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Northern Ireland Assembly

Monday 6 February 2012

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

Members observed two minutes' silence.

Matter of the Day

Accession of Her Majesty The Queen: Sixtieth Anniversary

Mr Speaker: Order. The Rt Hon Peter Robinson has sought leave to make a statement on the sixtieth anniversary of the accession of Her Majesty Queen Elizabeth II to the throne, which fulfils the criteria set out in Standing Order 24. I will call Mr Robinson to speak for up to three minutes on the matter. I will then call other Members, as agreed with the party Whips. Those Members will also have up to three minutes in which to speak. As Members know, there will be no opportunity for interventions, questions or a vote on the matter. I certainly will not take points of order until the matter is dealt with. If that is clear, let us proceed.

Mr P Robinson: You will know, Mr Speaker, that so often the matter of the day deals with the latest bad news or some crisis. I am delighted, therefore, that, today, it celebrates accession day. Her Majesty Queen Elizabeth II succeeded to the throne on 6 February 1952, and today marks a significant anniversary: the diamond jubilee of her accession to the throne. The sixtieth anniversary celebrates yet another remarkable milestone in her reign.

The Queen's public life has spanned the careers of 12 Prime Ministers in the United Kingdom, 140 Prime Ministers in the Commonwealth realms, of which she is head of state and — bringing it more to home — six Prime Ministers, three First Ministers, three deputy First Ministers and 17 Secretaries of State in Northern Ireland.

I know that, in Northern Ireland, there are different traditions, outlooks and, indeed, different perspectives on royalty. However, I am convinced that everyone in Northern Ireland will respect the significant role played by Her

Majesty The Queen over such a long period of time and recognise her many achievements, and, I am sure, for people in this House, not least her recent visit to the Republic of Ireland and the sealing of better relationships between our two countries.

Her Majesty is head of the Commonwealth of Nations, which comprises 54 states. That accounts for 2.1 billion people, which is about one third of the world's population. She has brought a wise head to difficult situations. Her experience gained during such a long tenure allows her to give sound counsel to those who have audiences with her.

A massive contribution has been made to society by Her Majesty, with countless visits around the kingdom as well as foreign travel. She has a tiring and unrelenting schedule. Then, there are the innumerable official duties of receiving delegations, attending meetings of the Privy Council and other bodies as well as attending to the business of the 600 organisations of which she is patron. Only the limitation of time causes me to abridge the service performed by Her Majesty to her people.

As important of course is the love, respect and devotion her subjects have for their monarch. Just look at the faces of the thousands who line the streets and fill the town centres wherever she goes. It would be remiss to not also mention the signal service performed by the Duke of Edinburgh, Prince Philip, who has been at her side all these years.

Of course, for us in Northern Ireland, Her Majesty performs the important task of giving Royal Assent to all the legislation that we pass. We very much welcome her visits here. We look forward to her visiting Northern Ireland as part of her programme this year.

On behalf of the people of Northern Ireland, we send our warmest greetings to Her Majesty. We

salute her for the duties that she has performed on behalf of the realm and again say, on behalf of the people of Northern Ireland: long may she reign over us.

Some Members: Hear, hear.

Mr Elliott: I welcome the opportunity to congratulate the Queen on reaching 60 years as Queen of the United Kingdom and the Commonwealth. I welcome the anniversary wholeheartedly because, as the First Minister indicated, the Queen has been a subject of a United Kingdom and Commonwealth that we all should be proud of and be proud to look up to and respect.

The Queen's visit to the Republic of Ireland last year signified throughout the world new relationships between two nations that are so close geographically but maybe so far apart in other ways. I welcome that visit, which may encourage the Republic of Ireland to look at the possibility of rejoining the Commonwealth. It would be helpful if that happened. I also look forward to the Queen visiting Northern Ireland — this part of the United Kingdom — sometime later this year. She will be made most welcome by the citizens of Northern Ireland.

On 6 February, my family always had a double celebration, because my mother and father got married on that date in 1952 — the day of accession. Quite clearly, it was a date that always held precious memories for our family, and we always had a debate as to which event on that date was the most important.

Obviously, I wish the Queen and her family well for the future. I hope she has many more years to live and enjoy the respect for her in this community.

Dr McDonnell: I am glad to rise on behalf of myself and the SDLP on this day, the sixtieth anniversary, the diamond jubilee, of the Queen's accession to the throne. Who else in public life has enjoyed as much longevity as she has? On my own behalf, and on behalf of my party and the non-violent republican tradition I represent, I acknowledge and respect the achievement of Queen Elizabeth II and acknowledge and respect all those in this House and across the country who value her monarchy.

As the House knows, my political tradition aspires to and works for a slightly different constitutional relationship, different from the union with Britain. However, my non-violent

republican tradition also aspires to and works for a republican model of Government. My political tradition acknowledges and understands that a large number of people in Northern Ireland value the link with Britain, value the monarchy and value the contribution of Queen Elizabeth II. We not only acknowledge that but fully respect it.

I hold to my aspirations and tradition, but we all must recognise that our view of ourselves and others and of our future changes with time, and I hope and believe that that is for the better. For me, the visit of Queen Elizabeth II to Dublin last year and her work and that of President McAleese was another important step forward in the process of reconciliation and a process of a better and deeper understanding going forward between all the peoples of these islands.

I congratulate Her Majesty, and I wish her well on her diamond jubilee.

Mr Ford: On behalf of my colleagues here and in the wider party, I am very happy to also join in offering congratulations to Her Majesty on this diamond jubilee. There was talk in this place, not so long ago, about somebody else who did 60 years in a particular job and who served in this House. However, the example that the Queen has set, the way in which she has led the country and the Commonwealth for 60 years, is a remarkable example of public service and one that is widely respected.

We have seen huge change and turmoil in politics in every aspect of public life over those 60 years. Yet for most people in the United Kingdom she has been regarded as the key symbol of the unity of the country and a focus for that positive, warm feeling. Despite what politicians may do, she has remained a rock of stability in that respect.

She has also been that sort of figure of unity on a significantly wider stage than just within the United Kingdom. Others talked of her role within the Commonwealth. There is no doubt that a free association of countries, recognising her role as having changed away from the concept of empire to one in which she is seen as a force for leadership in a way that spans so many differences, will resonate with us. As others mentioned, that was shown for us here most strongly on her visit to Ireland last year. The symbolism of the wreath-laying in the Garden of Remembrance and at Islandbridge, the speech that she made in Dublin Castle and then her

personal engagement with the people of Cork all showed a very different relationship between the people of the United Kingdom and the people of Ireland, between the people of this island, North and South.

The Queen has demonstrated a very strong commitment to building that reconciliation and for assisting us in this place on that journey that we are engaged on. Indeed, I believe she has given us a very strong lead. So, although I certainly wish to pay tribute to the two former Irish Presidents, Mary Robinson and Mary McAleese, in that part, today in particular we should recognise the contribution that the Queen has made to that reconciliation, and we should commit ourselves to following the lead that she has set.

Mr Allister: Across the Commonwealth today this is a momentous occasion when we celebrate the accession of Her Majesty to the throne. On behalf of my constituents, I am delighted to join in that celebration and in the passing of good wishes to her.

The 6 February 1952 undoubtedly had its dark side in that it marked the passing of King George VI. In his daughter, however, there blossomed a monarch who throughout times of great change — in the past 60 years we have seen immense change in the Commonwealth and across the world — has demonstrated a steady touch and steady hand, through which many and all of us have benefited.

So it is right and proper that the Assembly should pause to mark that momentous occasion. The question now is: does it end here? What part do the devolved Assembly and the devolved institutions in the United Kingdom now play in the upcoming months of celebration of the diamond jubilee? Will it be a fulsome, magnanimous part or will its part be spoiled by churlish, vindictive republican veto? Perhaps, the stony and churlish silence from the Sinn Féin Benches this morning indicates what is to come.

12.15 pm

It is, however, a challenge to the Executive, on behalf of the people of Northern Ireland, to play a fulsome part and to ensure that, unlike in respect of the royal wedding last year, there will be a gift on behalf of the people of Northern Ireland to mark the occasion and that there will be funding for communities to celebrate the diamond jubilee. I have in my hand a reply from

the Culture Minister, who says that she plans to make no extra funding available to communities. Will we see the children of our Province afforded the tradition of a memento to mark that special occasion? I trust that we will. Will we see in the Assembly the return of royal symbols that have been removed —

Mr Speaker: Order. Once again, the Member is stepping outside what the matter of the day is all about. I will move on.

Mr McClarty: Thank you, Mr Speaker, for allowing me the opportunity to add my voice to the congratulations to Her Majesty on this momentous occasion. In 2002, it was my great honour and privilege to be delegated by the Assembly to attend Her Majesty's golden jubilee celebrations in London as a delegate of the Commonwealth Parliamentary Association. It was a truly momentous occasion, which was attended by delegates from the vast majority of Commonwealth countries. I daresay that the sixtieth anniversary will be even more momentous.

It is deeply regrettable that not everyone could join in the congratulations. However, those who did not got it wrong when Her Majesty visited the Republic of Ireland. Today, they got it wrong again.

Her Majesty continues to epitomise dedication, commitment, integrity and respect, as she has always done. She has reigned throughout all our lives. May she be long spared to continue to reign.

Mr McNarry: On a day like today, one is reminded of the words, "God save our gracious Queen". Basically, that is what the nation says today: God save our gracious Queen. There is little that I can add to the kind words that have been said about a quite remarkable lady. She is a mother and a grandmother, who has known her own difficulties in her own family life and come through them. When the nation needed it, and should it ever need it in the future, she has shown that she is its Queen; she represents all of us, lives with all the things that we live with, and understands.

As has been said, it is regrettable that the House cannot share in the proposal that has been put so ably by the First Minister. Are we moving on? Perhaps, when the opportunity arrives for Her gracious Majesty to visit Northern Ireland, which is part of her kingdom, we will have seen changes from what we have seen today.

We can only welcome today as a nation. I feel extremely proud that no one can take the nation away from my beliefs, which I know are the beliefs of most people. Therefore, I am extremely glad to be associated with the debate. Thank you very much for calling me, Mr Speaker.

Assembly Business

Suspension of Standing Orders

Mr P Ramsey: I beg to move

That Standing Orders 10(2) to 10(4) be suspended for 6 February 2012.

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

Question put and agreed to.

Resolved (with cross-community support):

That Standing Orders 10(2) to 10(4) be suspended for 6 February 2012.

Mr Speaker: As the motion has been agreed, today's sitting may go beyond 7.00 pm, if required.

Committee Membership

Mr Speaker: As with similar motions, the motion on Committee membership will be treated as a business motion. Therefore, there will be no debate.

Resolved:

That Mrs Sandra Overend replace Mr Mike Nesbitt as a member of the Committee for Enterprise, Trade and Investment; that Mr Fra McCann replace Mrs Sandra Overend as a member of the Committee for Employment and Learning; and that Mr David McNarry replace Mr Michael Copeland as a member of the Committee for Regional Development. — [Mr McCallister.]

Ministerial Statement

Speeding Up Justice

Mr Ford (The Minister of Justice): With your permission, Mr Speaker, I wish to make a statement on speeding up justice. Since taking up the post of Justice Minister some 22 months ago, I have repeatedly stressed that one of my priorities is tackling delay in our criminal justice system. I committed to driving forward a programme of work, through the Criminal Justice Board, to speed up justice. The delivery of a faster justice system is a core part of my vision for building a fairer, more just and safer community.

As Members will know, delay has a very harmful impact on the cause of justice. Perhaps worst of all, it prolongs the sometimes traumatic ordeal of a criminal trial for victims. It also wastes the system's resources and reduces the confidence of the community in the criminal justice system. That is why I remain determined to streamline our justice processes and to strip out wasteful and unnecessary delay. This is a complex and difficult issue, representing a challenge of considerable scale. It requires bold thinking, ambitious reforms and, crucially, a long-term commitment to seeing them through.

Since my election, I have been working with senior leaders across the justice system to improve performance. I have been impressed by the hard work of the justice agencies to deliver this improvement, and I want to pay tribute to the strenuous efforts that they have made. Indeed, in what has been the first phase of our shared endeavours, important advances have been made, including the introduction of a streamlined file for low-level criminal cases; new guidance on building prosecution files; and central teams to provide pre-charge advice. We now have an out-of-hours phone line providing prosecutorial advice to the police; a gatekeeper service to scrutinise all files prior to submission to the prosecution service; and the development of four multiagency regional performance improvement partnerships.

While some improvement in performance has been made, and I am confident that the second phase of our work, now underway, will bring further improvements, I am disappointed that we are not yet achieving the step change that is necessary to deliver the kind of justice system that the people of Northern Ireland deserve. The

plain fact is that we need to do more and go further if we want to tackle delay.

Last month, Dr Michael Maguire, the Chief Inspector of Criminal Justice, published his follow-up review of delay in our system. His assessment was that justice agencies had made great efforts but had not achieved the necessary improvements in performance. Worryingly, in some areas, performance had deteriorated. Dr Maguire concluded that more radical reform is required and that I should introduce statutory time limits. I have considered that recommendation very carefully. I did so in the context of the independent reviews of youth justice and the prison service, which reached similar conclusions about the need for statutory time limits.

The wide-ranging agenda of reform that I am pursuing across the justice system requires a willingness to take new approaches. In relation to speeding up the justice system, I have made clear that I am committed to considering other options if current measures do not achieve the step change required.

Having examined the issues closely and taken advice from a number of quarters, I have concluded that the time is now right for the introduction of statutory time limits. Therefore, today, I announce to the House my intention to introduce statutory time limits within the lifetime of this Assembly. In line with the recommendations that were made by the youth justice review, Criminal Justice Inspection Northern Ireland (CJINI) and others, it is my intention that the new time limits will, in the first instance, be applied to the youth court.

As a first step, I have asked the Criminal Justice Board to consider in detail how such time limits could work in Northern Ireland. I will make a further announcement about the results of that work in due course. Although the details remain to be agreed, in essence, the time limits would give the justice system a fixed amount of time to progress a criminal case and would specify penalties for failing to meet them.

I am clear that a crucial part of the Criminal Justice Board's considerations must be how we safeguard the interests of victims in any framework of time limits. I state categorically that statutory time limits are to be a measure that makes victims' experiences and perceptions of the justice system better, not worse. I will not introduce a system without

proper safeguards to ensure that outcome. I am also mindful of concerns that time limits should not be applied in respect of the most serious charges. I have asked the Criminal Justice Board to pay particular attention to those concerns.

Members can be assured that any proposals that I bring forward will be the subject of widespread consultation, including with the wider public and the Assembly. In particular, I will continue to work with the Justice Committee, which has shown considerable interest in the issue of delay. I am very grateful to Committee members for those efforts, which have included scrutinising the Department's progress reports every six months. I will ensure that the Committee is given sufficient opportunity to examine any proposals that we bring forward. I will consider the application of time limits to adults at a future date, but I think that it is right that we initially focus on young people. Delays in such cases are particularly troubling and can be highly damaging to a young person's chances of rehabilitation. Indeed, there is consensus across all of the reports that I have received on this matter that the priority should be youth cases.

The introduction of time limits is a significant departure for Northern Ireland, and I am well aware of the huge impact that the change will have. Put simply, however, big problems require big solutions. I am now convinced that time limits are the best way to ensure a strong focus right across the justice agencies on the timely delivery of justice.

Statutory time limits alone will not solve the problem of delay. Time limits will be a catalyst for change, but we still need to bring forward a bold programme of reform to meet the challenge that time limits will set. That is what I committed to at the outset of my time as Justice Minister, and I reaffirm that commitment to the House today.

I referred earlier in the statement to the second phase of our programme to speed up justice, which will help to prepare the system for the time limits that will be set in due course. That phase focuses on the underlying causes of delay through more fundamental and systemic reforms. Last month, I launched consultations on measures to encourage earlier guilty pleas and to reform committal. Earlier guilty pleas have the potential to speed up processing times, to spare victims the ordeal of preparing for a trial and facing the defendant in court,

and to reduce the burden on scarce justice resources. I also propose to remove the right to call and cross-examine witnesses during committal. That can result in a terrible experience for victims; it is right that we are bringing forward proposals to remove it. I also seek views on other ways in which we might reform committal, such as the direct transfer of indictable cases to Crown Court.

Looking ahead, I am reviewing how criminal cases are initiated, with a particular focus on improving performance in summons cases. The Department is also looking at how we can make greater use of video link technology. Although I will examine any proposals for speeding up justice, there is no quick fix. The solution to the problem of delay is a long-term commitment to reshaping our justice system through bold and innovative reform. Statutory time limits have a role to play in achieving that by setting a robust framework for change and ensuring that the whole system is focused on speedier justice. The scale of the task is clear, and it will be challenging to deliver. However, it is a challenge that we must be willing to meet if we are to deliver a fairer, faster justice system.

Mr Givan (The Chairperson of the Committee for Justice): I thank the Minister for his statement.

In one sense, I am disappointed that this statement has had to be made, because I think it is an indictment of the justice agencies that the introduction of statutory time limits is necessary. One would have thought that they would, at all times, seek to exercise their functions effectively and speedily. The fact that statutory time limits are necessary to do that is something in which I am disappointed, but I share the Minister's frustration that they are necessary.

12.30 pm

Will the Minister outline the proposed timescale for the statutory time limits? Will 120 days be the statutory time limit to deal with cases coming through the youth courts?

The statement also touched on the issue of early guilty pleas, and I welcome the consultation that is taking place on that. Has the Minister looked at the Scottish proposals for reform of the legal aid system, which resulted in a dramatically larger number of early guilty pleas being brought forward? Is he considering a review of sentencing to take into account when

a guilty plea is entered in the various stages of proceedings through the courts?

Mr Ford: I certainly share the Committee Chair's disappointment at the need for this measure, but what is absolutely clear is that the efforts that have been made over the last couple of years have not fully addressed the problem in the way that we had hoped they would. I can assure the Committee Chair, however, that we will discuss in great detail with the Committee the precise time limits that might be put in place. However, at this stage, I have asked the Criminal Justice Board to do the preparatory work on which we will engage with the Committee to ensure that we get the best possible take and the best possible arrangements for Northern Ireland.

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

The Member also highlighted the issue of early guilty pleas. I assure him that some of the changes that are already in place regarding legal aid in Northern Ireland already assist in discouraging multiple adjournments. I welcome the fact that I was recently told by some lay magistrates of a district judge in the youth court who, when asked by a solicitor for an adjournment, instead of saying what might customarily have been, "You can have four weeks", looked at his watch and gave the solicitor a time that afternoon. So a lot of work has been going on around that issue. Statutory time limits are designed to underpin that. There is no doubt that, as we look at sentencing review, the issue of exactly what remission of sentence may be granted for an early guilty plea is one that is being engaged with solidly.

Mr McCartney: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a ráiteas ar maidin. I thank the Minister for his statement. He referred to Dr Michael Maguire's report, and we see the need for the type of initiative which the Minister has taken. Indeed, it is worrying that, in spite of the efforts of the justice agencies, Dr Maguire is still critical of aspects of the speed of justice. With that in mind, will the Minister give us a timeline for when the Criminal Justice Board will conclude its initial findings and bring them before the Committee so that we do not have undue delay in its work?

Mr Ford: I also thank the Deputy Committee Chair for that welcome. There will be a lot of engagement in the Committee, and having two

people on my side to start with is always useful. It is not possible to say at this stage when the board will be in a position to report to me so that I can engage with the Committee. We hope that it will be in the middle part of this year, and we seek to go into public consultation later this year. A number of technical issues must be worked through in some detail, and I would welcome the assistance of the Committee as we go through that work.

Mr B McCrea: Minister, last time you spoke to the Assembly on this matter, you indicated that you were not convinced that statutory time limits (STLs) were a good idea. I think that that was because you thought that the system was not fit for purpose. Will you tell us what you think has changed since then and why you now recommend statutory time limits?

Mr Ford: There is always one who breaks with unanimity, Mr Deputy Speaker.

The simple position is that, at an early stage, as we were seeing work done by the Criminal Justice Board and the different agencies, it was not clear to me that statutory time limits were appropriate and relevant. It is now clear, on the basis of a number of reports that have been received — most notably the CJINI report of last month and reports on prisons and youth justice and others — that there is a general perception that the good work that has been done is not yet enough.

I acknowledge that I did not accept the arguments previously, but I now accept that there is a strong case for statutory time limits. We have also had the opportunity to look at experiences in other jurisdictions. The assistant chief constable for crime operations recently returned to the PSNI after a few years in Scotland, where he had the experience of implementing time limits. His experience enabled us to look at some of the practicalities of how they worked elsewhere. That underpins the general belief across the criminal justice agencies that the time is now right to look towards the introduction of statutory time limits, at least in youth courts, within the current mandate.

Mr A Maginness: I welcome the Minister's statement. The SDLP welcomes the Minister's conclusion that there should be time limits and believes that their introduction will add a business and administrative discipline to the criminal justice system and to criminal proceedings at large.

The Minister said that, in keeping with the findings of the report on the youth justice system, he will introduce time limits there first. Will the Minister outline when that might start and when he might begin to introduce time limits into the higher levels of the justice system?

Mr Ford: I thank Mr Maginness for two points that go to the heart of the issue. I said that I hope that statutory time limits will be in operation in the youth court within the lifetime of this Assembly. The reality is that the agencies need at least a couple of years to prepare for their introduction. However, on the basis of discussions that have taken place in the Criminal Justice Board, that work is under way.

We need to examine whether the legislative provisions in the 2003 Order are adequate for our needs in this case, or whether we will need to introduce further legislation. That is where the timescale becomes a little difficult. I certainly think that there is a case for saying that STLs will be introduced in the youth court before they are applied in the adult courts. If there is legislation to be made, we will ensure that it covers both courts in a way that could be commenced at different dates. I suspect that it will be an issue for the Minister of Justice in the next mandate to look at the experience of how time limits have been applied in the youth court to determine how they might be applied in adult courts.

Mr Dickson: Minister, I also welcome your announcement today. Wisely, the time limits have been announced to give the various organisations in the justice system sufficient time to make the necessary preparations. I am particularly pleased that you said that, in the first instance, time limits will be applied, where appropriate, in the youth justice system and youth courts.

Minister, will you explain to the House what will happen next? Who will have responsibility for taking this forward? What do you perceive to be the necessary preparations?

Mr Ford: I thank my colleague for that positive endorsement. The specific issue of —
[*Interruption.*] His endorsement makes it merely a four-party agreement so far.

Given the Member's background in youth work, I know that he will appreciate what I appreciate from my background in social work, which is that we need to ensure that we deal with young people who are on the edge of getting into

trouble in a way that deters them from doing so and does not leave them in limbo, waiting for the court system to move slowly before things can happen. That also needs to be done in a way that ensures that the victims of the kind of crime that young people are involved in see an early clear up of their case.

The Member specifically asked what will happen next. The Criminal Justice Board is chaired by the Department and brings together all the relevant agencies, most notably the Police Service, the Public Prosecution Service, the Youth Justice Agency and the Probation Board. It will engage in a programme of work to identify the issues that need to be resolved in individual agencies and on a cross-agency basis. Indeed, it has already started that work. The board will work with my staff to determine whether new regulations or primary legislation are needed. On the basis of that work, I will engage with the Committee for Justice, and, if necessary, I will report to the Assembly at the earliest possible time. I hope that that will be in the middle part of this calendar year.

Mr Weir: I thank the Minister for his statement. I am sure that everyone agrees that we need more timely justice. However, I ask the Minister to deal with the central concern about statutory time limits — what happens when cases reach their statutory time limits? What assurances can the Minister give to the House and to the wider public that no criminals will walk free as a result of a statutory time limit being reached, resulting in their being let off on a technicality?

Mr Ford: Mr Weir raises a perfectly reasonable matter of concern, which is the “what if?” question. All I can say is that, from the information that came back to us from the assistant chief constable (ACC), from the Scottish experience, it is clear that although, in some cases, people who have committed relatively trivial offences walk free because the system does not work in time, the key issue around statutory time limits is that they are an incentive to ensure that Departments and different agencies do their work within an appropriate time. The Scottish experience is that people do not walk free. That is why, unfortunately, it is taking time to get the measure introduced. We need to take time, rather than try something hasty that may, perhaps, create a set of circumstances that would give rise to the concerns being expressed

not just by Peter Weir but by virtually everyone in the House.

Mr Lynch: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his statement. Can the Minister assure the House that, in the process of speeding up justice and the incentive to early guilty pleas, the proposed measure will not disadvantage the most vulnerable?

Mr Ford: I see no reason why it would disadvantage the most vulnerable. Those who are, in many senses, most vulnerable are the victims, rather than the perpetrators, of crime. I am determined that statutory time limits will allow victims to see cases being dealt with in a speedy and efficient way. The initiatives that we are proposing around early guilty pleas will enable people to gain some credit for making a plea of guilt at an early stage and, in many cases, spare witnesses and victims the trauma of having to appear in court, or even the trauma of having to think that they might have to appear in court. In that regard, both measures would assist the most vulnerable.

Mr Wells: The Minister will hardly be surprised to know that some of us are quite uneasy about this proposal and that we envisage clever barristers and solicitors manipulating the system to make certain that their clients' cases exceed the time limit so that they get off scot-free. He did not give the honourable Member for North Down the assurance that no one would get off as a result of this change. Has he considered some form of financial penalty for those who have been involved in such cases, so that if they do not get a case to court in time, they will lose a significant portion of their fee? That might concentrate a few minds and stop such incidents happening. There are those in the House who remain extremely uneasy about the Minister's proposal.

Mr Ford: I did say in the statement, and I will repeat the assurance to Mr Wells, that we will need to take considerable care over the issue of more serious crimes. There is no proposal, at this stage, to move to statutory time limits at the most serious end of the spectrum. I am slightly disappointed by the Member's position on the issue of penalties and of clever solicitors and barristers. I seem to remember, if nothing else, that, on one occasion when I was with the Justice Committee last year, he highlighted the good work that was being done by the Department of Justice in ensuring that clever

solicitors and barristers did not twist the system to get away with excessive amounts of legal aid payments. Indeed, he was very supportive of that work being done by the Department, and I look forward to his support as we ensure that similar good work is done on this proposal.

Mrs Overend: As my colleague said earlier, there seems to have been a dramatic change of mind about the statutory time limits. Will the Minister detail how that change of mind came about?

Mr A Maginness: He is on the road to Damascus.

Mr Wells: It is a Damascus road conversion.

Mr Ford: I am not sure that it was the Damascus road, as the hecklers from both sides of the Chamber are saying. It was a simple issue of considering the fact that the system had not improved over the nearly two years that I have been in post and considering the evidence concerning the way in which statutory time limits work in other jurisdictions. I am not sure that expressing a degree of scepticism about something in the absence of evidence and then getting the evidence and accepting the proposal amounts to a Damascus road conversion. It seems to me to be sound evidence-based policymaking by Departments of the kind that I would expect the Assembly to support.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. I, too, welcome the Minister's statement, because we need to tackle delays in the justice system.

It is of paramount importance to protect the victims, but, given that the measure will be used for young people who find themselves in front of the courts for low-level crime and minor offences, can the Minister tell us how he will ensure that their rights are protected? Somebody might be brought through the courts on a first offence, and you really do not want that to impact on the rest of their life.

12.45 pm

Mr Ford: I agree with the point that Ms McCann is making. Ensuring that young people are in court at the earliest possible point consistent with a fair trial protects their interests and stops them from spiralling into further trouble before the offence is dealt with. There are real dangers that, if there are delays in the youth court, some young people will embark on a pattern of crime because the initial offences have not been properly addressed. That is one way in which we will help

to keep young people out of crime by addressing their early offending properly. It is an issue where we will need to look at how exactly that works in respect of which crimes are taken into account, but, fundamentally, the point that is being made is central to the Department's thinking.

Mr McDevitt: I declare an interest as a member of the Policing Board and, indeed, as a member of the selection panel that appointed ACC George Hamilton, who seems to be personally responsible for the change of policy in Northern Ireland. How can the Minister justify coming to the House only a matter of months ago and saying that this seemed to him to be a very dangerous proposal to put forward at that stage and, with full credit to ACC Hamilton, be able to come to the House today celebrating the unanimity in which, it seems, he was the discordant chord in the first place?

Mr Ford: I am sure that Mr Maginness will manage to educate Mr McDevitt on that particular point later. I thought that I had made it quite clear that the simple point is that, when you consider the evidence, you make policy in line with the evidence. That was not the situation some months ago; it is now the situation in which I find myself, and I have no problem whatsoever with the concept of the Department of Justice and its Minister making policy on the basis of sound evidence.

Mr S Anderson: I also thank the Minister for his statement. Minister, the statement refers to Dr Maguire's latest progress report, and, apart from what you are proposing in your statement, do you intend to take any further action to tackle what Dr Maguire identifies as a deterioration in performance?

Mr Ford: I appreciate the point that Mr Anderson is making. We are looking at improving performance in a significant number of areas, and the point of statutory time limits is to underpin that. It is too long to read out, but I can give the Committee a list of a number of issues that are under way, including around case preparation, general governance, case management when issues get into the system and the reform of committals that I talked about. A number of different issues are running together. The policy on statutory time limits is not the solution; it is underpinning the work that is being done in many other areas.

Lord Morrow: I welcome the fact that, at long last, the Minister acknowledges that big problems

exist in the system. He also acknowledges that performance has deteriorated, and, to say the least, it is quite an achievement to get this Minister to that stage. Whether that was via a U-turn or some other sort of a turn is not that important at the moment. When the Minister speaks about speedier justice, I trust that he is talking about speedier justice for victims.

Furthermore, the upsurge in terrorist attacks and activity, which take precedence with Forensic Science Northern Ireland (FSNI), has relegated other crimes, such as burglary, further down the list. Thousands of cases are waiting to be processed, which brings the court system nearly to breaking point. Bearing that in mind, does the Minister intend to provide any further resources for FSNI to ease the backlog and speed up non-terrorist cases to allow victims speedier access to justice without, of course, hampering investigations into terrorist attacks?

Mr Ford: I really am ever so slightly baffled by the suggestion that "at long last" I have acknowledged the problem. I cannot remember the number of times that I have spoken in the House or to the Committee about the problem that we have with the speed of justice. How we address that was an issue to be tested by specific evidence, but to suggest that I did not acknowledge that there was a need for reform, when I have been talking about reform and speeding up the justice system almost since the day that I took office, is utter rubbish.

Lord Morrow spoke about speedier justice for victims. I am not sure whether he was in the Chamber while I made my statement, because I referred several times to ensuring that the justice system works in the interests of victims. He talked about hundreds of cases held up by the forensic science lab —

Lord Morrow: Thousands, I said.

Mr Ford: Sorry, I stand corrected: he talked about "thousands" of cases. The last count that I got was that there were four cases in which there was an issue involving the Public Prosecution Service and the speed of cases being processed through the lab. So, a few facts would help.

Mr McCarthy: I thank the Minister for coming to the House to make the statement. To follow on from the previous question, I welcome the Minister's reassurances regarding victims, and God knows that we have had enough

victims in Northern Ireland over the years. The Minister made it clear that victims' interests will be paramount as statutory time limits are introduced. He also referred to his plan to remove the right to call and cross-examine witnesses during committal proceedings. Where does that proposal sit, as of today?

