coming on to the market. The plug-in car grant allows vehicle buyers to receive a grant of 25% towards the cost of a vehicle, up to a maximum of £5,000. I wish it had been more. In January 2012, it was announced that van buyers will also be able to receive a 20% grant, or up to £8,000 off the

cost of plug-in vans. I hope that those measures give the Member some encouragement.

Mr Dickson: Minister, thank you for your electrifying performance so far. Can I be picky and ask the Minister whether he has any plans to assist large urban areas, perhaps the Belfast area and others, with the introduction of pay and drive/pay and hire electric vehicles?

Mr Kennedy: I thank the Member; pickiness seems to run in his party. I take on board what he said and will explore further opportunities for that. We are trying to encourage uptake. The grant measures, the charging points and other measures that will be brought forward will, collectively, improve opportunities.

Mr Principal Deputy Speaker: Question 4 has been withdrawn.

A5: Reallocation of Funding

5. **Mr Easton** asked the Minister for Regional Development for an update on any reallocation of funding from the A5 road project to other road projects. (AQO 1126/11-15)

Mr Kennedy: As Members know, the Irish Government have deferred the provision of further funding for progression of the A5 and A8 schemes, and will now provide £25 million per annum in 2015 and 2016 towards the projects. At the North/South Ministerial Council (NSMC) plenary meeting on 18 November 2011, the relevant Departments were tasked with preparing a new funding and implementation plan for the A5 and A8 projects to be agreed at the next NSMC transport meeting, for endorsement at the next NSMC plenary meeting.

That process is ongoing and has not yet reached a conclusion. I held discussions with the Minister of Finance and Personnel and expect to have further discussions with ministerial colleagues with a view to reaching a conclusion as swiftly as possible. As roads Minister, I am keen to give clarity on that issue, not least to those in the road construction industry, who are facing very severe problems and are keen for a resolution to those discussions.

Mr Easton: If the Minister is able to keep the money for the A5 project and has to reallocate some money to other projects, is he confident that the money will be kept in his Department

and, if so, will he ensure that north Down gets a slice of the cake?

Mr Kennedy: I thank the Member for his supplementary question. I accept that all politics is local. Yes; as roads Minister, I have clearly indicated that I am in the business of wanting to carry forward as many road projects as possible. There are significant issues with the A5 and the A8 funding, but that also provides us with opportunities to look at other potential schemes, which is why I have been keen to progress them, and I will continue to do that.

Mr Beggs: In reallocating funds that were originally earmarked for the A5, does the Minister agree that it is important to maximise the benefits to the economy by investing in areas identified as defective in the regional strategic roads network? Will he be investing in roads such as the A2 at Greenisland, the A8, the A26 and the road between the M2 and Londonderry, the A6?

Mr Kennedy: I am grateful to the Member for his supplementary question. He did not miss many A roads in listing the schemes that are potentially available. As roads Minister, I have clearly outlined that I very much hope that I will soon be in a position to report to the Assembly on progress. We are beginning to edge towards the new financial year, and it is clear that budgetary expectations arise from that. It is absolutely essential that we give clarity and certainty, particularly to those in the roads construction industry, as to the way forward. Of course, I take careful note of the schemes to which he referred and can confirm that I am giving all those schemes active consideration.

Mr Byrne: I thank the Minister for his answers thus far. The A5 and A8 were joint projects that had earmarked funding from the Northern Government, but, obviously, uncertainty was created by the Irish Government's funding problems. Does that mean that preparatory work and statutory requirements on the A5 and A8 projects are still ongoing?

Mr Kennedy: I am grateful to the Member for his supplementary question. I can confirm that the A5 and A8 projects were indeed being carried forward jointly not only by the Northern Ireland Executive but by the Government of the Irish Republic, who have indicated that their contribution is now significantly less than that originally envisaged, which has consequences for the amount of work that will be possible. I

am reviewing those issues in consultation with ministerial colleagues and officials.

It is not insignificant that we are still waiting for the inspector's independent report on the A5 project. The inspector will report in due course, separately and independently from me. My officials and I will then have an opportunity to examine the report to see whether there are issues that impact on the proposals that we seek to carry forward.

Magherafelt and Cookstown Bypasses

6. **Mr I McCrea** asked the Minister for Regional Development for an update on the Magherafelt and Cookstown bypasses. (AQO 1127/11-15)

Mr Kennedy: Mr McCrea, thank you for your question. I have visited Magherafelt and Cookstown — I am not sure whether you were made aware of that or whether Kieran McCarthy was told [*Laughter.*] — to get a better understanding of the traffic problems in those towns. I acknowledge the significant representations made by local representatives in support of those bypass schemes and, indeed, my Department's support for both schemes.

As the Member may be aware, the investment delivery plan for roads, which reflects the funding envisaged under the investment strategy for Northern Ireland 2008-2018, anticipated procurement through to delivery of the A31 Magherafelt and the A29 Cookstown bypasses in the 2013-14 to 2017-18 time frame. However, it is the new investment strategy for Northern Ireland 2011-2021, currently published for consultation, which will, when agreed, determine a likely timescale for the delivery of the Cookstown and Magherafelt bypasses. Meanwhile, I am happy to confirm that design work is continuing on both schemes so that they can be progressed quickly towards procurement when funding becomes available.

Mr I McCrea: I thank the Minister for his answer. Although I was not disappointed that I did not get an invitation to meet the Minister, I welcome his attendance in the area to view the situation for himself. During that viewing, the Minister will have seen the traffic flow difficulties in Magherafelt, at any time of the day, on any day of the week.

My recollection of doing a school assignment in my early teens, which is, I might add, over 20 years ago — not that long ago —

Mr Principal Deputy Speaker: The question.

Mr I McCrea: Can the Minister give an assurance that he is fully committed to the projects and will move them forward as soon as funding is available?

Mr Kennedy: I am grateful to the Member for his supplementary question, and I thank him for the important biographical detail from his school memories that he provided to the House.

I must stress that I want to see significant road improvements across the road network, as in the case of Ballynahinch and other schemes. That is why, as roads Minister, I continue to bring these schemes forward in their various stages. I will continue to do that in the cases of Magherafelt and Cookstown. It is fair to say that the Magherafelt bypass is somewhat further ahead than the Cookstown bypass, so one hopes that it will hit the front of the grid at an earlier stage.

Mr McGlone: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. I thank the Minister for his responses to date, even though some of them have included snubs. I have to say to Mr McCarthy that he is very welcome to mid-Ulster at any time, regardless of whether there is a Minister there.

The Minister touched on the differing stages of advancement of the Cookstown and Magherafelt bypasses. Perhaps he can provide us with some detail of their level of advancement, together with that of the Toome bypass, if it is available, please. If those details are not available today, perhaps he can provide them in written form on some occasion.

Mr Kennedy: I am grateful to the Member. Let me deal with the Cookstown bypass first. The preferred proposed route, as the Member will know, is to the east of the town. It starts on the Dungannon Road roundabout to the south of the town and meets the Moneymore Road to the north at a new roundabout, over a distance of 3.95 kilometres. I hope that I am not going too fast for anybody. The proposal also provides for an extension of 300 metres to the existing dual carriageway between Cookstown and Moneymore to meet that new roundabout.

The estimated cost of the proposed Cookstown eastern distributor is in the range of £35 million to £45 million, and the estimated cost of the Magherafelt bypass is between £28 million and

£40 million. Those are significant sums. As I have indicated, the Magherafelt scheme is slightly ahead of the Cookstown one. I will write to the Member and update him on the Toome bypass.

Mrs Overend: I thank my colleague from Mid Ulster for raising the question with the Minister. I am sure that the Minister knows that I have been lobbying him on the issue as well.

Farming land has been earmarked for the bypasses, and I am sure that the Minister is well aware that farmers are farming the land there. Time has progressed since the initial talk about the bypasses, and sons may now have been brought on to the farms who are trying to build the business. Will the Minister take that into consideration and address it when doing the valuation of the land?

Mr Kennedy: I thank the Member for her supplementary. I pay tribute to her for the extensive lobbying that she continues to do and for the representations that she makes to me on the Magherafelt and Cookstown bypasses every time that she sees me.

Farmers and landowners require certainty. I am conscious of the fact that both schemes have been talked about for a considerable time, and we hope to give as much clarity and certainty as possible. There are processes to do with land take, how properties and land are affected, and disturbance. Those can begin to be evaluated, based on the prevailing market, only when the vesting order is operative. That is a matter for Land and Property Services.

Social Development

Mr Principal Deputy Speaker: Questions 5 and 8 have been withdrawn and require written answers.

Social Housing

1. **Mr P Maskey** asked the Minister for Social Development for his assessment of whether the number of social houses that are currently planned will be sufficient to cope with the anticipated increase in homelessness. (AQO 1137/11-15)

Mr McCausland (The Minister for Social Development): The number of people in Northern Ireland who face losing their homes has more than doubled in the past five years.

The increased threat of repossession, alongside further job losses and the impact of welfare reform changes, particularly those around housing benefit, means that we need to have a wide range of interventions available to support people when they need it most.

However, although building more social homes is important, it should not — indeed, it cannot — be the only answer. We must look for alternatives to suit the wide range of housing needs that people have. The size and style of our newbuild programme may also need to change to ensure that smaller, more suitable accommodation is available, particularly for older people who may be looking to downsize, which could free up larger homes for families.

2.30 pm

I want to protect those who rent privately by making the private rented sector an attractive alternative for those who cannot or do not necessarily want to access social housing. I also want to protect those facing repossession. Members may be interested to note that, since May 2011, over 700 people have used our mortgage debt advice service, with 142 of them directly prevented from being made homeless. I also want to increase the availability of affordable housing, and my recent support for co-ownership will help more first-time buyers than ever before to access their first home.

Finally, tackling the issue of empty homes offers a further opportunity to make more housing available. Nearly 100 existing homes that were long-term voids in Antrim, north Belfast and Downpatrick have already been identified as homes to be brought back into use, and more will follow. So, although the Member is right to highlight the increased threat of homelessness, we need a much wider and more holistic approach to tackling it, and the forthcoming housing strategy that we are preparing will seek to do that.

Mr P Maskey: Go raibh maith agat, a Phríomh-LeasCheann Comhairle agus a Aire. The Minister's Department forecasts that it will build some 8,000 homes over this mandate: 2,000 for the co-ownership scheme and 6,000 for social housing. Does he or his Department know exactly how many homes are needed? How many are actually on the homeless waiting list? What creative measures are his Department employing? He said that there would be many issues with regard to mortgage

arrears and people's homes being repossessed. People are very worried at this stage, so some creative thinking is needed from the Department.

Mr McCausland: I agree that creative thinking is needed. The earlier part of that complex question raised the issue of predicting where we will be, which is very difficult to do. We have a sense of where we are at the moment, although there is a wide range of meanings and applications for the word "homeless". We are not yet clear about the implications of welfare reform, so it is impossible to predict precisely where we will be. However, the housing strategy that we are bringing forward will adopt a holistic and comprehensive approach that will be coherent in delivering what we need over the coming period.

Mr Storey: In his answer to the substantive question, the Minister referred to a wider-ranging definition of homelessness, which includes people who, unfortunately, find themselves on the street. What areas are the Minister and the Department looking at to address that issue and to draw a distinction between a definition of homelessness that concentrates on those who live on the street and one that includes people who have their property repossessed?

Mr McCausland: The first question is about how many people are actually homeless and the meaning of the term. Under the Housing (Northern Ireland) Order 1988, a person is homeless if they have no accommodation in Northern Ireland. Furthermore, a person can be treated as homeless even if they have accommodation that is not fit for their needs or habitable. Last year, over 10,000 people on the waiting list were assessed as falling into the latter category, but I stress that that does not mean that they are actually homeless. People who are assessed as homeless may be living in temporary accommodation, staying with friends or, in a large number of cases, living in their own home.

The Housing Executive estimates that approximately 10 people sleep rough on the streets of Belfast on any given night. Members must realise that that is their own choice, if it can be described in that way. Very often, they are folk who are victims of circumstances and situations. No one needs to sleep on the streets, and there is enough accommodation across Northern Ireland for anyone who needs it.

Mr Durkan: Go raibh maith agat a Phríomh-LeasCheann Comhairle. Has the Department

identified any constituencies as priority areas in dealing with homelessness?

Mr McCausland: Housing need varies from constituency to constituency. Obviously, however, the prioritising of work for the next number of years and the setting out of a social housing development programme will be spread across all constituencies because there is need everywhere. Sometimes, we get the sense that housing need is very focused on just one or two areas, but significant numbers of people are in housing stress across all constituencies.

Mr McGimpsey: When the population of certain areas of Belfast was rehoused, young families were moved out first, and those left were then rehoused. That resulted in a higher proportion of elderly people in the population than would normally be expected. What, if any, plans or proposals does the Minister have to address that legacy issue, which he inherited, by creating a better balance in those areas? That would also free up units to address homelessness.

Mr McCausland: The social housing development programme must reflect the real need. The difficulty has been that, over the past while, we have built only family homes. There are many single people, some of whom are young, and that issue will come to the fore in the future with welfare reform. Also, older folk may need to downsize, and we need to look at the appropriate provision for them. Having met and talked to senior citizens' forums, I found increasing awareness that simply building lots of bungalows is not necessarily the answer. Among other reasons for not doing so, the land, in some cases, is not available. There is growing awareness of the benefits of some schemes that housing associations already offer, such as small blocks of about 20 apartments that create a fantastic feeling of community and give an additional sense of security to older folk. For the future, we are looking at a social housing development programme that will be more tailored to actual need.

Welfare Reform: Mortgage Payments

2. **Mr McMullan** asked the Minister for Social Development what measures he will take to assist people who are unable to pay their mortgages because of the changes to benefit entitlement. (AQO 1138/11-15)

Mr McCausland: I recognise that the recent changes to the social security systems, aligned with the difficult economic conditions, present

difficulties for all who find themselves unable to work for whatever reason. I am pleased to report that, last summer, I launched a contracted mortgage debt advice service to help those experiencing difficulty making mortgage payments to avoid the distressing prospect of court action and possible repossession. The free advice from the Housing Rights Service may help them to avoid repossession. For homeowners who are in receipt of income support, income-based jobseeker's allowance, income-based employment and support allowance or pension credit and have mortgage commitments, those benefits may also include an additional element called support for mortgage interest (SMI).

The contract for the mortgage debt advice service can operate until March 2015 at the latest. That service directs households to get and act on financial advice to help to alleviate their debt problems, and it can be contacted directly on 0300 323 0310. The extended service operates during office hours and now includes an online adviser and evening opening hours to 8.00 pm on Tuesdays and Thursdays. The specialised service prevents people, where possible, from becoming homeless as a consequence of housing-related debt.

Support for mortgage interest is calculated by applying a standard interest rate to the outstanding capital. From 1 October 2010, that standard interest rate has been based on the Bank of England published average mortgage rate of 3.63%. Prior to that, the set rate of 6.08% was considered excessive and did not represent value for money to the taxpayer. In November 2009, a sample taken from Council of Mortgage Lenders data of those in receipt of SMI showed that the 6.08% rate had resulted in over 90% of people being paid more than their eligible mortgage interest liability.

Mr Principal Deputy Speaker: Time is up.

Mr McMullan: Does the Minister agree that more people will lose their home because of mortgage arrears this year and that many of them depend on benefits that the coalition Government have cut? What measures have been put in place to ensure that those people do not become another statistic?

Mr McCausland: It is clear that over the past number of years there has been a rise in repossessions year on year. My Department does not have precise information on the

number of houses repossessed each year. However, the Department of Justice provided me with details of the number of repossession cases disposed of by the Enforcement of Judgments Office in the past three years. Excluding those withdrawn, in 2009 there were 452 cases; in 2010, 724 cases; and in 2011, 953 cases.