Mr Ford: I confirm that the reforming of the committal processes is currently out for consultation; sorry, put more accurately, it is being prepared for consultation. There are serious issues as to how we ensure that victims are not put through the peril of having to twice go to court — for committal proceedings and to give evidence in the substantive trial. There are real issues as to whether we should be looking further into removing the normal committal process altogether, as is the case in other jurisdictions. We need to ensure that those on trial receive a fair trial and that victims are not put through the perils of what almost amounts to double jeopardy for them, if not for those on trial.

Mr Allister: So far as it is necessary to do so, I declare that I am a member of the Northern Ireland Bar.

I suggest to the Minister that his announcements today are wholly ill-advised because statutory time limits will inevitably result in people who should face trial — however small the number of cases may be debatable — not facing trial due to the expiry of the time limit. It will be an incentive to feet-drag. He can take it from me that it is not beyond the ingenuity of the defence to participate in feet-dragging. That incentive will exist, and the outcome will be that some people who should face justice will not face justice. When the Minister has to face the wrath of the House for some significant case that falls by the wayside—

Mr Deputy Speaker: Will the Member come to his question, please?

Mr Allister: — perhaps some of those who cheered him on today will also reflect on the folly of that.

I also suggest that it is utter folly —

Mr Deputy Speaker: Order. Sorry, I must ask the Member to come to his question.

Mr Allister: I also suggest to him that it is ill-advised to abolish preliminary investigations, which act as a filter in respect of weak cases, because to do so will result in cases continuing

to trial and inevitable acquittal rather than saving money and time by having such cases filtered out at preliminary investigation stage.

Mr Deputy Speaker: Order. I ask the Minister to respond.

Mr Ford: Thank you Mr Deputy Speaker. On preliminary investigations, Mr Allister, like everybody else, will have his opportunity to comment in the consultation. I thought that I had made it quite clear that we were being careful as to what level of offences would be covered, so the suggestion of “significant cases” falling “by the wayside” is ill-founded. I suspect that in the face of the advice that I have received and the experience noted in other jurisdictions, to suggest that this proposal is “wholly ill-advised” is contrary to the facts.

Mr Deputy Speaker: That concludes questions to the Minister of Justice on his statement.

Executive Committee Business

Rates (Amendment) Bill: Further Consideration Stage

Mr Deputy Speaker: I call the Minister of Finance and Personnel, Mr Sammy Wilson, to move the Further Consideration Stage of the Rates (Amendment) Bill.

Moved. — [Mr Wilson (The Minister of Finance and Personnel).]

Mr Deputy Speaker: Members will have a copy of the Marshalled List of amendments detailing the order for consideration. The amendments have been grouped for debate in the provisional grouping of amendments selected list. There will be one debate on the single group of two amendments, which amend the definition of retail purposes. Once the debate is completed, the second amendment in the group will be moved formally and the Question will be put without further debate. If that is clear, we shall proceed.

We have now come to the single group of amendments for debate. With amendment No 1, it will be convenient to debate amendment No 2. The amendments impact on the definition of retail purposes.

Clause 2 (Temporary rebate for certain previously unoccupied hereditaments etc.)

Mr Wilson (The Minister of Finance and Personnel): I beg to move amendment No 1: In page 3, line 42, leave out “on or from the hereditament” and insert:

“to members of the public who visit the hereditament”.

The following amendment stood on the Marshalled List:

No 2: In clause 3, page 5, line 37, leave out “on or from the hereditament” and insert:

“to members of the public who visit the hereditament”. — [Mr Wilson (The Minister of Finance and Personnel).]

Amendment No 1 makes a minor technical amendment to the provision dealing with the one-year concession that will provide a 50% rebate to the first occupiers of long-term empty properties in 2012-13. I will also speak to amendment No 2, which makes a similar

consequential amendment to clause 3 for consistency purposes.

Before looking at the detail of the amendments, I wish to briefly touch on some of the issues that were raised during the last debate that are related to the amendments. As Members will recall, the main provision in clause 2 is intended to encourage business ratepayers to occupy empty premises, creating new jobs and investment opportunities in local communities. It will also make our core retail areas more vibrant where those may have become run down as a result of high levels of vacancies. As Members are aware, the purpose is simply to encourage those properties to be occupied and get them back into use. That will apply where the property was previously used for the retail sale of goods and the retail provision of services.

During last week’s debate, I gave examples of the types of empty property that that would typically apply to, and which we can find on our high streets. That includes long-term empty clothes shops, food stores, newsagents, corner shops, hairdressers, beauty salons and opticians, among others. A number of those have a mix of the sale of goods and the provision of services.

Members will wish to note that the Departmental Solicitor’s Office has confirmed what I told the Assembly last week: eligible properties could also include those providing professional services, such as solicitors, accountants and estate agents — all businesses that typically operate out of shop-type premises or premises above shops. Although those may not be what Members would typically consider to be retail services, it is important to remember that those types of retail services are commonly provided in the main streets of our towns across Northern Ireland.

The changes were broadly supported across the Chamber, particularly where they would serve to breathe life back into our core shopping areas, whether in or out of town. On that point, the Member for North Antrim correctly pointed out that the measure would not simply apply to our high streets and town centres, which I readily accepted. However, I believe that those are the areas that will benefit most from the changes provided for in clause 2.

As I flagged up during our earlier debate, I believe that the Executive and Assembly are being

forward-thinking in relation to the measure. The measures in the Bill are a serious attempt by the Executive and the Assembly to actively try to breathe life into our core shopping areas. Nowhere else in the United Kingdom has introduced a scheme like that. I think that it is something to be proud of, as we take action to bring long-term empty retail properties back into use.

During the debate last week, I listened carefully to what Members had to say, not only to those comments in support of the change but to concerns that were raised. I was particularly interested in the comments made by the Member for North Antrim Mr Allister. During Consideration Stage, I made it clear that I do not judge amendments to legislation or proposals that are made on where they come from or who makes them. Both my Department and I listened carefully to the issues raised during Consideration Stage. As I set out in the last debate, there is the issue of general office accommodation where there are no transactions or interface with the public.

The amendments clarify the definition in the Bill of retail, trade and services, and establish beyond reasonable doubt that there must be a public-facing front to the sale of goods or provision of services from those premises. That does not change the scope of the measure and is entirely consistent with what I told the Assembly last week during Consideration Stage; it purely clarifies the kinds of premises that will be covered. It is, however, a reaction to a useful debate that took place on this particular measure.

1.00 pm

The intention is that the measure will apply only to properties providing retail services to members of the public. The amendment will make it clear that there has to be an interface with the public. I do not want to create a situation where suites of offices in office blocks move about to get a 50% rebate on their rates. That is only one example.

The provision will apply to properties that offer retail provision of goods or services to members of the public who visit that property. Members must appreciate that we are trying to draw a reasonable balance between encouraging the occupation of empty commercial premises and ensuring that we do not create a dodgers' charter by making the scope of the concessions so wide as to encourage businesses to move about. The revised amendment is crafted to

make it clear that the public needs to visit the premises. The policy was always intended for that type of premises.

The amendment will also prevent relief being awarded to those properties that are simply used for e-commerce distribution. Those sorts of properties are of a different character to the empty retail premises that we are trying to get back into business. Members will note that the amendment to clause 3 is simply intended to provide consistency between it and clause 2, as they deal with similar areas.

Finally, as I have made clear in all the debates, this is a new policy. It is untried in the rest of the UK. In light of that, and in order to ensure that the measure does not result in either abuse or unintended displacement of business activity, it is being applied for only one year. I want to see how the measure works and ensure that there are no unintended loopholes that people will use to take advantage of the rating system in ways that we had not anticipated. Should widespread abuse occur, and unscrupulous people start to play the system, I will not be slow in coming back to the House during the year to deal with that by making regulations to close any loopholes.

I thank Members from all sides of the House for the contributions that were made during the debate last week. I hope that the amendments that I have tabled today deal with some of the issues that were raised, and I, therefore, ask for Members' support.

Mr Girvan: I support the two amendments tabled by the Minister. I appreciate that issues caused concern in the debate last week, and I hope that what is presented today will go some way towards ensuring that those comments were taken on board. I feel that it does. I appreciate this opportunity to deal with businesses that are interfacing with the public, which is one of the points that were raised. Offices can and do exist that never have a member of the public darken their door and that do not sell services, so that issue has been dealt with through the added wording in clauses 2 and 3:

"members of the public who visit".

I support the Minister's amendments. I feel that this initiative will go a long way towards giving some confidence back to the community that the Committee and the Assembly are acting on the concerns that have been brought to us.

Mr Cree: I am pleased to support the Further Consideration Stage of the Bill, proceeding, as it is, by way of accelerated passage. Of course, the difficulty with accelerated passage is that everything is done in a hurry. I regret that the House did not support the amendments tabled last week by the Member for North Antrim, because I thought that they had merit. I hope that that does not come back to bite us. The Minister assured us today that he will not hesitate to come back to the House if there are any unintended outcomes, and I am pleased to hear him say that.

The two amendments provide clarification, which is to be welcomed, and improve the Bill accordingly. Therefore, I am happy to support the Bill as amended.

Mr D Bradley: Go raibh míle maith agat, a LeasCheann Comhairle. I support the amendments and welcome the clarity that they bring to the Bill about there needing to be an interface with the public for the benefits of the measure to be gained. I also welcome the Minister's pledge to monitor the operation of the measure and his willingness to deal with any issues that may arise from the operation of the measure in a speedy and effective manner. Therefore, without further ado, I support the amendments.

Mrs Cochrane: I will follow on from what other Members said in supporting the amendments, given that they are mainly technical in nature. I also welcome the Minister's commitment that he will keep the matter under close review so that there are no unintended outcomes.

Mr Allister: I will pick up on a point of Mr Cree's about the speedy nature of the accelerated process, which I spoke about previously in the House. One might expect that you would need to go down that route when events overtake you, but I have discovered to my surprise that as long ago as 1 June 2011, the Minister wrote to the Committee for Finance and Personnel to say that he would be going for the accelerated process for the legislation that was to be with the Assembly by last autumn. Of course, we know that it did not come last autumn. It did not come until this year, and then we had the accelerated process. Maybe if we had not had the accelerated process, we would have had a better opportunity —

Mr Deputy Speaker: Order, please. I ask the Member to address the amendments. I have allowed him to make his point, but he should

now focus on what we are discussing, which are the amendments.

Mr Allister: In relation to the amendments, I have to confess that I remain very sceptical that retail services, as defined, will ultimately be held to include facilities such as solicitors' offices, which the Minister asserts that it will. Maybe it will never be tested, but, in the end, we will see whether my scepticism has any basis in fact or whether the Minister's confidence is totally justified.

I would like the Minister to elucidate for us whether he is now saying that the use to which premises are put during the rebate period must meet his new definition of retail services. If so, on what basis is he saying that, given the construction of the Bill? During the period for which a rebate is being given, does there have to be an interface with the public in respect of that use? Or is it the case that the interface had to exist historically in the use of the building, and historically it had to be used for retail goods or services as now defined but that the current qualifying use of the building can be anything at all, subject only to the restraints, retrospective or otherwise, of planning laws?

If it is the latter, what does the amendment achieve in delivering what is said to be the ambition of the Bill, namely, re-energising our town centres with vibrant new businesses? Is it the situation that you can, in effect, put into what historically was a vibrant business one that does not interface with the public? If it is, how far do the clause and the amendment advance us? Would it not have been better to amend the Bill so that the concurrent use, not the historic use, was the one that was subject to the new identification of retail services? Perhaps the Minister could clarify where we stand on that because that seems to me to be the touchstone for attaining the goal of the Bill through clauses 2 and 3.

Mr Wilson: I thank the Members who have taken part in this short debate on the Further Consideration Stage of the Rates (Amendment) Bill. I thank those who have given support to the Bill and to the technical amendments.

At least a couple of Members wandered off the main subject, which was the amendments. I trust, Mr Deputy Speaker, that, since they got to make their point, you will indulge me by allowing me to at least respond to them.

Mr Cree talked about the Bill's being rushed, and he said that he was sorry that, as a result, we did not have enough time to discuss some of the amendments. Indeed, he expressed sorrow that the amendments that the Member for North Antrim tabled last week were not accepted. However, he and his party colleagues may, of course, have had some part in that, because, as far as I can remember, they did not vote for the amendments. So, it is one thing to say that he is disappointed that I did not accept the amendments; it is another thing that he did not accept them himself.

Mr Cree: Will the Minister give way?

Mr Wilson: I will give way in a minute or two. I am glad that he was so convinced by my arguments that, despite his sorrow that the amendments were not accepted, he voted with me.

Mr Cree: I am sorry to interrupt the Minister on one of his usual tirades, but he obviously does not listen to me. I did voice my protest and supported the amendments that the Member for North Antrim proposed last week.

Mr Wilson: Believe you me, this is not a tirade —

Mr Deputy Speaker: Order. It certainly will not be a tirade; it is now ended.

Mr Wilson: I could show him a tirade, Mr Deputy Speaker, if he wanted one. I was simply making the point that he had the opportunity to vote in favour of Mr Allister's amendments last week. He chose not to, and I take it that that was because the arguments that I put forward were superior and that he, therefore, felt that he could safely support me.

Mr Allister talked about the accelerated passage process and said that we did not have the opportunity to debate the issues as fully as we should have. As far as I can remember, there was no time limit last week when we were discussing the amendments, and there was no limit on how long individual Members could speak for or on the number of Members who could speak. The debate could have gone on all day if we had wanted it to. That did not happen, and given that we did not require an elongated debate, I think that that was supportive of my view that there was plenty of time and opportunity to discuss the issues that had to be discussed.

The Member is right. There was a timetable for the consultation, the responses to the

consultation, the work that the Committee indicated that it wanted to do and getting the legislation drafted. I think that I expressed to the Committee at an early stage that I was going to request that the Bill proceed by accelerated passage.

1.15 pm

As the Committee was given early notice, it was able to carry out its own quite extensive investigation and produce a report. Many of the recommendations contained in that report were accepted before the Bill was finally crafted.

The Member spoke about the amendment that I moved today and questioned whether it will fulfil its intended purpose. During the debate last week, he asked me to go back to the Departmental Solicitor's Office to find out whether the definition that I had given and the businesses that we covered in the legislation were going to be covered. The information from the Departmental Solicitor's Office was that the description and the explanation that I gave in the House last week were correct. If one looks at the description, which is very clear now, the businesses that would not be covered by the legislation — I will come to his second point in a minute — are those where people are required to present themselves to the business. That was not originally in the definition. We have included it now so that we are absolutely specific about it. I thank him for the fact that, in the exchanges that we had last week, he helped me on that. He also helped the House to understand that there may well be a gap. Therefore, let us ensure that it is honed. I hope that helping to craft legislation from the hated DUP/Sinn Féin regime here at Stormont does not get him in trouble with his supporters, but I am glad to see that he is playing a constructive role. I appreciate the fact that he has done that.

He also asked whether the definition applies only to the previous use of businesses, not the future use of businesses. In the debate last week, I made it clear that that was the case. I accepted that in some way that may appear to be an anomaly, but I also explained the reason for it. We did not want the definition to include premises that are currently used, for example, as call centres, corporate lawyers' offices and that kind of thing, where the public are not coming to; premises possibly in the same block, owned by the same landlord with the floor above empty, and where the landlord encourages the

firm to move upstairs so that it can get a 50% rebate and he can get a 50% rebate because the premises that were previously occupied are now unoccupied. Since there was quite a lot of money involved here — up to £160,000, and there are probably a number of office blocks across Northern Ireland that would fall into that category — we wanted to avoid such situations. I have no doubt that people will look for gaps to see how they can avoid paying taxes, and that was the reason for it.

I accept that we will not control future use, and it will not be limited. The reasons that I gave him were that this was a one-year measure and that the process of checking up where people would contest whether they did or did not fall inside the definition would be a lengthy and expensive process. For that reason, we decided not to look at what use the premises might be put to. I have not hidden that from the House. However, I have assured the House today that where abuses are identified over the year, we will quickly come back with regulations. This is not to be a dodgers' charter; this is to be a piece of legislation that seeks to inject some life back into high streets and town centres across Northern Ireland.

Mr Deputy Speaker, I trust that that deals with some of the points that Members have raised. I recommend the amendments to the House, and trust that Members will give them their support and have no regrets for giving support to them after they have done so.

Amendment No 1 agreed to.

Clause 3 (Window displays not to constitute occupation in certain cases)

Amendment No 2 made: In page 5, line 37, leave out "on or from the hereditament" and insert "to members of the public who visit the hereditament". — [Mr Wilson (The Minister of Finance and Personnel).]

Mr Deputy Speaker: That concludes the Further Consideration Stage of the Rates (Amendment) Bill. The Bill stands referred to the Speaker.

Committee Business

Education Maintenance Allowance

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

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

That this Assembly calls on the Minister for Employment and Learning, in conjunction with his Executive colleagues, to expedite the finalisation and implementation of an effective and cross-departmental strategy for young people not in education, employment, or training (NEETs) and the ongoing review of education maintenance allowance (EMA), in order to address the issues of record levels of youth unemployment and increasing disengagement with mainstream education; and to make the necessary improvements to ensure that EMA is targeted at those in greatest need.

The future of the Department for Employment and Learning (DEL) and its Committee is, of course, subject to consultation. However, regardless of what particular format or arrangements are arrived at, and regardless of where the people on my Committee may go, the issues that we are dealing with will remain, and this House will have to deal with them. The Committee felt that it was timely, in the period that we have left to us, to bring those matters to the House so that they can be debated properly and fully.

I wish to talk, in particular, about the issue of NEETs, and the result of what was a very comprehensive study by the previous Committee. I have to say that NEETs is not the most attractive of words, but that appears to be what we have settled on. It is probably better than the alternative, which is, I understand, zeros. This is an issue that we really have to deal with in the Assembly.

These important issues affect young people in every Member's constituency in increasing numbers as the level of youth unemployment reaches record levels. One in five of our young people is unemployed, and it is getting worse. The economic cost of youth unemployment in Northern Ireland alone is somewhere in the region of £250 million. Some of our young

people have seen emigration as their only option, while others have further disengaged not only from education or training but from society as a whole. Employment without skills or training is not an option for them. This and other factors prompted the previous Committee to undertake an inquiry into the NEETs issue, the purpose of which was the development of a strategy for those young people. It focused on who they were, the reasons why they were in that category, and how best they could be helped and supported. Members of that Committee were regularly presented with evidence that the NEET group was continuing to grow — a situation that continues to this day, given the ongoing economic downturn. Even when the economy begins to recover, the situation is unlikely to improve in the short to medium term.

In its NEETs inquiry report, the previous Committee considered the benefits of the education maintenance allowance (EMA) incentive for young people to remain in full-time education. The Committee recommended:

“the criteria for receiving EMA should to be focused more on those to whom it provides a particularly significant incentive to re-engage”.

It is worth saying that the EMA scheme was introduced jointly by DEL and the Department of Education (DE) in September 2004, its main purpose being to enable young people from lower-income backgrounds to remain in post-compulsory education at school or college. Its key objectives are to raise participation, retention and achievement rates in the eligible groups.

In 2004-05, the participation level in post-16 education was 78% in Northern Ireland compared with a level of just 67% in England. Northern Ireland's participation level later rose by nine percentage points to 87%, while England's rose by 15 percentage points to 82%. Although many Members will know the details of EMA and that it is being considered for review, the costs may not be so well recognised. EMA costs approximately £26 million a year, with 60% of recipients in the schools sector, administered by the Department of Education, and 40% in further education colleges, allocated by DEL. Amid increasing concerns about the efficacy of the allowance, a decision was taken by the two Departments in 2010 to have a formal review of the scheme. To date, and I am speaking in February 2012, that review has

produced no conclusions. That is the point of the debate, and I am grateful that the Minister is here for it. We have talked long and hard, but we have delivered next to nothing. We cannot countenance that.

There is a further type of non-means-tested education maintenance allowance available to young people, and it is paid at the rate of £40 a week to those who are engaged in recognised training activities. This is the only scheme of its kind in the United Kingdom, and it allows young people on it to access both EMA and social security benefits while training for future employment. Under the legislation, which dates from 1950, the payment is limited to participants in the Department's Training for Success programme. It cannot be paid to young people engaged in pre-vocational training in schemes such as Give and Take, which is organised by Include Youth. I have to say to the Minister that members of Include Youth will be watching intently to see how the Assembly deals with the issue. It seems to me to be a complete travesty that those young people cannot get the support that they so badly need. The whole idea of EMA is to encourage and support those from the most vulnerable and disadvantaged parts of our society. Given that we cannot do that, the Minister ought to do his best to deal with the issue while he is still in post.

The Committee believes that the Department must seek to target means-tested and non-means-tested education maintenance allowance at the areas in which it will be most effective. That must surely mean young people not in education, employment or training. The Committee heard how the Scottish Government have already carried out a complete reform of their EMA scheme. Although the allowances continue to be means-tested, the scheme now includes additional flexibility in the entitlement for vulnerable students, including those who are homeless or in care. The Scottish model focuses on non-formal learning as the most appropriate method for vulnerable young people to continue to develop their skills and to progress towards formal learning and qualifications.

With the support of the Executive, DEL officials have had a dialogue with a number of other relevant Departments in order to start work on a NEETs strategy. A stakeholder forum was also established and feeds into the strategy being developed by Departments. However, during a recent briefing session by the Department, my

Committee was disappointed to learn that not only has the strategy not been finalised but the relevant research has not been completed. Minister, that is too little, too late; it is taking too long, and we risk appearing to be too lackadaisical. We have to deal with this issue. At this time, it is vital that the House gives time and space to understanding why the issue of NEETs and EMA must be addressed as an urgent priority.

1.30 pm

I commend the motion to the House and seek Members' support in calling on the Minister to join in ensuring that his Executive colleagues support the finalisation and implementation of an effective and cross-departmental strategy for young people not in education, employment or training and that the ongoing review of education maintenance allowance is expedited as soon as possible.

In the couple of minutes remaining to me, I wish to speak just as a Member of the House. When I engage with young people, through VOYPIC, Include Youth or any of the other opportunities that I have had — discos, get-togethers and all sorts of things — what strikes me most is that they are not merely statistics. When you look at statistics, you come up with all sorts of plans, but the young people are dehumanised. When you talk to young people, you cannot help but be impressed. When you hear of some of the issues that they have had to overcome and the challenges in their lives, you just wonder how they make it at all. They are great young people, and they deserve our support.

Minister, my colleague Sandra Overend, who will no doubt deal with the matter in her speech, mentioned that money was coming as part of the Barnett consequential from the Youth Contract highlighted in the United Kingdom. Your bid should be for all of that money, not just some of it.

There is no greater challenge for the Assembly than to prepare our young people for their future life. We must not be complacent. The issues that we are dealing with are life-changing; on many occasions, they are, in fact, life-threatening. I say to all Members that young people are society's most vulnerable, and they are people whom we can help. This is a good thing to do, and I urge the entire House to support the motion.

Mr D McIlveen: I also welcome the opportunity to speak on this important issue. As the Chairman of the Committee said, we could probably bandy statistics around the Chamber all day, and, truthfully, it would not achieve very much unless we try to grasp the human cost of the issue.

If you bear with me, I will read a letter that I received from a constituent a couple of weeks ago. I will not name the young man, but he is involved in Include Youth's Give and Take programme. He feels highly discriminated against as a result of the way that the EMA payments have been divided. So I will read, from the top, exactly what he wrote:

"I started on the Give and Take programme as I couldn't continue with school. I was under paramilitary threat and had to move to a B&B. I am really struggling for money and I miss my family. I go to Give and Take in Ballymena to get an education in a way that works for me. I wanted to get my Maths and English qualifications and some work experience to help me get a job. So far, I have received my numeracy entry level 2 in just over a month. I have no financial incentive or support to participate in this scheme, yet if I was in school, tech or mainstream education I would. I feel that this is extremely unfair and I don't feel as valued as those who do get EMA. It would help me with lunches and transport as I make the effort to improve myself. I hope that the Minister for Employment and Learning and the Minister for Education will seriously look into this issue to help young people like me."

I am happy to pass the original letter on to the Minister if he wishes to see it. That letter shows just how heartfelt the plea is from those young people. We need to sit up and listen to young people who are trying their best to improve their life. Schemes such as Give and Take are vital and have fantastic success rates. After about one year on the scheme, around 60% of young people involved will progress to formal education, training or employment.

Just last Friday, I had the opportunity to visit the last ever — subject to future funding — Gerry Rogan Initiative Trust residential event in Ballintoy. It was in my constituency, and I was invited to take a look. It was eye-opening to see how a group of young men who have many challenges, disadvantages and barriers that most people in the Assembly probably know absolutely nothing about — certainly, not from hands-on experience — have been taken onto the scheme and to see the dedication that teams have shown to bringing those young

men together and helping them to deal with the challenges that they face. That is a vital service.

The one thing that was raised time and time again by the young people I spoke to was exactly the same thing as was raised in that letter. It really is the crux of the matter. Record levels of youth unemployment and increasing disengagement with mainstream education are a serious problem in this country. I completely support the call to finalise and implement the strategy to address the problem of young people who are not in education, employment or training.

With specific regard to EMA, the scheme's key objectives, according to the 2010 DEL review, are to enable young people from a low-income background to remain in post-compulsory education at school or college; encourage young people to fulfil their educational potential; and ensure that those who are most disadvantaged receive additional help and encouragement to receive funds. Surely the Minister can see that those objectives are most likely to apply to young people in the NEET demographic.

We have to remember that about £26 million is pumped into the EMA scheme each year. All that we ask is that those funds are channelled to those who need them most. That is the issue. We are not here to ask for more money, although it would be nice. We just ask that the money that your Department has is channelled to where it is needed most. I am not convinced that, so far, that has been the case. Certainly, the loud and clear message from people whom I have visited in various parts of the sector is that those who are most disadvantaged and have the biggest challenges are the ones who, quite often, are left at the bottom of the pile.

Mr Deputy Speaker: Bring your remarks to a close, please.

Mr D McIlveen: I encourage the Minister to take my comments on board. I look forward to his response.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom mo thacaíocht a chur in iúl don rún fosta. I express my support for the motion and call on Minister Farry to retain EMA in the first instance. That will be my emphasis. I would like to hear a commitment from him on the way forward on EMA. It needs to be protected. As other Members said, it is an invaluable lifeline for many young people who want to stay in full-time education.

In the current economic climate, in which there are so few jobs for young school leavers, we must help and encourage students to stay on and get the best education available to them. Statistics show that 87% of young people in full-time education are in receipt of EMA — a statistic that, in itself, certainly proves the need for the allowance. Our party has always argued that access to education is a right, not a privilege. It should be based on the ability to learn and develop, not the ability to pay.

Various Members outlined the background to the EMA scheme. In 2004, it was introduced by the Department of Education and DEL jointly with a remit to incentivise young people from low-income families who otherwise may have left full-time education because of the financial implications for their family. DEL has lead responsibility for the scheme. That Department commissioned a PricewaterhouseCoopers report in March 2010, effectively conducting a review of the scheme. Generally, it found that, although EMA delivers on those principles and makes a difference to students from low-income families, it could be improved for maximum effect. It could be directed even more towards those who are in greatest need. Objective need is obviously the key criterion for Sinn Féin in the debate.

The overall budget, as David McIlveen just said, should and, indeed, must be maintained and distributed where it will have most impact on those who have greatest disadvantage. I welcome the emphasis that the Committee Chair, Basil McCrea, placed in the debate when he described the exclusion of some groups from EMA entitlement as a travesty.

I asked the Minister for Employment and Learning a question for written answer on why young people taking part in the Give and Take scheme specifically are not entitled to education maintenance allowance. I also asked about the financial help that they are entitled to. My understanding of the issue was greatly enhanced by a presentation by Include Youth to the Employment and Learning Committee on Wednesday 25 January. Include Youth gave our Committee compelling evidence for why people on the Give and Take scheme should be entitled to the EMA.

The Minister gave me a fairly lengthy reply. If, as he stated, there are either legislative or policy provisions that prevent him from extending the EMA to those vulnerable young people, those

provisions must be urgently reviewed and amended with a view to ensuring that those young people are given parity of treatment with their peers.

The Minister referred to the difficult budgetary position facing the Department. He has great sympathy from all sections of the House on that. However, Include Youth would reiterate that, in such circumstances, the young people who are most vulnerable and need most support from DEL should be the first to receive it rather than being the very ones denied it. Human rights and equality principles require nothing less. That is also critical to the creation of a fully inclusive society that balances increasing economic productivity with enhancing social inclusion. The Committee Chair gave the example of Scotland, where there is greater support for vulnerable young people in education and training. I ask the Minister to show in his response considerable political will towards bringing people in from the cold and making sure that they are adequately supported to remain in education and training.

Mr P Ramsey: The debate is both timely and hugely important. Although today's Committee motion is specifically focused on NEET young people, it is set in the wider context of the tsunami of youth unemployment that we are experiencing. I will give some figures to support that. Between November 2007 and November 2011, there was a 155% increase in the number of young people under 25 out of work. That was the highest increase of any of the jurisdictions, and it was 43% higher than the figure in Scotland, which recorded the second biggest increase. Youth unemployment is in a serious crisis. There is no doubt that the welfare reform legislation that is coming through will mean that a lot more vulnerable young people will become part of that tsunami.

I welcome the Minister to the debate, and I sincerely hope that he gives a full commitment and guarantee. We want to ensure that all the good work that the Employment and Learning Committee has done over a number of years is set in stone, and we want those commitments.

The draft Pathways to Success strategy was put to the Executive in March 2011 and went out for consultation on 24 March 2011. The previous mandate's Committee for Employment and Learning put enormous effort into producing two huge volumes of a report on young people not in employment, education or training. That report provided the basis for research and

recommendations that are complementary to the departmental scoping study. The Department is examining the potential now for a tracking system, and, as it was put to the Committee, it is:

"tendering for research projects into the views of parents and young people."

It does not seem to compute with the Department that that process started in 2010.

We were informed that 66% of young people fell into the category of having no identifiable barrier. We do not know why they are NEET, yet we have no figures, because the labour force survey's data are indicative. That is a major indictment of the process in the Department for Employment and Learning. It was put to the officials at the Committee on 14 December that perhaps the reason our young people are in that category is that we do not have the data. I totally agree with that point.

I commented at that stage — I stand by it — that a dedicated team is needed to bring forward concrete solutions to the issues and that we are merely paying lip-service to the young people who are falling into the NEET category if we do not have that dedicated unit. There are no targets or set goals for reducing the number of young people who are NEET. That is what we are supposed to be doing, but, from what we are told in Committee, we are some distance from that point, despite what the Programme for Government may touch on. The number of young people falling into the NEET category is rising. There is absolutely no doubt about that. Economic difficulties serve only to increase that number, but I see no clear, definitive road map from the Department to address the issue.

1.45 pm

The review of EMA and the number of young people not engaged in the formal education system are issues that must be brought before the House as a matter of urgency. We have a system that is, by and large, not targeted well enough. If it is not carefully tweaked, it will put barriers in front of many people who seek to continue their education. There are two key issues: we need to ensure that as many young people as possible stay on at school post 16 so that they can gain qualifications to ensure that they play a full part in the future labour market; and we need to be careful about the sensitive issues that mean that young people who are

not engaged in the formal education system are catered for financially.