A wide range of factors contribute to people losing their home, such as illness, relationship breakdown or job loss or a drop in family income, which can be factors of the economic climate. The mortgage debt advice service is something that we need to publicise more widely. One problem is that people often allow themselves to get to the point of being on the verge of losing the house without going to get the advice that they need, which may help them to avoid that difficulty. The earlier you get in, the better. I encourage people to use that service as widely and as quickly as possible.

Mr Weir: Will the new SMI standard interest rate lead to an increase in repossessions?

Mr McCausland: We believe that a standard rate based on the Bank of England published average mortgage rate, currently 3.63%, will not in itself lead to an increase in repossessions for people on benefit. The previous rate of 6.08% was too generous and resulted in around 90% of people getting more than their eligible mortgage interest liability. I am sure we all recognise that that is not a good use of public funds and is unfair to the taxpayer. I am very satisfied that the standard rate is the right rate.

Mr McGlone: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Will the Minister inform the House, please, whether his Department has considered buying back repossessed houses that were previously social housing stock; that is, previous Housing Executive or housing association homes?

Mr McCausland: As yet, we have not considered a buy-back scheme. The housing strategy that is coming forward will, I think, address many of the problems that we are raising in not just this question but other questions today. Clearly, the problem is that the people who are getting into difficulties are not people who bought social housing but are largely outside that. I do not have precise figures on that, but that is the sense we have.

It has obviously spread right across the board; it is not limited to one sector. However, I am not

convinced that buying back is necessarily the right way. Once you start down that road, do you do it for one person or one sector; do you do it for other sectors; where would you do it; up to what level or value of house do you do it; and where do you draw the limits?

Our focus should be very much on the advice service. That is the key. It is not in the interests of lenders to find themselves repossessing houses. It is much better that they get regular income from the repayment of the mortgage. Therefore, my view is that we are better concentrating on that. The other option does not, in general, seem to represent value for money.

Heating Oil

3. **Mr Moutray** asked the Minister for Social Development for an update on the pay-as-you-go pilot scheme for home heating oil. (AQO 1139/11-15)

Mr McCausland: In December, I announced an exciting and innovative pay-as-you-go option for oil heating for vulnerable households. The technology could see significant savings for those who use drums rather than have oil delivered in larger quantities. I met representatives from Kingspan Environmental and Carillion Energy Services who will take that pilot forward. The pilot will allow us to road-test a unique technology that will allow oil from tanks to be released to boilers as needed, helping those most in need to budget and benefit from the savings gained by those buying oil in larger quantities. Kingspan is continuing to progress the technology, and Carillion is working with the Housing Executive to identify 10 private and 10 Housing Executive homes where the technology can be installed. I expect the new technology to be installed in those pilot homes in mid-February. Once the pilot is completed, a full evaluation will be undertaken. If it is successful, we expect to incorporate a pay-as-you-go option for oil in future energy efficiency schemes that will be delivered by the Department.

2.45 pm

Mr Moutray: I thank the Minister for his response. Will he further outline the position on the double glazing of Northern Ireland Housing Executive homes?

Mr McCausland: All the issues around fuel poverty and making homes more energy-efficient are very much in our thinking at the moment.

The Housing Executive currently installs double glazing as part of its external cyclical maintenance (ECM) programme. Extra funding secured through the monitoring round has enabled an increase in that activity. The Housing Executive is working to identify the additional properties that will require double glazing. Once that information is available, as is required by the draft Programme for Government, by March 2012, it will prepare a programme for the installation of double glazing in all Housing Executive homes by the end of 2015.

Mr Nesbitt: I return to the pay-as-you-go pilot scheme. Will the Minister offer some clarity on the ownership of the oil in the domestic tanks of people who will use the pay-as-you-go technology? Specifically, in the event of theft, will the supplier or the consumer bear the risk?

Mr McCausland: During the pilot scheme, the oil tank will be fitted with an anti-tamper device to prevent that happening. Any persistent interference would mean that that householder is removed from the pilot scheme.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answers so far. Although any technology and schemes to alleviate fuel poverty in vulnerable households are welcome, does the Minister agree that proposed benefit cuts will continue to increase that problem for vulnerable households?

Mr McCausland: I am sure that the Member will agree that we all look with considerable concern and interest at the unfolding of welfare reform as it is being taken through Westminster at the moment. We have to wait and see what the full implications are, but, certainly, the coalition Government at Westminster intend to make savings and reduce benefit expenditure. Therefore, there will be reductions in income for some people. We must do all that we can to alleviate any difficulties that arise from that. That has to be our priority over the next while.

Housing: East Belfast

4. **Mr Newton** asked the Minister for Social Development how many newbuild homes are proposed for the East Belfast constituency in each year from 2012 to 2015. (AQO 1140/11-15)

Mr McCausland: The information that was requested by the Member is not currently available. The Housing Executive is currently

finalising the social housing development programme for 2012-15. I expect it to be with me for consideration by late February or early March. The Programme for Government contains a commitment to deliver 8,000 new social and affordable homes over the next four years. I reassure the Member that East Belfast will get its fair share.

Although I do not yet have access to that programme, I am pleased that, following our recent interventions, Belfast City Council has agreed to dispose of its surplus Clara Street civic amenity site to a housing association to help to meet housing need in that area. I fully expect to see that site included in the programme when it is sent to me in the coming months. Plans are also being drawn up to bring forward a comprehensive housing strategy that will help me to ensure that the money available targets those most in need and will provide social and affordable homes, improve the private rented sector and make available mortgage advice to those who are in danger of losing their home. I am conscious that many people in east Belfast also face the risk of repossession, so it is important that we look at as wide a range of interventions as possible to support people at their most vulnerable.

Mr Newton: I thank the Minister for his answer. I recognise his wide span of concern not just for those who are in the difficult situation of arrears but for the provision of social housing. I know that the Minister shares my concerns that between 4,000 and 6,000 people in the east of the city are in difficulty. I hope that he will take on board the need to meet their needs for adequate social housing or affordable homes in the future.

Mr McCausland: Housing need in east Belfast at the end of March 2011 was as follows: 1,817 applicants were on the waiting list, 912 of whom were in housing stress. Interestingly, over half of those in housing stress were single people. That goes back to the point that I made earlier about developing housing that is appropriate for single people.

Mr A Maskey: Can the Minister confirm that the fundamental objective of social housing provision is to meet the objective need?

Mr McCausland: Northern Ireland needs a comprehensive approach whereby there is housing provision right across the board that meets people's needs, whether it be social housing,

affordable housing or private rented housing — all those different sectors. Some people will want to go into the social housing sector. Some people will take the private sector route. Some will choose affordable housing. There is a package of provision that meets need.

Mr Copeland: I thank the Minister for his answers thus far. Mr Newton referred to a substantially larger number of people in housing need. Can the Minister confirm that the figure that he mentioned was for applications and not applicants?

Mr McCausland: The information that I have in front of me states that there were 1,817 applicants on the waiting list; that is, individuals who indicated that they require a house. An individual may be the head of a household or whatever. That is the number of applicants. That is the way in which we normally deal with those figures.

Mr Principal Deputy Speaker: Question 5 has been withdrawn.

Pensions Bill

6. **Mrs Dobson** asked the Minister for Social Development for an update on the introduction of the Pensions Bill. (AQO 1142/11-15)

Mr McCausland: Members will be aware that the Pensions Bill had its First Stage yesterday.

Mrs Dobson: I thank the Minister for his response. Given that the equivalent Bill in Parliament received Royal Assent on 3 November 2011, can the Minister account for why the House saw the First Stage of the Northern Ireland Pensions Bill only yesterday? Furthermore, what impact will the breach of parity have on Northern Ireland?

Mr McCausland: The Pensions Bill is being brought forward as quickly as possible. It is important that we do so, and that is what we are endeavouring to do. The Bill is a precursor to the increase in the state pension age to 66 for men and women, and that will happen in due course. Other changes are coming down the road. We need to do those things as quickly as possible. However, as the Member indicated, equivalent legislation has been through Westminster and received Royal Assent on 3 November. It has taken us a number of weeks to get to this point. We are moving as quickly as possible. Indeed, the Member will have the

opportunity to contribute to the debate on the Bill within a matter of days.

Mr F McCann: I thank the Minister for his answers. Does he agree that the Pensions Bill will have serious financial consequences and many people will fall into financial hardship as a result?

Mr McCausland: I do not want to predict what the final outcome of the Bill will be, although parity suggests what it might be. It is fair to say that the proposed change to the pension age will have a significant impact on many people. The move to bring the pension age for women into line with that for men is bound to have an impact. However, some of the changes are required by equality legislation. The European law requirement for equality of treatment of men and women in matters of social security — directive 79/7/EEC — demands apparently that there be equality between men and women. Therefore, we are forced into that situation. It is a change that we must accept.

The longer-term issue of increasing the pension age for men and women to 66 by 2020 is obviously a Westminster Government intention that is based, generally, on increased life expectancy, making the current timetable for change unsustainable in their view.

Ms Lewis: I thank the Minister for his answers so far. Will the proposals impact more on people with disabilities?

Mr McCausland: It is generally acknowledged that disabled people are likely to have lower levels of private pension provision, less likely to be in employment in the period leading up to the state pension age and more reliant on working-age benefits. However, the Westminster Government believe that the proposed changes are needed to ensure that the state pension system, including pension credit, is affordable in the long term and will provide a decent income in retirement. The upper age limit for receipt of working-age benefits, along with disability premiums and DLA, will extend to meet an individual's new state pension age.

Child Maintenance and Enforcement Division

7. **Mr Hilditch** asked the Minister for Social Development to outline any changes he intends

to make to improve the delivery of services offered to clients by the Child Maintenance and Enforcement Division. (AQO 1143/11-15)

Mr McCausland: It is a priority for the division to promote and embed behavioural changes among parents so that they take financial responsibility for their children. To that end, parents are being supported to make their own maintenance arrangements. A media campaign is currently running to promote the child maintenance choices service, which is a free, confidential helpline service to help parents decide the child maintenance arrangements that best suit their needs.

A new statutory child maintenance scheme due to be launched in late 2012 will improve the way in which child maintenance is calculated. It will be a simpler scheme supported by a new computer system, which will take information from Her Majesty's Revenue and Customs to calculate child maintenance assessments.

My Department has introduced a range of new enforcement powers over the past few years. Those powers improve delivery of services by giving the division new enforcement tools to recover money from non-resident parents who do not fulfil their responsibility to pay child maintenance.

Mr Hilditch: I thank the Minister for that answer and for the detail of what is coming up in the next few months. Like others in the House, I know that a lot of constituency issues are born out of frustration. What enforcement powers are available to the Department?

Mr McCausland: There are ways in which money can be recouped from people who have not paid, but I would prefer to answer you more fully on that in due course. We have a range of powers to enable the Department to take firm action to ensure that parents meet their financial responsibilities. They include deduction orders; deduction from earnings orders; liability orders; charges on property; orders for the sale of property; driving licence disqualification; committal to prison; and freezing orders. Therefore, there is a wide range of options.

We can also arrange for deduction of maintenance payments and/or arrears from bank accounts without the need to apply through the courts. Recovery of arrears can also be made from a deceased person's estate. If

you want further information on any of those matters, we can provide that.

Mr D Bradley: Go raibh maith agat Phríomh-LeasCheann Comhairle. Can we expect the enforcement division to be more active as a result of the changes that the Minister proposes to introduce?

Mr McCausland: The improvements in the system will facilitate the enforcement that we are talking about.

Village, Belfast: Regeneration

9. **Mr Spratt** asked the Minister for Social Development for an update on the regeneration of the Village area in south Belfast. (AQO 1145/11-15)

Mr McCausland: After many years in the planning, I was delighted to start the demolition process last summer, allowing the regeneration of the Village to begin in earnest. The sites for phases 1 and 2 have been cleared. The community design team has agreed with Fold Housing Association the designs for phase 1, with 37 properties, and phase 2, with 50 properties, of the new homes that will be put back on the cleared sites. The relevant planning applications have been submitted, and both schemes are scheduled to commence in March. I have already made the funding available for that.

Our work in the Village is not just about replacing old homes with new. Some 60% of homes in the area lie in what is called the improvement zone. The Housing Executive has acquired 25 derelict properties in that zone that will be transferred to Hearth and Fold housing associations for rehabilitation. Housing Executive stock in the improvement zone will be improved with kitchen and window replacement schemes, and those are programmed to start in April.

A proactive promotion of grant aid in the improvement zone has been successful in attracting 109 preliminary enquiries, all of which have been inspected by grants technical officers. Some 91 schedules of grant-aided works have been issued, and 23 grant approvals have been issued, of which six schemes have started on site and five have completed the grant-aided works. That level of work — demolishing old homes, building new homes and improving existing homes — is in line with our commitment to regenerate the wider Village area.

3.00 pm

Ministerial Statement

Royal Jubilee Maternity Service, Belfast: Neonatal Unit

Mr Poots (The Minister of Health, Social Services and Public Safety): First, let me reiterate my deepest condolences to the parents and families whose babies tragically died as a result of the pseudomonas infection. I also wish to extend my thoughts and prayers to all the families involved. I know there are many others who feel anxious in these very difficult circumstances.

I want to set the scene by looking at what we know about the pseudomonas bacterium. It is an organism that can be found in many natural environments, including soil and water. It can be found in sinks, taps and water systems and can be difficult to eradicate. The pseudomonas bacterium can be present on the skin without causing infection. Some of us may even be carrying it now; that is known as colonisation. However, if the bacterium enters the body and gets into the bloodstream, lungs or urine, it can cause infection. The infection can be treated with antibiotics.

Pseudomonas infections occur mainly in immunocompromised and debilitated patients. The bacterium rarely causes infection in otherwise healthy individuals. From 2008 to 2011 in Northern Ireland, we have seen, on average, between 80 and 90 cases of pseudomonas bacteraemia per annum across all age groups. For children under one, the numbers are in single figures. Outbreaks of pseudomonas have occurred in intensive care facilities around the world, as patients in those facilities are frequently immunocompromised. For example, there were a number of outbreaks in English and Welsh hospitals in 2010. In response, my Department issued guidance on best practice on the management of infection risks associated with water sources.

Unfortunately, babies in neonatal units are already vulnerable due to clinical conditions and varying degrees of prematurity. Their immune systems are not fully developed, and that makes them less able to withstand infections, including those that would not cause problems in healthy babies. It is important to keep those

facts in mind as we seek to understand how the outbreak could have happened and what we need to do in response.

I will now turn the clock back to look at what has happened regarding pseudomonas over the past few months. An incident of pseudomonas infection occurred in Altnagelvin Hospital neonatal intensive care unit (NICU) in December 2011 and was reported in the local media at the time. The Western Trust worked closely with the Public Health Agency (PHA) and kept the parents of babies in the unit fully informed. There were three cases of pseudomonas bacteraemia. One baby sadly died and, again, I offer my condolences to that family. One baby recovered, and one was transferred to the Royal Jubilee Maternity Service (RJMS), with appropriate infection-control procedures implemented. It is important to note that the strain of the pseudomonas bacterium in the two units is different. In response to the situation in Altnagelvin, the Chief Medical Officer and the departmental estates officer jointly issued a letter to the trusts on 22 December, reminding them of the potential infection risks posed by water systems in healthcare facilities and reinforcing important messages regarding the use of sinks and general hygiene.

That brings me to the current outbreak in the Royal Jubilee Maternity Service. On 6 January, a baby died in the Royal Jubilee Maternity Service from pseudomonas bacteraemia. Then, a further baby died of pseudomonas bacteraemia on 13 January. There are many different types of pseudomonas bacteria, and detailed typing is performed in a reference lab in England. Such tests take time to conduct, and the results are not available immediately. However, on 16 January, typing confirmed that there were two babies with the same strain of pseudomonas in the same unit within a short period of time. The trust met on Tuesday 17 January to discuss those results and declared an outbreak. That information was relayed to the PHA and onward to the Health and Social Care Board (HSCB) and to the Department late on Tuesday. My officials provided me with all available details on Wednesday 18 January.

You will appreciate that this is a complex, evolving situation that requires considerable detective work to piece together what is happening. I was in a position to issue a press statement on Thursday 19 January. Unfortunately, later that day, a third baby died

and a further press release was issued. Further updates followed as the situation unfolded.

I want to focus now on the hunt for the source of infection. As I said earlier, pseudomonas is present in many natural environments, including soil and water. It can be found in sinks, taps and water systems and can be difficult to eradicate. For that reason, sinks, taps and water systems are obvious places to start looking. However, pseudomonas is a micro-organism that can be difficult to eradicate completely and permanently. I can report that investigations so far have shown that pseudomonas bacteria have been found in a number of taps in the intensive care area of the neonatal unit in the RJMS. The trust's health estates team is in the process of removing and replacing all taps and related pipework in the affected area. There is no evidence of pseudomonas in the water system, which indicates that it is likely to be a localised problem. Specialist advice has been received from experts in England, and action is based on the current and best available evidence. That work should be completed within the next couple of weeks. The unit will be opened once all remedial work is completed and tests show that it is safe to nurse babies in that environment.

That brings me to the latest position. I want to be completely clear about where we are now. Clearly, the situation can change from hour to hour, and it has. However, at this point today, we believe that there have been pseudomonas infections in a total of seven babies who were associated with the outbreak in the Belfast NICU. Of those seven babies, three died in the RJMS neonatal unit; one recovered from pseudomonas, but died later from unrelated causes; two recovered from the infection and are still in the RJMS neonatal unit; and one in the RJMS neonatal unit has pneumonia and is being treated as being potentially infected. Although laboratory results have yet to be confirmed, doctors have a high index of suspicion and are treating that baby on clinical grounds.

In addition, by the evening of 23 January, six babies were colonised but have no signs of infection. It is important to note that colonisation means that they are carrying the infection — for example, on their skin — but colonisation, in itself, does not make them ill. I will now give a breakdown of those six babies. Three babies who are currently in the RJMS have been shown to be colonised but have no signs of infection. Two babies who had no pseudomonas on

screening were transferred out of the RJMS, one to Antrim Area Hospital and one to Craigavon Area Hospital, and on screening after arrival, both were found to be colonised. One baby remains in isolation, while the other is well and has been discharged home. One baby who was previously treated in the RJMS neonatal unit and was transferred out to Daisy Hill Hospital some weeks ago is colonised.

A number of babies in other neonatal units also have confirmed pseudomonas colonisation. The situation on the evening of 23 January showed that two babies in Altnagelvin Area Hospital and two babies in Craigavon Area Hospital were affected. Those babies do not have active infections but were detected through screening that was carried out as a precautionary measure. At this time, it seems that these babies are not directly related to the RJMS outbreak. It is important to realise that it is not uncommon to detect pseudomonas bacteria on the skin of babies in normal clinical practice in neonatal units.

The findings illustrate the complexity of the situation. The main focus to date has been on the neonatal unit in the RJMS. However, as the bacterium has been found in babies in some of the other neonatal units, management of the situation requires co-ordination and co-operation between all the trusts. The Public Health Agency will, therefore, ensure that all public health aspects are managed and will work closely with the Health and Social Care Board on the ongoing provision of neonatal services. All trusts will be involved and will take appropriate action as advised.

I fully understand the anxiety of parents and of the wider community across Northern Ireland. However, as I informed Assembly Members yesterday, my Department, the HSCB, the trusts, the Public Health Agency and the Ambulance Service have worked and will continue to work closely together to ensure continuity of care for infants, support for their families, and the ongoing management of the outbreak.

I wish to make a few other points. First, there have been concerns about the impact of the outbreak on the ability to maintain neonatal provision in Northern Ireland. I am pleased to report that, at present, the neonatal network is managing well. However, the number of babies who require neonatal care can change from hour to hour. Well-established arrangements

are in place to ensure that when babies require a neonatal cot, they can be transferred to a unit in Northern Ireland, another part of the UK or the Republic of Ireland. Secondly, I want to reassure women that the delivery wards and all other services at the RJMS are operating as normal. Expectant mothers should attend their appointments as scheduled.

I wish to thank staff across the health sector for their continued dedication and commitment in caring for babies at this difficult time. Staff across the entire health sector work tirelessly to provide a safe and caring environment for patients, and I want to express my gratitude to them all. In addition, I pay tribute to the work of the Public Health Agency in providing expert health protection advice and to the Health and Social Care Board as it ensures that neonatal services remain available for babies. At present, my priority is to manage the outbreak, but it is vital to learn lessons from the situation so that we can reduce the risk of its happening again. In the longer term, the Regulation and Quality Improvement Authority (RQIA) is considering the most effective way to approach inspections in intensive care settings such as neonatal units.

The trusts, the PHA, the HSCB and the Department continue to manage and monitor the situation. A teleconference is in progress now, and one has taken place every day since the situation began. I stress that, although the information I have given is correct, based on information from yesterday's teleconference, the situation is complex and dynamic, and the numbers quoted will change. Further updates will be issued.

Some Members may have received the wrong statement, and I apologise for that. A revised statement has been issued, which we were updating until I arrived in the Chamber.

Ms Gildernew (The Chairperson of the Committee for Health, Social Services and Public Safety): Go raibh míle maith agat, a LeasCheann Comhairle. I was not here for the Minister's response to yesterday's question for urgent oral answer, so I want to express my condolences to the three families who lost babies in the Royal Victoria Hospital's neonatal unit. I understand that you never get over losing a baby, so our thoughts and prayers are with those three families.

We also need to think about the parents who are anxiously waiting to find out whether

their babies, who have tested positive for pseudomonas on their skin, will develop the infection and about the parents and families of the other 24 babies who were tested and whose results, thankfully, came back negative. It is a very anxious wait for those parents.

I also want to think today of the family from Derry who lost their precious baby in Altnagelvin Hospital before Christmas. It is my understanding that the source of the pseudomonas bacteria was identified as taps and a sink in Altnagelvin Hospital. A few short weeks later, we hear about three families who have suffered the loss of a precious child and that the possible source of the infection in those cases is also likely to have been taps and sinks in the Royal Victoria Hospital. The Minister outlined some of the steps that have been taken, and I accept that some of the babies concerned have other medical complications, but does he think that enough has been done to try to save the lives of those very vulnerable children? It is hard to believe that, within less than a month, taps have also been identified as a possible source of the outbreak in Belfast. Will the Minister comment on that?

Mr Poots: I thank the Member for the question. Whatever the situation, it is horrific when parents lose their babies, who are very precious to them. In the wake of the incident in Altnagelvin Hospital, the Chief Medical Officer and the Department's chief estates officer wrote a joint letter to all trusts on 22 December highlighting water sources as potential infection risks to patients and reinforcing important messages about infection control. I have received assurances from the Belfast Trust that it has followed the due process set out for it, and, over the coming weeks, we will be able to test that fully. My priority is to manage the situation by ensuring that babies receive the care they need while experts continue to assess and reduce the risk of infections.

3.15 pm

The situation is evolving, and new information becomes available daily. Clinicians, infection control and the health estates experts are all working together to agree how to manage the various aspects of the outbreak. We will continue to monitor the situation, and, in due course, we will take the opportunity to learn lessons for the wider system.

Mr Wells: I thank the Minister for his statement. We are relieved to know that we now have

identified the source of the infection, which is the taps in the Royal. Those taps were replaced a year ago, and a lot of work is being done to replace the current plumbing system. If we know that taps are a source of the infection, what can we do to prevent this from reoccurring in the future?

Mr Poots: As I indicated, we are currently replacing the taps and sinks. We have requested information from the Health Protection Agency and, indeed, we have asked it for permission to install taps that have ultraviolet lighting on them that will kill bacteria at source. It is our intention to install those taps in the system later this week. I hope that, as result of installing the most modern taps, the situation will not reoccur where that type of bacteria will develop in the water system and be fed through the taps.

Mr McCallister: As colleagues have done, I and my party express our condolences to all of the families involved. We are thinking about those who have babies still in the unit, and they can be sure of our support at this very difficult time for them. Yesterday, Minister, I asked about the RQIA's role, and you assured me that you would come back today with some answers around its role in ordering a deep clean of the unit of the hospital involved and how effective that would be. Can you give us some more details on how you see the role of the RQIA in whether an inquiry or some sort of investigation will be necessary to help to ensure that we get best practice and do all that we can to learn as many lessons as possible so that this dreadful episode is never repeated?

Mr Poots: I thank Members for their patience. Indeed, I thank the media, which have reported this in a responsible, sensible and sensitive way, given the nature of the problem. We have been making significant progress in identifying the source and in identifying babies who have it on their skin. We have been taking action to prevent it from becoming active and live, leading to infections. We appreciate the fact that a considerable amount of work has been done. It is most important work, and it involves dealing with the existing problem.

Once this has all settled down, there will be an opportunity for us to look at what happened to ensure that a similar situation does not arise again. As I indicated in my statement, the RQIA is currently looking at how it conducts its inspections of neonatal units. Indeed, our clinicians and

experts in infection control are meeting daily. The regional guidelines for screening and management are co-ordinated by the Public Health Agency. We are very happy to work closely with RQIA in looking at how this developed and at how it could be avoided in future.

Mr Durkan: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. I thank the Minister for his statement and I reiterate our sympathy for the families who have lost their precious babies and our support for everyone else involved.

Yesterday, I asked the Minister a question regarding the capacity, in terms of cots, of neonatal care in Northern Ireland and whether he deemed that capacity to be sufficient. Further to that question, does the Minister believe that a reconfiguration or different distribution of neonatal places and staff might not only make infection control easier, but, in the event of a future outbreak of infection, make it less likely that babies will have to go to other jurisdictions for care, exacerbating what is already a traumatic time for their families?

Mr Poots: We normally have some slack in the system in Northern Ireland, for which I am grateful. The Royal Jubilee Maternity Service's neonatal unit has a capacity of 31. It is operating at 24, and a few cots are available for level 1, which is the highest level of intensive care treatment that can be provided. So, there is still capacity in the system and that is an area of the neonatal unit that is not the subject of any infection. Therefore, there would not be a risk to a baby going into that facility.

It is important that the Royal Jubilee Maternity Service remains the largest facility for neonatal care, because we have our regional paediatric unit, intensive care and all of that there. I think that that will continue to be the case. We have a good regional spread, in that we have facilities in Daisy Hill, Craigavon, Antrim, Altnagelvin and Enniskillen hospitals. We are well spread across Northern Ireland hospitals, so, in that respect, we are reasonably well covered.

We have a current problem and are grateful for the support of those in other jurisdictions at this time. I am sure that, if they were having a problem, we would be happy to reciprocate that support.

Mr McCarthy: I thank the Minister for again coming to the Chamber to give us information. The water taps seem to be the problem

rather than the water supply. Will the Minister advise, if possible, whether the problem is what those taps, which must have been there for a considerable time, are made of, or has something got on to the taps? If so, how can we avoid such an outbreak in future?

Mr Poots: The taps have been in place for just over a year. So, it is not the case that it was old equipment. It was relatively modern equipment. Mr Wells put his finger on it when he asked how we stop this happening in a year's time. That is why we are working to introduce taps with ultraviolet light that will kill bacteria in the water system. That is another area in which we can challenge this. I am glad that the source of infection is not in the water system. It is in the taps and it is something that happens. Unfortunately, the consequences, in this instance, have been fatal. That is something in that neonatal facility that has caused huge distress to parents.

Ms P Bradley: I also thank the Minister for his timely statement. Has he met nurses or staff at the Royal or any other neonatal unit since the outbreak?

Mr Poots: Yes. On Friday, I attended a press conference at the Royal Jubilee Maternity Service. Afterwards, I met a considerable number of staff. I did not go into the ward because I did not want to add to the problem, but I met doctors, nurses and other staff outside the ward. They themselves were quite traumatised by all that had gone on. Unfortunately, some people on websites and so forth have been suggesting that it is a dirty hospital. That is clearly not the case, and the evidence is very clear that that is not the case. The staff have been following protocols and maintain a clean facility. They maintain very high standards of hand hygiene and so forth. So all credit to the staff.

Last night, I visited Antrim Area Hospital because I wanted to take a look at the A&E service. While I was there, I took the opportunity of visiting the staff at the neonatal unit — again, I did not go into the neonatal unit — and I had a conversation with them about the work that is going on. The care that is being offered by our doctors, nurses and other staff in those facilities is second to none, and I have the highest praise possible for the individuals who save the lives of hundreds of little babies every

year; babies who, a few generations ago, would have had no prospect of surviving.

Ms S Ramsey: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for bringing his statement to the House. It is quite useful. When we get information we can act as a conduit between ourselves, this place and our constituents. I made a similar comment yesterday.

On the back of the incident in Altnagelvin, where there was the death of a baby, was a deep clean of Altnagelvin ordered? If not, is there a difference between the outbreak in Altnagelvin and the outbreak in the maternity ward in Belfast? The Minister may not have this information here, but is there information on the number of deaths of children in our hospitals over the last two years due to hospital-acquired infections? If so, have we learned any of the lessons from that as to how we can treat and be proactive on some of the public health issues?

Mr Poots: The Public Health Agency gave advice on the Altnagelvin situation afterwards, so there was a replacement of sinks and so forth immediately after that incident. There was also a vaporisation of the facility — it is a relatively new facility — which should eliminate the bacteria from the site.

In relation to pseudomonas vis-à-vis other hospital-acquired infections, I have spoken to my Chief Medical Officer about the matter, and he is going to raise it with his counterparts to look at how we can better deal with pseudomonas in the future and better prepare to ensure that it has less of an impact. As I indicated, this is not the first time it has happened. In the last four or five years, we have looked at 80 to 90 cases each year. It affects people in burns units, people whose immune system has been compromised as a result of chemotherapy and many other vulnerable people. That 80 to 90 people has largely consisted of adults and older children and has not often included younger children. It is certainly an area that we can look at again, and this is a matter that the Chief Medical Officer will take forward on my behalf.

Mr Dunne: I thank the Minister for his statement. What has been his assessment of the level of engagement and collaboration between the different parts of his Department and the multiple agencies involved following the outbreak?

Mr Poots: From the outset, I have participated in some of the conference calls and so forth. Every day, all the trusts, the Public Health Agency, the HSCB and the Chief Medical Officer's team do conference calling, identifying what the situation is in each trust area and how to progress things. The health estates team is there providing expert advice. So the system is working very well together in responding to the issue, and it is having a positive impact on a very negative situation.

3.30 pm

Mr McCartney: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a ráiteas. I thank the Minister for his statement, in which he described the situation as both complex and sensitive. He dealt with the issue in a very adequate way in his presentation today. He also said that there are vital lessons that we have to learn. Sometimes, when you are learning lessons, difficult questions have to be asked. Asking those difficult questions should not be seen as trying to find blame, but we have to take the process forward.

I have not seen the letter, but you said in your statement that a letter was issued by the Chief Medical Officer on 22 December. Was any reference made in that warning to other hospitals to the fact that a child had died in Altnagelvin 12 days previously?