We need not go too much into the argument of targeting EMA at those who need it. I have no doubt that the Minister is aware of the need to ensure that EMA meets the goals outlined previously. A number of Members raised that. There is also the public finance context of DEL working alongside other relevant Departments; there is a need for a much more collaborative approach. The Committee's engagements as part of the inquiry uncovered that, and we saw models of best practice in the Scottish Parliament and the Welsh Assembly.

I do not want to touch on the point of engaging young people who cannot avail themselves of EMA due to their participation in pre-vocational schemes. Barry McElduff and other Members made the point about the Give and Take scheme run by Include Youth. Those young people are not entitled to the means-tested EMA received by their counterparts in mainstream education.

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

Mr P Ramsey: I urge the Minister to listen to the debate and to come forward with an action plan to resolve the issue.

Mr Lyttle: I support the motion. It gives the Assembly a timely opportunity to consider the Executive's approach to providing our young people with meaningful education, training and employment. As Members said, we know, as a result of the Northern Ireland labour force survey, that almost 48,000 young people aged between 16 and 24 are not in education, training or employment. That is a staggering figure, but it is not an issue for DEL alone to be concerned with. The Programme for Government must be used as an opportunity by the Executive to set out the action that they will take to deliver improved outcomes for our young people in early years, primary education, skills delivery, work experience and job creation.

The Alliance Party firmly believes that it must be unacceptable to the Assembly that any young person would not have the opportunity to reach their full potential. The human consequences for our young people of not engaging with education, training or employment have been well set out today. I thank my colleagues for that. They include increased economic inactivity, but, most important, they have serious impacts on individuals' health and well-being and can lead

to an increased risk of depression and criminal activity.

Elected representatives need to provide leadership on the issue. I welcome the fact that the Minister for Employment and Learning is committed to progressing a positive skills and employability agenda for young people. My colleagues on the Committee for Employment and Learning have also shown leadership for young people by conducting a full inquiry into how we might improve interventions to help young people who have disengaged. The inquiry found that many community and voluntary sector organisations conduct exceptional work on behalf of our young people. Some of them have been mentioned already: Barnardo's, the Prince's Trust, Include Youth, GEMS NI and the Gerry Rogan Initiative Trust. In my constituency, some innovative work has attempted to connect young people with the creative industries, such as gaming and programming, as ways of linking skills acquisition with interesting and rewarding employment opportunities for our young people.

It is also clear from the inquiry that improved early intervention in primary education is essential in identifying and addressing the reasons why a pupil becomes disengaged at an early stage. Another key finding is the need for improved careers guidance. The Department for Employment and Learning assures us that it has a robust menu of options for careers guidance available to teachers and professionals. However, I remain concerned about the quality and relevance of the careers guidance that we give to our young people in schools, and I am particularly concerned at the lack of monitoring and tracking of the educational, training and employment outcomes.

Establishing a steering panel comprised of Executive Ministers and community and voluntary sector representatives is a further recommendation of the Employment and Learning Committee's report. I would be grateful for an update from the Minister on that.

As mentioned, of particular concern to the community and voluntary sector organisations, which deliver excellent work with our most vulnerable young people, is the need for a more flexible use of education maintenance allowance to include prevocational interventions. I hope that the Executive and the Minister for Employment and Learning will look to the Scottish Government for examples of how that might be achieved in the EMA review.

The key feedback from our Committee's inquiry, however, is that, despite all that great work, if we are to give our young people the hope and opportunity that they deserve, we need a united Executive approach that sets clear aims and objectives as well as timescales in which we can achieve those. The requirement for effective collaboration could become even more acute if and when the Department for Employment and Learning, which is currently the lead Department on this important strategy, is abolished. I therefore hope that the First Minister and deputy First Minister have given careful consideration to how the youth education and employment strategy will be implemented in the absence of a Department for Employment and Learning. Indeed, the recommendation of the Committee's inquiry is that, from January 2011, OFMDFM should be the lead Department on the issue.

Much reference has been made of late to a "lost generation". I am reliably informed that that phrase appears at the front of Ernest Hemingway's novel 'The Sun Also Rises'.

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

Mr Lyttle: It is high time that the Executive got serious about ensuring that the sun rises on all our young people and that we give them all the hope and direction they need to achieve their full potential.

Mr Ross: Let me first of all say that the heading for the motion on the Order Paper is slightly misleading. It might lead the Minister for Employment and Learning, the future Minister of the Department that has those functions and, indeed, the Finance Minister to believe that we are concerned to get more young people receiving EMA. I do not think that that is what the motion means, and it is certainly not my belief.

The issue of young people who are not in employment, education or learning or training is one that, over the past number of years, has received high levels of media attention and, indeed, attention in the House. As Members said, the previous Employment and Learning Committee engaged in quite a bit of work on the matter.

Of course, we need to have a strategy that ensures that young people value education, want to engage in education or training and avail themselves of opportunities. However, the way to achieve that is much wider than the role that

DEL or the Executive can play. Indeed, it is much wider than the role that government can play. Efforts are made in other areas to get greater investment into Northern Ireland and to have greater career and job opportunities for people. Indeed, as the Member who spoke previously said, efforts are also made in early years education. That is very important, given that that is the first formal interactive education that young people have and that their experience of it will stay with them throughout the rest of their educational career. However, there is also a role for the voluntary sector, local communities, businesses and parents, all of whom have a responsibility to help to raise young people's achievements and aspirations.

The issue of poor results and underachievement, particularly in Protestant working-class areas, is one of which we now are well aware. A level of disengagement and a negative attitude towards formal education does not surprise us any more, even though it is not something that we are encouraged by. We need to widen access to education, and the University of Ulster is involved in the Step Up programme, which has been useful in doing that. Other Members spoke — this proves that our Committee listens — about Include Youth, which runs the Give and Take scheme. That scheme focuses on young people who are all considered to be in the NEET category. Most of those young people come from a care background, have difficulties with essential skills, come from deprived areas or did not complete their mainstream education. The Committee was told at subsequent briefings that those individuals are not entitled to receive EMA, although their peers in further education colleges or schools are. They are also not able to claim the non-means-tested EMA that those involved in Training for Success can. If EMA is to be successful, it must help those most in need. Young people on the Give and Take scheme pass that criteria and should qualify, but, of course, they do not. The question for the House is what to do about that. Do we simply want to expand EMA — I do not think that we do — or do we make sure that it is targeted better and includes those who undertake pre-vocational courses?

I do not think that government should necessarily simply give young people cheques to get involved in education or training just for the sake of it. Doing that will almost create a culture that means that, as long as people turn up and clock in, they will receive their payment, irrespective

of whether they go to learn. We need to be cognisant of that.

I listened to other Members say that we cannot treat people as statistics or argue over statistics. Although, on the face of it, I agree with that, we must ensure that the decisions that we take on spending taxpayers' money on schemes such as EMA are based on fact and outcomes. Although we do not have all the answers to the questions that the Committee asked, we do have some. For example, in the debate on EMA at Westminster, the UK Government claimed that 90% of those who received it would have stayed in school or education anyway, and the research that the Committee was given by PwC suggested that between 64% and 70% of young people who received it would have stayed in education anyway. The Committee was also told that some 55% of young people saved the money; 52% spent the money on leisure and going out; and 45% spent the money on clothing. That proves that much of the money provided through the current EMA scheme is not used for its primary purpose. Therefore, it is not a good use of public money. As we heard from Include Youth, we need to ensure that the money that is spent by government is targeted at those who need the money to get to school and to buy books or lunches and to ensure that they have no additional barriers to education.

Mr Deputy Speaker: Your time is up.

Mr Ross: I finish by saying that I support the motion. It is important that we do not extend EMA. We must reduce its cost and make sure that it is targeted at those who need it most.

Mr Flanagan: Go raibh maith agat, a LeasCheann Comhairle, Gidh nach bhfuil mé i mo bhall den Choiste Fostaíochta agus Foghlama, ba mhaith liom mo thacaíocht a thabhairt don rún tábhachtach tráthúil seo.

Although I am not a member of the Assembly's Statutory Committee for Employment and Learning, I take great interest in its work. I support this important and timely motion. My party colleague from West Tyrone, Barry McElduff, has spoken on the benefits of EMA and has eloquently outlined Sinn Féin's well-stated position on the matter.

I want to use the few minutes that I have to focus on the part of the motion that deals with the strategy for helping those who are currently

not in education, employment or training and who, as the Chair of the Committee outlined, are unhelpfully given a none-too-pleasant sounding acronym. However, I constantly throw the word "fracking" about the House, so I am hardly one to pontificate about the use of none-too-pleasant sounding words.

We face a crisis. However, we are not alone in doing so, and the challenge is faced by Governments across the developed world. Finding employment for our young people is proving to be a massive problem, let alone finding employment that is meaningful and sustainable and will provide a useful outcome to individuals and society as a whole. As the motion suggests, this is not an issue that should be looked at in isolation. All Departments, together with the community and voluntary sector and the private sector, need to work together and come together to draw up a strategy to deal with the issue.

No longer can we stand here talking about youth unemployment, EMA and those who are not in education, employment or training. We need to stop complaining about how bad the problem is, because, as we do so, 500 people leave these Six Counties every week and are joined by at least another 1,000 people who leave the other part of this island. We face a situation in which many of our best and brightest young people have given up. They have given up on waiting any longer. They have given up any hope, and they have given up on finding some sort of light at the end of the tunnel. Emigration has returned to our shores once again. We need not only to tackle the heart of the problem, which is creating adequate training and employment for those currently outside the system, but to inject some serious hope into our society.

2.00 pm

We need a multi-departmental approach; many Departments face such problems and difficulties. One of the saddest facts is that many of the people who are not in education, employment or training come from families that previously found themselves in the same situation. The problem has become generational through no fault of the individuals concerned, many of whom have been let down by the system.

In my area, transport, travel and a lack of access to broadband present a serious problem for most young people. That all leads to a vicious cycle, yet we hear it being reported over and over again. How do we deal with that? Amazingly, it is

quite simple. We see the same thing happening time and time again, and we need to remove those barriers. The Minister for Employment and Learning needs to take more of a lead. I acknowledge his work so far, and I look forward to his response to this proactive motion. I want him to engage with other Ministers on the three issues that I raised, which will involve engagement with the Minister for Regional Development and the Minister of Enterprise, Trade and Investment. I also encourage him to engage with the community and voluntary sector and the private sector to see what gaps exist in the provision of services in deprived and rural areas.

Mr Douglas: I support the motion and thank the Chairperson of the Committee for Employment and Learning for bringing it to the House. It is a vital part of the debate on how we move forward. As some Members said, we are talking about a situation in which one in every five young people is unemployed today. Last June, I spoke in the Chamber about having witnessed some of the worst rioting and violence that I had seen for many years. I am certainly not saying that all the young people who were there were unemployed. When I say “young people”, I am talking about young men and women, young girls and boys, many of them with hoods on. However, many of those young people were not in education, employment or training. All I would say is that that situation could be replicated across Northern Ireland in disadvantaged communities.

As the Chairperson of the Committee said, it is not about talking up the problem but doing something about it. As my uncle Sammy used to say, we can talk about it, we can have statistics about it, and we can read about it, but at the end of the day, doing it is doing it. We need to leave the Chamber saying that we are going to do something about this situation. It is not so much about rhetoric but about doing something about the problem.

My colleague Alastair Ross highlighted the main issue, which is that EMA is not targeting resources at the most vulnerable people in our community. A number of Members have mentioned the young people who are currently on pre-vocational schemes such as Include Youth’s Give and Take programme. That is an absolutely fabulous scheme, but those young people feel, in some sense, let down by us in that they are unable to access the support that encourages participation and achievement in the schemes that we are highlighting today. They

are not entitled to the means-tested education maintenance allowance received by their peers in schools, in further education colleges, on Training for Success programmes and in other situations.

For me, that is not only deeply inequitable but deeply unfair. From the heart of what we are doing as an Assembly, as an elected body, it is deeply unfair. The principle should be that those young people who are most in need of financial support to participate and to achieve in education and training should be the first to receive it, rather than the very ones being denied it. Some of the most vulnerable young people in our society are being denied access to opportunities to which other members of the community and many other young people have access.

Unlike many of their peers, those young people struggle with high levels of poverty, living completely independent lives and training to gain qualifications while managing food, rent, utility and laundry bills, often with little or no support.

To my knowledge, the Department’s formal response is that it is not possible to pay a non-means-tested allowance to students on programmes such as Give and Take or to students undertaking other pre-vocational training programmes because of — this is the key bit — benefits legislation. If there is a problem, let us get it sorted. As our Chairman said, let us get it sorted with a sense of urgency.

I have a few other things to say, but I will finish with this. I say to the Minister —

Mr B McCrea: Will the Member give way?

Mr Douglas: Yes, go ahead.

Mr B McCrea: I would just like to hear what the Member has to say.

Mr Douglas: As a very famous singer once said, “Thank you very much.” These are indeed either legislative or policy provisions, or they could be budgetary constraints. The Minister refers to budgetary constraints, but we should be targeting the finance to increasing the accessibility of the most vulnerable young people, rather than denying them that. As part of the Minister’s swansong, he has a great chance to do something about that. Indeed, I concur with my colleague that he could bid for the entire £25 million from the Barnett formula.

Mrs Overend: I welcome the opportunity to speak in a debate on what I consider to be a hugely important issue. It is one that can lead to poor physical and mental health, a greater risk of offending, suicide and of those affected and their children becoming trapped in intergenerational poverty. There is not only an economic imperative to address the issue but a moral one. Young people in care, those whose parents are unemployed and those with disabilities are all recognised as being those who are furthest from work, and they require considerable support to enable them to become even work ready. The unidentifiable 55% not included in those categories must also be helped.

(Mr Speaker in the Chair)

As Members have said, the previous Committee for Employment and Learning undertook an excellent inquiry into the issue and identified, fairly comprehensively, the way forward. However, that report was over a year ago, and now is the time to have some action on the issue. There is a need for re-engagement for the young people who are currently NEET and prevention for the young people under 16 who are at risk of becoming NEET. As the previous Employment and Learning Minister recognised, whatever their background, aspirations or aptitudes, every young person should be given an opportunity to progress through adolescence, fully equipped to play an active role in society and to gain the skills that they need to enter the labour market.

Recently, I attended an event in the Long Gallery that was hosted by the Chair of the Committee, Basil McCrea, where we met representatives of Voice of Young People in Care. It was touching to hear the comments from a lot of those young people whose circumstances are purely a result of decisions that their parents made. They find it especially difficult to improve their employability and prospects for a brighter future because they cannot afford to think about their education while simply trying to afford to live without worry. It is important that EMA is targeted to those in need, including those who are unable to access mainstream education and training and are on pre-vocational schemes. Every other Member who spoke in the debate mentioned Include Youth's Give and Take scheme.

Many of those not in education, employment or training are identifiable, as they come through the education system. So I sincerely hope that the Minister has discussed with the Department

of Education those currently at risk of becoming NEET.

Will the Minister tell us what progress has been made on developing a tracking system for those young people coming to school leaving age who we already know to be at significant risk of becoming NEET? I would also like to hear about the strategies for reaching the other 55% who are unknown.

I would like to hear whether the Minister has had any discussion with the Minister of Education on establishing a task force on NEET prevention, with a specific focus on identifying geographical areas and schools in which young people most at risk of becoming NEET are located. Is a programme being prepared to reduce the flow of such young people becoming NEET? Will the Minister detail his plans to specifically address young people who are not in education, employment or training?

In answer to a question for written answer, the Minister identified the £26.5 million Barnett consequential for Northern Ireland as a result of the youth contract that the Westminster Government —

Mr Ross: I thank the Member for giving way. While she is asking the Minister to provide a list of information, and given that one of the key objectives of EMA is to raise participation and achievement rates, does she agree that it is also important that the Minister comes back to the House with solid evidence of achievement rates of those in receipt of EMA? At the moment, that information does not seem clear. Does she agree that it is important that we get that information as well?

Mr Speaker: The Member has an added minute.

Mrs Overend: Yes, I appreciate where the Member is coming from on that. We have statistics on various issues and we need real results on those matters, so thanks for your intervention.

I will pursue the Minister to bid for all of that £26.5 million.

In conclusion, this is a hugely important issue and one that the Committee for Employment and Learning has emphasised. It heard from numerous organisations and people who talked about the issue, and we recognise that it is important. I appreciate the Minister being here. I hope that his Executive colleagues, although not in the Chamber, will listen and heed the feelings

of Members. I understand that the Minister has some sort of plan in place. I am keen to hear how all his Executive colleagues will address this issue in future. The Assembly needs to take this issue seriously, and I hope that the Minister and Executive will prove that they do.

Mr Eastwood: The term “lost generation” has become one heard often these days. Few families are not dealing with the prospect or reality of youth unemployment — a generation of our young people with extremely limited horizons for future employment. If action is not taken, the danger is that their demographic will face the prospect of being interned in a cycle of long-term joblessness, suffering the demoralisation of dependence on benefits. That young generation, who should be most energised at the start of their working lives, has suffered in the past years the brutal effects of this recession. That depressing narrative should force public representatives to act. The best social programme that any Government can provide is a job. Stormont needs to cultivate an environment in which employment is incentivised in every sector of our economy. If those in the NEET category are neglected, the North will face consequences in the long and short term.

It is fair to say that the Executive have been slow to react thus far. Across the border, successive Governments have instigated a raft of apprenticeship programmes, which have facilitated graduates and non-graduates. Every Department in the Dublin Government has been instructed to commission a programme that brings young people into the Civil Service while retaining their social welfare payment. Where is the equivalent programme in the North?

It is vital that EMA payments are retained. If the draft Programme for Government’s commitment to garner a smart economy is to come to fruition, it is essential that our young people are encouraged to prioritise education. For many of our young people, EMA offers an extra incentive and security to further their education, thus benefiting our economy and society in the long term.

I welcome the Minister’s recent answers in the House, and particularly his identification of the £26.5 million Barnett consequential in the youth contract. I urge the Minister to bid for that full amount to begin to address this issue. I ask the

Finance Minister to support a co-ordinated effort to tackle youth unemployment.

2.15 pm

Mr Douglas: I thank the Member for giving way. Does the Member agree with me that, in relation to the Barnett formula, this is out of a £1 billion initiative by government to tackle youth unemployment and, therefore, it is not a matter of other Departments saying let us give a couple of bits and pieces to this? I think that we, as members of that Committee, are on the moral high ground to be fighting for that.

Mr Speaker: The Member has an added minute.

Mr Eastwood: I do not think that I will need it, but thank you. The Member makes a relevant point. In the House, we often talk of every Department being a Department of the economy. I think that every Department has to be a Department for tackling poverty as well. That goes right across everything we do.

According to the ‘Belfast Telegraph’, 48,000 young people have no education, no job and no hope. That is an increase of 20% over the past five years. It is clear that now is the time to act. I support the motion.

Mr Allister: The scourge of high youth unemployment is one of the issues that should concern us all, because it is a tragedy not just for this generation but for the next, in that, in terms of inculcating the work ethic and getting into a pattern of useful contribution to society, it is something that will have long-term implications.

When you look at the EMA, it seems, on the face of it, like a magnificent idea. It is to encourage and to retain in education those who are dropping out and those who are not attaining. Few would question the theory and the logic of a project like the EMA. However, you cannot simply afford to say that it sounds like a good project, therefore it must be. You have to critically analyse it to see whether it is, in fact, delivering.

One of the things that amazed me was that, when the Committee was examining the subject with the departmental officials back in September, and we began to probe how we would evaluate the effectiveness of the EMA, we were told about the PwC investigation into it that took place, but we were then — as I said, amazingly — told that PwC was not able to tell us how many of the young people who benefitted from the EMA ever attained

qualifications. Qualifications are not everything, but they are an essential building block, on most occasions, to getting into and sustaining employment. We are paying out money on a weekly basis but do not know whether or not it is manifesting itself in a situation in which those in receipt of it are improving themselves, attaining qualifications and bettering their opportunities to get into work. We were told by the officials that that could not be done — I do not know how much money we spent on the PwC report, but I am sure that it was not insignificant — because there was no mechanism for tracking the young people in the programme. That seems to me to be the most elementary flaw in such a process. You devote resources to young people to stop them dropping out and to get them back into education, but you do not put in place a tracking mechanism to see whether it is actually working. It is only when you know that that you can see how it needs to be fine-tuned, where it needs to be refocused and how you need to adjust it. It seems to me that an elementary mistake has been made in that regard.

It comes in the context of an approach to all of that that, sadly, has been rather laid back. It is well over a year since the last Committee for Employment and Learning produced a report. It has largely been gathering dust. In September, we were told that a consultation process would be under way and that the Executive would be making decisions in the spring of 2012, with a view to making real changes two academic years hence. It will be interesting to hear from the Minister, but I suspect that, since September, there has already been significant slippage.

Are we serious about this issue? On the information we have gathered to date, in the absence of any tracking facility, and in the urgency that seems to have attended any investigation of how the programme could be improved, we seem to be demonstrating an almost horizontal attitude rather than a proactive attitude to this matter. That is a tragedy for the young people in this country, many of whom are struggling with a morale issue about how they are ever going to make it in society.

Society owes to do what it can. It cannot spoon feed everyone, but it owes to do whatever it can to help young people into employment. EMA may be working, but the truth is that we do not adequately know because we do not properly track its implementation.

Mr Speaker: As Question Time commences at 2.30 pm, I suggest that the House take its ease until that time. The debate will continue after Question Time, when the Minister for Employment and Learning will be called to respond.

The debate stood suspended.

2.30 pm

Assembly Business

Committee Chairperson Appointments

Mr Speaker: Before I move to Question Time, I want to make an announcement. I wish to inform Members that I have been notified by Michelle Gildernew that she will be indisposed for a number of weeks, following an accident. She has resigned as Chairperson of the Committee for Health, Social Services and Public Safety. The nominating officer from Sinn Féin, Mr Pat Doherty, has nominated Ms Sue Ramsey to fill the vacancy, and she has accepted the appointment. As a Member may not be the Chairperson of a Statutory Committee and a Standing Committee at the same time, Ms Ramsey has been replaced as the Chairperson of the Committee on Procedures by Mr Gerry Kelly, who has also accepted the appointment.

I am satisfied that the correspondence meets with the requirement of Standing Orders, and I, therefore, confirm that Ms Sue Ramsey is Chairperson of the Committee for Health, Social Services and Public Safety, and Mr Gerry Kelly is Chairperson of the Committee on Procedures, with effect from today.

Oral Answers to Questions

Office of the First Minister and deputy First Minister

Sexual Orientation Strategy

1. **Ms S Ramsey** asked the First Minister and deputy First Minister when they will bring forward a revised sexual orientation strategy.

(AQO 1210/11-15)

Mr P Robinson (The First Minister): With your permission, Mr Speaker, I will ask junior Minister Jonathan Bell to answer that question.

Mr Bell (Junior Minister, Office of the First Minister and deputy First Minister): As I have said in previous answers, it is our intention to publish a sexual orientation strategy during 2012. Stakeholders and organisations from the sector will be fully encouraged to participate in and contribute to the associated public consultation process.

Ms S Ramsey: Go raibh maith agat. I thank the junior Minister for his answer. It is important that we are aware that it will be published in this coming year. Will the junior Minister assure us that the strategy will be released in conjunction with the revised cohesion, sharing and integration (CSI) programme, which is currently being drafted by five parties? It was intended that the CSI programme be released in conjunction with the sexual orientation strategy.

Mr Bell: The CSI is, obviously, being developed by five parties, and we await responses from some of them. Everybody will have an opportunity to input into the process.

Mr Eastwood: Will the junior Minister clarify the Office of the First Minister and deputy First Minister's (OFMDFM) position on civil partnerships and adoption by gay couples?

Mr Bell: Civil partnerships are the responsibility of the Department of Finance and Personnel. It is my understanding that a judicial review of the existing adoption legislation is ongoing. It is a matter primarily for my colleague the Minister of Health, Social Services and Public Safety.

Mr Humphrey: How will the strategy fit with the range of other OFMDFM strategies that will be brought forward shortly, including the CSI strategy?

Mr Bell: It is a question of complementarity. We want the policies to respect and complement all of the section 75 groups.

Mr Agnew: Will there be any mention of gay marriage in the sexual orientation strategy? Has any progress been made on providing full equal rights to gay couples?

Mr Bell: Questions on those matters are the subject of much discussion and have been the subject of much discussion in the media over recent weeks. The issue is not under active consideration.

European Year for Active Ageing and Solidarity between Generations

2. **Mr Ó hOisín** asked the First Minister and deputy First Minister for an update on how they plan to recognise the 2012 European year for active ageing and intergenerational solidarity.

(AQO 1211/11-15)

Mr P Robinson: I am pacing myself, Mr Speaker, so I will ask junior Minister Jonathan Bell to answer that question.

Mr Bell: The Office of the First Minister and deputy First Minister is committed to the principle of equality of opportunity for all the people here in Northern Ireland. The European Union has designated 2012 as the European year (EY) for active ageing and solidarity between generations, and it aims to promote conditions for a better future for our young and older citizens. Junior Minister Anderson and I have already met representatives from the European Commission and various stakeholder organisations to discuss proposals for marking EY 2012 in Northern Ireland.

On 25 January, we attended an event in Parliament Buildings to promote the work of Linking Generations Northern Ireland, which is designed to promote and support the development of intergenerational practice across the region by providing real opportunities for older and younger people to meet and learn from each other. We also intend to discuss the issue with the new Commissioner for Older People and the Commissioner for Children and Young People and take their views on how best to mark this year. When it is finalised, it is anticipated that some of the programmes will include events promoting the benefits of active ageing, the launch by OFMDFM of the ageing

strategy consultation and the development of proposals to extend age discrimination legislation to the provision of goods, facilities and services.

Mr Ó hOisín: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as an fhreagra sin.

I thank the junior Minister for his answer. There have been many examples of best practice intergenerational work in our communities over the years, and I pay tribute to the members of the Bovalley Community Association, an intergenerational group, who are in the Assembly today and whom I met earlier. Will the Minister confirm that any events planned by his Department to mark this year of active ageing and intergenerational solidarity will have as broad a reach as possible, and will he ensure that all communities are allowed to be at the fore of such initiatives?

Mr Bell: That is important. I welcome the fact that my colleague George Robinson MLA invited the group here today, and we welcome their participation and those of all community groups. As far as possible, we will take part and try to involve them in the strategy and the work that we are doing.

Our officials are drafting the framework with input from both the Older People's Advocate and the Older People's Advisory Panel. That will form the framework for a new strategy that will be based on the United Nations principles for older persons. Just so that Members can have a heads up, the United Nations principles for older persons have been prepared with a global perspective. However, the proposed strategic objectives included in the framework document have been drafted to reflect society here while retaining the ethos and spirit of the UN principles. The community groups, organisations and people undertaking the work will help us to accurately reflect society here, and I congratulate them on the work that has been undertaken.

Mr Dunne: I was delighted today to see a commitment in the Programme for Government to extend the age discrimination legislation to include the provision of goods, facilities and services. Will the junior Minister give an update on that commitment?

Mr Bell: That commitment is in the draft Programme for Government, and I thank the

honourable Member for North Down for raising the issue to extend the age discrimination legislation to the areas that he identified. It is being taken forward in Great Britain, and officials here are considering the legislative implications for Northern Ireland. Although we recognise the value in eliminating discrimination in the provision of goods, facilities and services in relation to age, we also need to carefully consider the impacts that such legislation may have. I will give you an example: at the moment, being allowed to discriminate on age allows us to provide services to older persons free of charge. Therefore, we want to be careful as we work through the legislation. However, OFMDFM's intention to extend the age discrimination legislation to goods, facilities and services is a significant undertaking. It will involve the development of primary legislation, which will take around three years to complete.

Mr Copeland: I thank the junior Minister for his answers given on behalf of the First Minister. I confess that the closer I get to 65, the younger it seems. What assistance has been provided by OFMDFM thus far to assist with the work of the Pensioners Parliament?

Mr Bell: Martina Anderson and I attended events organised by the Pensioners Parliament. Most recently, I attended an event in November, and spoke on behalf of the Department. We submitted ourselves to questions taken directly from the Floor of the Senate Chamber. The work and commitment of the Pensioners Parliament is to be commended. Martina Anderson and I noted that, at a conference in Belfast due to start at 9.00 am, pensioners were queuing to get in from 8.30 am. That indicates the celebration we should have that people are living longer. We should welcome the commitment that they can bring forward. The Pensioners Parliament is one means by which older people can hold government to account. It is a procedure that we very much welcome.

Ms Ritchie: Bearing in mind the need to protect older and younger people and the fact that you have addressed, along with junior Minister Anderson, the Pensioners Parliament, can you confirm what discussions have taken place at joint consultative committee level regarding the need to address the serious concerns presented by the welfare reform proposals, which will have a detrimental impact on the elderly and, in particular, pensioners?

Mr Bell: The honourable Member raises some particularly valid concerns in relation to welfare reform and the concerns that that presents. Importantly, people will have seen what the Northern Ireland Executive did over the Christmas period to attack fuel poverty and its impact, which was one of the key areas for elderly people. You saw the provision of finances that were given there, and also for many older people living with cancer.

In the work that is being jointly undertaken with the new Commissioner for Older People, and in our work with Patricia Lewsley-Mooney, we are looking to see what events we can take forward, not only on the issue of welfare but to see how we can improve relations and understanding across our society.

Public Appointments: Code of Practice

3. **Mr McKay** asked the First Minister and deputy First Minister for an update on the revised code of practice for ministerial public appointments. (AQO 1212/11-15)

Mr P Robinson: On 16 January this year, the Commissioner for Public Appointments, John Keanie, sent an updated code of practice for ministerial appointments to all Ministers in the Executive. The deputy First Minister and I strongly support the work of the commissioner, and are asking all our colleagues to implement the updated code within their Departments with immediate effect. The main changes in the updated code provide clarification on the recording of ministerial appointment decisions and introduce a facility for Ministers to create, if they wish, a reserve list of substitute candidates for appointments should an unexpected vacancy arise within one year. Those are sensible and practical suggestions, for which I am grateful to Mr Keanie. Given the restrictions on government spending, I welcome the additional flexibility that reserve lists bring to the appointment process.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. I thank the First Minister for his response.

It is accepted that anyone appointed to serve on a public body must have the requisite skills. However, does the First Minister accept that, unless we remove some public appointments from the remit of the code, we might never effectively start addressing the under-representation

of women and people from ethnic minority backgrounds across the public service?

Mr P Robinson: The legal requirement, and, in my view, the proper requirement, is that appointments should be made on the basis of merit. However, we do need to recognise that there are many occasions when it is, for instance, necessary to appoint boards that have a balance of skills and knowledge. That does require us to look at a range of issues and, where possible, should be on the basis of the balance within the community.

Mr D McIlveen: Will the First Minister list the public bodies that his Department is responsible for, and perhaps provide an update on the appointment of a new Police Ombudsman?

2.45 pm

Mr P Robinson: The key bodies for which OFMDFM has responsibility that fall within Mr Keanie's remit are the Commission for Victims and Survivors, Ilex, the new Maze/Long Kesh Development Corporation that is being set up, the Northern Ireland Judicial Appointments Commission, and the Commissioner for Children and Young People. Of course, we also have a role in the appointment of the Police Ombudsman, although responsibility for day-to-day pay and rations lies with the Department of Justice.