Mr Poots: The letter that the Chief Medical Officer issued contained advice on management of sinks, and so forth. Sinks in those facilities should be used only for hand washing. They should not be used for disposing of fluids or anything like that. It is made clear that sinks are purely for hand washing and that staff should apply sanitiser to their hands afterwards.

I am not exactly sure whether the letter indicated the nature of what happened in Altnagelvin. However, I am quite happy to provide the Member with the information if he feels that it would be helpful.

Mr Byrne: I, like others, welcome the Minister's statement and empathise with the families involved.

Does the Minister accept that, when they hear about a deep-cleaning exercise, people become concerned about routine cleaning and hygiene management? Given that there is concern about

lessons being learned for the future, can the Minister assure the public that all resources are being put at the disposal of the neonatal units so that hygiene is an absolute priority?

Mr Poots: Hospital cleaning goes on daily and should be to a very high standard. A lot of that comes down to the human beings who actually do it. It is very important that the people who are in charge of the wards ensure that the cleaners carry it out to the optimum standard. There is a considerable difference between that and deep cleaning. Keeping a ward clean, ensuring good hand hygiene, and so forth, to reduce the risk of infection is standard procedure. Deep cleans take place to remove micro-organisms that are so small that they can live even in environments that appear, on the surface, to be well-cleaned environments. There is an association between the cleanliness of a hospital and many of the bacteria that can survive in that clean environment, and we are aware of that association. Good practice should eliminate most of the problems that arise from that association.

The situation in respect of hospital-acquired infections such as MRSA and clostridium difficile has improved quite dramatically. We are now looking at around half as many infections as was the case a couple of years ago. However, there is much more that can be done and much more that we can learn. One of the places from which we can probably learn most is Camp Bastion in Afghanistan. People such as triple amputees regularly go in there, but there are very low levels of infection. It is one of the most fantastically run facilities, given the risks and the conditions in which it operates.

More can be learned about hospital-acquired infections. We recently had an expert over from England who has been responsible for doing a lot of work in that area. Our trust chiefs, our Chief Medical Officer and a range of people from our hospitals came to learn about these issues. One hospital in Birmingham has been identified as having gone 800 days without a report of any hospital-acquired infections. That is the sort of level that we should aspire to and aim for here in Northern Ireland. I do not want to see any level of hospital-acquired infection; that is not a good enough target. I want to get it down to zero.

Ms Lewis: I thank the Minister for his statement on this very serious issue. Our thoughts are with the families affected. Will the Minister

clarify what advice has been offered to trusts in their screening and management of individuals carrying the infection on their skin?

Mr Poots: I want to make it very clear that the babies who were transferred from the Royal Jubilee Maternity Service had been screened before they left, and no infection was identified. However, when they arrived at other facilities and were screened again, it showed that the bacteria was on their skin. There are courses of work to be done, and our clinicians and experts in infection control meet daily. They have regional guidelines for screening and management, and work is being co-ordinated by the Public Health Agency to ensure that all the risks posed by individuals potentially carrying the infection on their skin are minimised.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I, too, thank the Minister for his statement and offer sympathy to the families who have been so tragically bereaved by the loss of their babies.

The Minister spoke about the installation of taps with ultraviolet light that would minimise or help to combat this particular bacterium, which is obviously one that is difficult to deal with. Will he consider the installation of those taps in all neonatal units, such as Daisy Hill, and in all units where immunocompromised and debilitated patients are at risk? I think he will agree that we need to be proactive rather than reactive in this situation.

Mr Poots: Clearly, if we have had 80 to 90 cases a year of pseudomonas, and it has had its impact on individuals and caused death before now, it is an area that we will look at. It is appropriate that our Chief Medical Officer gives us further advice on the issue. It is a completely rational action to be taken in the case of the Royal Jubilee Maternity Service, and if that equipment is available at that site, why should it not be available at other sites where there are vulnerable people? I look forward to receiving that advice in due course.

Mr T Clarke: I join others in passing on sympathy to the families affected and those affected here today. The Minister's statement referred to six babies who were colonised. I notice that one of those babies was transferred to Antrim Area Hospital and was screened afterwards. I am not trying to raise fear, but the statement said that the child was colonised before it was taken to Antrim. Does the Minister

think that was a wise decision to take, given that the child was colonised before it left the Royal Victoria Hospital and was taken to Antrim?

Mr Poots: I want to clarify that the child did not have bacteria on its skin, or any evidence of bacteria on its skin, when it left the Royal. This became evident only when the child came to Antrim Area Hospital. The practices that Antrim Area Hospital use ensure that the safety of other babies in that unit was not compromised in any way, shape or form. Whenever a new baby comes in, they always, under any circumstances, isolate that baby and provide care in isolation from others until they are wholly and totally satisfied that the baby is ready to be treated in a wider area. Good practice in Antrim Area Hospital has and will ensure that other babies are not compromised in any way as a result of the baby moving from the Royal Hospital to Antrim.

Mr G Robinson: How many nurses are employed in the network of neonatal units across Northern Ireland?

Mr Poots: I am not sure how many nurses are employed. There are 105 cots, and they provide three different levels of care, with level 1 as the highest. The cots cost around £500,000 each, so there has been significant past investment in neonatal care. As I indicated, the quality of care offered by our staff ensures that many babies' lives are saved. We currently fund 269.3 working full-time equivalent nurses, with 263 in post.

Mr McDevitt: The Minister made reference to the Public Health Agency's regional guidelines for screening and management on a number of occasions during his statement and replies. Do those guidelines apply to the screening of neonatal intensive care units — the infrastructure, buildings and associated equipment in the unit? If so, when was the last time that the neonatal intensive care units in Altnagelvin and the Royal Victoria Hospital were screened for potentially harmful bacteria and viruses?

Mr Poots: A constant effort is made during the work that is done in those facilities to reduce the possibility of infection. Because the babies have such low immune systems, staff, at all times, are made aware and work on the basis that those babies are very vulnerable to infection. Therefore, in everything that they do and every action that they take, staff seek to ensure that they do not compromise a baby's safety further by dropping their guard with respect to hygiene. So, constant work takes

place to ensure the safety of children in those circumstances.

As I indicated earlier, this happened in the water system, inside and around the taps. It has nothing whatever to do with the staff who provide the care in hospitals. They have done an excellent job throughout, and they continue to do that.

Mr Allister: Undoubtedly, this has been a very distressing situation. Most of us can but imagine the depth of that distress for the families affected. We are also mindful of the distress of the staff in dealing with this situation. I am sure that the Minister himself has found it distressing to try to manage this position.

I suspect that, in due course, there will be another forum, where these matters will be more forensically and thoroughly interrogated. However, for now, I ask the Minister this: you tell us that the child who was brought from Londonderry to the Royal had one particular strain of bacteria, but could that strain of bacteria have mutated into a different strain, which was then found in the Royal, or is that just not possible?

In relation to the letter of 22 December 2011, which advised of the requirements that were put in place, you told us that you were assured that action was taken. Therefore, can we take it that we can be assured that the taps in the Royal were checked and found to be bacteria-free but that, after the deaths in the Royal, they were found to be infected? Is that the situation and, if it is, what does it say about initial inspection?

Mr Poots: I thank the Member for his question. His first question related to the potential for the bacteria to mutate. I can clarify that the evidence is that it does not mutate, that it is a different strain of pseudomonas and that, therefore, the infection did not come from Altnagelvin to Belfast. A stand-alone infection happened in Belfast.

3.45 pm

I indicated that the trust assured us that it had followed all of the protocols that were identified. However, we have to test all those things in due course. It is too early for us to identify all the answers to all of the questions. We will seek to clarify the question that the Member asked and request that information from the trust to see whether we can find the correct answer.

When this is over, the Committee will want to look at it further, and I will want to look at it further. It is important that we all look at it further, not just for the risk of pseudomonas in the future but, perhaps, for other hospital-acquired infections, to ensure that our hospitals are the safest possible places for people to recover when they are ill.

Mr Agnew: I declare an interest. I am due to become a father later this year, and we intend for the baby to be born in the Royal. As a parent, I extend my sympathy to those families who have been affected through the death of their child and, equally, to those whose anxieties for the care of their child have increased. I thank the Minister for his statement and for his answers to questions yesterday. When we attend antenatal appointments at the Royal, the care is exemplary, and I commend the staff there. Equally, I am sure that this has been a difficult time for the staff in the neonatal unit.

In response to a question from Mr McCallister yesterday about the two-week period between the first death and the deep clean, the Minister said:

“One death does not constitute an outbreak. It was not until the second death happened that it constituted an outbreak.” — [Official Report, Vol 71, No 3, p154, col1].

Technically, I appreciate that that is the case. However, will the Minister reassure us that, in cases where the pseudomonas bacteria has been detected in units where there are babies or other patients with low immunity, action will be taken immediately and proactively and that, in future, we will not have to wait for action to be taken?

Mr Poots: That is one of the areas where we will be seeking to learn lessons. If there are outbreaks of pseudomonas in future, how do we respond? It is more than unfortunate that this has happened: it is tragic that it has happened. However, it would be very unfortunate if we did not learn lessons from what has happened to ensure that we minimise the prospects of it happening in the future.

Executive Committee Business

Rates (Amendment) Bill: Second Stage

Debate resumed on motion:

That the Second Stage of the Rates (Amendment) Bill [NIA 2/11-15] be agreed. — [Mr Wilson (The Minister of Finance and Personnel).]

Mr Agnew: It is difficult to move from our previous discussion to this one. However, that is the speed of change in the House.

This is a strange position for me. I welcome the initiative that the Finance Minister is bringing to the House.

Mr Wilson (The Minister of Finance and Personnel): It is doomed.

Mr Agnew: I double-checked that this is what I want to say. It is rare for the Minister and me to agree. This is a progressive measure and one that my party supports. I do not know; maybe in my former days at Grosvenor, you planted something, and it is affecting my rational thought.

As I said, this is a policy that my party supports. Although we do not always agree on economic issues, this is one on which we can. In fact, my predecessor, Mr Brian Wilson, was, like Mr Sammy Wilson, an economics teacher in his former days, and this is a measure that he has called for for some time. I know that he is equally grateful to see this being brought in.

As Members will know, and as was mentioned in previous contributions, we are only too aware of how many of our small retailers are suffering due to the economic difficulties and the impact that out-of-town shopping has had on our town centres. It is important that we ensure that our indigenous businesses, and, indeed, our local economy, are as resilient as they possibly can be in times of economic distress. The measure is helpful in that regard.

Town centres are key in a number of respects, including economically, as they can provide jobs to local workers. Retail is a sector facing many challenges, particularly with online shopping. As I mentioned, our town centres face the difficulties posed by the increase in out-of-town shopping. However, town centres are a vital part of our economic community and, indeed,

our social community. Town centres provide something that out-of-town shopping, and certainly internet shopping, never can; that is, the sense of community that they bring. It is about walking into a shop that you live near, knowing the local shopkeepers and having the personal relationship that you do not always get with the larger multinational stores. Town centres are also important environmentally, an area that I know is close to the Minister's heart. We do not want to go down the road, no pun intended, that America seems to have gone down, where, to get a pint of milk or a loaf of bread, people have to get into their cars. It should be the case that we can still go into our town centres, if we live close by, and walk to get those daily items.

That is a concern in the town that I live in now, Bangor. Bangor may be facing the situation in which there is no longer a local grocer's in the town centre. That is regrettable. There is no doubt that, if that does happen — I hope it does not, and I certainly do not want to talk down any local businesses — that will be part of the impact that out-of-town shopping has had on the town centre.

As has been highlighted, this is a short-term measure. I am interested in hearing from the Minister what proposals he may have beyond the life of the legislation. Equally, however, I welcome the period for which the measure will be introduced. As I said, I believe it is a progressive measure. However, we should take the opportunity to look at the rating system as a whole and at a wider review. There are other measures that we could take to improve things for our town centres and local retailers, and for the other small businesses which, as many Members mentioned, this legislation will not necessarily benefit.

Rates are one of the few economic levers we have in Northern Ireland, given that we do not have tax-varying powers. It is key that we ensure that we use rates to provide a progressive system and ensure that those with the broadest shoulders do indeed bear the greatest burden. As I said, I think the legislation does that.

What next? This is a short-term measure, and I appreciate that it has come at a time when we have economic difficulties. However, we should be looking at how we can support our small businesses and our independent retail sector in the long term. The Northern Ireland

Independent Retail Trade Association has proposed other measures, including a parking levy on out-of-town supermarkets. I would be interested to hear the Minister's views on that. I am sure that he will also welcome with open arms proposals for a green rating system to incentivise energy efficiency in our buildings and reward businesses that are being proactive on that front. I would be interested in hearing the Minister's views on that as well.

Equally, I would be interested to know if the Minister is willing or intending to look at the domestic rating system to ensure that it is progressive and that those with the broadest shoulders bear the biggest burden when it comes to domestic rates. Unfortunately, that is not the case now. We have a situation in which those of us who own modest homes are subsidising the rates of those in million-pound mansions. In my view, and in the view of the Green Party, that is unacceptable. I find it hard to understand the justification for it. We have a rates cap that is, essentially, a rates relief for the wealthy. That is hard to justify at any time, but particularly at a time when families are struggling through economic difficulties. I am incredulous that that has not been addressed. Although the Minister and his party have made much of the fact that they have kept rates down and spoken of the benefits that, in their view, that has brought, I have yet to hear justification for what I see as a rates relief for the wealthy.

I look forward to considering the Rates (Amendment) Bill in further detail. That is what we are here for today. At the risk of bringing the Minister's good name into disrepute and, indeed, causing harm to my reputation, I support him in introducing the measures, and I commend him for the strong stance he has taken in respect of the supermarkets' response to the measures.

Mr Wilson: I thank the Members who have taken part in the debate, including those who have insulted me —and that includes the Member who has just spoken. I assure him that his allying himself with a measure that I introduce is more likely to do damage to me than it is to do damage to him. He can throw around insults that this is a progressive measure. That was nearly as bad as Mr Bradley's allegation that this was a socialist measure. I do not mind the Bill being attacked in the way that Mr Allister attacked it, but I take exception to my personal integrity being impugned in this way. I wish to

answer some of those points as I go through my response to the debate.

The contributions made during the Second Stage have shown that there is widespread support for the Bill in the House. Despite what some have said about the use of accelerated passage, I do not think that anyone has not had the opportunity to raise the points they were required to raise and wanted to raise in whatever detail they wanted to raise them. I hope that I will be able to go through the points that have been raised and answer the various issues.

4.00 pm

First, I will address the points made by Mr Murphy, the Chairman of the Committee. Once again, I thank Committee members for their support and their input to the final shape of the Bill. I also thank the Committee for the constructive way in which it complemented the work that was done by my Department, which was extensive, despite the allegations of foot-dragging and a lack of effort. We published a consultation document that was well researched, well presented and well accepted, even by those who were not sympathetic to the proposal. The work that went into that was extensive, and it is part of the reason why we have got to this point. At official level and Committee level, we have had good input to make sure that we have a Bill that is fit for purpose.

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

Mr Murphy raised a number of issues, which I will go through. The first issue he raised was the evaluation of the current rate relief scheme. He asked why we were separating that from the evaluation of the scheme that is being introduced. There will be an evaluation of the existing small business rate relief scheme during 2012-13. The expanded relief scheme will be evaluated during the 2014-15 rating year. In that evaluation — this may address a point that a number of Members raised — we will also be looking at how effective the scheme has been, looking at it in the context of the revaluation exercise that will have taken place, and looking at the alternatives that we may have to consider for the long term. As I mentioned earlier, this is not a problem that is going to go away: it has been exacerbated by the recession, which is why the Executive wanted to bring this measure through so quickly. There is a long-term problem as well because of changes in shopping habits, etc.