Mr Elliott: The First Minister mentioned the Maze/Long Kesh Development Corporation. I am interested to know whether there has been any recent progress on the appointment of the corporation.

Mr P Robinson: An advert seeking a chairperson for the corporation will appear fairly shortly. The recommendation of the panel that carried out the initial interviews was that we should advertise again to ensure that we get somebody with the requisite skills. We will also look for additional members that we can put in a pool of candidates for membership, and we have started work on that. It is hoped that the advertising will happen this week — if not this week, then next week — so that that can be done as quickly as possible.

This is an extremely important development. It is close to the city of Belfast but within the city of Lisburn. It has massive potential to bring jobs to the region on a long-term basis, and it has the size and status to be a regional centre, so it is important to the whole of the Province.

Social Protection Fund

4. **Mr Swann** asked the First Minister and deputy First Minister to outline their plans for the social protection fund for the remainder of the current budget period. (AQO 1213/11-15)

Mr P Robinson: The Executive established a social protection fund (SPF) to assist those most in need in the wider community. This year we agreed to prioritise fuel poverty through the fund, and we committed the full £20 million budget to a winter fuel poverty payment scheme. That is being progressed by the Department for Social Development and the Department of Health, Social Services and Public Safety (DHSSPS) under the Financial Assistance Act (Northern Ireland) 2009. Through the scheme, a one-off payment of £75 will be made to persons in receipt of income-based means-tested benefits, including income support, income-related employment and support allowance and income-based jobseeker's allowance. Pension credit recipients and people in receipt of cancer treatment in line with criteria determined by DHSSPS are receiving one-off payments of £100. Those entitled should begin to receive payments in the coming weeks, with the majority of payments being made by the end of this month.

Although funding for the programme was secured for only this financial year, we are committed as an Executive to securing moneys for future SPF programmes during the remainder of the current Budget period. We will seek to identify revenue streams during budgetary exercises. With that in mind, our officials will continue their discussions with departmental colleagues to develop proposals that will form the basis of the future social protection fund spend programme.

Mr Swann: I thank the First Minister for his answer. Does he accept that there was a serious deficiency in the first round of the social protection fund, given that families with disabled children were not included?

Mr P Robinson: It might be worth pointing out that, when we look at criteria, they have to be criteria that fall within the overall funding available. Even with the criteria that we have set on this occasion, when we have had a longer period to prepare, we have exceeded the £20 million. Indeed, we were successful during the January monitoring round in getting sufficient funding, and I think that we have spent about £22.5 million on the SPF this year.

There are many areas of society that would undoubtedly benefit from further funding being made available to them. However, as we look to the fund in the long term, we will, I think, see that there is perhaps a view that simply doling out money is not the best way, and certainly not the only way, of assisting those who are most vulnerable and in the greatest need. We will perhaps look at more holistic ways of giving assistance to the section of the community that needs it most.

Mr McElduff: Go raibh maith agat, a Cheann Comhairle. Given that the social protection fund was designed to help to protect vulnerable individuals from the worst aspects of financial cuts, have Ministers given any consideration to using the funding in future years to help to fund an anti-poverty strategy?

Mr P Robinson: Maybe that flows from the comments that I made to the Member. Rather than simply looking at it on the basis of handing out sums of money to individuals, we need to see whether we could develop the programme more strategically to be of greater assistance to sectors. In doing that, we will consult fully, and I hope that the Committee will help us with that.

Mr Spratt: Will the First Minister give precise details of when payments will start and whether all vulnerable groups will be paid quickly?

Mr P Robinson: As I understand it, the Department for Social Development will deal with about 250,000 payments. It has the data available, and I understand that the money will be paid during this month. However, we added to our criteria for patients suffering from cancer, and DHSSPS set down criteria for that. We believe that about 6,000 people are entitled to receive payment under that scheme. However, it can be done only if they agree to it. Not everyone who has cancer will have told friends and relatives about it, so it is a sensitive issue. The application process closes, I think, on 15 February. Of the 6,000 entitled, the last figure that I heard was that 3,000 had already put in applications, and I urge any others who wish to seek that assistance to do so before 15 February.

Mr Durkan: I wish to follow on from earlier questions: will the Minister outline details of any further funds, or initiatives, which seem to be the way he would rather go, to help to cushion the blow of welfare reform on many vulnerable and disadvantaged people here?

Mr P Robinson: I am being particularly careful not to be prescriptive, because welfare reform will clearly have an impact. We fool ourselves if we do not recognise that it could be a significant factor for many families in Northern Ireland. Over the next number of months, we probably need to assess the impact that it will have; what strategies we can put in place to give assistance; and how best we can use that fund.

At the same time, it was only in the Budget that we were able to identify the £20 million for this financial year. We have an agreement in principle that we will attempt to get a similar size of fund for future years, but that work is ongoing. The Budget review group has discussed and will continue to discuss the issue, but we need to identify a source of funding for the remaining three years.

Corporation Tax

5. **Mr Weir** asked the First Minister and deputy First Minister for an update on the devolution of corporation tax powers. (AQO 1214/11-15)

Mr P Robinson: The Government's response to the consultation on rebalancing the Northern Ireland economy was published on 20 December 2011. There was considerable support for lowering the corporation tax rate, particularly from the business community. Three quarters of respondents were in favour. However, there remains work to do, and we are determined to continue to make progress on that important issue.

The ministerial working group met on 15 December 2011 and agreed that, between now and the summer, it will seek to establish with clarity the costs and benefits, administrative changes and potential legislative vehicle for transferring corporation tax powers to Northern Ireland. On 10 January and 24 January, officials met HM Treasury and HM Revenue and Customs to begin the detailed work needed to determine how the devolution of corporation tax would work in practice. Initial discussions covered costings, the design of the administration system, how the block grant adjustment might work and the economic impact. Further meetings of officials are being scheduled.

We now have a draft Programme for Government commitment to press for the devolution of corporation tax powers and to reduce its level. Our draft economic strategy demonstrates how we will ensure that benefits are maximised.

Although we want those powers, we must ensure that the costs do not outweigh the benefits. We will not pay over the odds. The date for the next ministerial working group meeting has been set for 7 March, when we will assess progress to date. The group is expected to submit a report to the Government in the summer. Following that, a decision will be taken.

Mr Weir: I thank the First Minister for his answer. What implications, if any, does the current debate on Scottish independence have for the prospect of corporation tax powers being devolved to Northern Ireland?

Mr P Robinson: As far as Her Majesty's Government are concerned, there will be sensitivity around those issues, perhaps not so much on the debate on independence, but on the "devo max" debate, because, unquestionably, the maximum form of devolution is probably more popular among the Scottish population.

Northern Ireland is a unique case. We share a land border with a country that has a significantly more attractive level of corporation tax. We are coming out of a very long period of conflict and division. Our economy has been set back over a sustained period. Therefore, it needs a considerable lift. The rebalancing of our economy is needed much more than in Scotland. It also needs to be pointed out that, because devolution of corporation tax powers is not a free ticket, there is a downside to the block grant. The reduction to the block grant in Scotland would be significantly greater — perhaps around £2 billion — were its Government to reduce the level to that of the Republic of Ireland. All those matters will be taken into account. Northern Ireland has a special and unique case and a very sound argument.

Mr Lynch: Go raibh maith agat, a Cheann Comhairle. Can the Minister outline measures that are being examined to mitigate the cost to the block grant of reducing corporation tax?

Mr P Robinson: The Finance Minister has, obviously, set out a series of measures on the basis of current circumstances. A reduction in the block grant to allow for corporation tax to be lowered would, probably, not affect anything other than the final year of the comprehensive spending review period. It is likely that the Executive would look at it on the basis that we would announce a future date for the commencement of a reduction in corporation tax, were we to get the power to do so. We

would still enjoy the ability to sell locations in Northern Ireland to foreign direct investors on the basis of what would come down the line and be in place by the time those companies arrive and become profitable.

Of course, on top of that, the Budget review group looks constantly at where savings can be made. There is no doubt, however, that the ability to lower the level of corporation tax would significantly help with investment opportunities. When the deputy First Minister and I were in the United States and, indeed, in other parts of the world, it was the one trendy factor that chief executives and leading officials from various companies would look at in order to encourage people to site foreign direct investment. Therefore, there would be a return with regard to jobs as well as the obvious advantages that would come from the additional tax take that would develop.

Mrs Overend: My colleague asked a similar question to mine. Is there clarity as yet on the financial reduction from the Northern Ireland block grant? Can the Minister explain to the House how that will be measured and provide some detail?

Mr P Robinson: I wish that I was the one who measures it. I could set it at an appropriate level. The Chancellor has indicated that the reduction will not be negotiated; it will be done by a set formula. It should be done on the basis of reduction of the corporation tax level that is received at present.

If that is what happens, that is not unhelpful to Northern Ireland because going through a period of conflict has obviously had an impact on private sector development in Northern Ireland.

Given the period of recession that we are coming through, the figures for our present corporation tax levels are probably as low as they are likely to be. However, there are other factors that can be taken into account and that, in my view, are negotiable, namely whether they take into account the benefits that the Treasury would have as a result of us lowering the level of corporation tax. Reducing the number of people who are dependent on benefits and increasing the tax take in Northern Ireland, in respect of both VAT and other peripheral taxes, would clearly make a difference to the Treasury. National insurance also makes a difference to the Treasury. Nobody knows the figure as yet,

and those are the issues that officials and, eventually, Ministers will have to decide on.

3.00 pm

Enterprise, Trade and Investment

Mr Speaker: Question 15 has been withdrawn.

Invest NI: East Londonderry

1. **Mr McClarty** asked the Minister of Enterprise, Trade and Investment to outline the financial and non-financial assistance provided by Invest NI to start-up and existing businesses in East Londonderry in the last four years, and for her assessment of the success of these businesses as a result of this assistance. (AQO 1225/11-15)

Mrs Foster (The Minister of Enterprise, Trade and Investment): In the last four years, Invest Northern Ireland has made over 500 offers of support to businesses, bringing total investment in the East Londonderry constituency to £48 million. In addition, 800 new business starts were created in the constituency in the same period. Of course, the last four years has also seen the onset of the economic downturn. A number of measures have been implemented to help our businesses deal with its impact. Most recently, in November 2011, I launched the Boosting Business campaign, which provides a range of support, both financial and advisory, to help businesses cope with the impact of the downturn. A key element of the campaign is the jobs fund, which aims to help boost employment creation in the shorter term. Under the jobs fund, a number of new and existing businesses in East Londonderry have already been supported. You can be assured that Invest Northern Ireland is working hard to identify new projects that will lead to further job creation in the constituency.

Mr McClarty: I thank the Minister for her very full and detailed response. Does the Minister have a percentage for the number of companies that are located in the East Londonderry constituency and assisted by Invest Northern Ireland but are from outside Northern Ireland?

Mrs Foster: If the Member means foreign-owned firms in East Londonderry, I will try to get that information for him. I know that we have been working mostly with indigenous firms in the East

Londonderry area. However, I will endeavour to get him the percentage figure that he is looking for. I will write to him and place the information in the Library for other Members to see.

Mr G Robinson: Does the Minister agree that there is real scope for firms to carry out research and development programmes due to the two excellent universities in Northern Ireland and their top quality graduates?

Mrs Foster: I absolutely agree. Indeed, just last week, we launched the Northern Ireland Advanced Composites and Engineering Centre at the Science Park. That work has been ongoing with Bombardier and other major firms. It was supported by the Department for Business, Innovation and Skills, and we were delighted that the Business Secretary, Vince Cable, was able to come along and jointly open the centre with me last week.

We have seen an increase in business spend on research and development. That is encouraging, but I accept that that is from quite a low base. We want to encourage more firms to become innovative and to spend more of their bottom line on research and development because firms that have engaged in research and development alongside the universities have really benefited from it.

Mr Ó hOisín: Go raibh maith agat, a Cheann Comhairle. The Minister will be aware of a recent event in my constituency that brought together community reps, businesspeople and elected reps. One of the major issues raised at that event was finance for microenterprises. What has been done in that regard?

Mrs Foster: As the Member knows, we have launched the SME growth loan fund from Invest Northern Ireland. We hope that that fund will be able to help firms, however small, that are struggling to gain access to finance in the most traditional way, from the banking sector. We hope that the procurement process for the fund manager will be finished very soon, and we will then be able to go live with that.

I entirely accept the point that small and medium-sized businesses are being continually pressed in relation to access to finance and banks. That is the case even for firms that have a banking relationship. I use the term "relationship" very loosely because some of the banks are bearing down very heavily on some of our companies. It is a matter that everybody

in the House should be very concerned about. If banks put businesses that are trying to get through difficult times out of business, they will not gain the finance from those businesses in the future. Job losses will occur as a consequence, and our economy will not be able to sustain that. The banks have to step up to the mark and work with the rest of us to take our economy through very difficult times. Short-term measures may work in the short term, but they will not help us in the medium to longer term.

Mr Dallat: I thank the Minister for her continuing interest in east Derry. She will be aware that, recently, the Assembly acquired the former army barracks at Shackleton, Ballykelly. Will she seriously consider the setting-up of a special task force so that the opportunities that that presents can be maximised?

Mrs Foster: I know that the Member takes a special interest in the former barracks at Ballykelly. He has raised the issue on many occasions with the First Minister and deputy First Minister. As he will know, we are seeking specialist advice on the options for the site. That is being prepared by the Executive's asset management unit. The site has almost 300 acres, with almost 1 million square feet of buildings. Therefore, of course it has massive potential for the area. At Executive level, I will watch with great interest to see what comes out of OFMDFM, and I will obviously be very interested in what is to be developed.

Irish Times and InterTradelreland Innovation Awards

2. **Mr Hamilton** asked the Minister of Enterprise, Trade and Investment for her assessment of the Irish Times and InterTradelreland innovation awards. (AQO 1226/11-15)

Mrs Foster: InterTradelreland (ITI) has been involved in the Irish Times InterTradelreland all-island innovation awards for the past three years. During that time, ITI has promoted and encouraged companies in both jurisdictions to engage in and involve themselves in innovation. I understand that 18 companies have been shortlisted across six categories: organisational system process innovation; product innovation; service innovation; application of R&D; green-tech innovation; and public service innovation. However, I am disappointed that only one Northern Ireland company has been shortlisted.

Mr Hamilton: I thank the Minister for her response. I am sure that she agrees that the Irish Republic does not have a monopoly on innovation. Therefore, the statistics that she has highlighted are deeply disturbing. Will she also comment on the nomination of Bord Bia, which local food producers tell me operates an increasingly protectionist stance?

Mrs Foster: I hear what the Member said about the latter point. I am hugely disappointed about the fact that only one of the 18 companies that have been shortlisted is a Northern Ireland company. I understand that that is not a new phenomenon. I looked into the matter: only two were shortlisted last year, and only one was shortlisted in 2010. There is a pattern, and I have to ask why that is the case. When I asked who was judging the awards, I learned that, apart from InterTradelreland staff, all the judges are from the Republic of Ireland. That causes me grave concern, and I am writing about it to InterTradelreland's new chairman.

I was astonished by Bord Bia's nomination and shortlisting given what I have said about the protectionist practices of Bord Bia in relation to Northern Ireland food. However, I am taking the matter up with the new chair of InterTradelreland and its chief executive.

Mr A Maginness: I share the Minister's disappointment that more Northern Ireland firms have not been nominated to the shortlist. However, I hope that the Minister is not, in any way, undermining the value of having such competitions and awards, particularly for innovation, which provides an excellent basis for the development of industry, North and South. Does the Minister agree?

Mrs Foster: Certainly, I welcome any competition that encourages innovation, but surely the Chair of the ETI Committee must be concerned that only one of our companies has been shortlisted for that award. I have to ask why that is the case. Is it the judging panel? Is it the media partner, which is 'The Irish Times'? What is the problem in getting more companies from Northern Ireland shortlisted? In the previous question, the Member asked me about the importance of research, development and innovation. It is hugely important for our economic development that we continue to encourage companies. How are they encouraged? They are encouraged by being on shortlists for awards and all those things.

As the Chair knows, the implementation of an innovation awards scheme on a North/South basis is part of the Belfast Agreement and is listed in the British-Irish Agreement Act 1999. However, all it says is that we are to implement:

“an innovation award scheme on a North/South basis, with support from the private sector”.

Perhaps there is something that we need to look at in relation to the awards scheme to see if it could be better managed and to ensure that there is equity and fairness as regards Northern Ireland companies.

Mr Nesbitt: The Minister has given clarity and context to her views on the nomination process. Given that, of the 18 nominated organisations, seven are from Dublin and none is from Belfast and she does not think that that is an accurate reflection of the mix, what would be an accurate reflection?

Mrs Foster: When you see that, out of 155 applications, only 24 were from Northern Ireland companies, it tells us that there is a problem, not just in Belfast but across Northern Ireland. The issue for me — I hope that the ETI Committee will follow it up as well in respect of InterTradelreland — is how we can make the scheme more attractive for firms to become involved, so that our small companies, as well as those of the Republic of Ireland, get the benefit of the InterTradelreland innovation awards.

Mr Flanagan: Go raibh maith agat, a Cheann Comhairle. As we grapple with the worst recession that we have faced in a generation, with soaring unemployment and emigration, the fact that this awards ceremony proves to be a priority for the DUP and its Ministers is very concerning to me. Would the Minister not be better providing support and assistance to local firms, so that they can compete across the world with innovation, instead of targeting cheap attacks on a good all-Ireland body?

Mrs Foster: The Member's question and the tone in which it is asked show where the Member is coming from. He is saying, “Do not ever attack InterTradelreland”, even when there is plainly something at fault in relation to that award ceremony. If the Member thinks that I will shy away from such issues, he has obviously not been around for very long.

Boosting Business

3. **Mr McCarthy** asked the Minister of Enterprise, Trade and Investment how many

additional companies have been supported as a result of the Boosting Business campaign. (AQO 1227/11-15)

12. **Mr Easton** asked the Minister of Enterprise, Trade and Investment for an update on Boosting Business, which was launched by Invest NI in 2011. (AQO 1236/11-15)

Mr McCarthy: To lower the tone of debate, I will ask question 3. [*Laughter.*]

Mrs Foster: With your permission, Mr Speaker, I will answer questions 3 and 12 together.

As of 30 January 2012, Invest NI, through its newly established enquiry handling team, has received a total of 3,214 new enquiries, via the 0800 number, online and text response, since the launch of the Boosting Business campaign on 14 November 2011. That is against an overall campaign target of 2,500 enquiries.

A large number of those businesses and individuals have been supported with a range of advice, guidance or Invest NI programme support, while others have been referred to Departments and agencies — for example, DEL, DARD, HMRC, and local councils — or to business information websites such as the Northern Ireland business information website, nibusinessinfo.co.uk, as appropriate.

An example of the positive impact of the Boosting Business campaign includes the Focus on Finance events organised at various locations across Northern Ireland. Demand for the six initial events was such that three additional events were run in January — two in Belfast and one in Newry. In total, 527 delegates across the wider business base attended those events, with 276 businesses subsequently signing up for up to five days' free consultancy to address specific financial issues.

Invest Northern Ireland has also organised three ABC of Selling seminars, aimed at helping delegates improve their selling skills and getting practical tips on how to increase sales, close a deal, manage a sales force and develop an effective sales strategy.

Mr McCarthy: I thank the Minister for her comprehensive answer. The figures that she cited are impressive, but, at the end of the day, we want to see the creation of jobs. Can the Minister give any indication of how many jobs have been created as a result of all the figures

on enquiries etc that she has given? We want to see jobs on the ground. Thank you.

3.15 pm

Mrs Foster: The Member will know that jobs is just one part of the Boosting Business initiative. There are five parts to Boosting Business: jobs; exports; research and development; new technologies; and skills. To date, across the various job fund measures, a total of 1,796 jobs have been promoted, of which, before the question is asked, 378 have been created.

Mr Easton: Is there any advice or strategies in place to help businesses to increase their exports?

Mrs Foster: Exporting is one of the five themes of the Boosting Business initiative. We have been quite successful in that area, but, as we are coming from quite a low base, there is much more to do. Last week, figures were released by the Department that showed a 9.5% increase in exports, which was very pleasing. I have also been trying to encourage firms to export to the BRIC countries, and exports to those countries were up by 29.7%. I think that that is telling and demonstrates that firms are looking to export to different places. They have discovered that the world is a small place and that there are many opportunities in Brazil, Russia, India and China that people need to look at and take up. We want to do more with those companies to encourage them. In particular, we want to strengthen their supply bases in Northern Ireland, so that the companies and their supply chains are able to make gains.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. The Minister referred to the importance of research and development. How is the Boosting Business campaign helping to deliver a much needed increase in research and development amongst our local businesses? Has the Department seen an increase in the number of partnerships being forged between businesses and our colleges and universities?

Mrs Foster: We hope that the new Northern Ireland Advanced Composites and Engineering Centre will help with the research and development that is being taken up by small companies. That centre is available to big companies and to many smaller companies that do not have access to the sort of expertise and materials that are in that centre. We hope that companies that make up the supply chains

of Bombardier, FG Wilson, Wrightbus and all the other big firms will take advantage of the facilities there.

We have also found that the innovation voucher scheme, through which small companies can buy in innovation expertise from the universities, has been hugely successful. That has worked well with both universities, the further education colleges and the agricollages. There is a lot going on, but there is always more to do. We need to continue with research and development and innovation and trying to be innovative ourselves.

Mr Byrne: Does the Minister accept that, for many small businesses that are starting off, some sort of start-up help is important? What consideration has she or her Department given to returning to some sort of start-up grant? How much is being invested in the Boosting Business campaign?

Mrs Foster: I know that the Member is probably looking back to the days when companies that completed the Go For It programme were given a grant of £400. We currently give assistance in the region of £1,500 to those who are not in education, employment or training and decide to set up a new business. We also assist those who want to set up a business in a neighbourhood renewal area with slightly less than that — I think it is £1,000. Money is available in those two areas. When an evaluation was done on the £400 that was given to Go For It programme applicants, it was found that it did not make the difference that was needed for some. However, I accept that we are now in different economic times, and that it may need to be looked at again. I will do that.

I do not have the entirety of the figures on how much we are spending on Boosting Business. However, I am happy to write to the Member with those figures.

Mr Kinahan: When the Programme for Government was put forward, there was talk of 25,000 jobs being created. I asked the Minister whether she would use think tanks or other ways of discussion with business that would lead to the creation of jobs, and she recommended the Boosting Business campaign. However, when I looked at it, I must admit that I could not see how it would do that. Today, we heard —

Mr Speaker: Do I detect a question?

Mr Kinahan: The question is this: what other mechanisms is she looking to put in place to ensure that we listen to businesses to determine what they need in order to create jobs?

Mrs Foster: The Member will know that I meet various business forums almost every week, and I work with them. My most recent encounter with the business community was a discussion about whether it felt that the economic strategy was going in the right direction and what other things needed to be included in it. As the Member knows, the strategy is out for consultation at the moment. If there are issues that the business community wants to raise with me, I will, of course, listen to it. I have done so and will do so in the future.

Business: Telecommunications

4. **Mr Spratt** asked the Minister of Enterprise, Trade and Investment to outline any plans her Department has to improve telecommunications further for businesses in South Belfast. (AQO 1228/11-15)

Mrs Foster: In September 2011, my Department published the telecommunications action plan 2011-15, under which it has set out its priorities for further developing Northern Ireland's already world-class telecommunications infrastructure over the next four years. That includes the implementation of a project to deliver broadband services of at least two megabits per second to all premises across Northern Ireland and an initiative aimed at improving access to mobile voice and data services across the region. Those multi-million-pound initiatives, which will be delivered on a Northern Ireland-wide, technology-neutral basis, are currently being scoped with a view to full procurement commencing in the summer of 2012.

Mr Spratt: I thank the Minister for her answer. Will she update the House on the broadband fund?

Mrs Foster: We have already secured £4.4 million from the broadband fund, and, combined with the £5.5 million allocated in the 2011-15 Budget and matching EU funding, we are going to be able to deliver that minimum two megabits per second broadband service. That is good news. We would like to have had more money from the central pot, but we are having ongoing discussions with Broadband Delivery UK (BDUK) to try to source additional funding of up to £6 million to deliver an innovative

project aimed at improving mobile broadband coverage. As Members will know, I have often said in the House that we need to look at mobile signals more and more because people are moving away from static computers to handheld devices. That is the direction of travel of our telecommunications strategy, and we will concentrate on that.

Dr McDonnell: What is the Minister's assessment of the potential for job creation as a result of the improvements in South Belfast? How will that impact on the developments at Queen's University? Is there some synergy there?

Mrs Foster: There are always synergies between the academic institutions and new technology. It is my hope that we will remain at the forefront of telecommunications in the UK, in conjunction with our universities, working closer together. The Member has always been very supportive of the work that was carried out by MATRIX, the industry-led science panel. Telecommunications was one of the areas identified by that panel of academics, working with industry and facilitated by government to deliver what is new and upcoming for the economy in Northern Ireland. Telecommunications remains at the forefront of innovation for this economy.

Ms Lo: What measures is the Department taking to ensure that access to Project Kelvin and the Hibernia Atlantic line will be available for small and medium-sized enterprises?

Mrs Foster: Project Kelvin, as the Member knows, is one of our flagship projects in Northern Ireland. It gives us a really competitive advantage over the entirety of these islands because we have a direct link to the United States. It is an open access project, and, therefore, it can be used by any company. There are points of presence throughout Northern Ireland. Certainly, if the Member has a particular company in mind that she wants to encourage to use Kelvin for competitive reasons, I urge her to speak to Invest Northern Ireland so that we can take advantage of what is an absolutely marvellous piece of equipment.

Electricity: Social Tariffs

5. **Ms S Ramsey** asked the Minister of Enterprise, Trade and Investment whether her Department has considered the introduction of means-tested social tariffs for electricity. (AQO 1229/11-15)

Mrs Foster: I am already on record as stating that any move to introduce social or affordability tariffs in the energy sector would be extremely complex and unlikely to solve the hardships caused by fuel poverty, not least because such tariffs have to be paid for by other customers. There is an immediate potential impact on wider economic competitiveness and employment, potential impacts on competition in the energy market and additional burdens on households, some of which could be pushed into fuel poverty themselves as a result of having to subsidise others.

In 2010, the regulator's office carried out a consultation, 'Assisting with Affordability Concerns for Vulnerable Energy Consumers'. Feedback indicated that, although there was broad agreement that affordability assistance should address affordable warmth and not just help with electricity bills, there was no consensus on who should receive assistance, what mechanism could be used to identify and assist them and how much any assistance should amount to. That in itself sends us a message.

Ms S Ramsey: Go raibh maith agat, a Cheann Comhairle. I welcome the Minister's comprehensive response. We have just come out of another cold snap, and I welcome the winter fuel payment and, indeed, the extension of the fuel payment being paid to cancer patients. The Executive have accepted that there is a need to provide that. Are there other ways to help low-income families and the most vulnerable? On the one hand, the Executive provide assistance through winter fuel payments, and, on the other hand, we cannot tackle the issue of the increase in electricity prices.

Mrs Foster: I accept what the Member says: there continue to be issues, particularly with fuel poverty. It is difficult to achieve what she wants to achieve through a social tariff. There needs to be a conversation about how we can help those families. As the Member will know, I am bound to say that it is a matter for the Department for Social Development, and it is leading on all those issues for the Executive. That does not mean that we do not work across Departments, and, indeed, I have been working with Nelson McCausland, on energy efficiency in particular, to find ways in which that can make a difference to bills that are going out to low-income and vulnerable families.

Mr Dunne: How does the Minister assess the viability of the proposed second North/South electricity interconnector, and what impact will it have for consumers here?

Mrs Foster: It is important to have our interconnector in place. As the Member probably realises, huge costs are passed on to consumers in Northern Ireland by dint of the fact that the interconnector is not up and running at present. As I understand it, the issue is to be addressed by the Planning Appeals Commission in the very near future, and we hope that there will be an outcome. It is not for me to talk about where the line should go or about any of the planning issues surrounding it. All I know as energy Minister is that we need that second interconnector, and we need it very soon.

Mrs Overend: Given that small businesses consistently identify electricity as their most widely used energy source and the Carbon Trust as the most widely recognised source of information on energy-saving advice for homes and businesses, what impact has the fact that the Carbon Trust no longer delivers Invest Northern Ireland's sustainable energy programme?

Mrs Foster: As the Member is probably aware, a new programme was developed that not only covered electricity but gave advice on other areas with which businesses have difficulties, particularly in the area of water. That matter is still ongoing, and I am happy to update the Member when it is concluded.

Mr Agnew: Last week, the Committee received a presentation from SmartGridIreland. Will the Minister give an update on progress for the pilot scheme for a smart grid?

Mrs Foster: I am pleased to say that the Member and I are both great supporters of SmartGridIreland. There are huge opportunities in respect of SmartGridIreland.

I have been down with the promoters on occasions to learn of their progress. The Member will know that they have to work with the Utility Regulator to ensure that they can progress. However, I urge all sides to be as creative and innovative in respect of SmartGridIreland as they can, because it can help not only with fuel poverty but with energy efficiency as well.

3.30 pm

Credit Unions

6. **Ms J McCann** asked the Minister of Enterprise, Trade and Investment for an update on the introduction of legislation at Westminster to give credit unions greater lending powers.

(AQO 1230/11-15)

Mrs Foster: Legislation to enable Northern Ireland credit unions to apply to undertake additional financial services was laid at Westminster in November 2011. Under that legislation, during the three-month pre-commencement period prior to the transfer of regulatory responsibility to the Financial Services Authority on 31 March, credit unions may apply to vary their permissions on transfer to conduct additional regulated activities. Following transfer, credit union members will benefit from increased consumer protection through automatic access to the financial services compensation scheme and the Financial Ombudsman Service.

Committee Business

Education Maintenance Allowance

Debate resumed on motion:

That this Assembly calls on the Minister for Employment and Learning, in conjunction with his Executive colleagues, to expedite the finalisation and implementation of an effective and cross-departmental strategy for young people not in education, employment, or training (NEETs) and the ongoing review of education maintenance allowance (EMA), in order to address the issues of record levels of youth unemployment and increasing disengagement with mainstream education; and to make the necessary improvements to ensure that EMA is targeted at those in greatest need. — [Mr B McCrea (The Chairperson of the Committee for Employment and Learning).]

Dr Farry (The Minister for Employment and Learning): I welcome the opportunity to respond to this extremely important motion and debate. Key aspects of the motion include its reference to those who are not in employment, education or training, the so-called NEETs; the problems of youth unemployment; and the means by which we can encourage young people to engage with education and training, in particular through using the education maintenance allowance. I will examine all those aspects in some detail.

First, however, it would be useful to set out why those issues are important. From a liberal perspective, this starts with individual opportunity: every person deserves support and encouragement to develop to their full potential. It is important for society that each person be allowed to develop and participate in the economy. Among our young people aged 16 to 24, 21% fall into the category of NEET in its broadest sense. Within that, a wide range of interventions are required. Some people encounter barriers that prevent them from accessing education and training or entering the workforce; for others, the problem is simply a lack of opportunities, due to our economy's current situation.

I want to focus on the latter first. Youth unemployment is one of the major issues to face our society today, and Members from all parties recognise that. It is important to emphasise that this is not just about young people who have slipped between the cracks of provision and are not in education, employment or training: the recent recession has hit our

young people particularly hard. Between November 2007 and November 2011, there was a 155% increase in the number of under-25s out of work, the biggest increase of all UK regions. We have programmes already in place to help to address that issue. For example, my Department guarantees a training place to all unemployed 16- and 17-year-olds, through the Training for Success and programme-led apprenticeship programmes.

Training for Success provides training for young people who have not yet found full-time employment. It is designed to enable them to progress to higher-level training, further education or employment. It is delivered through two strands, the first of which is Skills for your Life, which addresses the personal and development needs of young people who have disengaged from learning and/or have significant obstacles to learning. The second strand is Skills for Work, which helps young people to gain skills and a vocation-related qualification at level 1 to enable them to gain employment or to progress to higher-level training. Programme-led apprenticeships offer young people the opportunity to work towards a level 2 apprenticeship framework in a chosen skill level, setting them on the path to career success. In 2010-11, expenditure on those programmes amounted to £27 million, and there are some 8,000 young people on the schemes.

For 18- to 24-year-olds, the main programme of support is Steps to Work. By September 2011, over 40% of participants being assisted by that programme were under 25. Almost 6,000 people — approximately 30% of the 20,000-plus young people under 25 who completed the programme — have found work. The programme offers a wide range of provision, including work experience placements and subsidised employment and training for nationally recognised vocational qualifications. Specific provision for unemployed graduates is also available through the graduate acceleration programme strand of Steps to Work. Furthermore, I recently introduced a short-term variant of the waged Step Ahead strand of provision, known as Step Ahead 2012, which is targeted at three groups. One such group is young people aged 18 to 24, who make up over 70% of all applicants. We are being significantly assisted in our efforts on the issue through support from the European social fund to create training opportunities for 4,500 NEET young people between 2007 and 2013.

The problems we face today are not unique to Northern Ireland. They have prompted initiatives across Great Britain, with additional measures in Scotland and Wales. In Great Britain, the Government recently announced a new Youth Contract, an initiative that will invest £940 million in new measures over the next three years to help young people to progress in the labour market. The contract provides for increased time with personal advisers, weekly job search reviews, 100,000 work placements over the next three years, a new wage incentive to encourage employers to offer jobs and a new programme targeted at the most persistent young people who are not in education, employment or training. In addition to Youth Contract measures, Wales has put in place the Jobs Growth Wales programme, a £75 million scheme designed to create 4,000 jobs a year for young people. Scotland has introduced the Community Jobs Scotland scheme, whereby organisations are offered a grant of up to £6,000 for each job created. That scheme will create 2,000 jobs over the next three years and represents an additional investment of £12.4 million.

Youth unemployment must now be a top priority for the Northern Ireland Executive, and I will certainly welcome the Assembly's support on that. Judging by the comments from Members from all parties, I believe that I have that support, and I trust that those comments will reflect the approach of the respective Ministers of each party when the issue comes to the Executive. Measures are needed to help young people to compete on a more equal basis with older, more experienced workers in a difficult labour market. Young people fall into the trap of not being able to get a job without experience and not being able to get experience without a job.

We need to create opportunities designed to keep young people actively and meaningfully engaged in preparation for the economic recovery. Any new measures would be additional to what is currently offered and would carry a skills premium to benefit the development of our economy more generally. Consequently, I have developed detailed proposals to extend the support available to our young people. I have circulated them to Executive colleagues, and they should be considered by the Executive shortly. Ultimately, our ability to implement new provision will depend on the resources made available to my Department. We simply need to invest in additional support if we are to respond appropriately to the needs of the young

unemployed. Others have already done so, and we clearly need to do so too. Once Executive agreement is secured, I will, of course, make a full statement to the Assembly.

We also need to address the needs of young people who are not in education, employment or training and face wider barriers. My Department is leading on the creation of an interdepartmental strategy, Pathways to Success, which will set out how we intend to do that. The strategy will contain two sets of integrated measures designed as the Executive's overall approach. One set will focus on prevention and will set out actions to stop young people ending up in the NEET category in the first place. A major aspect of that strand lies with the Department of Education and the Department of Health, Social Services and Public Safety. The other aspect will focus on re-engagement and will cover actions to re-engage young people who are already in the NEET category and are most at risk of remaining there.

In those two themes, we will provide strategic ministerial leadership through the ministerial subcommittee for children and young people, which will also allow for better co-ordination and stakeholder engagement, deliver a dedicated pilot programme to address any gaps in current interventions aimed at prevention and re-engagement and work closely with the NEET strategy forum to support the work it has already begun on how to draw out the best practice models. We will encourage that through an innovation and collaboration support fund to ensure that outputs contribute positively to the progression of young people towards and within education, employment and training. Subject to Executive agreement, I hope to publish the strategy in April and intend to make a statement to the Assembly in detail on that policy.

The motion also raises the issue of the education maintenance allowance. EMA was specifically designed to encourage young people to stay on at school or college after the age of 16. Findings from a recent review demonstrate that a large number of young people will stay on at school or education irrespective of whether the allowance is paid. In this challenging economic climate, we need to ensure that any funding support is directed towards those who need it most and where it will ultimately have the most meaningful impact. On 12 September 2011, the Executive agreed that the Department of Education and my Department should undertake

an urgent review of education maintenance allowance. My Department and DE are committed to the retention of EMA, and I am determined that young people from lower-income families, to whom the allowances make a real difference, continue to be assisted to stay on in education and training. However, the allowances could be better targeted. My Department and the Department of Education are considering options for the future of the EMA scheme. Once joint ministerial agreement has been secured on the options to be taken forward, they will be presented to the Executive as soon as is practically possible. That will, in turn, be followed by a full public consultation. Any proposals to change the current provision of EMA in Northern Ireland will also be subject to the appropriate equality considerations.

A non-means-tested EMA, sometimes referred to as the training allowance, is paid to participants on the Training for Success programme, which guarantees a training place for 16- to 17-year-olds, including those who have disengaged from formal training. Northern Ireland is the only part of the United Kingdom that offers this non-means-tested EMA. It was implemented as part of a package of financial support for 16- to 19-year-old unwaged trainees on government training programmes in order to give them the same advantage as their peers in full-time education and to help young people from families dependent on means-tested benefits. The allowance is not subject to review. The conditions for payments are very specific in terms of the structure of the programme and the qualifications gained. The means by which we pay it are closely linked to UK-wide social security and child benefit legislation. The restrictions of the legislation and parity issues would seem to prevent the Department providing a non-means-tested allowance to young people on programmes other than those funded under the 1950 Act. I stress that seeking to support those on pre-vocational schemes through the non-means-tested EMA is much more than simply seeking to amend the 1950 legislation.

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

I have heard Members' comments regarding their desire to expand the means-tested EMA provision to pre-vocational training, and particular references have been made to the Give and Take scheme run by Include Youth, which I certainly join other Members in commending. The means-tested EMA was designed with a

specific purpose of keeping persons in full-time school or FE provision. There is a minimum time commitment of 15 hours a week. There is no doubt that this support can and should be better targeted. Any expansion of the scheme in the manner that Members suggest needs to be governed by affordability issues. There is already upward pressure on the existing EMA budget due to the economic downturn. The forthcoming review of EMA and any additional savings realised from it are already linked to the baselines of departmental budgets. However, if Members are prepared to be more radical about the nature of EMA reform, further savings can be found. I would certainly like to see those savings redirected to other vehicles to support young people. It may be more appropriate to reinvest such savings in new schemes or projects within the broad ambit of NEETs than to simply seek to expand the EMA eligibility criteria much beyond the original intent in order to address wider social policy goals, perhaps in a less efficient manner.

Mr B McCrea: I do not want to interrupt your flow, but a specific issue has been raised that, I think, is unfair. Young people in a pre-vocational education system, who are doing the right thing and are the most vulnerable people in our society, are not getting that, even though everybody else gets it if they go to school or an FE college. Surely there must be a way of dealing with that particular anomaly.

Dr Farry: I thank the Committee Chair for that intervention. I will reiterate what I have said so that Members understand. We can certainly look at the means-tested EMA, but we have to be radical with the reforms if we are to generate additional resources that could be reinvested in respect of the needs of young people, particularly the young people whom the Chair has identified. There are two ways in which we can do that. We could expand the eligibility criteria and the range of programmes that EMA covers. I suggest that that would be a major departure from the UK Government's idea of what the EMA was originally devised many years ago to achieve. We also have to ask ourselves what the implications are for affordability, the range of situations in which that would be funded and the efficiency of the spend on it. Equally, we could take the money from EMA savings and reinvest it in new programmes that may be outside the context of EMA. So, EMA may not be the vehicle by which we achieve those goals. However, that is a debate that

we have to have. I certainly encourage the Committee to look at those options in more detail. It is important to stress that we are in a tight budgetary situation, but I accept Members' sincerity in putting the idea forward. However, it equally means that, if we do that, we have to do less elsewhere on a fixed budget. That is the reality in which we operate. This is a very important debate, and it is one that we will return to in the near future.

3.45 pm

Mr Buchanan: It is clear from the debate that Members are fully aware of the importance and urgency of the issue. It is the responsibility of the Committee for Employment and Learning to ensure that the recommendations made in the previous Committee's inquiry report are implemented.

The number of young people who are not in education, employment or training continues to rise, and we have heard that around the House today. Record youth unemployment is a disincentive to the young people who are failing to engage with formal education. Young people today ask why they should stay at school or college to attain qualifications that do not lead to a job. Yet, unfortunately, due to legislation from the 1950s, which the Chair of the Committee cited in his opening remarks, payment of EMA can be made only to participants in the Department's Training for Success programmes and not to hard-to-reach young people in pre-vocational training organised by Include Youth. When we talk to those people, they say that they feel that that is a form of discrimination. There is certainly an equality issue there, and it needs to be looked at and tackled.

It is disappointing to hear the Minister say that we need to put more money into the issue and make the pot bigger. In reality, that is not what we need to do. We need to look at the pot and make sure that it is redirected in a way that targets those who are most vulnerable and most in need. The Minister needs to relook at his strategy. Rather than calling for money to make the pot bigger, we need to redistribute it to the folk who need it most.

Those are the issues that greatly concern the Committee, as evidenced by what Members said today. If there is one thing that we have seen today, it is that the House is united on two issues in the motion. First, young people are

not simply statistics. It is important that people realise that the young people concerned are not a number; they are individuals who may have some type of learning difficulty but, with the correct programme, can get into employment. Secondly, EMA must be targeted at the most vulnerable, that is, those who are most in need. Those are the two main issues that have arisen from the debate today.

I want to focus on what some Members said in their contribution. At the commencement of the debate, the Chairman of the Committee, Basil McCrea, said that he was impressed by the young people he met who have had to overcome challenges in their life. He also said that he felt that, to address that issue, the Minister should bid for the entire amount available under the Youth Contract.

David McIlveen referred to a heartfelt plea that he received from a young constituent who was involved in an Include Youth scheme. He also described a Gerry Rogan Initiative Trust residential as an eye-opening experience, and he praised the dedication of that team in helping young people to deal with challenges in their life. In addition, he endorsed one of the terms of reference of the current EMA review, which stipulates that the allowance should go to the most disadvantaged.

Barry McElduff felt that the EMA incentivises young vulnerable people from low-income families to stay in full-time education. For that reason, he said that the allowance should be retained and protected and should be redistributed to those in greatest need. That theme came from all Members who spoke: EMA must be redirected to those who are in greatest need. Mr McElduff also said that the current legislation should be amended to reflect that, and he urged the Minister to include young people on pre-vocational training schemes, such as the Give and Take scheme.

Pat Ramsey referred to the 155% increase in the number of under-25s who are out of work, and he said that he felt that that figure would get even worse as a result of the current welfare reforms. He also spoke of the inquiry report of the previous Committee, the lack of progress by the Department in identifying a way forward and the lack of data for identifying the young people who are on the NEETs programme. He also advocated a collaborative approach and urged

the inclusion of pre-vocational schemes in EMA funding.

Chris Lyttle felt that the NEETs strategy should be the focus of the Programme for Government. He praised the innovative work carried out by organisations such as Barnardo's, the Gerry Rogan Initiative Trust and the Prince's Trust, along with many others. He cited the findings of the inquiry report, which stated that the Office of the First Minister and deputy First Minister should take the lead, and he called for a united educational approach.

Alastair Ross felt that EMA needs to be properly targeted at those who need it most, with a particular emphasis on basing the allowance on educational outcomes. He also said that the achievement referred to in EMA needs to be targeted. He said that it is essential that the key objects are targeted so that we know exactly what benefit those who are on EMA are receiving. That is one of the issues that we need to look at.

Phil Flanagan drew attention to the particular difficulties faced by young people in this area in trying to access transport and broadband, and he called for DEL to work with other Ministers to address the issue.

Sammy Douglas referred to the rioting that took place in the constituency of East Belfast last June, and he identified many of the rioters as those not in education, employment or training. He strongly advocated action to target resources at the most vulnerable in society, and he stated that the situation was deeply unfair because those who should get EMA first are those who are being denied. He went on to say that there is a problem with the legislation and that it needs to be addressed urgently. I feel that Sammy's comments should be taken forward, in a sense. It is not about talk; we can talk around the issue all day, but action is needed. Perhaps it is sometimes a difficulty or a fault in the Assembly that we talk about issues but do not always take the action that we should. I think that Sammy is dead on about this issue; we need to take action rather than talk about it. I hope that some action will be taken on this matter.

Mrs Overend: I agree with what the Member says about needing to take action, but does he agree that we need to take preventative action? It is important to address those who are already NEETs, but it is equally important that we have

preventative action and a task force to work on the issue.

Mr Buchanan: Absolutely. That is a very good point. Preventative action needs to be taken to reduce the number of people not in education, employment or training. That is the way forward.

Sandra Overend said that there were severe consequences for young people NEET, and she felt that the Minister should identify the areas most likely to produce them.

Colum Eastwood spoke about the prospect of a lost generation. He welcomed the Youth Contract funding to address EMA and said that it was the responsibility of every Department to tackle poverty.

Jim Allister believed that it was not just a tragedy for the current generation but had implications for the next generation's work ethic. He said that EMA sounded right but referred to the PricewaterhouseCoopers review, which did not reveal how many recipients of EMA had achieved qualifications because DEL said that it had no mechanism for tracking them. Obviously, that made it impossible to tell how well EMA was working. He also spoke about the significant slippage on concluding the EMA review.

Mr Deputy Speaker: Draw your remarks to a close.

Mr Buchanan: The Committee calls for the Minister —

Mr Deputy Speaker: Your time is up.

Mr Buchanan: — to take account of the concerns raised by Members.

Question put and agreed to.

Resolved:

That this Assembly calls on the Minister for Employment and Learning, in conjunction with his Executive colleagues, to expedite the finalisation and implementation of an effective and cross-departmental strategy for young people not in education, employment, or training (NEETs) and the ongoing review of education maintenance allowance (EMA), in order to address the issues of record levels of youth unemployment and increasing disengagement with mainstream education; and to make the necessary improvements to ensure that EMA is targeted at those in greatest need.

*(Mr Principal Deputy Speaker [Mr Molloy]
in the Chair)*

Private Members' Business

Car Insurance

Mr Principal Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. Two amendments have been selected and published on the Marshalled List. Amendment No 1 has been tabled by the proposers of the motion. The motion and amendment No 1 will be proposed and wound together, with 10 minutes to propose and 10 minutes to wind. The proposer of amendment No 2 will have 10 minutes to propose and five minutes to wind. All other Members who wish to speak will have five minutes.

I want Members to be clear that there will not be an additional 15 minutes for this debate, as amendment No 1 will be moved and wound at the same time as the motion.

Mr McQuillan: I beg to move

That this Assembly notes with concern the soaring cost of insurance in Northern Ireland; and calls on the Minister of Justice to intervene to ensure that the payment of compensation claims is capped, and that cases are heard in lower courts.

I also beg to move amendment No 1: Leave out all after "Justice" and insert

"to review the level of general damages paid in whiplash-type injuries and further review the jurisdiction in which cases are heard to ensure that court and legal costs are kept to a minimum."

The motion has been tabled largely because of the soaring cost of car insurance in Northern Ireland and the various widely reported exceptions from practice in the rest of the United Kingdom. I know people of all ages, especially young people, who have been quoted exorbitant prices for insurance, many in excess of £3,000 per annum. I have a couple of young people from Coleraine High School with me today in the Public Gallery, and they are directly affected.

In the current market, people can purchase a car for a fraction of its price previously but are left out of the market when it comes to purchasing car insurance. That is a sorry state of affairs in Northern Ireland, as many are wholly reliant on a car to get from A to B, especially

those in rural constituencies such as mine. In fact, a travel survey found that, between 2008 and 2010, 81% of journeys in Northern Ireland were made by car. Coupled with the soaring cost of fuel and road tax, the price of insurance means that car owners in Northern Ireland are being discriminated against and are paying over the odds compared with other parts of the United Kingdom.

Throughout the terrorist campaign, insurers blamed the Troubles for the high cost of car insurance in Northern Ireland. However, we have emerged from those dark hours, and the cost of car insurance continues to soar, leaving many people out of pocket and frozen out of the market. The Consumer Council found that, historically, car users in Northern Ireland paid £300 more than their UK counterparts. In March 2009, the Consumer Council published a research report, "Quote... Unquote". The report found that car owners were paying more than their British counterparts in Great Britain.

It found that car owners here were paying 84% more in insurance premiums compared to those in other parts of the UK, although the Office of Fair Trading put that figure at 11%. Differences were also found between low-income areas, especially rural areas, where a car is essential, and more affluent areas in Northern Ireland. The report was debated in the previous Assembly. It contained numerous reasons why it costs more to insure a car in Northern Ireland.

4.00 pm

In 2011, the Consumer Council embarked upon a campaign to see that the Office of Fair Trading investigated the variations in the cost of insurance in the UK. In September of the same year, the Office of Fair Trading called for evidence from the private motor insurance market, and it reported in December 2011. The UK private motor insurance industry was worth some £9.4 billion in 2010. The investigation essentially backed up the report by the Consumer Council in Northern Ireland, finding variations between different parts of the UK. The investigation also found that insurance premiums rose during the period 2009-2011 by around 12%.

One reason for the difference between the cost of insurance premiums in Northern Ireland and in other parts of the UK is the difference in the awards for personal injury claims. Those injured in a car accident in Northern Ireland who claim

for whiplash, for example, are likely to receive a higher settlement than if the accident took place in England. The settlement figures are set out in guidelines set by the Department of Justice. The guidelines set a minimum and a maximum settlement figure for the judge overseeing a case. That is something that the Minister of Justice must review to ensure parity with the rest of the United Kingdom and to drive down the cost of insurance.

Furthermore, cases of accident claims are heard in higher courts in Northern Ireland compared to those in the rest of the UK, therefore pushing up legal costs, which are reflected in insurance premiums.

The absence of a pre-action protocol in Northern Ireland contributes to the high costs of claims awarded. The protocol, which exists in England and Wales, describes the behaviour that a court expects of the parties prior to the start of proceedings in which a claimant claims damages valued at no more than £10,000 as a result of a personal injury sustained in a road traffic accident. The protocol is contained in the Civil Procedure Rules 1998, as referred to in the amendment proposed by the Ulster Unionist Party.

To be clear, we are prepared to accept the Ulster Unionist Party amendment on this occasion, because this is something on which we do not want to divide the House. There is very little between my amendment and the Ulster Unionist amendment.

Mr Beggs: If the Member is accepting our amendment, is he withdrawing his own amendment? I understand that both cannot apply.

Mr McQuillan: Yes. I will withdraw our amendment to accept the Ulster Unionist Party amendment.

Members will note the amendment to the original wording. The amendment was put forward to clarify matters. For example, someone claiming for whiplash injuries should not be entitled to receive as much as someone who may be left paralysed for life. The amendment, therefore, seeks to ensure fairness in all cases and takes into account those who are seriously injured in accidents and genuinely entitled to higher levels of compensation.

Mr A Maginness: I just want to clarify the situation. You are accepting the Ulster Unionist amendment. Your own amendment suggests that you are unhappy with capping, which was

the original substance of your motion. Are you now saying that you are reverting to that original position and wish to cap personal injury claims awarded in the courts in Northern Ireland?

Mr McQuillan: What we are saying is that we do not want to have any unfair treatment. There is a difference between somebody who has whiplash and somebody who is paralysed. We want to make sure that somebody who is paralysed in an accident gets fair compensation but that somebody who has whiplash gets the minimum amount of compensation.

Mr A Maginness: I am really not trying to be mischievous here. I want to clarify the position. Are you saying that, in all cases that relate to personal injuries, your position and your party's position is to cap damages, no matter what courts cases are held in? This is a crucial issue, and I would like that clarified.

Mr McQuillan: We are not saying that. In the original motion we said that, but we proposed an amendment to the motion —

Mr A Maginness: I am sorry to intervene again, Mr Deputy Speaker. However, my understanding of the Ulster Unionist amendment is that it includes the capping of personal injury claims. If that is not the position, I am quite happy to sit down and not intervene further. I just want that clarified.

Mr Principal Deputy Speaker: If I could just intervene at this stage, it is probably best that we debate the amendments as they are at present, and then the winding-up speech can be used to make clear the positions of the parties.

Mr McQuillan: Thank you, Mr Deputy Speaker. I will carry on.

I believe that the devolved powers that rest with the House and, most importantly, with the Minister of Justice can bring about changes to bring Northern Ireland in line with the rest of the United Kingdom and play a part in seeking an end to the variation in the overall cost of car insurance premiums in Northern Ireland compared with those in the rest of the UK.

As well as the proposed changes to legislation that would play a part in reducing premiums, there is an onus on the customer to shop around. That was highlighted in the report by the Office of Fair Trading. People in Great Britain are more likely to shop around for insurance than citizens in Northern Ireland. The savings that shopping around can generate can be extensive.

Not only can shopping around generate savings, it can ensure competition among insurance providers, in the knowledge that they cannot and will not be taken for granted.

I, therefore, commend to the House the motion as amended by the Ulster Unionist Party. I look forward to the debate and to the Minister's response, which will, I hope, indicate that he is willing to act.

Mr Beggs: I beg to move amendment No. 2: Leave out all after "capped" and insert

“; furthermore calls on the Minister to introduce an efficient protocol for low-value personal injury claims such as that contained in the Civil Procedure Rules 1998 for England and Wales, and to enable cases to be heard in lower courts, where appropriate.”

I thank the Member for bringing this important matter to the Chamber and for accepting the amendment in my name and that of my colleague. I also thank the Assembly's library and research services for providing some very useful background information and the Consumer Council, which carried out a very worthwhile campaign to highlight difficulties with the insurance industry in Northern Ireland and how we might go about improving it for consumers. Its intervention has resulted in the Office of Fair Trading becoming interested in the subject.

My interest in injury compensation was sparked largely by the 2010 Public Accounts Committee report on injury compensation. One of its recommendations, recommendation 4, stated:

“The Committee recommends that the Department of Finance and Personnel consults with the Northern Ireland Court Service to determine how more effective arrangements might be put in place to reflect the views of key stakeholders in future decisions on scale fees and compensation.”

For Members' information, at present, as I understand it, the Judicial Studies Board gives guidance to courts on examples of compensation levels and the County Court Rules Committee agrees the level of fees. From what I can see, the difficulty with both those bodies is that they consist entirely of members of the legal profession. There is a need to involve the wider community and those affected by the issue. So that very important recommendation from the Public Accounts Committee is relevant to this matter.

Capping is a very sensitive issue. I have not said what level the cap should be set at. That is an issue for mature debate in the Chamber and for a wide stakeholder group to determine. However, we have to understand that there is an outcome for whatever level the cap is set at. If it is too low, the victim is not fully compensated as he should be. If it is too high, insurance costs can be very high. That is a contributory factor for us; our compensations levels are approximately twice those in England and Wales. We have to understand that, when young people have difficulty getting insurance and people in rural communities who rely on private transport because there is not an adequate public transport service have difficulty keeping a car on the road legally, those are the consequences of misjudging the appropriate balance.

So it is important that there is a widespread debate among all the stakeholders and not just those in the legal profession. To a degree, there is a danger of there being a conflict of interest for those within the legal profession, because, ultimately, their colleagues will benefit from the higher levels. That is an important issue.

I am a parent of three young drivers, and this is a relevant issue for me, my family and my neighbours.

Mr Allister: I want to be sure that I clearly understand the Member. The motion as it is now to be amended quite clearly extends way beyond road traffic accidents. It covers all compensation claims, including the man who falls off the roof because of a dereliction of statutory duty on the part of his employer. Is the Member seriously saying to the House that, rather than having a Judicial Studies Board, made up with people with experience of damages, set a guideline, a politician should cap the level of general damages that such a person should have? Is he seriously saying that a politician, such as the Minister, should cap the damages for a man who falls off a roof as much as those for a man who suffers a whiplash injury in a road traffic accident? Is that seriously where he wants to take us?

Mr Beggs: In 2010, the Public Accounts Committee called for a range of key stakeholders to be involved in the process, rather than just those involved in the legal profession. In that regard, I think that it is relevant. I did not indicate whether damages should be capped at a high level or at a low level. We have to understand

that there will be an outcome if damages are excessive or if they are low. There ought to be a mature discussion about that and an understanding of the issue.

Mr A Maginness: Will the Member give way?

Mr Beggs: I want to pursue my point a bit further. I will give way later on.

One of the issues is that, according to evidence from the Association of British Insurers, about 40% of road traffic claims get to court in Northern Ireland, whereas only 3·5% of such claims get to court in England and Wales. There is a clear reference to the issue in a report by the Office of Fair Trading. It states:

“Differences in the legal processes appear to be leading to higher legal costs in NI in comparison with GB. In particular, the absence of a compulsory pre-action protocol may well have the effect of making litigation more prevalent in NI than in GB as the applicable procedures do not appear to provide the same incentive to settle cases quickly.”

As I understand it, there is guidance on pre-action protocol in Northern Ireland. However, it is compulsory only in the High Court — not the County Court — and is largely ignored. That is perhaps why more cases go to court. More solicitors and barristers then draw on funds, from which they get affluent lifestyles, thereby raising insurance in Northern Ireland to excessive levels for everyone, including younger people and rural people.

There is a call for the Minister to intervene, and he can do so on a variety of levels. If necessary, he can legislate, go elsewhere to seek legislation or lobby in order to contribute to the debate. I notice that the Secretary of State for Justice in England got involved in an impact assessment of the extension of the system for dealing with low-value road traffic accidents and personal injuries claims, which he signed off on in February 2011. He highlighted the fact that there was an issue with legal costs, in that the cost of a civil claim was often disproportionate compared with the value of the claim. What we are talking about is smaller claims; I would not wish this to apply to every claim. However, it is clear that a disproportionate amount of cost is related to the legal side of an accident compared with that related to the injury that may have been inflicted.

A pre-action protocol has many benefits for everyone in the community, except probably

barristers. I notice in the research paper that the protocol has the following aims:

“Better and earlier exchange of information;

Better pre-action investigation by both sides;

Placing the parties in a position where they may be able to settle cases fairly and early without litigation;

Enabling proceedings to proceed according to the court’s timetable and efficiently, if litigation becomes necessary”.

Remember: at any stage in the process, people can turn down the move to the next stage if they accept responsibility and settle. However, they can go to court if all the various stages in the process fail.

Another aim of the protocol is:

“The promotion of an overall ‘cards on the table’ approach to litigation in the interest in keeping the amount invested by participants in terms of money, time, anxiety and stress to a minimum”.

So it has many benefits for everyone.

I notice that the protocol has provided much faster justice, with cases being finalised in a much shorter period than is the case in our system. Speedy justice is good justice, particularly when proper procedures are involved and appropriate compensation levels are set. A process is required to improve the system here to get better value for victims and those who need to pay for insurance and to ensure that many people are not excluded from getting insurance because of prohibitive prices. It is important that we improve the system in Northern Ireland.

The motion asks the Minister to help move the process forward. Why is a system that is seen to be working well in England and Wales not being incorporated into the system in Northern Ireland? It is asking the Minister to intervene. As I indicated, he can do so in a variety of manners, whatever is appropriate.

4.15 pm

I do not claim to be an absolute expert in the law, but there is a problem and there needs to be improvements to benefit all our community. There are excessive legal fees. The fees for cases heard in the County Court are limited to £15,000, but that limit is going up to £30,000. It is only in that category that we are talking about the pre-action protocol becoming compulsory. Good practice should be followed

by all those involved to benefit the citizens of Northern Ireland, those who are victims, those who are seeking insurance and the entire community.

Mr McCartney: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Beidh muid ag tabhairt tacaíochta do rún an DUP. Although the proposer of the motion said that he may be withdrawing his amendment, we feel that it is the more appropriate amendment to take forward.

There is absolutely no doubt that people in the North of Ireland pay higher insurance premiums than many other people who live in comparable places, be it in England, Scotland, Wales or parts of the Twenty-six Counties. However, the precise reason for that is unclear.

The motion from the DUP makes the case that high premiums are simply down to compensation awards and court costs. On different days, you get different reasons for the high premiums. From living in Derry, I know that people who have a BT48 address will pay higher insurance rates than those with a BT47 address. Those postcodes are divided by the river. That happens in other places in the North, as the research pack points out. So the higher rates are not down to compensation awards, and they are not down to the cost of professionals. Indeed, the last page of the information pack states that the legal costs in the North in a single year amounted to £1 million. When you take account of the amount of money collected in insurance premiums, £1 million would not have a massive impact on how an insurance company sets its premium. That is why we are in favour of a review or of asking the Minister or the Justice Department to look at the particular aspects of the debate they can have an influence or an impact on.

Recently, the Justice Committee has taken an interest in the issue. However, it was pointed out to us at our Committee meeting last week that representatives of the Association of British Insurers made a presentation to the Environment Committee, and a number of questions were tabled which they are to get back to the Committee on. That is a better approach.

The Consumer Council has obviously done a lot of work on this, and we should be trying to get a cross-Committee or a cross-sectoral approach so that we can identify precisely — indeed, nearly scientifically — why premium costs are higher in the North, instead of focusing on a

particular aspect and perhaps creating a false picture. Nothing I have heard from the proposers of the motion and the two amendments suggests that insurance companies are saying that, if the compensation system in the North was different and the awards to legal firms were different, your premium costs would come down automatically.

In many ways, a situation could be created where people would be denied their right to pursue compensation to whatever level is appropriate, and they would have no sense that they could be achieving something. You could ask the Minister to bring in legislation; he could bring it in, compensation could be capped and a draconian law could be brought in whereby people do not get any legal representation to ensure that we do not have any legal costs. Yet, we could find, in a year's time, that insurance companies have not in any way dropped their premiums. So there are a number of factors that contribute to our premiums being higher. I agree that they are higher; it is unfair. However, the Assembly's approach to the issue must be that, whatever we finally come to present to the public, people will see that it is not only logical but will compel insurance companies to lower premiums. I am not suggesting a pig in a poke, but we should not have a populist approach. You may see headline figures, and not many people will defend the high fees that some lawyers obtain for a variety of reasons. We should not, however, use that as a reason to say that, if we could do away with or cap legal costs or compensation, somehow that would reduce —

Mr McGlone: I thank the Member for giving way. I also thank him for his remarks, which clearly highlight that car insurance is an inter-departmental issue. From what I have heard, it crosses at least the Departments of Justice, Environment and maybe even Enterprise, Trade and Investment when it comes to regulation. I support entirely the thrust of his argument.