Mr Murphy also asked why we were not imposing the levy on large banks, which was a common theme in the speeches of a number of Members. The first thing I want to make clear is that we did not want to introduce a policy that was at odds with other Executive policies. Banks were not the only businesses mentioned as ones that should have the increased levy applied to their premises; we also had queries as to why hotels, airports and manufacturing industries were not included. In all those cases, if the levy had been applied, it would have been rather odd for the Executive to invest money, effort and time to get investment in those sectors while trying to raise additional levies from them.

Many of the high street banks would not have been affected by the levy. Indeed, the complaint was that some of the retail banks on the high street might have actually qualified for the benefits of the small business rate relief scheme, and we have excluded them in response to the Committee's raising the issue. We have taken those banks, as one of the multiples, out of the scheme, which shows that the work of the Committee and the consultation produced changes to the scheme. However, many of those that would have been included, such as Citibank, the Santander call centres and the New York Stock Exchange, are companies that we have spent a huge amount of effort to attract to Northern Ireland. To impose the additional burden on them would have been at odds with the policy of the Executive.

Mr Murphy also raised the issue, as did the Committee, of why the levy was not being imposed on utilities. One issue with utilities, as opposed to retailers, is that they are monopolists and are not, therefore, subject to the same competition as the retail sector. At a time when we are trying to deal with fuel poverty, it would have been easy for the utilities to pass on any increase in the levy to consumers. The Department of Enterprise, Trade and Investment advised us that it would be unlikely that the Utility Regulator, even if the matter had been referred, could have challenged passing on that increase on the grounds of general efficiency. For that reason, I believe that we were correct in exempting utilities from the scheme.

I think that Mr Cree, who is not in his place, engaged in a cunning plan to try, as Mr Allister pointed out, to cause dissension in the ranks of the DUP. He referred to me as the First Minister, and, as Mr Allister pointed out, the First Minister quickly emerged just to check that there had

not been a coup d'état sponsored by the Ulster Unionist Party. The fact that he left very quickly with a smile on his face was an indication that I was able to assure him that Mr Cree had made a mistake or was trying to cause mischief in which I had no part. I am glad that the First Minister is in his place to hear that assurance once again and will leave completely satisfied that I am an innocent party in the plot hatched by the Member for North Down.

I am sorry that Mr Cree is not in his place because I would like him to hear what I have to say. Although supportive, he raised the issue of why the levy does not apply to a wider range of business sectors. I noted, however, that he did not mention the other business sectors to which the levy should apply. Some Members at least suggested certain sectors to which it might have been applied. It is one thing to say that the levy could have been spread and, therefore, made less onerous on businesses that have been targeted; it is another thing, however, to say where the increase should have applied.

Mr Cree also raised the issue of business improvement districts. I do not see the levy being a matter of either/or. Business improvement districts are, of course, a totally different kettle of fish from the measures being proposed here. The money would be raised locally, and the decision on how to spend it would be made locally. Business improvement districts would involve a very small amount of money, usually about a 1% increase in rates. Of course, in contrast to the scheme proposed today, that money would not be spent on helping particular businesses. Rather, it would be used to improve the general appearance of an area. The legislation for business improvement districts is being taken forward by the Minister for Social Development. Some larger businesses have said that they expect to be major contributors to that and, therefore, felt it unfair that they were also being asked to pay a levy. However, given the timing, there should be no overlap, as an assurance has been given that the levy is a three-year measure. Business improvement districts will not be operational for some time, and their role will be different to that of the levy on large retailers.

Mr Cree was among several Members who raised the issue of how the levy will impact on job creation and whether it will result in job losses. Again, I have listened to anyone who wanted to speak to me about the levy.

Everyone, including the large stores, had that opportunity, and we discussed the issue extensively. I listened to claims about job and investment losses, and I will not enter that controversy again, other than to restate that the levy represents, on average, a tax amounting to 0.19% of the turnover of large stores, which is less than one fifth of 1%. Many large stores boast that they have worked their way through the recession, because that is what their shareholders want to hear. They cannot assure their shareholders that they have weathered the recession fairly well and that sales and profits are up and, at the same time, say that the levy will be devastating. Indeed, one large store, and I am not going to mention its name, came to see me and told me that a levy of, I think, £76,000 would mean that it would have to make more than a dozen redundancies. If that were the case, they were paying well below the minimum wage. So, we have to be very careful about such over-egged claims. I have no doubt that this measure will be used as an excuse for some economic decisions that firms would have made anyway. We have to put things in context.

Another point that I would make to Mr Cree is that, as a result of the consultation, some large stores that may have a huge area but low sales per square foot came and made a strong case. The very reason that we dropped the levy from 20% to 15% was because we wanted to help some of them with the kind of burden that they said this would impose on them. I will come to Mr Allister's contribution in a moment, but one of the contradictions in his argument was that he said that this was unfair to some stores because of the nature of their business. Yet, he was the one who advocated a graduated tax in which the larger the valuation the higher the percentage increase should be. If that were the case, some stores with the lowest sales per square foot would have been paying even bigger bills. However, we listened to the arguments made by stores. We looked at the ways in which the revenue is being raised, and we responded by bringing the levy down to 15%.

Mr Bradley accused me of being a socialist and of introducing a measure that was reflective of socialist principles. Of course, he has misunderstood. This is to make the free market work better. This is to save the wide range of businesses in the free market. I regard this as a very measured and, I suppose, conservative measure when it comes to the retailers.

Mr Humphrey: But not with a capital “c”, Sammy.

Mr Wilson: No, not with a capital “c”.

I want to clarify a number of things. First, the small business rate relief will apply to all types of businesses, not just retailers; I think that Mr Bradley misunderstood that. As a result, 8,300 businesses will benefit from the measure, and about 50% of those will be retailers. He also raised the issue of alternatives and effective means of supporting businesses. As I said, in the evaluation that will take place, we will look at what alternatives there should be, and especially at what will then have been the general revaluation, and we will see how that has affected the relative rate burdens for different kinds of businesses. That is probably the best time to reassess the effectiveness, because we may well find that even after the general revaluation there are still problems that we need to address, and, as the Executive, we will have to look at some of those issues for the longer run.

Judith Cochrane raised the issue of the levy's not applying to all businesses, and I think I answered that point. Mr Elliott raised the issue of the size of the benefits. I thought that it was rather churlish of him to suggest that it would be ineffective because the size of the benefits would, in his view, be quite small in relation to the total overheads of properties. Over the next three years the average business will benefit from a reduction of between £2,000 and £3,000 in its rates. Maybe he should have listened to what businesses and business organisations had to say. They accepted that, even in the current climate, that kind of reduction in the overheads of some small businesses will be significant and will help. I am not holding out the Bill as a panacea. It is only one of the measures that the Executive are undertaking to try to help businesses in the current recession, but it is a valuable contribution to the work that needs to be done.

4.15 pm

I will now deal with the points that Mr Allister raised in his contribution. I am glad to see that the measure has united the main parties in the Assembly and has split the dissidents who sit in the corner. Mr Agnew is at odds with Mr Allister today — I have split the opposition in two. That is another benefit of the measure on top of the benefits to small businesses.

Mr Allister raised a number of issues, some of which were trivial and others, as part of the line-by-line scrutiny of the Bill, that deserve to be answered. I was saying to Simon Hamilton that I do not know whether the hundreds of businesses in Ballymena that will benefit from the measure have the support of their representative or will find their representative opposing it. It is one thing for Mr Allister to raise queries, but there were contradictions throughout his contribution. He said that I was attacking big business and that I was not doing enough for small businesses. It is an important function for Members to come here and query legislation. That is the whole point of debate here. As a Minister, I do not want to run away from that. If there are things that need answered and justified, of course I shall do that. However, you cannot have the luxury of sitting on both sides of the argument simply picking holes in one direction and then in the other. That was the sum total of his contribution.

He said that there was no justification for the Bill because, had the Executive been doing their job, we would not be in this situation. Mr Allister showed a total lack of understanding of the rating system: he said that we were quite happy to keep going with a system that had inequity built into it because, somehow or other, it meant that the Executive gained rates that we should not have got. The argument went that, had there been a general revaluation, we would not have had the problem. However, he said that we were taking money when we should not be taking it and that we are getting additional rate revenue as a result of not having the revaluation. He made the point, but I think that he knows full well how weak that point is, because even if we had a revaluation, the pot of money that we still want to obtain would be similar. Let us say that, as a result of the recession, all the valuations went down by 50%. That would not mean that the rates bill would go down by 50%; it would simply mean that the charge per pound would go up. We would still be after the same pot of money. The lack of revaluation and the delay in the revaluation has not —

Mr Allister: Will the Minister give way?

Mr Wilson: I will give way in a moment. It has not led to the Executive getting more money. The Executive have decided how much more money they want through the regional rate and have then set that rate on the basis of revaluation. It may have changed the relative amounts of money

that people pay, but that is the whole point of the scheme. Had there been a revaluation, some of the bigger stores would have had a larger NAV than that which they have at present and some of the smaller stores would have had a smaller one, as a result of which you would have had a redistribution. That is what the scheme is designed to do. I give way.

Mr Allister: I was exactly making the point that a general revaluation would give a more equitable redistribution of the rates burden across the board. I entirely understand that. However, this is an ad hoc approach. Instead of undertaking a general revaluation, which, across all interests, would give a proper or more acceptable redistribution of the rates burden, this picks and chooses parts of it and does not deliver the same equity as a general revaluation.

Mr Wilson: That is a different point from the one that I was making. Indeed, I noted down the point that was made, which is that we were seeking to bring in additional money as a result of not having the revaluation. Let me deal with the Member's second point. He asked why we have not had a revaluation. Is it some cunning plot by the Executive? Is it simply the case that the Executive are being lethargic and could not care? By the way, the decision was actually made on my recommendation to the Executive. I am not running away from that. Although I talk about the Executive all the time, I am not trying to pass the blame in any way.

There were good sound reasons for that decision. The first is that the impression was given that, had there been a revaluation, there would have been an instant changeover. A revaluation exercise takes a considerable period: at least two years. Therefore, there was no instant remedy; hence the reason for introducing a Bill, which, although it is blunt — I accept that — seeks to reflect some of the changes that we know would have happened had there been a revaluation.

The second point is that a revaluation at the time to which the Member referred — over the past couple of years — would have taken place when the property market in Northern Ireland was at its most turbulent. Indeed, I suspect that, had we done a revaluation two years ago, people would be sitting here in the Assembly saying that it was unfair and that, although it reflected the situation at that time, the situation had moved so quickly during the past two

years that it no longer reflects it. Therefore, an expensive exercise would have been undertaken and an outcome reached that would, because of the turbulence in the market, not have produced a result that gave stability or that could have lasted until the next valuation.

Indeed, all the evidence and information that was given to me — there are basic international standards set down for revaluations — indicated that, had we carried out a revaluation in those circumstances, it would have flouted those basic economic valuation standards, would have been unreliable and inconsistent, and would have given rise to challenges and appeals. In that situation, it did not, in my view, make sense to go for a general revaluation. It was not some cunning ploy by the Executive to get more money from businesses. It was simply the case that it could not be done at that particular time.

Mr Allister's next argument was that there is some kind of contradiction in the policy: on one hand, we want to woo large businesses; on the other, we want to kick them. He argued that we are putting a lot of effort into reducing corporation tax and, at the same time, increasing the levy on large businesses. Somehow or other, we are sending out contradictory messages by trying to hurt large businesses while claiming that we want to help them. I want to make something very clear, which I have made clear to all of the businesses that have come to see me: the Bill is not an attack on big business, despite the way some people have tried to paint it. We want to see big, medium-sized and small businesses doing well in Belfast, in Northern Ireland and throughout the country. We need that mix of businesses.

Some businesses have weathered the recession better than others. They admit that. House of Fraser boasted in the 'Belfast Telegraph' that, out of its 67 stores across the world, the one in Belfast is its fifth best-performing. Tesco has argued that, even with the difficult climate over the past number of years, it has increased its share of the market. While many small businesses are struggling, Tesco has increased its sales and profits. Therefore, the levy is not a measure to hit big businesses, or, as some people have tried to paint the situation, an Executive vendetta against big businesses. It is simply a recognition that some businesses have done better than others, and, if you are going to help businesses and fill in the gap between

now and a revaluation and address some of the disparities that have arisen, you give that help.

Mr Allister had only finished saying that we are attacking big business when he dismissed the idea. I enjoy debate, and it is good that Members challenge issues, but at least let us have some sense. On the one hand, it is being said that we are kicking the daylights out of big business with the levy, and, on the other hand, the scheme is dismissed because it will raise only a paltry £5 million. It is either an imposition designed to hurt big business, or it is worth nothing. People cannot have it both ways.

It was said that the Executive squander money on spin doctors and dinners and that I was looking for people to spend £40 million only this time last week. If we manage our budgets well and finish up at the end of the year with an unspent £40 million that we can carry over to face the problems of next year, that should not be derided. It should be regarded as good financial management, which is what we have achieved.

Equally, it is easy to say let us just find all the money ourselves. At Budget time last year, when everybody was telling us that we needed to raise more revenue and that there were huge pressures on all Departments, the Executive took the decision that if we were to help small businesses, we would have to raise money through alternative means because we did not have it in our resources at that time. That helped to redress an imbalance that existed because of not having a revaluation.

The sum may be only £5 million, but that £5 million is designed to rebalance and to finance. In this job, I have found that it is not only the large sums of money that need to be considered. Often, many small sums of money from the pot can make huge differences in various sectors of the economy. Therefore, the £5 million should not be disparaged in the way that it has been.

I have shown that if we had gone for graduation — that is, the bigger the NAV, the bigger the percentage that is paid — companies such as IKEA and B&Q would have been hit much harder. We asked about graduation during the consultation, and there was no real support for it among respondees, although such a scheme would probably have benefited companies such as Tesco, Sainsbury's, and so on. However, given that the levy is 8·5p in the pound,

companies with a larger NAV will pay a larger bill. That in itself is a form of graduation.

Questions were asked about why the levy was being targeted at retailers only. Mr Allister mentioned driving past large retailers and car showrooms and wondering why they are exempt. One reason why car showrooms are exempt is that those businesses do more than simply sell cars. They have garages, repair shops and offices, and they also service vehicles. This is designed to look at the retail sector. For that reason, car showrooms are exempt.

4.30 pm

Mr Allister raised the issue of uncertainty because of the fact that we have set the rate for this year but have said that we do not know what it will be in the next number of years as we have not set it for years 3 and 4. I thought that I had explained the reason for that reasonably well in my speech at the very start. However, Mr Allister said that it would lead to great uncertainty — another exaggeration, of course — because businesses would not know how it would impact on their bill. Let me, again, put it into some context. First, we have set the levy at 15%. Half of the bill will not change anyway because we have frozen the regional rate. However, district rates will change, and we will not, therefore, be able to work out what the bill is until we know what the district rate is for council areas in years 3 and 4. The local council rate has increased by, on average, 2% or 3% a year; indeed, it has been coming down. If that trend continues, this will raise the rate from about 8·5p in the pound to slightly over 9p in the pound by the end of the period. I hardly think that that is likely, because it will be 15% of, say, an average 2% increase each year. I see the Member raising his eyebrows and thinking, “How did you get that figure?”. That will not mean that a huge amount of extra money has to be found. Saying that we have left it so open that it creates uncertainty is — I hope that Members can see this — a straw argument that really does not have any justification.