Mr Principal Deputy Speaker: The Member has an extra minute.

Mr McCartney: I appreciate that. We all have stories, and mine highlights how insurance companies work. Someone told me recently, and I confirmed it with a broker, that they received a letter from an insurance company giving them a quote for, say, £400. They then phoned the broker, who quoted £500 from the same company. When they went back to the broker,

the broker said, "That is the way they work. They are nearly trying to move us to the side. They do not want any —

Mr McClarty: Will the Member give way?

Mr McCartney: I will, indeed.

Mr McClarty: Will the Member not acknowledge that there are fraudulent claims? I have heard numerous stories of people owning an old banger, filling it with family members and getting somebody to tail-end them with another old banger, resulting in 10 whiplash claims, which, obviously, at £1,500 or £3,000 a time —

Mr Principal Deputy Speaker: Bring your remarks to a close.

Mr McClarty: — impacts on the insurance companies.

Mr McCartney: That may be the case, but I am sure that it happens in London, too, so why are premiums not higher there? The idea that that sort of practice happens only in the North of Ireland is wrong.

Mr Principal Deputy Speaker: Your time is up.

Mr McCartney: We have to tell the insurance companies to do it right and do it fair.

Mr A Maginness: I declare an interest as a member of the Northern Ireland Bar, and I have specialised in personal injury claims.

The argument about insurance costs in Northern Ireland has been going on for, perhaps, decades. In the 1980s, the big cry was to abolish juries. The argument was that, if you abolished juries, you would bring down the cost of trials and level of claims in Northern Ireland, and we would all live happily ever after because of lower premiums. Of course, that never happened despite the fact that we abolished juries.

To some extent, I echo what Mr McCartney said. If we could have a guarantee —

Mr McClarty: Will the Member give way?

Mr A Maginness: Just give me a moment, please. If the insurance companies guaranteed some sort of pro rata reduction in their premiums and should all those great changes take place, I might be more convinced of the various propositions that were put forward in a good-intentioned but very misguided way by Mr Beggs and Mr McQuillan.

The problem is that, if you say that claims and awards are higher here and introduce a capping system, you are saying to the judges that you do not trust them and that you do not think that our people should get the levels of compensation that they do. I defy anybody in the House to cap the level of compensation that a quadriplegic, or anybody else suffering a catastrophic injury, should receive here.

The nature of the amendment that was tabled and accepted for debate is that all claims for personal injuries would be affected by a capping system, although the intention was perhaps to confine that to traffic accidents. However, it does not matter, because the fact is that the proposed amendment would mean everybody suffering as a result of capping.

I am not even certain that capping is constitutional. It certainly seems to me to defy article 6 of the European Convention on Human Rights, which guarantees a fair trial. I am not certain that there can be a limit on the amount of compensation that somebody should receive, although I may be incorrect about that. However, there is an argument —

Mr Campbell: The Member is concentrating to a considerable extent on the capping element of the motion; I understand that. Would it make it easier for him and his party to support the motion if the Assembly were to accept my party's amendment, which removes the capping element?

Mr A Maginness: Yes. In fact, originally, when members of my party came into the Chamber, our intention was to support the DUP amendment because it gets rid of the capping element, which, although well intentioned, is misguided, as I have said.

It is a complex problem, and there are no easy answers. Lawyers blame insurance companies, and insurance companies blame lawyers and the legal system.

Mr Beggs: Will the Member give way?

Mr A Maginness: No; I cannot. The issue is complex. My party put forward an amendment, which was not accepted by the Speaker, to set up an ad hoc Committee of the House. That would be the most sensible way forward because the issue involves different Departments, such as the Department of the Environment, the Department of Enterprise, Trade and Investment,

and the Department of Justice, among others. Therefore, it would be sensible to set up an ad hoc Committee to examine the issue.

There is, certainly, abuse with regard to whiplash injuries — we all know that — and it may be that some limitations on them would be acceptable. However, a general prohibition or capping of damages would cause injustice to people; there is no doubt in my mind about that.

We are told that legal costs are higher here; that is unproven. The Office of Fair Trading (OFT) does not come to that conclusion in its report; however, it says that the issue has been raised. The report will not be finished until later in 2012, and we look forward to it. With the change in the County Court jurisdiction, most cases that involve personal injuries will be heard in the County Court because the limit has gone up from £15,000 to £30,000. Only the most serious and substantial cases will be heard in the High Court. Therefore, in one fell swoop, cases are being heard in the lower court.

An erroneous argument is being put forward that moving smaller-value road-traffic cases to the Small Claims Court would prove to be a saving. The danger is that damage-only claims can also involve personal injuries, and a larger claim could be dependent on how a case is dealt with in the Small Claims Court. That is *res judicata* because a decision by the Small Claims Court would bind a higher court, whether the High Court or the County Court. There are inherent dangers in that.

Mr Lunn: I am glad that the motion has been brought to the court — the House, rather. [*Laughter.*] It means that we can have another go at discussing this important issue.

I must say that I am confused as to what is on offer now; a motion has been withdrawn due to an amendment from the same party. That party has decided to accept a further amendment, which reintroduces the thrust of its original proposal. Frankly, I am at a loss. However, before my party decides how it will vote, particularly on the DUP amendment, I will wait and hear what the Member who makes the winding-up speech has to say.

If the problem could be cured simply by capping compensation payments, I am sure that we would all go for it. That would be an easy answer, and we could all go home. However, it is not that simple because it would penalise

genuine claimants; it has to. Where would the cap be set? Mr Maginness made that point. It simply would not be equitable. For that reason, at present, I do not see how my party could support what is on offer. However, we will see.

In case anybody wonders, I am mentioned in the OFT report as a provider of motor insurance. I sold the business five years ago. It is touching that somebody still thinks that I provide their motor insurance. That indicates something about the level of shopping around that is done. I note that the OFT report, unlike the previous Consumer Council report that triggered our last discussion on the issue, confirms that the average difference in premiums is about 11%.

I will not repeat what I said about the Consumer Council report. Let us just say that there is a bit of a difference between 84% and 11%. A miracle has happened in a year and a half.

4.30 pm

Lord Morrow: I thank the Member for giving way. I recognise that he is not a great fan of the Consumer Council, because he has said that before. However, some of its research has produced some interesting figures. I commend the Consumer Council on the job that it does. It tells us that there are over one million vehicles on the roads in Northern Ireland and 35,000 uninsured drivers. Does the Member, and those who have spoken on this issue before in relation to legal costs etc, not accept that that is also a big contributing factor to the high cost of insurance here in Northern Ireland?

Mr Principal Deputy Speaker: The Member has an extra minute.

Mr Lunn: Of course it is. There is a major problem with uninsured drivers here, as there is in other jurisdictions. We are all paying for it. However, the Consumer Council report — just to finish on it — consulted only one provider that, as we have heard before, does virtually no business in Northern Ireland. At least the OFT consulted a wide range of interests. It came up with figures that indicate that we are now not the most expensive motor insurance region in these islands. The north-west of England and the midlands have higher premium levels than us; that is in the report.

Car insurance premiums are on the rise across the UK; it is not unique to any region. The UK is going down the same road as the USA in

fostering a claims industry, with the various dubious practices of claims management companies; the selling by insurance companies of personal details for what are sometimes known as referral fees; the payments of fees to insurers and — I regret to say — in some cases, brokers if they will refer their clients to particular car hire companies; and so on. Those practices add millions to the claims cost, and, at the end of the day, everybody is paying for it. Government — I probably mean the Westminster Government — should look at the situation urgently, perhaps in respect of data protection and the unauthorised disclosure of clients' personal details.

The simplest claims, which used to be settled on a knock-for-knock basis with the payment of an excess to the innocent party, perhaps to cover the cost of car hire, are now escalated into something major. People are leeching off the industry.

Mr Beggs: Will the Member give way?

Mr Lunn: No. Sorry, I do not have time.

We are all paying for it, because insurers have to cover the cost. The answer is not a capping of payments. Perhaps part of the answer would be to find some system that allowed payouts only when people are genuinely injured; that would be a start. Currently, whiplash claims seem to result from the most minor incidents in which neither vehicle is damaged. In fact, in my time in the business, I saw one in which the injured person was not even in the vehicle; there are plenty of those too.

I do not particularly blame the orthodox legal profession — Mr Maginness will be pleased to know — as it has a duty to represent its clients. However, the branch of that profession that advertises extensively touting for business and purchases business has questions to answer, as do the medical experts who examine clients who patently have nothing wrong with them but issue a non-conclusive verdict, leaving the insurance company with very little option but to negotiate a settlement.

In Northern Ireland, we have a higher incidence of claims and historically higher payouts, which cannot be rectified by a simple capping. However, there are things that can be done. Other Members have referred to measures in respect of fraud, simplifying the settlement of claims —

Mr Principal Deputy Speaker: Bring your remarks to a close.

Mr Lunn: — eliminating uninsured driving, and road safety. I hope that the House will proceed on this issue in a methodical way and that we come back to it someday in the future.

Mr S Anderson: I welcome the opportunity to take part in this very important debate. I commend my two colleagues for bringing it to the House. I, like many others, have an interest in this issue, not only as a member of the Justice Committee but as a driver and a father of children who are drivers. Even a number of years ago when my own children required their first car insurance, the premiums quoted were way above the then GB prices. One of the reasons given was the effect of the Troubles. Today, it is not so easy to use that excuse, so other reasons have to be found.

As most Members will already know, especially if they have children or grandchildren, the price of insurance for young people is almost as high as that of their first car. The ever-rising cost of motor insurance premiums in Northern Ireland is a major concern. Something needs to be done quickly, and we in the Assembly must see what we can do to tackle the issue.

Although the Minister of Justice is responding today, the issue is complex and will require a cross-departmental approach. The Department of the Environment (DOE), for example, has a key role to play in road safety. I feel strongly about that, but I do not have time to go into it today. As my colleague the Lord Morrow highlighted in his intervention, uninsured drivers are another big issue. The high premiums contribute in no small way to that situation, but there is a need to clamp down on those who drive without insurance. A member of my family was the victim of an uninsured driver. She suffered a very serious injury. I would be very interested to know what audit checks are made on vehicles that enter Northern Ireland and whether they are properly insured.

The issues that are raised in the motion draw attention to the impact of our claims culture. It is simply not fair or right that drivers are being penalised as a result of huge compensation payouts. The report of the Office of Fair Trading has confirmed that, although premiums have been rising sharply across the United Kingdom, premiums in Northern Ireland are 11% higher than those in the rest of the UK. It is even worse

in rural areas, where drivers pay between 30% and 70% more than drivers in rural areas of GB.

The Westminster Government have expressed their serious concerns about the matter in light of the OFT report. The Transport Secretary said recently that he will come down like a ton of bricks on organisations that are found to be colluding on the price of premiums. There has been a lot of debate so far. The motion and amendment clearly identify some areas in which we really need to see reform and where savings could be made.

I fully accept that people can be very seriously injured and scarred for life as a result of car accidents. The current DOE TV ads are a stark reminder of that. It is important that those who need to be compensated are compensated adequately and efficiently for their injuries. However, it seems that the industry has grown out of a culture that encourages people to make claims in the confidence that, without too much effort on their part, they will obtain a reasonable level of compensation.

I would like to know the extent to which the current litigation arrangements are regulated. I am concerned that they are not properly regulated. Medical reporting on cases needs to be more closely monitored, as does the employment of lawyers in the setting of fees. Our compensation system is far more costly than that in GB. The Association of British Insurers (ABI) says that the legal costs have risen by some 30% since a fundamental Government review a decade ago. That figure is a very conservative one. Coupled with that, the awards of personal injury damages are also higher than those elsewhere in the United Kingdom.

There is surely justification for some sort of a limit on common claims, such as those for whiplash-type injuries. From speaking to those who are employed in the insurance industry, I understand that most companies will settle out of court for that type of injury for anything up to £5,000. We should be looking at ways of settling cases out of court, but substantial compensation for less-serious injuries appears to be too easily obtained without having to justify it in court.

Mr Lunn: Will the Member give way?

Mr S Anderson: I am almost finished; I do not have much time.

As a general rule, personal injury claims should be heard in the lower courts, as is the case in England and Wales. A small claims court would be much more cost-effective than the higher court.

Mr Principal Deputy Speaker: Bring your remarks to a close.

Mr S Anderson: We might even wish to go further and encourage negotiated settlements on the basis of arrangements that would avoid courts altogether. In short, a more collective and joined-up approach needs to be undertaken to ensure that Northern Ireland drivers are treated as fairly as their fellow citizens in the rest of the United Kingdom.

Mr Flanagan: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Like other Members, I am quite confused by the motion and the amendment, but I will try my best. I congratulate those who tabled the motion. It is a very important issue, and it is not the first time that they have tried to get it onto the Order Paper.

Extortionate car insurance prices have been a massive problem here for a very long time. It has hit young people, particularly young men, hard. However, the introduction of Quinn Insurance to the market on this island marked a sea change. It opened up a whole new industry, and insurance premiums fell to a fraction of what they used to be. That was particularly the case for young people. That was due to the foresight of the senior management team in Quinn Insurance at that time. Some people in the Chamber may not like what I will now say: the use of solicitors, barristers and the legal profession was avoided wherever possible and a proper offer of a fair rate of compensation was made promptly to claimants. That resulted in a massive reduction in the overheads of the insurance company. Immediately prior to Quinn Insurance's entrance to administration, it was making a clear profit of €1 million a day. Ironically, the only aspect of the company that was losing money was that involved in the provision of professional indemnity insurance for solicitors in England.

On a separate note, Quinn Insurance employs a huge number of people in my constituency, so I am well informed of its tactics, but in the interests of consumer choice, many other insurers are available. Time and again, we see adverts on TV, in newspapers and in many other forums offering low-cost car insurance.

Mr Lunn: I can understand the Member's loyalty to Quinn Insurance, but does he not accept that, no matter what way you dress it up, the company went out of business because it was insolvent? In other words, it was not charging enough for its insurance products.

Mr Flanagan: I thank the Member for his intervention, but I think Quinn Insurance is still in business, albeit under a different trading name. As I said, the only part of the business that was losing money was that involved in the provision of professional indemnity insurance for solicitors in England, but I do not want to get into that debate.

The adverts that we see on TV for car insurance often exclude this part of Ireland, and we have to ask ourselves why that is. As other Members said, there are several potential reasons why car insurance is much higher here than in Britain and, obviously, one aspect of that is the legal system. However, other factors exist and we need to look at them as well. They include factors such as our historically poor roads infrastructure, the higher cost of second-hand cars and a massive over-reliance on private cars in rural areas, predominantly among young people. We have seen massive progress in road safety and a great fall in the numbers of people involved in accidents, but that has not been reflected at all in premiums.

We must also realise that the car insurance market here is very small. We do not benefit from the economies of scale that would undoubtedly come from a larger market. We must assess the potential for greater flexibility within the car insurance market, both with Britain and on the rest of this island. There are also issues with people's failure to shop around. However, the incessant and often irritating advertising by some price comparison websites is surely changing that habit.

This is a cross-departmental issue, and although I welcome the motion, we may well have missed a trick by not having a motion that refers to a solution and encompasses all the possible factors, but once again, I thank those who tabled the motion.

Mr Beggs: Does the Member agree with the most recent publication of the Consumer Council, which states that pre-action protocol should be carefully investigated because of the potential to make savings in the legal system and through a more efficient system? The

publication supports what was stated in the report by the Office of Fair Trading. Does the Member accept that pre-action protocol can bring savings to our legal costs and reduce insurance costs?

Mr Principal Deputy Speaker: The Member has an extra minute.

Mr Flanagan: I will hardly need it, Mr Principal Deputy Speaker, but I thank the Member for his intervention and I appreciate what he is trying to say. Far be it from me to disagree with the Consumer Council on a matter that is pertinent to consumer rights. Such a route should be explored if it has the potential to save consumers money. However, this issue is wider than the impact on consumers. We often talk here about economic issues, and the soaring price of car insurance is having a seriously detrimental impact on our small businesses. That is another reason why urgent action needs to be taken on this matter.

Mr Hamilton: I will begin by trying to tidy up some of the confusion. There are that many motions, amendments and accepted amendments, there is more competitive tension over the motions and proposed amendments here than perhaps there is in the insurance market in Northern Ireland. Members on this side will back their amendment when it comes to the vote. I hope that that tidies up some of the confusion that there was earlier.

It is a well-held belief, and has been so for a number of years, that the cost of insurance in Northern Ireland is excessively high. That sometimes takes on the feel of an urban legend, but we now have authoritative evidence that that is the case. The OFT report is valuable, if in no other way, in that it highlights the fact that premiums here are, on average, 11% higher than those in the rest of the United Kingdom, and that the cost is 30% to 70% higher for rural dwellers. Given Northern Ireland's rurality and dependence on cars in rural areas, that is an even graver statistic than the 11% hike.

4.45 pm

The Environment Committee had several sessions on the issue a fortnight ago. I chaired those sessions, which lasted for about three-and-a-half or four hours. I could say that those were three-and-a-half to four hours of my life that I will never get back, but the sessions taught me that the issue is a cross-departmental problem.

Although there is an understandable focus in the motion on matters that pertain to the Minister of Justice's purview, there are also issues that pertain to other Departments. We cannot lose sight of that when taking the issue forward.

The cost —

Mr Poots: Will the Member give way?

Mr Hamilton: Yes, I will.

Mr Poots: On that issue, and having been in another Department, I know that road deaths dropped by around 50% in 2010 and that that trend continued in 2011. I also know that major and serious accidents dropped by around one third. Does the Member not find it a little incongruous for insurance premiums to remain high despite the risk factor having diminished so greatly?

Mr Principal Deputy Speaker: You have an extra minute.

Mr Hamilton: I thank the Member for his intervention; he is absolutely right. The number of road deaths in Northern Ireland has, thankfully, fallen to a record low, and the number of other accidents is also falling.

I return to Mr Maginness's point. I tend to agree with him. Previously, we were told that the Troubles were the reason why we had high premiums in this country. We were told that we just had to get used to the fact that all the civil unrest meant we had high premiums. I do not believe the insurance companies. I do not believe that if we were to systemically eliminate all the problems it would result in lower premiums for drivers in Northern Ireland. That is because it would appear that there is always another excuse. The insurance companies put forward an argument that we have more accidents here, despite the good work that the Minister and his colleagues took forward in the past. They also point to the cost of compensation —

Mr Lunn: Will the Member give way?

Mr Hamilton: Just bear with me a second. They point to the cost of compensation in the legal process, but my understanding is that most cases do not get to court anyway. There is an argument that we should look at taking cases to lower courts. However, the cost that that might burden claimants with means that it may not always be in their best interests. As we criticise

the legal process, in some ways we should be grateful that there is an absence of a no-win no-fee culture in Northern Ireland. It is not part of the law here, and thank goodness for that.

In its evidence, the ABI put forward the cost of the legal process here. That is why I think that, at least and as the amended motion would require, we should examine the process. We should examine the issue with some of the others, including those that Mr Poots raised. One of those is uninsured drivers, which may be one for both the Department of the Environment and the Department of Justice to deal with. We are something like the fifth or sixth worst region in the UK for uninsured drivers, and that adds an estimated £30 to every premium.

Another issue that came out in the evidence sessions was claims handling and the associated referral fees. Although an insurance premium may include the cost of a courtesy car, there is an additional cost for the referral fee. That all adds up. There are costs built into the system that should not be there and that are often covered by the initial insurance premium. It is estimated that that adds £2 billion to the cost of insurance every year in England and Wales. That is a stark figure. Ms Ritchie secured an adjournment debate in the House of Commons on car insurance in Northern Ireland, and, in response to her, Mark Hoban said that the insurance industry in the United Kingdom lost £1.8 billion last year. Therefore, that is £2 billion of additional and, in many cases, unnecessary costs and £1.8 billion of a loss. Those are not insignificant figures.

The insurance industry tells us that we have a competitive market in Northern Ireland, but that is entirely different from having a market that is as competitive as it should be. The abject absence of a significant number of insurance companies in Northern Ireland undoubtedly has an impact on the cost of premiums. Before I came into the Chamber, I ran a quote through for myself on one of those cost comparison websites, and I found that there were more companies that did not want to insure me than did. Perhaps they realised who I was and did not want me anywhere near them, but those who did not are significant names in the financial services market, including banks such as Santander, organisations such as the Co-operative and insurance companies such as Swinton Insurance. Those companies do not do any business in Northern Ireland.

Mr Lunn: Will the Member give way?

Mr Hamilton: I am sorry; I do not have the time. That is coupled with the fact that there is a culture here of not shopping around. Only 54% of people here shop around for premiums, compared with 73% in Great Britain.

We need a multi-departmental approach. Perhaps the Minister can take the issue back to his colleagues in the Executive. Mr Maginness talked about establishing an ad hoc Committee of the Assembly, and although he was unable to bring that forward in an amendment, there may be other means by which we could do that. This matter touches on at least three, if not four, Departments, and there is clearly cross-party and cross-constituency interest in the issue. This is not the last that the House has heard of it.

Mr Hussey: I will begin by declaring that I worked for an insurance company for over 25 years, and I am still here to tell the tale. I also declare that my insurance was due for renewal on Saturday, but I paid it on Thursday, so I am safe enough. Like the Member who spoke previously, I attempted to find various prices, and, being a lot younger than him, obviously, my costs were quite high as well. Unlike some Members, I am a confirmed bachelor, so I have no children to worry about and no worries about putting them on my insurance, but the cost was still quite high.

The discussions about the costs of motor insurance in Northern Ireland have been ongoing for many years. In the late 1980s and early 1990s, there were a very limited number of motor insurance providers in Northern Ireland. For that reason, motor insurance costs were relatively higher than today in real terms in relation to the rest of the United Kingdom. It was certainly a very restricted market.

Once an award was made for personal injuries caused in a road traffic accident, the standard was set. Other courts awarded similar settlements, and it became practice that awards made in Northern Ireland courts were higher than those made elsewhere in the United Kingdom. On 'UTV Live' in January 2012 — I am sure that we all watched it — we were advised that compensation for a severe whiplash injury can be between £17,000 and £35,000 in Northern Ireland, but in England and Wales it is much lower, varying between £7,000 and £13,000. I should also declare that I have been involved in several accidents. I was in a car that was rammed by a drunk driver, and I am

still suffering for that to this very day. In fact, my back injury will never improve, so I know all about the types of injuries that can be inflicted.

The Office of Fair Trading, in its December 2011 report — a document which, I am sure, will be referred to regularly throughout the remainder of the debate — outlines the cost of insurance claims as a result of compensation levels and the legal process. The OFT says that it has received evidence that compensation levels are higher in Northern Ireland than in Britain. As well as referring to the guidelines, the OFT says that it has received information from some insurers that the amounts of compensation paid are considerably higher. A second aspect of that is that there are differences in the legal process that could lead to higher costs; specifically, the report states:

“the absence of a compulsory pre-action protocol”.

Clearly in our amendment, we seek to create a situation where compensation is capped, and, in an attempt to reduce legal costs, we seek a pre-action protocol whereby low-value personal injury claims can be resolved in line with the protocols that already exist in England and Wales. Legal costs can spiral out of control, and, obviously, insurance companies pick up the tab for both parties concerned. However, as is the case with all insurance business, the objective is to make a profit, and if there is a high cost ratio for the insurer, it will pass the increase onto the customer.

I will also, at this stage, refer briefly to the Motor Insurers' Bureau and the costs that are associated with those drivers who are not insured. Those claims for third-party injury are also paid by insurance companies through a fund, which is paid for by way of a percentage of insurance premiums. When certain individuals do not insure their cars, it creates a hidden cost that has to be funded from somewhere. Those who pay their insurance are contributing to the cost of uninsured drivers. That is an issue for another day. I believe that uninsured drivers should pay hefty fines and risk the loss of their licence for several years; but I am digressing from the subject.

I support the amendment as proposed by my colleagues.

Mr Lynch: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. The confusion has eased as the debate has gone on, and I thank

Mr Hamilton for bringing some clarity to it. As most Members have said, insurance in this part of Ireland is much more expensive than in other parts. The Office of Fair Trading said that insurance premiums paid by consumers are, on average, 11% higher and that insurance quotes for consumers in the rural areas of the North are 40% to 70% higher than those for consumers in the rest of Ireland. It gives a number of reasons for that, one being that compensation levels for personal injury claims are higher; another that differences in legal processes appear to lead to higher legal costs. In addition, some statistics show that a higher number of accidents also has an impact.

Putting a cap on payments of compensation claims would restrict access to adequate compensation for those who have been bereaved or severely injured as a result of road traffic accidents. Placing a cap could also lead to legal challenge, as has been experienced in the US, where a number of states have introduced a cap on general damages.

On the point that cases should be held in lower courts, it is important that legal claims are dealt with by an appropriate court. As anyone who is unfortunate enough to have been involved in an accident will know, preparing the claim for compensation is a complicated exercise that requires a complete assessment of the facts against a legal framework and, importantly, the assessment of medical injuries, both current and future, arising from an accident. I do not agree that if you reduce the legal costs, motor insurance will come down.

Mr Beggs: If you do not reduce it, it will continue to rise even faster.

Mr Lynch: I am not sure about that, but I will read out some statistics. Eighty per cent of all county court claims for personal injuries settled for less than £5,000. That shows that it is not the case that claimants are receiving vast amounts of compensation. From 2000 to 2009, there has been a 23% reduction in the number of claims registered with the compensation recovery unit. That shows a decrease in the number of claims being made, and that is during a period that has witnessed major hikes in insurance.

Finally, and most welcome, is the fact, which the Minister of Health, Social Services and Public Safety mentioned, that there has been a 33% reduction in the number of casualties on

our roads. That is to be welcomed. That also supports the suggestion that there has been a reduction in claims, but no corresponding reduction in premiums has occurred during that time. In my opinion, placing caps on payments of compensation and hearing cases in lower courts would not bring lower premiums. I know people in my own area who have had their premiums increased significantly, as does my colleague Mr Flanagan. When they shopped around, they found much better value. In fact, some of them found quotes that were much lower than what they had paid previously. If we had more time to shop around, we could haggle and get better value. I agree with my colleague Raymond McCartney that an interdepartmental approach to the issue is needed.

Mr Ford (The Minister of Justice): I welcome the opportunity to engage in the debate, given its importance for our whole society. I am concerned about the cost of insurance premiums, and it is clear that the majority of the House is too. However, it is not necessarily clear that the issues that are identified in the motion and in the amendment are the only issues that are of concern regarding the level of insurance premiums in Northern Ireland. Indeed, the real reason why insurance premiums are at the level that they are is fairly complex.

Remember, the Office of Fair Trading identified three specific issues regarding the cost of insurance in Northern Ireland. The first was that consumers in Northern Ireland are less likely to shop around. The second was that we have more accidents per capita than elsewhere in the UK. For example, in 2010, Northern Ireland had 315 reported road traffic collisions per 100,000 of the population compared with 263 in England, 228 in Wales and 197 in Scotland. The third point was suggested to be differences between our legal system and that of England and Wales.

It is also important to note that OFT put forward some evidence in respect of the first two — in one case, a survey and, in the other, statistical evidence — but it did not produce any empirical evidence relating to the issues around the legal system. Notably, it did identify as requiring further examination the provision of issues such as third-party vehicle repairs and credit-hire replacement vehicles on some sort of tied contract and not the civil justice system for Northern Ireland.

5.00 pm

It is clear that the issues identified by the OFT in respect of the insurance industry and the number of accidents are not matters for my Department alone, as was said by a number of Members. However, the DOJ is willing to play its part, and also —

Ms Ritchie: I thank the Minister for giving way. Does he agree that there is a case for a cross-departmental approach to the issue of rising insurance premiums and a need for greater competition in Northern Ireland? Does he agree that there is a need for an Ad Hoc Committee of the Assembly to work directly and cross-departmentally to probe the reasons for higher insurance costs throughout Northern Ireland and thereby work with the OFT to drive down insurance costs?

Mr Ford: I shall be cautious about agreeing with the middle part of Ms Ritchie's comments, lest my colleague Trevor Lunn has a go at me. However, I certainly agree with her on the complexity of the way that this issue is handled. There is a need for something of a cross-departmental look, and I see merits in the concept of an Ad Hoc Committee of the Assembly, on which point she has probably stolen one of my best finishing lines.

As a member of the Environment Committee for the duration of the Assembly until I became Minister of Justice, I recognise that the work that was done there around road safety is a key part of the process that affects insurance issues. We should note the fact that the motion does not refer specifically to motor insurance, although we seem largely to be debating motor insurance. I am concerned about issues that would improve the civil justice system in general.

Let me comment on some of the points raised by Members who referred specifically to me or to my Department. In proposing the motion, Mr McQuillan talked about the compensation tariff being set by the Department of Justice. Well, no; it is not. There is a role, as others said, for the judiciary and for legal committees, but there is no specific role for the Minister. Therefore, I have to be careful in my response to any call for the Minister to set limits. He also referred to the court level at which cases are taken. Most Members will be aware of our proposals to increase the jurisdiction of the County Court from £15,000 to £30,000, which will come into play later this year. He and others also referred

to the protocols in England and Wales, to which I will refer later.

In the context of a debate in which there were proposals for a capping level, Mr Beggs, interestingly, expressed concern about the capping level and raised an interesting question from Jim Allister about whether this was or was not a matter for the Minister. With respect, I suggest that it is not a matter for the Minister, as was shown shortly afterwards when Alban Maginness pointed out that there were serious issues about ECHR compliance. Our seeking to establish capping levels may directly contravene article 6.

Raymond McCartney was the first to ask — others agreed with his question — whether we would expect insurance premiums to go down if other matters changed. Indeed, from comments by other Members, it appears that there is a certain doubt around the Chamber as to whether that would be the case. That is because, as Alban Maginness pointed out, when juries were abolished, there was no significant change. It is probably fair to say that, to some extent, judges kept to the existing compensation levels that were set by juries but have not increased them in the years since juries were abolished, in the way that they have been greatly increased in other jurisdictions. I am prepared to take an intervention if either of the lawyers on each side of me wants to respond to that.

The real issue is how we ensure that people are treated fairly. Capping sounds like a dangerously blunt instrument, a point that was made by Trevor Lunn when he said that the matter is not as simple as capping. There are issues around restrictive practices and some of the ways in which claims are handled. We seem to have reached the point where the OFT report has attained a certain consensus in the House, although significant reservations have been expressed around the Consumer Council report that preceded it and seemed to produce some figures that, although quoted in the press as recently as Saturday last, unfortunately seem to have been rejected by the OFT's rather more detailed work.

Mr Anderson referred to the complexity of the issue across Departments and to the role of the DOE in road safety. I think that he was the first Member specifically to raise the potential of small claims court involvement, although I noticed that Seán Lynch seemed to be against

that. As mentioned during the debate, there were serious reasons for small claims courts not being involved in taking action involving road traffic collisions. A particular perceived danger was that, even if applied for a relatively low claim for damage to a vehicle, it might well be seen to establish a legal precedent for something much more significant in the way of personal injury. That is why that was not adopted in Northern Ireland. It is clearly an issue that can be discussed, but I do not think that we should suggest that there is in any way a consensus at this point. There certainly was no consensus when that position was established some years ago.