On the issue of modification, Mr Allister pointed out in, I think, clause 1(4) that the Department can vary the definitions. I cannot remember the exact clause that he was referring to. I have no doubt that people will attempt to avoid falling under the Bill's remit, and, should that be the case, definitions may have to be changed. I do not expect us to use it, but that clause is there

simply to ensure that we have the flexibility to deal with the issue, should it arise.

Mr Allister has two issues with clause 2. First, he wants to know what we mean by:

“the window display ... does not identify, a trade or business”.

The whole idea of that is to stop people getting free advertising. It is to prevent, for example, a Spar shop from extending its sign over an empty shop next door and getting free advertising by maybe using the shop window for displaying goods. If that were proper advertising, it would, of course, come under the Bill and be subject to rates. So it is really to stop empty shops being used for display purposes, which creates free advertising for adjacent businesses.

When the Chamber of Commerce came to talk to us about the issue, it suggested that a lot of the art colleges and whatnot could put on window displays that would give a street frontage a lively appearance and look better than a shutter over an empty window but would not be related to the business next door. That is the other extreme. That is the type of display that would be accepted. However, simply wanting to extend what is on show to the shop next door would not be accepted. There will be an in-between area that will be subjective, and I am sure that there will be challenges.

Mr Allister also raised the issue of the window display not exceeding 5% of the floor area and asked how we came up with that and why we even bothered mentioning it. That was really as a result of our consultation with RICS and the commissioner.

I am sure that plenty of businesses will look for every opportunity in the legislation that will allow them to carry on with activities in particular premises without paying rates. We want to ensure that only window displays are used and that, for example, people do not use half of their shop for storage and claim that that is part of their shop display. As a result, we have designated that only a certain percentage of shops can be used for displays. That will stop anybody arguing that, although they have gone 20 ft into a shop, it is part of the window display. The decision was taken in consultation with some of those who will be engaged in valuation exercises.

The Member asked, finally, why we have only allowed retail premises in respect of freshly occupied premises that have only been empty for one year. Again, that decision was taken after consultation. If retailers move into empty premises, they will probably require a fair amount of capital investment to fit them out with shelves etc. We want to avoid people moving into empty shops and getting a rates-free period and then moving into another empty shop and getting another rates-free period. That is harder to achieve in the retail sector because of all the set-up and capital costs, but offices are not the same. There are not the same fitting-out costs associated with offices; a couple of desks and telephones are all that is needed. There is much more room for abuse with offices, which is why we have designated the measure for retail only.

I hope that my comments address a lot of the issues that Mr Allister raised. I hope that he will be able to say, without contradiction, that this is, at least, a genuine measure by the Executive. He should give the Executive a bit of credit because we have looked at a problem and sought to sort it out. Over the period of the consultation, the work of the Committee and the drafting of the legislation, we have sought to honestly draft legislation that covers much of the required detail and make it as foolproof as possible.

Finally, I want to come to Mr Agnew, who described the legislation as progressive. The word “progressive” usually means something that is really left-wing and like the socialist stuff that Mr Bradley talked about. Perhaps Mr Agnew was trying to besmirch my good name by saying that.

Mr Hamilton: He will vote against the Bill now.

Mr Wilson: After hearing some of the comments that I have made, he probably will vote against it. I welcome the fact that he has not been churlish and has accepted that this is a genuine attempt by the Executive to address a problem that he and other Members will have seen in the town centres in their constituency. Like others, he rightly said that the measure is short-term and asked what will happen after the period set out in the legislation. All I can do is assure him that we will work on that.

The Executive are working at many levels. Some think that the Executive are only trying to help smaller business through this measure, but the Executive are doing numerous things. Arlene

Foster in DETI and Stephen Farry in DEL are providing training and employment packages for those who work in shops, and Nelson McCausland in DSD is working on regeneration schemes in town centres. The Executive are pouring a lot of money into trying to revive our town centres and to keep them alive, and I do not want this Bill to be seen in isolation. As we look beyond the legislation, other measures may be required, and we will look at them. I believe that this is a longer-term project, rather than one that is just for the next three years.

The measure is for three years, and assurance has been given that that is the case. It will require renewal, and, if whoever is Minister at that stage decides that he or she wants to continue with it, there will be the same opportunity for scrutiny by the Assembly, and justification for its continuation will have to be given. I hope that we will have moved on by that stage with a revaluation and that we will have some new ideas about what we can do for small businesses.

I thank all Members who took part in the debate and listened to my response. I ask the Assembly to support the Second Stage of the Bill.

Mr Deputy Speaker: Before we proceed to the Question, I remind Members that section 63 of the Northern Ireland Act 1998 applies to the Bill. The vote, therefore, requires cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

That the Second Stage of the Rates (Amendment) Bill [NIA 2/11-15] be agreed.

Mr Deputy Speaker: I am satisfied that cross-community support for the Bill has been demonstrated. That concludes the Second Stage of the Rates (Amendment) Bill.

Committee Business

Standing Orders

Mr Deputy Speaker: The House will know that motions to amend Standing Orders are not time-limited.

Ms S Ramsey (The Chairperson of the Committee on Procedures): I beg to move

After Standing Order 42 insert -

"42A. Legislative Consent Motions

(1) A legislative consent motion is a motion which seeks the agreement of the Assembly to the United Kingdom Parliament considering provisions of a Bill which deal with a devolution matter.

(2) A legislative consent memorandum shall be laid in respect of any devolution matter for which a legislative consent motion is proposed.

(3) A legislative consent memorandum may include the Bill and any explanatory notes attached to the Bill and shall include -

(a) a draft of the legislative consent motion;

(b) sufficient information to enable debate on the legislative consent motion;

(c) a note of those provisions of the Bill which deal with a devolution matter; and

(d) an explanation of -

(i) why those provisions should be made; and

(ii) why they should be made in the Bill rather than by Act of the Assembly.

(4) The Minister whom the devolution matter concerns shall, normally not later than 10 working days after the relevant day, either -

(a) lay a legislative consent memorandum before the Assembly; or

(b) lay a memorandum before the Assembly explaining why a legislative consent motion is not sought.

(5) A member of the Assembly other than the Minister whom the devolution matter concerns may lay a legislative consent memorandum but shall not do so until -

(a) the Minister has laid a legislative consent memorandum under paragraph (4)(a);

(b) the Minister has laid a memorandum under paragraph (4)(b); or

(c) the 10 working days provided for in paragraph (4) have expired.

(6) Upon a legislative consent memorandum being laid before the Assembly, those provisions of the Bill dealing with a devolution matter shall stand

referred to the appropriate statutory committee unless the Assembly shall order otherwise.

(7) The committee may, within 15 working days from the date of referral, consider those provisions of the Bill which deal with a devolution matter and report its opinion thereon to the Assembly.

(8) A legislative consent motion shall not normally be moved until at least -

(a) 5 working days after publication of the committee report; or

(b) 20 working days after the date of referral to the committee.

(9) A subsequent legislative consent motion may be moved if appropriate, having regard to the nature of any amendment dealing with a devolution matter made, or proposed to be made, to the Bill. Paragraphs (4) to (8) shall not apply to that motion.

(10) In this order a 'devolution matter' means -

(a) a transferred matter, other than a transferred matter which is ancillary to other provisions (whether in the Bill or previously enacted) dealing with excepted or reserved matters;

(b) a change to -

(i) the legislative competence of the Assembly;

(ii) the executive functions of any Minister;

(iii) the functions of any department.

(11) In this order the 'relevant day' means -

(a) in respect of a Bill other than a Private Member's Bill -

(i) the day the Bill is introduced in the United Kingdom Parliament; or

(ii) the day the Bill completes the stage in the United Kingdom Parliament during which an amendment is made to the Bill which makes it a Bill to which this order applies;

(b) in respect of a Bill which is a Private Member's Bill -

(i) the day the Bill completes the first stage at which it may be amended in the House of the United Kingdom Parliament in which it was introduced; or, if later,

(ii) the day the Bill completes the stage in the United Kingdom Parliament during which an amendment is made to the Bill which makes it a Bill to which this order applies.

(12) This order does not apply in respect of Bills which are consolidation Bills or Statute Law Revision Bills."

Thank you, a LeasCheann Comhairle. I panicked there: I thought that the Clerk would have to read out the wording of the motion, in which case we would be here longer than the debate will take.

On behalf of the Committee on Procedures, I am pleased to bring this motion to amend Standing Orders to the House. The proposed changes stem from an inquiry into legislative consent motions (LCMs) carried out by the Committee on Procedures in the previous mandate. The Committee's key recommendation was that a Standing Order should be put in place to set out the procedure for dealing with LCMs.

It may be helpful if I begin by providing some background to the need for the new Standing Order. Legislative consent relates to the convention that the British Government would not normally legislate on devolved matters without first getting the agreement of the relevant devolved legislature. Back in 2000, the British Government and the devolved Administrations agreed a memorandum of understanding that set out the principles underlying the process.

A legislative consent motion is the means by which the Assembly gives its consent to a Westminster Bill that deals with a devolved matter. The Assembly dealt with 18 LCMs in the whole of the previous mandate, but we have already had six LCMs in this mandate. Therefore, there is a clear need to have proper procedures in place. The Scottish Parliament and the National Assembly for Wales have Standing Orders in place to deal with LCMs. However, there are no agreed procedures in the Assembly for dealing with them.

Research carried out by the Committee on Procedures in the previous mandate showed that, other than those from the relevant Committee, very few Members contributed to debates on LCMs. Although the procedures used up until now have been adequate, they were Executive-driven, and the majority of Members did not have access to the information necessary to allow them to take part effectively in debate and to understand the purpose of the motion. This is an important issue: better access to information for Members will lead to better decision-making. The proposed new Standing Order will help to ensure that there can be increased understanding of the issues. It will also clarify the process and impose specific responsibilities on Ministers and Committees. In developing the new Standing Order, the Committee consulted widely with those involved with LCMs, including officials from OFMDFM and the Clerks of Committees that have dealt with such motions in practice.

I now turn to the text of proposed Standing Order 42A. In a nutshell, the basic procedure set out is that an LCM, accompanied by a legislative consent memorandum, is laid before the Assembly. The matter is referred to the appropriate Committee, which may or may not, as it sees fit, report on it. The Assembly then votes on the LCM. The process has been informed by the procedure for Assembly Bills and draws on the Scottish Parliament's procedures for dealing with LCMs.

4.45 pm

The Standing Order addresses important issues, including the fact that a Member or a Minister may wish to lay an LCM; the period within which a Committee may report on a devolved matter contained in a Westminster Bill; the period within which an LCM may be tabled, given the likelihood that it would be largely informed by the passage of a Bill through Westminster; and, finally, the need for the Minister or Member dealing with the matter either to table an LCM setting out why it is better to deal with the matter at Westminster or to lay a memorandum explaining why an LCM is not being sought.

The Standing Orders will bring into effect a key recommendation from the previous Committee's report that Standing Orders should be introduced to provide clarity on the procedures for LCMs. I commend the motion to the House.

Mr Deputy Speaker: No one else has indicated that they wish to speak in the debate. Before we proceed to the Question, I remind Members that the motion requires cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

After Standing Order 42 insert -

"42A. Legislative Consent Motions

(1) A legislative consent motion is a motion which seeks the agreement of the Assembly to the United Kingdom Parliament considering provisions of a Bill which deal with a devolution matter.

(2) A legislative consent memorandum shall be laid in respect of any devolution matter for which a legislative consent motion is proposed.

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(a) a draft of the legislative consent motion;

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(i) the day the Bill completes the first stage at which it may be amended in the House of the United Kingdom Parliament in which it was introduced; or, if later,

(ii) the day the Bill completes the stage in the United Kingdom Parliament during which an amendment is made to the Bill which makes it a Bill to which this order applies.

(12) This order does not apply in respect of Bills which are consolidation Bills or Statute Law Revision Bills."

Motion made:

That the Assembly do now adjourn. — [Mr Deputy Speaker.]

Adjournment

A24: Ballynahinch Bypass

Mr Deputy Speaker: The proposer of the topic will have 15 minutes. The Minister will have 10 minutes to respond, and all other Members who are called to speak will have five minutes.

Mr Hamilton: I thank the Business Committee for allotting the time to debate this adjournment topic. I thank colleagues for their attendance and the Minister for his attendance and, in advance, his response.

I have not checked, but this may be the first time that an adjournment topic has been debated twice in the Chamber. Many years ago, perhaps a decade or more ago, my good friend Mr Wells brought the same subject to the Chamber. Mr Wells will remember from representing South Down in the 1980s, when it was a much larger constituency than it is now, that this was a hot topic then and even before that. I hope to take on the baton from Mr Wells and bring the issue to the attention of the Regional Development Minister and, hopefully, make more progress. When Mr Wells first raised the issue in the Chamber he did not have a grey hair on his head, and I hope that we can get the issue resolved and the road built before he loses any of the hair on his head. Over that period, the issue has not gone away, to borrow a phrase from someone else. It is a long-standing issue, and, like many bypass projects around Northern Ireland, it has been on the books for many years.

In 2011, I was elected along with my friends Mr Bell, Miss McIlveen and others to represent the town of Ballynahinch. However, you do not need to be elected to serve Ballynahinch or to live there to know that there is a severe traffic problem in the town. Unlike some other places in Northern Ireland in need of a bypass, this is a daily problem; day in and day out, there is a problem with traffic congestion in Ballynahinch. It is a problem between Monday and Friday, caused principally by commuter traffic. It is also a problem at the weekend as traffic tries to make its way to and from the south Down

coast and places such as Newcastle and the Mournes. The problem exists from Monday through to Sunday, seven days a week on virtually every day of the year. Therefore, the problem in Ballynahinch is much more acute than it might be in some other parts of Northern Ireland — not to take away from the valid cases that other towns and villages may put forward.

It is not difficult to see why Ballynahinch was settled, sitting where it is slap bang in the heart of County Down. Traffic from Lisburn, Crossgar, Downpatrick, Saintfield, Belfast and Dromore all converges on that tiny town in the centre of County Down, without the appropriate development and infrastructure over the years to accommodate it.

As we debate the bypass, it is coming up to the 5.00 pm rush hour. If you were heading into Ballynahinch at the minute, you might be lucky to have your car stopped in traffic at the Saintfield Road, which is about a mile from the town centre. It can take what seems like an eternity in bumper-to-bumper traffic to get in and through to your destination. I am sure that Mr Wells will make the point that that causes not only congestion but environmental damage to the town and the people living in Ballynahinch.

I want to put forward a number of reasons for the Ballynahinch bypass to progress at the earliest opportunity, the first of which is the strategic importance of the bypass. When Adjournment debate topics are brought by Strangford Members, we tend to be a lonely bunch in the Chamber. There are only a handful of us. We are not used to having any nationalist representation during such a debate, but we can see by the attendance of Ms Ruane that this issue has a much wider context than simply one constituency or town. A huge amount of traffic comes from south Down and through Ballynahinch. Indeed, the proposed line of the bypass project will run in part through and end in south Down. So, the project straddles two constituencies. It is of much wider interest than merely one constituency.

Ballynahinch sits as a gateway not only to many other parts of County Down but principally to the Mournes, which I talked about before. We already see a huge increase in footfall in Newcastle as a result of the fantastic streetscape scheme that went ahead there. I do not want to get stuck into the debate on national parks, but one thing is absolutely clear:

the future of the Mournes is such that more and more tourists will want to go there, and that is what we hope to see. Therefore, the traffic that heads down from Belfast and other places and through Ballynahinch will only increase in years to come. So there is a much wider interest and a wider benefit than just the benefit to Ballynahinch. However, the biggest benefit, undoubtedly, will be to Ballynahinch itself. I do not just mean the benefit of getting rid of traffic from the town centre; the future development of Ballynahinch very much depends on the bypass going ahead.

The Department for Regional Development's regional development strategy designates Ballynahinch as a local hub in County Down. The Ards and Down area plan sets aside a lot of hectares for future development, some of which has already gone forward. However, there are about 30 hectares of development ground for around 750 homes, and that development is contingent on the bypass happening. That is the sort of thing that we want to see happening. We need more houses, certainly in places like Ballynahinch. That will also benefit the area. Business will benefit because the bigger the population living there, the more they should use shops and services in the town. So, in a development sense, the bypass is good for Ballynahinch and its business.

The second argument that I want to put concerns the impact that not having the bypass has on business and on the competitiveness of businesses in Ballynahinch. I do not just mean the shops, which I will come to in a second. Ballynahinch has a lot of construction, aggregates and manufacturing industry based around it. As everybody here knows, that requires putting a lot of vehicles on the road to get goods to and from the marketplace. I have spoken to many people, particularly in the aggregates sector, who said that, depending on the time of day that they put a vehicle on the road — say it is this time, approaching 5.00 pm or an hour earlier — they would not put out a vehicle because it may not get out and back in time. That comes at a cost to them and affects their competitiveness. Day in and day out, the traffic affects the competitiveness of businesses in and around Ballynahinch. It also has a huge impact on the shops and other services in the town.

I pay credit to and praise members of the Ballynahinch Regeneration Committee, who have done their best over the years to attract a

lot of retail investment to the town. If anybody from outside the area goes to Ballynahinch, they will notice that, for a relatively small town, it has a lot of high street retailers that you would not expect to see. That is because of the good efforts of people in the town, the regeneration committee and local politicians through the years. However, those businesses are undoubtedly suffering. I know that that is not unique to Ballynahinch, Strangford or south Down; it is happening everywhere. It reminds me a lot of my hometown of Comber. Those of us who live in and have represented Comber through the years will know that, before Comber had its bypass, even people from the town would rather have left it and gone somewhere else than venture into it, with all the hassle of the traffic that was there and the headache that that gave people. So it is having an impact even on local people using the shops and services in the town, never mind those who travel through it. If people are commuting back home, perhaps to somewhere in south Down, they may have to stop to get groceries of some kind or another. I think — traders in the town have told me that this is their belief — that, when cars arrive in Ballynahinch, the only thing that is in the mind of the driver is how they can get through the town as quickly as possible. There is no way that they are going to stop there, try to get a car parking space and then try to get back out into the traffic, which might be worse five minutes later. So it is having an impact on businesses, in spite of a lot of good work that is going on, not least in attracting some of those retailers and in the regeneration scheme that DSD is going to bring forward. Indeed, the Minister's predecessor reduced the parking charges in one of the town centre car parks to try to stimulate business in the area. All that is very welcome, but it is clear to those of us who know the town and area that the bypass is the key to unlocking the economic potential of the town.

The third point I want to make is that putting in the bypass will increase road safety. It is easy to say that, and it is a self-evident truth in many respects. If you took all those vehicles away from the town centre, the potential for collisions and accidents would be minimised. When we hear arguments put to the Minister and his officials in Roads Service about traffic-calming schemes, that is always an argument that is put forward. It is also a major consideration. Unfortunately, since the last Adjournment debate on this issue a number of years ago,

even in the last two years, there have been two fatal accidents in Windmill Street, which is part of the one-way system around Ballynahinch, involving pedestrians and heavy goods vehicles. There is a concern that there is too much traffic going through the town, and, unfortunately, in the past year it had that impact.

I have also seen buses go through Carlisle Park to get to local schools to pick up schoolchildren. Those are streets in residential areas that were not designed to take the big buses through them, but a sort of unofficial bypass has developed in the town, and the bus drivers have to go that route in order to get to the schools in time to pick up the schoolchildren, otherwise the children would be very late getting home. That is obviously creating a risk, as those buses go through that area on streets that were not designed to take them. There is a real risk there and a fear that something worse might happen.

I bring the issue to the Minister not looking for money per se. If he has any, that is great, but I have been working alongside the Finance Minister for long enough to know how the system operates. I know that the Minister does not have the cash in his budget to bring the project forward now, but I want to make the point that further delay is costing us. The initial budget for the road was around £10 million in 2005. It rose to around £12 million in 2007, and the latest estimated cost is around £30 million. The longer we delay, the more it will cost us. That is another evident truth.

I am not coming here with a begging-bowl approach to the Minister, looking for money, not least because I know that I am not going to get it. I am not saying that we need money and we need it now so that the bypass can be built. I come here to ask the Minister to find it within his powers to complete all the necessary statutory processes as quickly as possible. I know that there are some outstanding. I know that the preferred route status has been picked, but there is an environmental impact assessment, there could be a public inquiry following that, and obviously we will have to make vesting orders at a later stage. That is when the use of finance will probably start to kick in. If we could get through all those statutory processes as quickly as we can, so that the project is sitting on the shelf — so that it is shovel-ready, to use the phrase that we hear quite a lot — then, if finance becomes available, perhaps as a result of reallocations resulting

from the A5 issue or, indeed, if it is the start of the next Budget period, the project will be sitting in the Minister's Department ready to go.

The message that I want to leave with the Minister and the Assembly tonight is that the scheme is very worthy. That is clear to anybody who knows or travels through the town. You only have to go to the town once and you will see the problem. There is a hidden impact both on business and commerce in the town and on road safety.

I do not ask the Minister to produce a cheque now, but I ask him to impress upon his officials, if he can, to get all the statutory processes out of the way as quickly as possible so that, when the money becomes available, we do not have any further unnecessary delay.

5.00 pm

Ms Ruane: Go raibh maith agat, a LeasCheann Comhairle. I agree with everything that Simon Hamilton said. I go through Ballynahinch regularly, and that is the slowest part of my journey. Indeed, I will go through it tonight after the Adjournment debate. I thank the Member for bringing the Adjournment debate to the House. I pledge to work with him and, indeed, any other Members from Strangford or South Down in any way possible to ensure that we do everything that we can to get this project completed.

Fáiltím roimh an deis seach-bhóthar A24 Bhaile na hInse a phlé. Feicfidh duine ar bith atá ag tiomáint trí Bhaile na hInse go bhfuil fadhbh mhór ann agus go bhfuil práinn leis an seach-bhóthar seo. Féadann an trácht bheith ina stad ar feadh leath uaire. Tá na moilleanna fada seo ag dul i gcion go mór ar ghnólachtaí an bhaile, go háirithe na mion-díoltóirí.

I welcome the opportunity to discuss the A24 Ballynahinch bypass. Anyone who drives through Ballynahinch will understand that there is a serious problem and an urgent need for the bypass. Traffic can be at a standstill for up to half an hour, sometimes longer. Those lengthy delays have a major impact on businesses in the town — I concur with everything that the previous Member said about that — although that does not stop me. There is a great fish and chipper in the town, and I always try to get some healthy eating in as well.

Ballynahinch is a key gateway to the Mourne; it is the main route from Belfast to the Mourne.

It not only causes serious traffic delays for both towns but can lead to significant damage to visitor experiences. We need to unlock the true tourism potential in the area at all different levels. There has been underinvestment in the area in the past. The infrastructure is not what it should be, and we need to ensure that —
[*Interruption.*]

Mr Deputy Speaker: I ask that all Members check that their mobile phones are turned off, please.

Ms Ruane: It might be my mobile phone actually. I am sorry.

This type of flagship development is essential if we are to develop a co-operative approach to both trade and tourism. It would make south Down a much more accessible tourist destination as well as improving the quality of life of the many commuters who travel further north. The bottom line is that Ballynahinch should be given a bypass as quickly as possible as part of an overall strategy to improve access to and from south Down.

I understand that work is under way to develop this scheme for the Ballynahinch bypass; work to identify the preferred route is ongoing as we speak. Sinn Féin is fully supportive of the scheme, as is recognised by the assurance given by the previous Sinn Féin Minister, Conor Murphy, that the Ballynahinch bypass would be looked at by the Department for Regional Development. Our local councillors have been very active on the issue, and I welcome their work. I also join Mr Hamilton in paying tribute to the Ballynahinch Regeneration Committee.

I understand the economic circumstances that the Minister and his Department face, but this has been ongoing for too long. I agree that we should have it ready to go. I ask the Minister to ensure that all the statutory processes are completed so that it is ready to go if funding becomes available in this term and, failing that, for funding to be made available in the next Budget settlement. I look forward to working with all partners on the matter.

Mr Nesbitt: I welcome the opportunity to speak and thank Mr Hamilton for bringing the matter to the House. Yesterday, I spoke in the debate on the future of Strangford lough as a Member for the Strangford constituency. I speak in that capacity again today and make it clear, as I did yesterday, that my comments are

informed by the priority that the Assembly and its Executive Committee give to the economy. If the economy really comes first, we must check and double-check everything that we do against its economic impact as well as the more easily measured effects on matters environmental.

I well remember, as a schoolchild, being driven through Ballynahinch en route to the Slieve Donard Hotel in Newcastle, where my paternal grandfather used to spend a couple of weeks every summer, and looking enviously out from the hotel at the golfers on one of the greatest courses on planet earth, Royal County Down. Today, that golf course is enjoying boom times as high-spending golf tourists flock to the land of the modern golf champions.

Many of those tourists will approach Newcastle through Ballynahinch, and although it would be nice to think that coach-loads of people would park up and that the town would bask in the reflected glory of Rory McIlroy, Graeme McDowell and Darren Clarke, we all know that life does not actually work like that. If we can agree that many golf tourists and others who pass through Ballynahinch will never stop, then we can not only do them a service by offering them a bypass to get them much more agreeably to where they want to be, we can also do something much more positive for the residents and the traders of Ballynahinch; we can clear out of the way those who are not going to stop and make room for those who do want to do business in the town, whether they are residents, students or shoppers.

When I was young, we drove through Ballynahinch to get to Newcastle, but we also drove through Ballymoney to get to Portstewart. Either way, the traffic flow then was not what it is today. Now, it is an inhibitor to the economy and to the traders of Ballynahinch. That statement may appear counter-intuitive, not least when you think how often you hear retail businesses stress the importance of increasing footfall, but if you can never get enough pedestrians passing your shop door, how can it be that you can get too many cars? The answer is that the roads infrastructure is long past its capacity to handle the volume of traffic that passes through Ballynahinch, and the results are all negative.

Although I remain committed to the view that the issues on debate today must be seen primarily through the lens of the economy,

it would be wrong not to acknowledge the serious road traffic collisions. Mr Hamilton has most eloquently reminded us of the two recent fatalities in Ballynahinch. It is simple logic to conclude that if roads designed to carry 12,000 vehicles a day are now carrying between 18,000 and 20,000, then the risk of accidents is heightened, especially when those 20,000 vehicles include heavy-duty machinery.

In relation to addressing the economy, it was interesting to accompany the Minister to a meeting with residents and traders in the Market House in Ballynahinch a fortnight ago on the 11 January. I came away with many positive impressions, especially with the input from and commitment of the town traders who are taking the sort of joined-up, common-sense approach that my party favours. In particular, I recall the words of Jackson Charles, who sat quietly absorbing and analysing the information until he delivered what I considered to be the telling statement of the morning. His family has been trading in Ballynahinch for 100 years. When the bypass was first suggested many years ago, he was totally opposed to the idea and implacably against it. Today, his opinion has swung 180 degrees, and he is fully supportive of the bypass. That is because he can look out of his shop window and watch potential customers drive on by because the volume of traffic makes it well nigh impossible to stop.

I commend the Minister for attending that meeting, and for following up so swiftly with what I anticipate will be a very well-received statement in a few minutes' time. It will not be his first well-received statement since he took over the Ministry in May. I also ask him, in the spirit of joined-up and common-sense government, to bear in mind what else we both heard from the traders a fortnight ago; namely their desire that this Assembly brings a focus to promoting the cultural and historical potential of Ballynahinch, including its role in the 1798 rebellion.

Mr Deputy Speaker: Will you draw your remarks to a close, please?

Mr Nesbitt: I know that the Minister, a man steeped in tradition outside his ministerial duties, thinks of little else.

Mr McCarthy: I thank my colleague Simon for bringing this very important subject to the Floor of the Assembly. I am a bit concerned that his colleague sitting beside him was not able to provide a bypass for Ballynahinch, given all his

years of experience. I have not been in politics for as long as Jim Wells has been, but I am delighted to say that I had a hand in the Comber bypass and in the construction of the new bypass from the Portaferry Road to Comber and Belfast. So what has Jim been doing all these years? He can answer that question when he speaks.

It is not that long ago that Simon and I became involved in Ballynahinch. It was included in our constituency only in the last mandate, and it was only about March 2011 that we started to knock doors and visit in Ballynahinch — I speak for myself now — and see its problems. The bypass is one problem, but there are many more; I do not know what Jim has been doing about those either. I suppose that, as time goes on, we will see results as we work together.

I support the proposal for the provision of a bypass for Ballynahinch at the earliest opportunity. I was delighted to hear Minister Danny Kennedy say, on his visit to Ballynahinch last week, that, come 2014, and with a fair wind, the town could see the start of the long-awaited bypass.

There is no doubt, and everyone this evening has agreed, that the severity and volume of the traffic passing up Windmill Street, through The Square and on to other destinations is remarkable. Something should be done to alleviate that ever-growing problem and the inherent road safety issues that it brings. As was said earlier, there have been a number of recent accidents. There was a fatal accident two or three weeks ago when an elderly local lady lost her life trying to cross Windmill Street at The Square. We offer sympathy to her family on that sad loss and hope that we do not have to experience that again.

Local excitement over the Ballynahinch bypass has once again surfaced as the decision of the Southern Government to reduce their contribution to the A5 became known. Money will become available from somewhere and could be used for construction of this much needed bypass. Given the circumstances, it is vital that all the necessary planning, environmental assessments and designs, etc, proceed so that, come 2014 when funding becomes available, work can start. The bypass will be a godsend not only to Ballynahinch and those travelling through it, but, hopefully, also to local contractors and workers, and provide much needed jobs.

I am a wee bit taken aback by Simon Hamilton's reluctance to get into funding. Simon is close to the Finance Minister and may become closer as time goes on. Is he trying to keep an arm's distance from demands that will come from me and others when he is dishing out the money? I am sure that that is not the case, Simon; I am sure that you will look after your own constituency when the time comes.

I am pleased to see local involvement and support for the bypass in Ballynahinch. With plans such as this, there can be anxiety among established local businesses that might fear that the bypass will take away much needed trade from the centre of the town. I congratulate the regeneration group, the chamber of commerce and other groups that are working together to bring this to fruition.

I express gratitude to Minister Kennedy for listening, not that long ago, to the people in Ballynahinch and other towns and refusing to introduce parking charges, which would have undoubtedly put extra pressure on the already hard-pressed retailers of Ballynahinch and other towns.

Mr Deputy Speaker: Will the Member draw his remarks to a close, please?

Mr McCarthy: I listened to the Minister's reply to the question today. Although the work seems to have been completed, I was disappointed that the Minister withheld from Members the preferred route and kept us in suspense. I hope that he will divulge his priority during his contribution this evening.

Mr Wells: When I raised this issue a decade ago, I broke a record for the smallest turnout ever for a late debate at Stormont. There was a grand total of four Members in the Chamber: the Speaker, who had to be there, the Minister for Regional Development, Mr Peter Robinson, who had to be there, P J Bradley and myself. After such a disastrous turnout, I wondered how I would write it up for the local newspaper, the 'Down Recorder'. I thought of an inspired headline, "Mr Wells Speaks to a Hushed Assembly", which would create the impression that there were 107 other MLAs hanging on my every word. We have done slightly better tonight. We have almost double figures, although now we know that it affects two constituencies.