There was a further interesting exchange between Simon Hamilton and Edwin Poots. I am not sure whether Mr Poots was speaking as the current Health Minister or former Environment Minister when he pointed out that the number of road deaths has gone down significantly in recent years, as has the number of road traffic collisions, yet premiums for car insurance have remained high and have, to some extent, increased. Clearly, issues there suggest that simplistic solutions will not meet the needs of this society.

Ross Hussey, like his party colleagues, referred to the pre-action protocol that exists for personal injury litigation in England and Wales. Pre-action protocols have also existed in Northern Ireland since 2008 and have been issued by the Chief Justice for personal injury and clinical negligence cases in the High Court. Whether there would be a benefit in having similar directions in the County Court is under examination and may well be taken forward in the near future. The strong likelihood is that we will have new protocols that will be tied in with the increase in the County Court financial limit to £30,000 later in the year. That would be the obvious point at which to introduce such protocols.

Clearly, there are significant concerns about the number of claims being made and compensation levels. I will quote from the House of Commons debate that has already been referred to. The debate was initiated by Margaret Ritchie, who has decided to leave just at the point at which I wish to quote her. She stated:

“the number of claims reported to the compensation recovery unit fell by 23% in the decade up to 2009. In short, the trend is clear: although accidents and claims are decreasing, the cost of insurance is increasing.”

Margaret, I am glad that you are back in the Chamber. Margaret's comment was followed by an intervention from my colleague Naomi Long, who pointed out that:

"compensation levels did not increase but insurance premiums did, so it cannot be argued that that was what led to increased premiums."

It is, as a number of Members said, a complex issue. It is not simply a matter of saying that it is over to the Minister of Justice.

Some of the wisest words were spoken by Phil Flanagan, when he said that he was confused. I was a bit worried when Seán Lynch, towards the end of the debate, said that he was no longer confused. I am reluctant to intervene in an internal dispute in Fermanagh Sinn Féin, but, on that issue, I am on the side of Phil Flanagan. I believe that the position is, to some extent, confused by the wording of the motion and the two amendments.

Undoubtedly, there were nods throughout the House when Members spoke about the need for Departments to work on a cross-departmental basis. Indeed, I think that there were nods around the House at the suggestion that an Ad Hoc Committee might be an appropriate way forward. I am happy to take the debate back to the Department of Justice in so far as it relates to that Department, which is very little, to communicate with other Ministers about the content of the debate and encourage them also to engage.

The setting up of an Ad Hoc Committee is something on which Alban Maginness might need to table a specific motion. However, I believe that, at this stage, the passing of the motion, amendment No 1 or amendment No 2 would merely add to the confusion, whereas we are all sure of the general tenor of the direction needed. I am certainly prepared to respond on that basis, though not exactly in the words in which the motion or the amendments are expressed.

Mr Kinahan: If everyone is confused, I will try my best not to add to the confusion. However, it is a harder task to make a winding-up speech on this debate than on any other. I declare an interest in that I have two young children who have just started to drive and two more who will follow in the next few years. They are at the beginning of the insurance and driving world.

We have gained one thing from today's debate, which is that we agree that we have to try to find a way to reduce insurance costs. I am pleased to hear that the Minister is willing to do his bit and that perhaps an Ad Hoc Committee, as suggested by Margaret Ritchie, is a suitable idea. I had a differently worded version of that suggestion in my notes. We all know where we are trying to go on the matter. We managed to confuse ourselves with the wording of the motion, our amendment and then a DUP amendment that would have changed the wording about capping, but, having listened to everyone here, we feel as a party that we can drop our amendment to allow the voting to be clearer. I hope that that does not confuse everyone.

I wanted to make one point that no one else seems to have explored. We have looked at many ways to reduce costs, particularly through efficient protocols, but most of us homed in on the legal side. Most of us agree that it is a complex and cross-departmental matter. However, I spoke to some brokers last week who say that it is hard for them to make their decisions until they have the right data on how payments and costs arise. They told me that they need to know how much is spent on repairing damage to cars and hiring replacement cars and how much is brought into this through the costs of injury and subsequent changes to life. There are also legal costs and referral fees. It gets more and more complicated, and we know that extra costs are being added. As the Minister and others said, it will be hard to change the system to achieve a lowering of costs, but we should strive for that.

An efficient protocol is one way forward, and I am extremely pleased that the Minister is considering that. I think that you said that you are working at a level of £30,000 and below. Although today's debate has been muddled, it has got us there. We have all spoken and agreed, and I think that we have seen the House at its best. Although muddled and betwixt and between, we got there. I am not going to go into what everyone has said. We have put across the idea of an efficient protocol. We know that there is a chance of an Ad Hoc Committee and that the Minister will push for that. We need to communicate with all Departments to pull this complex issue together.

Mr Principal Deputy Speaker: Can I clarify, Danny, that you are withdrawing the amendment?

Mr Kinahan: I am withdrawing the amendment.

Amendment No 2, by leave, withdrawn.

Mr Campbell: I know that the hour is late and there is another debate to follow, so I will be brief. My colleague Mr McQuillan introduced the debate and talked about the numerous cases that we have all heard about in which car costs, particularly for young people, exceed the cost of insuring them. That has been an extremely restricting problem, particularly in rural areas, where people so depend on private car ownership.

Mr Roy Beggs referred to excessive legal fees, which are a problem in cases in which claims result from road traffic accidents. Mr McCartney talked about differences in adjoining postcode areas, and we are all aware of considerable differences in the cost of premiums.

5.15 pm

Alban Maginness talked about the issue having gone on for decades. I do not know whether that was an indication of the length of time that he has been involved in politics or whether he has been interested in this issue for what seems like decades.

Mr Trevor Lunn also talked about a time period, but the period that he talked about related to the fact that he was mentioned in an OFT report, even though he sold his business five years ago. He also referred to higher payouts in Northern Ireland compared with the rest of the UK.

Mr Sydney Anderson talked about the rationale of the Troubles being a considerable factor in claims throughout that period and about uninsured drivers, which came up in the debate again and again. Mr Flanagan talked about the issue being a problem for some time and referred to rural dependency on private car ownership.

Mr Simon Hamilton said that he simply does not believe the insurance companies. Hold the front page on that one. I do not think anybody else believes them either. That was a straightforward statement, and, unfortunately, it is part of the reason why we are having the debate here today. He also referred to the issue, as did the Minister, of not shopping around. I will refer to that in my concluding remarks.

Mr Ross Hussey referred to his experience of accidents causing injury. We are all personally aware or are aware of close family members who are in the same position.

Mr Lynch talked about 80% of County Court claims being for relatively small amounts. The problem is that we do not know the sheer volume of the very small claims. Some Members also mentioned the whole whiplash issue. There seems to be a preponderance of claims on that score.

In summing up, the Minister quoted from the OFT report. The first issue was the lesser likelihood of shopping around in Northern Ireland, which is a factor, but it sounds anomalous when there is supposedly a very high dependence on value for money in Northern Ireland. We always seem to get a name for being quite keen to get value for money, yet we are less likely to shop around. So, if one thing comes out of the debate today and it is that people will be more likely to shop around, we will have done a service. I am aware of a constituent who reliably and dependably went to their local broker year on year for the past 10 or 12 years simply renewing their premium, but, a couple of months ago, they decided to shop around and got a quote that was less than half their previous quote. When they went back to their local broker, lo and behold, within 30 seconds of being put on hold, they were able to get a premium quote that was slightly lower than the 50% cheaper one that they could get by going elsewhere. I suppose that is an example of what we should ask people to do more of.

The Minister also referred to the fact that we have more accidents here, although more recent indications are that that is changing, and to the difference in legal systems. He also referred to what he termed "complex issues". We can all agree that there are definitely complex issues.

In summing up, Mr Kinahan said that he did not want to add to the confusion, and he did not. I think that we are now in the position where we are content, if the House is content, to move with our amendment to the original motion. Hopefully, it will retain the unanimous support of the House.

Question, That amendment No 1 be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes with concern the soaring cost of insurance in Northern Ireland; and calls on the Minister of Justice to review the level of general damages paid in whiplash-type injuries and further review the jurisdiction in which cases are heard to ensure that court and legal costs are kept to a minimum.

Home Heating Oil

Mr Principal Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 10 minutes to propose the motion and 10 minutes in which to make a winding-up speech. One amendment has been selected and published on the Marshalled List. The proposer will have 10 minutes to propose the amendment and five minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes to do so.

Mr Flanagan: I beg to move

That this Assembly notes that home heating oil has the most variable prices of any heating fuel; further notes that a growing number of households have no choice but to purchase 20-litre drums of oil that are significantly more expensive per litre than buying in bulk; and calls on the Minister of Enterprise, Trade and Investment to introduce legislation as soon as possible to regulate the local home heating oil industry.

Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Ba mhaith liom an rún a mholadh, agus tá áthas orm é a thabhairt faoi bhráid an Tionóil.

I am happy to bring the motion before the House for what I hope will be a constructive debate. I welcome the Minister and thank her for taking the time to listen to the debate, and I look forward to a positive resolution.

The home heating oil industry in the North is very lucrative, and estimates of its value range somewhat. The lowest estimate that I have seen puts it at some £385 million a year, while others estimate it as being as high as £766 million a year. It is, therefore, a massive, unregulated, problematic industry. Oil is the main source of heat for some 68% of our families, and that figure is much higher in rural areas. Oil is 70% more expensive than natural gas. Due to the massive dominance of the home heating oil industry, the Office of Fair Trading, in a recent report, which, in fairness, focused primarily on what happened on the island of Britain, said that it was an oddity of the market here that the most common heating fuel — heating oil — is unregulated, while the less common — natural gas — is regulated. That report and the Enterprise Minister's response also claimed that competition was working well. Those claims were made primarily due to the fact that there are apparently 300 suppliers of home heating

oil and at least 10 suppliers in each postcode area. I find it difficult to find out how someone can stand over those claims. First, how can it be claimed that competition is working well, when there is a massive price differential, depending on where you live? Sometimes the differential can be as much as £80 on a 900-litre fill. Secondly, massive areas are serviced by a single supplier. I know that some MLAs will provide information from their constituency where that is the case.

The fact is that competition is not working in the home heating oil market. We are talking about an industry where there is blatant market failure. The majority of the pricing element is not made up by local distributors but much higher up the supply chain. Although we may have no direct control over that price, there needs to be much greater transparency for consumers. There is a widespread perception of profiteering in the home heating oil industry, but, due to a lack of regulation and price transparency, that cannot be identified.

Oil is much cheaper here than it is in Britain, but that is due to basic economics and the economies of scale that come with bulk purchases. However, can anyone stand up and say that consumers here fully benefit from bulk buying? In her response to the OFT report, the Minister urged householders to plan ahead. As someone who has personal experience of this, as I know many other MLAs on this side of the House do, I say to the Minister that it is difficult to plan ahead when oil is so expensive and many people's incomes are so desperately low. Competition is working only for those who can afford to purchase large quantities of oil at a time. It is completely failing everyone else, particularly those most in need, vulnerable people and rural dwellers, who are often completely dependent on oil to heat their home.

I turn now to the problem of the use of small drums of oil that, on average, cost £19.58 or £2,700 per annum if it is the only source of home heating oil. That compares badly with larger fills of oil. Take 500-litre fills, for example. An average of 5.5 fills of that quantity are needed at an average cost of £1,732 a year. That is a difference of some £1,000. That is £1,000 extra profit that someone somewhere is making. Furthermore, it looks much worse when you consider that it costs £595 to heat an average home for a year with natural gas.

From what I can see, part of the problem, unfortunately, lies with the fact that those in highly paid positions in the Civil Service are completely out of touch with reality. They have no idea what ordinary people have to live through and, therefore, dismiss the notion of introducing regulation as pointless. I appeal to the Minister to listen to the concerns that MLAs from all parties will bring to her today about the high price of oil. As a constituency MLA, I am sure that those concerns have been raised with her directly.

The argument has been put forward that regulation will add to consumers' bills. That will need to be looked at instead of using it as an excuse to rule out legislation. It may incur an initial cost for consumers, but the other benefits would likely outweigh those costs. The Consumer Council has carried out sterling work, as have other advocacy groups, in calling for regulation and outlining the reasons behind such a move very well. It claims that the current policy to regulate gas, which has 16% of the market, and not regulate oil, which has nearly 70% of the market share, is counterintuitive. Regulation would provide much greater consumer protection, encourage greater competition in the market, ensure that consumers pay a fair price and aid transparency and confidence in the market. Regulation would ensure that companies invest in the industry to keep it competitive and to increase energy efficiency. It is sheer madness that gas and electricity suppliers must provide grants to consumers to increase their energy efficiency, and yet the oil industry, with an annual income of £360 million, is exempt from such schemes. Regulation would also guarantee a certain standard of customer service and reliable equipment, as well as the servicing of boilers.

The cost of crude oil cannot be influenced by an intervention from the Assembly. However, regulation would provide consumers with reassurance that the price that they pay is reasonable. Consumers plainly see that prices do not drop in line with wholesale prices anywhere near as quickly as they rise. Regulation is needed to ensure that savings in the wholesale market are passed on to consumers and that profiteering at any level in the supply chain is identified quickly and dealt with appropriately. We need regulation to ensure that that can happen. Regulation would also ensure that standards are met and that boilers

are fitted properly and are adequately efficient, saving consumers more money.

National Energy Action strongly advocates a position where regulation should include health and safety issues as well as investigations into pricing structures. The OFT report that I mentioned earlier focused solely on competition and did not take into account the added benefits that regulation would bring. The reluctance of the Oil Federation to enter into meaningful talks with the Consumer Council as the representative body for consumers and agree a code of practice voluntarily, despite repeated attempts to do so by the Consumer Council, is a serious problem. We cannot allow those talks, which have been going on for over a year, to continue without any progress. It appears that the industry is completely unwilling to move; therefore we, as an Assembly, need to move it. Those are the primary reasons why we need regulation.

I look forward to a productive debate on this important topic. I cannot see a situation where my party would support the Alliance Party's amendment, as we feel that it does not go far enough and would, ultimately, result in little change for consumers.

Mr Lunn: I beg to move the following amendment: Leave out all after "notes" and insert

"with concern, Northern Ireland's over-reliance on our unregulated home heating oil market; and calls on the Minister of Enterprise, Trade and Investment to engage further with the Office of Fair Trading, the Consumer Council and the Utility Regulator, whilst also encouraging pre-payment schemes operated by local councils, with a view to addressing consumer concerns."

I feel that the amendment more accurately reflects the problem, and, in so far as Governments can influence the situation, it points towards actions that may, to a limited extent, alleviate the problem. The Alliance Party cannot support the motion as, frankly, it is unrealistic, and it is not clear what the Minister can do beyond what the Consumer Council already does. For once, I applaud the Consumer Council — it is a fine organisation. I understand that it contacts every supplier three times a week to check prices, which are then published online to allow customers to compare. Unfortunately, oil prices are volatile, and suppliers can only realistically sell at a price that reflects the price at which they purchased their current supplies.

That can lead to anomalies: if the wholesale price is dropping, individual suppliers may have to maintain their retail price for oil already purchased, whereas another supplier, perhaps with less storage capacity, will have replenished his stock at a lower wholesale price. Of course, the converse is true if the wholesale price is rising. However, that confirms that it is worthwhile to shop around and purchase, if you can afford to, in the summer months when prices tend to be lower or at other times when, due to many factors, particularly world events, there may be an opportunity.

For a variety of reasons, I do not believe that there is a role for a regulatory regime in this market. The industry is completely different from the electricity or natural gas industries. It is not dominated by two or three major interests. Mr Flanagan acknowledged that there are about 300 suppliers, the result of which is a very healthy level of competition.

5.30 pm

The profit margins are low, but, even so, the competitive environment is strong. For example, I checked the prices as of 2 February. The average price in Northern Ireland for 500 litres was £313 on that day. That varied from £300, available if you bought the oil online, to £335 in some areas of the north coast. Some people might think that that small range of prices, barely 10%, is an indication of some sort of pricing agreement or price fixing, but I think that the opposite is the case. Profit margins are so tight that even the suppliers who compete most aggressively have little room for manoeuvre. They have the same problem with basic costs, storage, transportation and insurance, which is hugely expensive. In fact, Mr Deputy Speaker, if anybody thinks that there is a problem with car insurance in this country, they want to try to insure an oil tanker. It is hideously expensive, and there is a very limited market prepared to do it. That is to say nothing of road tax and all the rest.

There may be a case for the Department, the OFT, the Consumer Council and the Utility Regulator to conduct an investigation, and our amendment suggests that, if only to see whether there is any evidence of price fixing or profiteering from fluctuating world prices. Frankly, I doubt it. That is an accusation frequently levelled at the gas industry, but one that is not generally backed up by similar

investigations. I will say it again: suppliers can sell only at a price relative to their purchase costs. However, we feel that an investigation led by the Department of Enterprise, Trade and Investment is perhaps worthwhile, just to nail down the facts. Indeed, the OFT investigation that we discussed a couple of hours ago did at least bring some clarity to the situation around insurance.

The motion goes on to make the point that a lot of households have no choice but to purchase their heating oil in 20-litre drums or similar small quantities. Let me say clearly that I have enormous sympathy for anybody who finds themselves in that position. Seventy percent of our homes rely on oil to heat them properly, with others relying on coal, for which there is perhaps a similar problem and anomaly in price. A considerable number of people within that 70% do not have the ability to buy in bulk due to their financial circumstances. They may not have a bank account or the facility to use a prepayment method, which is normally based on a standing order.

I am not clear as to why the proposers have chosen to highlight the cost of a 20-litre drum. It is obviously more expensive to supply oil by that method, just as it is possible to produce economies of scale and supply, say, 1,000 litres at a lower cost per litre than when supplying 300 litres. The delivery cost is the same in both cases. There is bound to be a differential. I understand that the difference between the unit cost of those two quantities, between 1,000 litres and 300 litres, means that, at the moment, there is a 15% better deal if you buy the bigger quantity. I have not tried to work out what the differential would be for a 20-litre drum, but it must be massive. As I said, I have nothing but sympathy for anybody who has to rely on that particular form of purchase.

The question is not around regulating the price, which would probably make it impossible to supply small quantities, but around what can be done to remove the need for households to purchase in those quantities to begin with. It would be nice, for instance, if a system of self-service were in place to allow the refilling of such drums by the customer. However, I fear that there would be health and safety and environmental considerations that would rule that out and make it unrealistic. Therefore, we advocate that the prepayment schemes run by some local councils be further encouraged.

I understand that at least five local councils currently operate those schemes. That is in the terms of our amendment.

We also suggest that there may be other innovative ways to try to make it easier for people to buy a slightly bigger amount of oil and benefit from the economies of scale. I suggest that the Department could perhaps engage with the banks, the Post Office, the oil companies and charities to ensure that every option for prepayment is explored and to seek to provide innovative solutions. The social protection fund was mentioned earlier today. That is another avenue.

What is really needed is for people to be able to buy, perhaps by means of a loan, their first fill of oil, and then to be able to build up, by a prepayment method, in time for the next fill. If we can get them started, we might be halfway towards some sort of solution. The Department for Social Development (DSD) and the credit unions may have a part to play. There are options that are worth exploring, and that is why I would like the Department to conduct an investigation of its own.

It is an absolute disgrace that, in 2012, in one of the richest countries in the world, some people still cannot heat their homes. However, price regulation will not solve that problem, and we, therefore, offer our amendment to the House as an alternative to the motion.

Mr Newton: I support the amendment from Trevor Lunn of the Alliance Party. The natural concern for any MLA is to do what he or she can to alleviate the problems of constituents coming into the constituency office. The problem of fuel poverty, with its associations with debt, is undoubtedly a major concern for all MLAs.

When the Office of Fair Trading made its presentation to the Enterprise, Trade and Investment (ETI) Committee, there was a lot of interest from Committee members and a fair amount of discussion on the issues that the OFT report raised. What there was not was a definitive Committee position on how the identified problem of the 20-litre oil drums could be solved. However, the report indicated that, in the Northern Ireland energy market, there is competitiveness among oil suppliers. There was no evidence at all of either a cartel or of a price-fixing operation as a result of oil suppliers getting together. There was no evidence whatsoever of that.

Obviously, we are all concerned when consumers have only one energy choice and do not have the option of changing their home heating energy supplier, and that is to be regretted.

The OFT report was presented in, I think, the latter part of last year. I do not remember Mr Flanagan raising in Committee many of the points that he has raised today, but that is a matter for him to determine. The OFT report confirmed that there was genuine competition in the oil market, that most consumers had the choice of at least 10 suppliers in their immediate area and that 90% of the cost of oil, as Trevor Lunn mentioned, is outside the costs of distributors. I remember from a previous spell on the ETI Committee a discussion on the energy market in which we heard how a tanker could leave a port full of oil and how that oil could, in fact, be bought on four different occasions as the tanker sailed to its destination port to discharge its supply, such was the competition in the energy market.

The report also confirms that retail and wholesale prices in Northern Ireland have been consistently lower than those in other parts of the UK. However, that should not take away from all our concerns for our own constituents.

One thing I want to say is this: in preaching the case for regulation, Sinn Féin needs to understand that regulation does not come free; it does not come without a cost. Someone has to pay for it at the end of the day. Indeed, I join Trevor Lunn in expressing concern about people buying high-cost 20-litre drums. Those drums are designed for emergency supply only, not regular supply. The problem, then, becomes one of debt, not regulation.

Mr Nesbitt: The Ulster Unionist Party will be supporting the amendment. We happily call on the Minister to further engage with the Office of Fair Trading, the Consumer Council for Northern Ireland and the regulator to see what more can be done. The bottom line is that we need to reduce the risk to those in fuel poverty, particularly the elderly and the vulnerable. It would not be overly emotive to say that people in this country die during cold snaps because they cannot afford the energy they require to heat their homes to a level that keeps them alive.

I understand that reducing fuel poverty was a target that went unmet in the last mandate. Indeed, I believe that household fuel poverty rose from 36% to 44%. Since this mandate

began in May, we have seen Power NI's electricity prices rise by 18.6%, which happened last summer, forcing even more families into fuel poverty. That is not necessarily the fault of the House or the Executive; there are global forces at work here. However, it is a definition of the problem that we are trying to tackle on behalf of our citizens — citizens who are paying over £500 for 900 litres of home heating oil. As many Members referenced, the price per litre of a 20-litre drum is quite punitive. Think back to last winter when we did not have just one cold snap but a series of them: I think that we can assume that many of the most vulnerable were not buying one but a series of relatively expensive 20-litre drums at a huge cost to themselves, not just financially.

I believe that we need to consider the involvement of the regulator. However, we must remember that the chief function of a regulator is, effectively, as a substitute for competition. Compared with the electricity and gas markets, the home heating oil sector is relatively competitive, certainly at the retail or distribution level. So if the regulator were to become involved, it would have to do so in a manner that was entirely focused on the consumer and on being consumer-friendly. As I understand it, the office of the regulator already operates with an annual budget of £7 million, paid for by licensees in the oil and gas sectors. We are not keen to see a similar levy on home heating oil retailers, because that would inevitably mean that the price would be passed on to the consumer.

I note that in the autumn ahead of the Conservative Party conference, the Prime Minister complained that the top six energy companies in England were too powerful and too influential. We may look enviously at that position because we do not have enough competition, particularly in gas and electricity. Since I was elected, I have asked many times, privately and publicly, whether the consumer is better off since electricity was privatised 20 years ago, on the basis that privatisation should drive down price and drive up service. The best answer I have been given is that the consumer has a better security of supply. However, I wonder whether that would have happened anyway over the past 20 years, as new technologies were introduced.

As for the home heating oil industry with some 300 suppliers, we rest in a position where there is still a lack of clarity and a lack of transparency.

That needs to be addressed, and the best way to do so initially would be for the Minister to engage in further talks with the relevant bodies, as the amendment suggests. Beyond that, I suggest that we need imaginative solutions such as brokering, which would allow people in defined geographical areas to make bulk purchases.

I also look forward to the outcome of the pay-as-you-go pilot scheme. The Minister for Social Development, when questioned by me in the House the other day, was unable to say who would own the unused oil in oil tanks. I am happy to see that he has responded to a question for written answer to inform me that the Department for Social Development is working with the Housing Executive and two private sector companies: Kingspan Renewables and Carillion Energy Services. He says that Carillion will monitor oil levels, buy the oil, own the unused oil and contain the risk in the event of theft.

5.45 pm

Mr Flanagan: I do not want to stand up in a second consecutive debate and say that I am confused, but I am confused. In its 12-point pledge in December 2011, one of the Ulster Unionist Party's key policies was the regulation of the home-heating oil industry. Will the Member explain what has changed since December 2011 when that commitment was party policy?

Mr Principal Deputy Speaker: The Member has an extra minute.

Mr Nesbitt: Thank you, Mr Principal Deputy Speaker. I thank Mr Flanagan for raising the issue. I said that we need to consider the involvement of the regulator, but not at any cost. Let me be clear again: the regulator has an operating budget of £7 million per annum, which is paid for by licensees in the gas and electricity sectors. If we incorporate oil, and we can see the wisdom of looking at that, we do not want every retailer and distributor to be charged a levy that would automatically be put onto the price of oil, which would force more people into fuel poverty.

Mr Principal Deputy Speaker: The Member's time is up.

Ms Ritchie: In supporting the motion, we must be aware of rising fuel poverty and its pernicious impact on many people throughout Northern Ireland. We must also recognise that we are debating this issue on the day that Phoenix

Gas decided not to comply with the decision of the Utility Regulator on gas prices, which could plunge people into further fuel poverty and render them unable to buy fuel.

It is also worth noting the large number of households throughout Northern Ireland that use home heating oil; more use home heating oil than other forms of fuel. I suppose that is because only certain parts of Northern Ireland have had the natural gas network extended to them. I hope that in the fullness of time the Minister will use her influence to ensure that the natural gas network is extended to most areas so that that opportunity is available to the consumer.

I have written to you on several occasions about that matter and about the need to provide some form of regulatory system for home heating oil. There is no doubt that this winter has been much milder than the last one, but oil prices continue to soar and place an intolerable burden on household finances.

Over 68% of homes in Northern Ireland use home heating oil to heat their homes; that percentage increases in rural areas. In my own constituency of South Down, the percentage is 82%. It is worth noting, and we all experience this, that 900 litres of home heating oil now costs well over £500. Gas and electricity customers benefit from a regulatory framework, and home heating oil customers should benefit from something similar. It is unacceptable that the most common form of home heating in Northern Ireland does not have that regulator. Although oil prices are determined by global markets, there is no oil regulator in Northern Ireland, which means that there is no governmental control over our chief heating form.

Oil prices are determined on the global market and oil is imported through the ports. There are only four importers in Northern Ireland; three at Belfast port and one at Derry port. Is there a possibility of looking at the price charged to the distributor who collects the oil after it has been refined by the importer and distributes it to other people in the chain? Could that be examined to drive down the price of home heating oil for the consumer?

The SDLP believes that the regulation of home heating oil would ensure fairness and transparency in the market. It would also restore consumers' faith in the market and in what they are paying for. Levels of fuel poverty are rising,

and fuel poverty is determined by the level of income that people receive, by fuel prices and by energy efficiency.

Although the Government can control energy efficiency through DSD initiatives and cavity wall and loft insulations, it is, perhaps, more difficult at the moment to control fuel prices. Considering that the biggest amount of fuel, used by the largest group, is home heating oil, that area needs to be looked at. It is impossible to regulate incomes throughout the private sector. Therefore, the area of home heating oil needs to be looked at for the most vulnerable people.

There is a duty of care on the Department of Enterprise, Trade and Investment (DETI) to introduce an oil regulator and to regulate for vulnerable groups. There is an onus on the Executive and wider Assembly to ensure the health of our people and protect them from cold and damp living conditions. We should not be placing our people in a position where they have to heat or eat.

Mr Principal Deputy Speaker: Bring your remarks to a close.

Ms Ritchie: In supporting the proposal for regulation, I urge the Minister to look at the whole area of the importation of oil to see whether some form of regulation could be brought in around the port area.

Mr Frew: I support the amendment. It is worded better than the motion and brings forward a much more holistic approach. However, it could have gone further in addressing the whole problem around fuel poverty and by including not just one Minister but the whole Executive.

Let's face it: fuel poverty is probably one of the biggest challenges in our lifetime. It is probably one of the biggest issues, if not the biggest, that we as politicians will have to face in our careers. At the minute, it seems that it will get worse rather than better, so we have to be very careful how we tackle it. We cannot drift off at a tangent in one direction and forget about the rest. So, it is very important, when we talk about all aspects of fuel poverty, to keep it as holistic as possible and to include all elements of the problem in order to resolve it and ease the pressure on the population that we serve.

When we talk about fuel poverty, let us remember that it is not only about the price of energy, which is a severe pressure on our people; it

is also about the wages and incomes of our people and the energy inefficiencies of their houses and buildings. To put that in perspective, I received information only today that we in Northern Ireland pay slightly less for our fuel than the average price in the UK. That tells me that the other elements of fuel poverty are as much, if not more, to blame than the price of fuel. Do not get me wrong: the price of fuel is crippling, terrible and needs to be addressed. However, it is not just heating oil. Electricity prices rose last year.

Mr F McCann: I am just reading the motion that my colleagues have tabled. I understand that home heating oil may be cheaper here than in other jurisdictions, but the point that they are making is that the people who deliver and sell the oil are taking advantage of people by selling 20-litre drums, which are dearer per litre. Therefore, although some people may be able to buy 500 or 1,000 litres of oil, others, who cannot afford it, are being forced to pay higher prices. That point is also being made in the motion.

Mr Principal Deputy Speaker: The Member has an extra minute added to his time.

Mr Frew: Thank you, Mr Principal Deputy Speaker. I can read the wording of the motion. However, let us be very clear. As has been mentioned, there are around 300 oil distributors in Northern Ireland. Every one of them is a business in its own right. The people who own those businesses are trying to make a living for themselves, their workers and their families. If they could solve the problem, they would. People may be forced to buy a 20-litre drum of oil. However, that is not the oil companies' fault.

We have to be extremely careful in how we portray the oil industry in Northern Ireland. Those businesses provide income to families. They provide jobs. It is extremely important that Sinn Féin does not tar the entire oil industry. Certain terminology is being used in the debate. I am sure that we will hear it in tomorrow's news. I have seen it in print that the industry is accused of being some kind of cartel because it fixes prices and makes it more difficult for people to buy oil. That is a serious allegation to make about a private sector industry that tries its best in these difficult times. Remember that those people also have to put fuel in their vehicles in order to distribute oil. Therefore, let us not take away from the fact that those people also find it difficult in these economic times.

It is easy to blame one aspect for the entire problem. We, as elected Members, and the Government must think about the issue holistically. We cannot go blaming one sector for fuel poverty, or anything like that. We must ensure that we focus our minds on the entire problem in order to fix it. When we talk about regulating the industry, we must be extremely careful that we do not send a message out to people that by regulating oil companies and distributors, we will bring prices down. Quite simply, that is untrue. In fact, if anything, if we regulate the industry and make it more bureaucratic, that could put prices up.