5.15 pm

When I was a rookie MLA elected in South Down in 1998, I was taken in hand by a veteran DUP councillor, the late Tommy Poole, who took me to a spot outside the Millbrook Lodge Hotel in Ballynahinch and showed me the spot where the original plan for the Ballynahinch bypass was to start in the early 1960s. Here we are, 50 years later, and still we have no bypass.

I understand why Mr Hamilton, who is about to be elevated to an extremely important position, does not want to besmirch the debate by talking about money, but I will. The reality is that there could be money. For very legitimate reasons, the A5 project has been put on the long finger, and I understand that that means that there is an extra £400 million available for capital expenditure over the next few years. I suspect that DRD will, quite rightly, claim that it should inherit the bulk of that extra cash because it was hypothecated for roads expenditure. That being the case, it is an ideal vehicle to take that money and use it for simple, easy, non-contentious, non-controversial bypass projects, and they do not come much more non-controversial than Ballynahinch. As far as I am aware, there are few, if any, objectors to the scheme, and there are thousands of traders, residents and commuters who would be delighted if it were announced. Indeed, Mr Kennedy, can I give you assurance? If you announce the start of the bypass in the near future, we will name it after you. We will call it the Kennedy bypass. You will thoroughly deserve it.

However, to be serious, from an environmental point of view, the scheme is a no-brainer. The reality is that there are no habitats or wildlife of any importance along the route. There are a small number of landowners, and the land has been designated in the Ards and Down area plan for the bypass; it has not been built upon. If there were a public inquiry, it would be a very short and sharp affair because there is so much overwhelming public opinion in favour of it.

I understand that the price has rocketed. Indeed, when I saw some of the tender prices that were suggested in response to a question I asked for written answer, I thought that I was in the wrong business. In my tenure as an MLA, the price has risen from £10 million to £28 million. I cannot understand that, because the project has remained the simple straightforward scheme that it always was. I suspect that now is the best possible time to get best value for the

taxpayer. I know that there are some savagely low tender prices coming in for construction projects in Northern Ireland. Therefore, if we have a bit of slippage money as the result of the A5, let us take the opportunity to get the scheme moving and get best value for the taxpayers of Northern Ireland. It could not come at a better time.

I concur with everything that the honourable Member for Strangford Mr Hamilton said with regard to the economic benefits of the scheme. However, if we do not move, I do not want to be standing here in another 50 years — it could happen: a vegetarian diet — still bleating and asking for the scheme to be implemented. If we do not act soon, there is no doubt that the whole economic regeneration of South Down will suffer. I would love to be paid for every hour that I have sat at Carlisle's garage or the Millbrook Lodge Hotel, waiting to go through Ballynahinch.

I feel sorry for those who live in the byroads around Ballynahinch. Local people have discovered the little rat runs, such as Grove Road, which can be used to get around Ballynahinch. Those people have to suffer, as hundreds of vehicles — sometimes HGVs — use those roads to avoid the town. The people of Carlisle Park have to suffer buses, lorries and cars piling through that residential area in their hundreds to avoid the snarl-up in Ballynahinch.

This is a no-brainer. It is good for the environment, it is good for the economy and it will be good value for the taxpayer. I urge the Minister to go down as a hero in Ballynahinch and announce real progress with the scheme.

Mr McNarry: It seems that people are sitting in anxious anticipation after a number of these speeches. Simon Hamilton told us that it is on the money; Mike Nesbitt beside me said that we can expect a response in minutes; and drama occurs when Jim Wells has already got round to naming the blooming bypass before it is built. I do not know what brown envelopes are floating your way, Mr Kennedy, but perhaps you will think of others. That is meant to be a joke, in case anybody picks it up any other way. *[Laughter.]*

Mr Nesbitt: You could speak to him privately.

Mr McNarry: Well, you never know.

I am very pleased to support my DUP constituency colleague on this issue. I welcome the debate and trust that the Minister will have positive news

in his contribution today. I am very glad that Ballynahinch is now firmly within the Strangford constituency. Maybe that is why we are now seeing some action. In the past, Ballynahinch has, as far as I am concerned, been marginalised by being on the edge of other places and districts. That that is no longer the case is the positive bit. Along with my colleagues, I will be making strenuous efforts to see that, in and around Ballynahinch, the Ballynahinch people, despite and irrespective of those who pass through it, are in a position where their town will be properly recognised and represented.

Part of the Ballynahinch traffic problem at present is that there are too many direction options available at too many points on existing road networks. They lead to traffic snarl-ups. Skipping immediate junctions, as would happen, prevents local traffic, which really ought to remain on the local road network, from using the bypass and perpetuating the existing problem.

I want to deal with another issue that I believe needs to be looked at. I am glad that the bypass is coming, is being named and so on, but it relates solely to traffic coming from the eastern route. I want to put down a marker to the Minister and tell him of my experience, and that of some others who are here, of Ballygowan. We waited 30 years for the second phase of the Ballygowan bypass, and, Lord, we are going to wait another 30 years for it to be completed. That is an incentive to Simon to find the money for that. What of the other city that is just a few miles from Ballynahinch on the western road network? I refer to Lisburn, which has an urban population in excess of 60,000 and a total population approaching 120,000. The western approaches to Ballynahinch include not only Lisburn, as I have said, but towns such as Dromore, Lurgan, Portadown, Armagh and, of course, nearby Hillsborough. I am not sure that the local road network can handle all those routes. Are there any recent traffic surveys that could shed light on that and on the volume of traffic coming from different regional towns? The bypass will handle eastern route traffic, but what about the western route traffic? That is the question that I pose.

There has been mention that shopkeepers are already having a difficult time. I wonder whether the impacts of the new systems need to be factored into the rating situation. Is this a case for doing that? I ask the Minister whether he will consider sharing in my appeal to the Finance

Minister to seriously consider having a rates review well before 2015, so that places such as Ballynahinch can take advantage of that. Many current businesses will be out of business by then, if they do not see concessions in rateable valuations. I make the plea that Ballynahinch in particular needs some assistance in that respect.

Enough has been said, and there is more to be said. I am sure that we all now await the Minister and the Junior Minister.

Mr Bell: Let me clarify that I will be speaking as a Member for Strangford and not as a junior Minister in the Northern Ireland Executive.

Mr McNarry: Oh no, you are not.

Mr Bell: It has to be done.

First, I congratulate Simon Hamilton for keeping the issue alive and for achieving the debate today. He has done it with his customary comprehensive grasp of the detail of a subject that he has elucidated very well. He has not left a lot to be said. I join all my colleagues in the cross-community and cross-party support for this. A lot of hard work is being undertaken, at least by the regeneration group. Last summer, I was in Ballynahinch with Alex Attwood, the Minister at that stage, and we went to the marketplace and looked at the Market House. We looked at all the potential there was and at what could be achieved if we could, as it were, get all our ducks in a row. Critical to all those ducks in a row is, as Simon pointed out to the House, the bypass for Ballynahinch.

By their nature, bypasses are there to serve a trinity of purposes: first, to ensure that congestion is alleviated; secondly, to ensure that there is no interference with the local population, local traffic flow and local businesses; and thirdly, as my colleague Simon Hamilton has pointed out, to ensure road safety. When you take Ballynahinch, with its South Eastern Regional College campus, Assumption Grammar School, the High School, St Colman's High School, Ballynahinch Primary School, St Patrick's Primary School, and all the sporting organisations from rugby to hockey to Ballynahinch Olympic, you will see that there is a need for a comprehensive look at road safety. I venture and dare to suggest that the greatest challenge for Ballynahinch is not only those three purposes but a point that has been made repeatedly — the delivery of the bypass that is

key to the economic success of Ballynahinch. That is something that we need to look at.

Ballynahinch has been classified as a small town. The 2001 census, which has the most recent figures I could get, show that it has a population of 5,364 people. Practically one quarter of that population, or 22.4%, is under 16 years of age.

We can look not only to the excellent golf facilities in the area but to the other major towns, such as Downpatrick and Newcastle, which lie there. Each of them has its inherent tourism appeal. We look to 2012 as a year when Northern Ireland can maximise its tourism potential. In fact, we are seeing some evidence of that, and I congratulate DETI. The last figures that I saw show that we are something like 6% up on the same period last year and a spend of around £21.9 million greater than last year, and I believe that there is more to come. It is important that Ballynahinch gets its slice of the cake.

Somebody argued that the town came into being in the 1600s and stayed with the Sir George Rawdon family until 1798 and that the only thing that has not changed since that time is the road structure and congestion. I think that that is unfair, although I note that some of those issues were raised back in 1996, when the British Prime Minister John Major visited Ballynahinch. In 1998, with the establishment of the Northern Ireland Assembly, they said that it was hoped that the Ballynahinch bypass would be in place within six to 15 years. By my maths, that gives the Minister two years, until 2013, to fulfil the pledge that was made.

Critical to the issue is ensuring that we have access to the key tourism routes of the Mourne, Royal County Down, Newcastle and Downpatrick. Those routes will be used not only this year but many times into the future. It is critical that Ballynahinch does not lose out as a town. It is reasonable to say that the economic survival of the town is dependent on that. So, Minister, we look to you to see if you can tell us anything about the next steps. The next steps may be the preferred route or the preferred status for that route. We understand that this is an issue that has been about for a while. Like my colleague David McNarry, I would like you to see if there are any other moneys that could be used to bring this into place. I appreciate that it is a big ask, but it is for a big issue.

Mr Kennedy (The Minister for Regional

Development): I thank all Members who have contributed to the debate this evening and the main sponsor of the debate, Simon Hamilton. I have been interested in all the speeches and representations that have been made. I not only note the comments but welcome them, as I do the concerns that have been raised. I particularly welcome the opportunity to debate the potential Ballynahinch bypass.

As Members know, I had the opportunity to visit Ballynahinch recently. I met local elected representatives, traders' representatives and council officials, and I was able to see for myself the road network and traffic conditions in the town. Over many years, I have been an occasional visitor as a tourist or as someone passing through the town.

5.30 pm

Traffic surveys were undertaken in 2006, in the early stages of the development of the scheme, which has been about for quite some time. The surveys show that there were over 20,000 vehicles a day on some parts of the main road through the town centre. I confirm that Roads Service is aware of the range of benefits that a bypass may be able to provide.

Although there are between 10,000 and 12,000 vehicles on the A24 trunk road approaching the town, many of those motorists have business in the town centre. Nevertheless, traffic modelling shows that around 6,500 vehicles a day might be expected to use a new bypass, which would make a significant contribution to the improvement of traffic conditions, and conditions generally, in the town centre, where, for example, the pollution associated with traffic congestion would be reduced. Mention was also made of that.

The A24 Ballynahinch bypass proposal is included in Roads Service's strategic road improvement programme, and the strategic improvement of the Belfast to Newcastle trunk road is being progressed on the basis of the three-stage procedures outlined in the UK Highways Agency's 'Design Manual for Roads and Bridges'.

Roads Service has advised that the first stage was completed in 2009, with the publication of the preliminary options report for the bypass. The report records the results of an assessment of several potential corridors for the proposed bypass and identified a preferred corridor

around the eastern outskirts of the town. That is consistent with the road line in the Ards and Down Area Plan 2015.

The traffic and economic assessments that have been undertaken show that the proposed scheme would be expected to provide value for money with transport benefits, including safety benefits, exceeding the costs involved in providing the improvement. Subsequently, work has been taken forward in the second stage to identify a preferred route for the scheme.

Three possible lines for a bypass within the preferred corridor on the eastern side of Ballynahinch have been considered. Those lines were the subject of a public information event and exhibition in the town in November 2009. That was well attended by members of the public, including landowners who are likely to be directly affected by the proposal and elected representatives. The consideration of comments received after the event, subsequent representations and the results of comprehensive engineering, environmental and economic assessments are now complete.

The timing of the debate is helpful since it allows me to announce that, yesterday, Roads Service approved the stage 2 preferred options report for the scheme, including the recommendation for a preferred line for the A24 Ballynahinch bypass scheme around the eastern outskirts and adjacent to the development limit of the town. That line will run from the junction of the A24 Belfast Road and the A21 Saintfield Road, which is north of the town, to the junction of the A24 Drumanness Road and the B2 Downpatrick Road, which is south of the town, at a distance of approximately 3.1 km.

The scheme will involve substantial earthworks to traverse the drumlin topography and ground conditions along the route, which includes the flood plain of the Ballynahinch river. Three substantial structures will be required where the route crosses Moss Road, Crossgar Road and the Ballynahinch river.

Consideration has also been given to requests to provide a junction where the proposed bypass crosses the B7 Crossgar Road. That work is recorded in the comprehensive stage 2 preferred options report. I am pleased to be able to confirm that Roads Service has also agreed that the scheme should include a junction with the B7 Crossgar Road. That will inevitably increase the cost of the scheme.

Perhaps that deals with the concerns of some Members about the increasing costs of the scheme. However, it also provides additional transport benefits, including safety benefits, which outweigh the additional costs so that value for money is maintained. Traffic modelling indicates that, should the junction be provided, around 670 additional vehicles a day would be expected to use the bypass, and that would contribute to a further improvement in the traffic conditions in the town centre.

Strategic road improvement schemes of the nature and scale of the proposed A24 Ballynahinch bypass can be provided only at considerable cost, which, in this case, is estimated to be in the range of £40 million to £50 million.

Mr Wells: Will the Minister give way?

Mr Kennedy: If the Member is very quick, I will.

Mr Wells: I am absolutely shocked by that figure. As you know, 18 months ago, it was £28 million. The Crossgar junction, which is very good news, cannot possibly cost £10 million, so where does the extra cost come from?

Mr Kennedy: I am grateful to the Member for his intervention. In his earlier contribution, I think that it was confirmed that, although he might make a very good Health Minister, he has limits as a potential Finance Minister. Mr Hamilton may well take on that burden. I stress that, at this point, the figures are estimates. It is difficult to give precise figures. I understand Mr Wells's concern and will seek to clarify the situation for him.

Although work to develop the scheme in preparation for progressing it through the statutory procedures continues, the timing of future road improvements will depend on the level of funding that materialises from the 2011-2021 investment strategy for Northern Ireland, the draft of which has been published and is out for consultation. Nevertheless, I appreciate the arguments that Members made today in favour of advancing the provision of the A24 Ballynahinch bypass and welcome the cross-community and cross-party agreement on that. I recognise the significant issues of road safety and offer my sincere sympathy to families who have endured the loss of loved relatives in traffic accidents.

I support the merits of the scheme and recognise the merits of other schemes, too. The Department

is not opposed in any way to the A24 Ballynahinch bypass, as it is not opposed to improving the road network. When the level of funding is confirmed, I intend to consider my spending priorities across the Department, including the strategic roads programme, and to explore opportunities to bring forward schemes such as the A24 bypass. In the meantime, I assure Members that I have asked Roads Service officials to continue to progress that scheme, as resources allow, so that it may be ready to proceed to construction should finance become available.

I thank Members for their contributions to a helpful debate and look forward to working with Assembly colleagues on the matter in the coming days.

Adjourned at 5.38 pm.



information & publishing solutions

Published by Authority of the Northern Ireland Assembly,
Belfast: The Stationery Office

and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

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Textphone 0870 240 3701

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ISSN 1463-7162

Daily Editions: Single copies £5, Annual subscriptions £325

Bound Volumes of Debates are issued periodically during the session: Single copies: £90

Printed in Northern Ireland by The Stationery Office Limited

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ISBN 978-0-339-50523-0



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