I know that the Consumer Council has lobbied hard on fuel poverty. It does a lot of good work. However, it seems to be fixated on that issue alone. It needs to take a step back and look at the issue more objectively. A problem exists. It needs to be looked at holistically. I brought a motion on winter fuel payments to the House.

Mr Principal Deputy Speaker: The Member must bring his remarks to a close.

Mr Frew: The Assembly and the Executive must look at fuel poverty much more seriously — not just one aspect of it, but the entire issue.

Mr McKay: Go raibh maith agat. My party's focus in the debate is on fuel poverty, not on oil companies or a particular section or player in that field. We can see what has been said by Age NI and National Energy Action (NEA) — groups that represent older people who are suffering from fuel poverty and which are charged with dealing with the issue. They say that regulation is needed. They are not the only ones to say that. As my colleague has already mentioned, the Ulster Unionist Party has said that there is a need for regulation because of exorbitant oil prices, and Nigel Dodds has also said that in Westminster. Therefore, I fail to see why the Assembly does not have the courage to look at the issue in greater detail.

Had the Alliance Party's amendment made more reference to discussions on regulation, perhaps my party would have supported it. However, because that is absent, we cannot support it.

Mr Agnew: I thank the Member for giving way. Does he agree that if prices were regulated, it would also bring transparency to the industry and could provide an industry standard that does not currently exist? A perfect example is that the OFT report is based on the responses

of two oil suppliers in Northern Ireland. That is because there is no transparency and, indeed, because the industry as a whole refuses to engage.

Mr McKay: The Member makes an important point. Certainly, we learned from the OFT's presentation that little work has been done in that regard. The Consumer Council has done a lot of work — fair play to it. However, that work should have been done by DETI, politicians, Ministers and the Executive. All of that work should have been done and should be done.

6.00 pm

We should not run away from the issue. Age NI has voiced concern at the high dependency on oil and the fact that oil here can be 70% more expensive than gas. As regards the variance in price between here and Britain, there is not an over-reliance on oil in Britain; there is much more of an over-reliance here. Only 7% of homes in Britain use home heating oil, compared with 68% here. We are not comparing like with like. There is only a minor rural market for home heating oil in Britain; that is not the case here. There is greater dependence on and demand for home heating oil here, and that has an effect on unit cost and the price per litre. Consumers still require assurance that the cost to them is as low as possible. I urge Members to think about that before they vote on the motion.

It is a serious issue. Members of the parties opposite have said that fuel poverty is a serious issue and we need to get to grips with it. We will not do that by adopting a motion with what is, with all due respect, a wishy-washy amendment that does nothing of any substance. We need to put forward something that demonstrates to the public that we are serious about fuel poverty and that we will look at the issues around oil companies and ensure that families' incomes are protected. That is an important point. We should not run away from the issue; we should support the motion. We should ask the Minister to bring forward proposals for regulation as soon as possible and consider all the factors that will have an impact.

As I highlighted, Members of every party have said, at one time or another, that we need regulation of home heating oil. We have seen seismic increases in oil prices in recent years. Members of the public, consumers and older people are crying out for protections. Those who are charged with looking at the issue of

fuel poverty have said that we need regulation and we need it now. Let us not rush into it, but let us consider the issues. Let us ensure that we adopt the motion rather than leaving the Chamber after a hard day's work with a wishy-washy motion —

Mr Frew: I thank the Member for giving way. Will he explain how he thinks regulating the industry will bring the price down? Look at the regulated industries in Northern Ireland, namely the electricity and gas markets. Prices in both those industries have increased greatly over the past year. We are talking about a 20-odd per cent increase in electricity prices and increases in gas prices of 40% in greater Belfast and of more than 30% in the 10 towns.

(Mr Speaker in the Chair)

Mr McKay: I thank the Member for his intervention. Five hundred and eighty million pounds was spent on home heating oil here in 2010. Not one penny of that went back into communities to deal with fuel poverty or address any of the problems that we have talked about today.

We are not talking only about the regulation of price; we are also talking about the issues that Mr Agnew raised. There should not be any confusion. The motion is not about a specific type of regulation; it is about all types of regulation of the oil industry. Let us not be totally specific in that regard. We need to look at this. Only last year in Westminster, of all places, the DUP MP for North Belfast raised the possible regulation of the home heating oil industry and the exorbitant prices that households are charged. I understand why he raised that, coming from a constituency such as North Belfast. There are parts of all our constituencies where the issue greatly affects people who are vulnerable and those on a low income. As I said, we cannot run away from the issue. Fuel poverty is a big issue, and, if we are serious about tackling it, we need to support the motion.

Mr Dunne: I welcome the opportunity to speak in support of the amendment. There is no doubt that Northern Ireland is over-reliant on home heating oil as the main choice of heating. Almost 70% of the population rely on oil for their main source of heating. Unfortunately, many struggle to heat their home and pay their bills. Regrettably, many have recently slipped into fuel poverty, with households spending more than 10% of their income on heating their

home. As over 90% of the cost of home heating oil is subject to the world price of crude oil, it is, unfortunately, beyond the control of the Assembly and the Executive to have a major influence on the price of home heating oil. However, realistic measures can be prioritised to help to alleviate fuel poverty.

Home heating oil in Northern Ireland is currently cheaper than anywhere else in the UK or, indeed, in the Republic of Ireland, where it is 20p a litre more expensive for 900 litres. It is vital that there is a competitive market for prices to remain competitive. I checked an oil comparison website at the end of last week, and there was a difference of 3p a litre for 900 litres among 40 companies throughout Northern Ireland. Competition is healthy in Northern Ireland, which has the largest number of suppliers in any region of the UK. People should be encouraged to shop around when purchasing oil to ensure that they get better value for money from their oil distributors. Prepayment schemes from companies should be encouraged. Council initiatives have proved effective in helping those who struggle to pay bills. Belfast City Council's Be Warm scheme is a good example.

Fuel efficiency measures are another realistic way to reduce the cost of heating homes. It is a cross-departmental issue. Much positive work has already been done by the Minister for Social Development to tackle fuel poverty. I trust that that work will continue. Schemes such as the warm homes scheme and the boiler replacement scheme are practical and realistic fuel efficiency measures. The commitment to double glazing by the Northern Ireland Housing Executive is another positive measure.

We need to ensure that Northern Ireland moves away from its long-term over-reliance on home heating oil. We need to continue to look at alternative energy sources. The extension of the gas network will give greater choice to users here, as have other developments in the rest of the UK. In my constituency of North Down, there was good news last week that the gas network will be extended to Millisle, which will give residents and businesses there greater choice and better value.

The news last week that gas price tariffs for Belfast users may drop by 10% from April is welcome news and shows the potential benefits of more people moving to gas. There should

be greater use of existing gas supply systems, especially in the greater Belfast area, where there is a relatively low uptake by domestic and commercial users. That issue was highlighted by Lord Whitty during his evidence session at the Committee for Enterprise, Trade and Investment in December 2011. An incentive scheme to encourage users to switch from oil to gas would help to address the issue.

Mr Copeland: The Northern Ireland house condition survey, which was conducted by the Housing Executive in 2009, showed that 44% of households were in fuel poverty and 13% were in extreme fuel poverty, which equates to spending at least 20% of their income on heat and light. Since then, as we all know, Northern Ireland has suffered two of the coldest winters on record and experienced significant increases in energy prices and the effects of an increasingly deep economic downturn. Therefore, it can be expected that that figure has risen considerably since 2009.

Northern Ireland outstrips its UK counterparts in the size and scale of the problem of fuel poverty. It has higher energy bills than England, Scotland and Wales, and the majority of households here use heating oil to heat their home and will typically have an annual combined oil and electricity bill in excess of £2,000. The cost of heating oil in Northern Ireland rose by 63% in the past two years. The size and scale of the fuel poverty problem in Northern Ireland is real and growing. It is an extremely complex problem, and single measures alone, such as the regulation of the home heating oil industry, will not totally solve it. With an almost 70% reliance on oil, Northern Ireland is predisposed to the problems of fuel poverty, given the world economic condition. That is key to the problem, and it includes issues such as the installation of meters, the financial outlay for a fill of oil and the unregulated nature of the oil industry, all of which require attention.

The most evident difficulty with fuel is price volatility. The Consumer Council's oil price survey showed that the average price of 900 litres of oil increased from £358.78 in December 2009 to £547.18 in December 2011. That is a huge leap. Fuel prices in Northern Ireland respond to fluctuating wholesale prices that are set internationally and dictated by the oil companies that supply Northern Ireland. There are questions about why, for example, some of the most expensive oil is found at the closest

points to the areas of importation. Local distributors have no control over many of those prices, and the price moves —

Mr A Maskey: I thank the Member for giving way. I have listened to the Member, and it is almost as though he is arguing against the position that he and his party colleagues have adopted. Certainly until recently, the principle of regulation was your party's position. So, given that 16% of consumers use gas and there is a regulator for that industry, why do we not follow regulation through to its logical conclusion? For the 68% of the population that uses oil, why should there not also be a regulator, given that regulation seems to work to the benefit of gas consumers?

Mr Speaker: The Member has a minute added.

Mr Copeland: How long, sir?

Mr Speaker: You have a minute added on to your time.

Mr Copeland: I thank the Member for his intervention. I also thank the Chair for giving me that.

There are differences in the way in which the gas and oil industries operate. For example, the gas industry is split between supply and distribution. Once fitted, pipes are a fixed capital outlay, whereas the oil industry has ongoing costs, including the tankers that many companies have. The oil industry is quite heavily regulated in how the stuff is transported and held and through the licences required to store it. So, we are not against regulation; we are saying that regulation in some way needs to be considered.

It comes back to the basic premise of all this. There is a common theme between the motion and the amendment: both call on the Minister of Enterprise, Trade and Investment to do something. We are essentially calling on her to recognise that there is a concern surrounding the issue and that regulation may be one of a raft of considerations that she needs to pay attention to.

Local distributors have no control over price movements. The price moves daily, and, as we know, it is affected by global oil price movements. In recent years, currency speculation and movements in currency have played a role in oil price movements. Again, those have a high impact on wholesale and retail prices.

Regulation, along with other measures, may significantly ease fuel poverty in this Province. Those measures include maximising benefit uptake; winter fuel payments; the expansion of the warm homes scheme; the adoption, perhaps, of the Kirklees method of approaching the warm homes scheme; energy brokering; and incentivising households to switch to natural gas. The recent Office of Fair Trading report on the oil distribution business in Northern Ireland stated that it is an oddity that, with our large dependence on oil as a fuel in Northern Ireland, we had not resorted to regulation as yet. That alone gives us cause to at least examine the issue. Both on price and the insulation standards, oil should be examined alongside an energy company obligation or levy for fuel-poor initiatives, as is the case with electricity and gas. However, consideration must be given to the cost of regulation falling on the consumer. If it does not fall on the consumer, it will fall on someone.

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

Mr Copeland: Oh Lord. *[Laughter.]* I have given the House a fairly clear indication of my and our position on the issue, and I thank you for your perseverance.

Mr G Robinson: In recent months, my constituency office has been inundated with requests for heating systems in Northern Ireland Housing Executive homes to be transferred to forms of heating other than oil. I am sure that many Members will have experienced the same requests, which have their roots in the high cost of home heating oil. Indeed, as my colleague Paul Frew mentioned, we need to look at the causes of all forms of poverty, such as electricity prices, heating etc.

There is no doubt that the most vulnerable — pensioners and low-income families — suffer most from the high cost of heating their homes. However, help is being given to those groups and individuals. It is a fact that many of those people can only afford to heat their home by using the small drums of oil for which they pay a much higher price a litre. In short, they get much less heat for their pound. It must also be remembered that the Executive have given an additional amount of approximately £100 to those most in need of keeping their home warm. They are playing their part in tackling fuel poverty. Any attempt to address the issue must come from the Executive as a whole and not from just one Minister. I hope that the

Members who tabled the motion are not trying to play political games with a serious subject. I congratulate the Executive on what they have done, but we are not finished with the topic. There will be discussions for many years to come on the best way to address fuel poverty. Addressing just one area of fuel poverty will not solve the overall problem. It is the duty of the Assembly to address all the causes of fuel poverty and to help to find a solution.

6.15 pm

Regulating the home heating oil industry will not solve the problem, especially when over 90% of respondents to a recent survey were content with and understood pricing. In my local Limavady Borough Council area, people are helped to budget through oil stamps and other prepayment schemes. Those must be welcomed and encouraged. However, regulation alone will not change the difficulties experienced by those in fuel poverty. The Members who tabled the motion are misguided in their approach to solving fuel poverty. Therefore, they must support the amendment.

Mr Agnew: Much has been made of the report by the Office of Fair Trading. The report makes an important contribution to the subject, but I, for one, have a few issues with it. As I mentioned in my earlier intervention, only two oil suppliers in Northern Ireland responded to the Office of Fair Trading's study. That highlights the problem with the transparency of the industry here. Another problem with the report was that it examined only competition and price issues. It did not examine the service or, as I said, the issue of transparency. Ultimately, the conclusion of the report was a recommendation for the UK as a whole that did not address Northern Ireland's specific issues. Although there may be no need to regulate the home heating oil industry in England, Scotland and Wales — it has been pointed out that they are much less reliant on oil than we are — the Office of Fair Trading did not specifically report on Northern Ireland. As mentioned, when it did specifically refer to Northern Ireland, it reported that, given our reliance on oil for heating fuel, it was an oddity that the market here was not regulated. So there was a hint in the report, but the conclusions were not specific to Northern Ireland and are, therefore, not specifically relevant.

There has been a lot of focus on price and rightly so. Fuel poverty has been mentioned on

a number of occasions, and I have spoken in a number of debates on that issue. It is a key issue for me and my party. However, price is not the only factor. Service and transparency are two areas in which the regulator could intervene and make a substantial difference. When I was a student, like many others, I lived in various houses. I lived in houses that had oil and houses that had gas. If I had a problem with my gas boiler, I rang the company involved, and, in no time, someone was out to ensure that there were no health and safety issues. That was a great service, but you do not get that with oil. Indeed, on the many occasions when my oil boiler has been airlocked, I had to bring in a plumber. I am aware that some distributors unlock oil systems, but not all of them do that. That is the type of benefit that regulation could give. It could provide an industry standard across the board that would ensure that all customers receive an adequate level of service and servicing so that they have efficient and safe boilers.

I touched on the issue of transparency. It has been highlighted that there are up to 300 oil distributors in Northern Ireland, yet only two responded to the Office of Fair Trading. There is speculation about how the price of home heating oil is set, whether it is set in a fair manner and whether there is any price fixing. I am not making any accusations that price fixing is happening, but we do not have transparency, and, therefore, we cannot give consumers confidence in that. It has been pointed out that 90% of the costs are beyond the control of the distributors.

Mr Frew: The report of the Office of Fair Trading, which was published in October 2011, states:

"As regards heating oil, and as set out in Chapter 4, the OFT has not, in the course of its study and on the basis of the evidence seen to date, found reasonable grounds for suspecting the presence of any feature or features of the heating oil retail distribution market in the UK that may prevent, restrict or distort competition in connection with the supply or acquisition of domestic heating oil in the UK or part of the UK."

That seems very plain to me.

Mr Speaker: On this occasion, I cannot afford to give the Member an extra minute, because he would be eating into the Minister's time.

Mr Agnew: No problem, Mr Speaker. I thank the Member for eating up my time.

As I said, I made no accusation that there is price fixing, but there is not consumer confidence. Given the example of last winter, when the price of heating oil rose by up to 50%, yet the wholesale price rose by only 10%, questions need to be asked and transparency is required.

I support the motion, and, touching briefly on the amendment, I think that it is absolutely key that —

Mr Speaker: Unfortunately, the Member's time is up.

Mr Agnew: I cannot support the amendment. I support the motion. The Assembly needs to take action in the interests of consumers.

Mrs Foster (The Minister of Enterprise, Trade and Investment): I welcome the debate and the opportunity to respond to the motion and the amendment. There is no doubt that energy prices, including those for oil, present a real challenge to homes and businesses — it is important that we remember that it is to both — in Northern Ireland. The challenge is all the more pressing in the current economic climate, as families and businesses are already facing real difficulties in making ends meet.

As Economy Minister, I am very aware of rising unemployment, and I appreciate the concerns that have been raised across the House about the cost of home heating oil, especially for those on a low income. However, the Department of Enterprise, Trade and Investment does not have a statutory remit for the Northern Ireland oil supply chain, which stretches back through the rest of the United Kingdom into Europe and, indeed, further afield. In the United Kingdom, we have an open market for the supply of petroleum products, and the oil sector operates in a highly competitive global market under national and European laws.

The UK Government policy framework for competition, which is regulated by the Office of Fair Trading and the Competition Commission, is an open market. The UK Government do not have a role in controlling prices, although there are safeguards in place to ensure that competition is fair and consumers are protected, nor do they have any plans to economically regulate the oil market in Great Britain. The Republic of Ireland and, indeed, most European countries also do not regulate the oil industry. In any event, neither the Northern Ireland Executive nor the United Kingdom Government can control the price of crude oil. I think that that has been

accepted in the Chamber today. We cannot control the price of refined petroleum imports, which are set by international commodity markets.

I want to turn to the volatility in the price of oil. It is important to note that a significant element of the price we pay for heating oil is based on what is called the Rotterdam jet kerosene spot market, which is used as a reference point for the wholesale price of home heating oil. Retail prices across the United Kingdom, as well as in the Irish Republic and Europe, move broadly in line with the spot prices. The traded wholesale price of jet kerosene closely follows the traded price of the crude oil from which it derives plus an additional refining margin. It has also been noted that retail oil prices tend to be more volatile than those for gas or electricity. That is to be expected, as they track closely the trends of the Rotterdam jet kerosene spot market, which is subject to daily price movements and follows crude oil prices.

The Office of Fair Trading found that, over time, more than 90% of the variation in heating oil prices was explained by movements in crude oil prices. That is compounded by terminals across the United Kingdom holding stock based on just-in-time delivery to control operating costs. So, if there is a huge spike, we will obviously get caught in it because people are not holding stocks of oil. That impacts on the price during periods of high demand, as was the case last winter, when a significant amount of the annual volume of Northern Ireland's home heating oil moved through the four terminals in a five-week period. The terminals here tried to hold additional stock over the winter period and will absorb that additional cost and not pass it on to the market.

The price of crude and kerosene has continued to rise over the past few years, which has increased the cost of a range of products. For example, the close-of-day price for kerosene on 4 January 2011 was quoted on Bloomberg at \$840 per metric ton, and that rose to \$1,008 per metric ton on 3 January 2012. That is an indication of how things have changed. Taken from the Consumer Council's website, the average fill for 500 litres for the same period saw a rise from £188 to £199. That trend is also reflected across the United Kingdom and, indeed, in many European markets.

As I stated before, the GB and NI oil distribution sector is considered to be competitive and

transparent on price. I know that that view is not shared across the Chamber. Some Members indicated that the Northern Ireland Oil Federation has not engaged with the Consumer Council. That is not true. The federation has met the Consumer Council a number of times, and, indeed, I understand, to address that call for more transparency, it has made offers to let the Consumer Council have sight of and go through its accounts. I have already told the chief executive of the Consumer Council that she needs to engage on that issue to deal with the concerns that have been raised in the Chamber. That offer by the Oil Federation should be taken up.

Regulation of the NI heating oil industry would be a significant departure in policy, not just from the rest of the United Kingdom but from the Republic of Ireland and, indeed, from most European Union countries. In any event, regulation of kerosene distributors is likely to have little impact on the retail price, and that point was noted by industry analysts and the Office of Fair Trading. It is important to remember that 90% of the price is set by crude oil.

The OFT off-grid energy market study, which was published in October 2011, found that the heating oil market in the UK was functioning well for consumers and that Northern Ireland consumers can choose from almost 300 local distributors, a point that many Members made. It suggested that targeted assistance to the most vulnerable is more appropriate and that measures should be addressed at the markets more widely. When Members quote from reports, they should put the quotation into the context of the paragraph from which it is taken. Right around the Chamber, I heard quoted the part from the OFT report that says:

"We recognise that it is an oddity of the NI market that the most common household heating fuel, heating oil, is unregulated while electricity and gas, which are much less common, are regulated."

That is absolutely right. It then goes on to say:

"We also recognise that regulation allows for other interventions, not just price control. For example initiatives to address fuel poverty or raise standards of conduct with respect to doorstep sales"

— a point that Mr Agnew made —

"can be implemented by way of licence conditions. However, these issues do not of themselves amount to a case for sector-specific regulation."

So it is a bit misleading for Members to quote from a document if they do not quote the whole paragraph. It then goes on to say:

"Consumer law offers significant protection from unfair trading – we discuss this in the next section."

It is important that Members set out the whole context of quotations.

The Office of Fair Trading report, of which we have heard much in the debate, found no evidence of competition problems that would require either enforcement of the Competition Act or intervention to regulate prices in the UK heating oil market. We have heard that consumers can choose the best price from at least 10 suppliers in each postcode area across NI, and, in recent years, wholesale heating oil prices have been lower in Northern Ireland than in other parts of the UK.

6.30 pm

Organisations such as the Consumer Council were keen to ensure that the focus of the OFT study remained on the distribution sector. I am aware of comments that the OFT had not reviewed the actions of refineries and larger wholesale importers, but the fact is that the OFT was not asked to do so.

Concerns have also been expressed about the price variation across Northern Ireland distributors, and it was suggested that that showed that the market was not functioning competitively. The case is, in fact, the direct opposite. I think that it demonstrates that large and small distributors, with different costs and overheads, need to compete for business, as is normal practice in a healthy market.

Mr Agnew: Will the Minister give way?

Mrs Foster: I will if you let me finish this point. I was rather confused by Sinn Féin's press release, which was issued before today's debate. It talks about huge price variations across Northern Ireland but goes on to say that cartels fix the price. Which is it? Are cartels fixing the price, or are there large variations across Northern Ireland? I am confused. Which is the Sinn Féin policy on the oil industry? I would like to hear whoever sums up on the party's behalf state which is the case, because it is important that we understand its position.

Mr Agnew: Minister, you referred to competition working and to the variation in price, but do you

agree that it does not work for all and that not every consumer has access to multiple suppliers?

Mrs Foster: Mr Agnew will probably not agree with me, but I do not think that regulation would fix that. There are other ways to deal with that issue. I agree with Mr Lunn's assertion that this is not about a regulation deficit; we are dealing with a debt problem that, regrettably, faces people across Northern Ireland. That is where the issue of the 20-litre drums of oil arises. The oil industry is not at fault for offering those as an alternative. The suppliers are providing a service which, regrettably, is needed at this time.

In January, the oil price watch on the Consumer Council's website reflected a range in published data of £26 for 900 litres. In September 2011, the Republic's National Consumer Agency showed a similar differential of €33 for 1,000 litres across the companies that it surveyed. They welcomed that as clear evidence of meeting their key objective of having a transparent and healthy market.

Before I run out of time, I want to answer some of the questions asked. Mr Flanagan said that he did not think that it would cost that much to bring in regulation. It is likely that the regulator would incur costs of up to £1 million to monitor the activities of around 300 distributors and oil importers. In addition, there would be administrative costs for the Department and probably for the Consumer Council. The local industry, which employs around 10,000, would incur costs to meet the regulatory requirements with which they would have to comply. All of those costs — every single part of them — would be borne by the consumer. Members may not want to speak about that, but they cannot shy away from it. They may think that regulation is the answer; the panacea for all the ills that we face. In reality, that is not the case.

We must, as a number of Members pointed out, think about wider solutions to the problems that we face. There are huge debt problems, which is why, at departmental level, we have invested more in debt advice and are working with the Department for Social Development on energy efficiency schemes. The Minister for Social Development is also working on energy-brokering schemes. Mr Nesbitt mentioned the scheme involving Kingspan and Carillion. I laughed when he chided me for not knowing the answer to the question. I may not know all the detail or minutiae of every single —

Mr Nesbitt: Will the Minister give way?

Mrs Foster: Let me finish the point, first. I may not know the detail or minutiae of every single Department, but at least I know what is in my party manifesto.

Mr Nesbitt: I thank the Minister for giving way. I was chiding Mr McCausland, the Minister for Social Development.

Mrs Foster: If I recall correctly, the question of who would own the oil was asked of me at Question Time.

In any event, I think that there is an issue, and I am not shying away from that. I welcome the debate, which has been useful in allowing us to talk about the issues around regulation. I genuinely hope to find out what Mr McKay meant when he talked about not just price regulation but other elements of regulation. I would welcome hearing his thoughts on that. I am not quite clear as to what else he is talking about regulating. I have certainly referred to licence conditions. Mr Agnew spoke about the level of service that needs to be achieved. The level of service is a simple issue: if you do not like the service that you are getting from one distributor, you can move to another.

It has been a useful debate. I look forward to the winding-up speeches and the continuance of the debate on how we solve not only the problems of fuel poverty but the wider issues that we face.

Ms Lo: I thank all the Members who took part in the debate. The main theme was the fact that the price of oil is pushing many families into fuel poverty. Mr Flanagan said that competition is not working in Northern Ireland, and we need a greater level of transparency. That was mentioned by a number of MLAs. He said that regulation will bring greater consumer protection. Many Members mentioned that issue and said that consumer confidence is needed.

In proposing the amendment, Trevor Lunn said that the motion is unrealistic and that it is worthwhile for consumers to shop around to get a better price. There are about 300 oil distribution companies here, so we have a competitive environment, as was mentioned by many MLAs. He said that there is bound to be a differential on a 20-litre drum of oil, because people are buying a smaller quantity. Economies

of scale mean that a bigger quantity would be cheaper. He was talking about more options.

Mr F McCann: Will the Member give way?

Ms Lo: No, I am sorry; I have only five minutes. We need to look at other options. Robin Newton said that the issue was a major concern for many MLAs, with constituents knocking on doors about fuel poverty, which many MLAs also mentioned. He spoke about the OFT report and said that there is market competitiveness in Northern Ireland and no evidence of price fixing. He said that 90% of the cost of oil is outside the control of local distributors, which many MLAs also mentioned. Retail and wholesale prices for home heating oil are, in fact, lower in Northern Ireland than in other parts of the UK. Again, many MLAs quoted that OFT finding. He said that regulation has a cost, which many MLAs mentioned. He said that a 20-litre drum of oil is meant to be for emergency purposes, not to be bought regularly.

Mike Nesbitt spoke about the risk to elderly and vulnerable people. Many MLAs mentioned fuel poverty. He said that people are buying a series of 20-litre drums, which is punitive and expensive for families. He said that, if there were regulation, the focus should be on consumers and making services more consumer-friendly and that the price of regulation should not be passed on to consumers. He supported our amendment and said that there is a lack of clarity and transparency and that the Minister needs to engage with the industry.

Margaret Ritchie urged the Minister to look at regulation and said that, given the fullness of time, natural gas should be extended to more areas in Northern Ireland. She said that DETI has a duty of care to protect consumers, and it is horrible that people are faced with the dilemma of heating or eating.

Paul Frew mentioned fuel poverty. He said that the regulation of the oil industry would not bring prices down, and that it is unrealistic. It may be the opposite: we need to look at all aspects of the causes of fuel poverty and not just blame the fuel industry.

Daithí McKay said that he could not support the amendment.

Mr Speaker: Your time is almost up.

Ms Lo: Gordon Dunne also mentioned fuel poverty and said we needed to take realistic measures to tackle it.

Ms J McCann: Some very valid points were made by all Members who contributed to the debate. As everyone said, the issue is common to all our constituents. It is a very important matter, particularly to families on low incomes, the elderly and the sick, who are the people who suffer most from fuel poverty.

When he opened the debate, my colleague Phil Flanagan said that competition was only working for those who can buy in large quantities. A number of Members said that. It is very important to remember that, although it is possible to get a 900-litre fill of oil, there are people who cannot afford to pay for that all in one go, and therefore have to get smaller drums. That is where the huge cost is, particularly for those on a low income or the elderly.

When we talk about the regulation of the oil industry, we are not just talking about the price of the oil but the service, boilers being properly fitted and other benefits. In proposing the amendment, Trevor Lunn said that the amount of suppliers and the competition that it brings is justification for opposing regulation, but I would say that —

Mr F McCann: Will the Member give way?

Ms J McCann: Yes.

Mr F McCann: You mentioned what Trevor Lunn said. He actually said that it is understandable that people will be charged extra for asking for a 20-litre refill. We need to think of those people most in need. We should be asking the oil companies to ensure that the 20-litre refills are as cheap as possible rather than supporting the additional money charged that he talked about.

Ms J McCann: I thank the Member for that intervention. I agree; and I will say again that the regulation of oil would not just be about the price but about fitting prepay meters, for example, in people's homes so that they can prepay for their oil. It would also mean that people could budget better. We listen to people saying that they are in debt, but they could budget for oil in that way.

Robin Newton said that he did not support the regulation but that he had a major concern about constituents who are in or are facing fuel poverty. He mentioned the cost of regulation,

but I believe that there would be longer-term benefits of that cost in what it would give to constituents and families.

Mike Nesbitt did not support the idea of regulation in the motion, and talked about fuel poverty and energy brokering. I suggest to him that we could use the purchasing power of the government estate to broker a better price if the industry was regulated. My colleague Phil Flanagan pointed out that the Ulster Unionist Party had supported the regulation of the oil industry in one of its proposals to tackle fuel poverty.

Margaret Ritchie commented on how she has consistently written to the Minister about the regulation of home heating oil. She made a very important point when she said that we should look at the distributors of oil instead of looking at all the separate suppliers. That was a very valid point, because the fact that there are too many suppliers and not that many larger distributors has been used as a reason not to regulate. Therefore, I think that that was important.

She also made the point that some people have to choose between eating and heating. That was particularly true of elderly people several years ago when we saw a huge increase in energy prices. All of us witnessed constituents coming into our offices in 2008-09 saying that they were actually forced to choose between heating their homes and eating. Therefore, that was a very valid point.

6.45 pm

Paul Frew also talked about fuel poverty, and most Members mentioned the importance of trying to get to grips with that whole issue and of how we can make a difference to it. He said that energy efficiency was important in fuel poverty. Regulation of the oil industry could bring it into line with the electricity and gas industries and could help with energy efficiency measures. Again, it is important to see the whole issue.

Mr Speaker: Order. There are a number of conversations going on across and around the Chamber, especially between Back-Benchers. If Back-Benchers need to talk, they really should do it outside. It shows total discourtesy to the Member who has the Floor. *[Interruption.]*

Order. Allow the Member to be heard.

Ms J McCann: I am starting to get a wee bit paranoid.

I do not think that anyone touched on social tariffs, but they have been mentioned in the Chamber before. That is a very important issue. We have electricity and gas regulators, and, if we also had an oil regulator, it would be much easier for us to try to push forward social tariffs for low-income families, particularly those with young children, the elderly and people who are disabled.

Daithí McKay said that there was a need for regulation and that many different groups are calling for it. He also said that it would bring transparency across the industry. He cited how Age Concern outlined the situation, and he also mentioned how the Consumer Council suggested bringing forward proposals. He said that a total of £580 million was spent on oil in the North of Ireland in 2010. That is a huge amount of money, but none of it goes back into the community. Some of the money from gas and electricity suppliers goes back in to communities through metering, and they also donate money to charities, for instance. Maybe if the oil industry were regulated, the situation would be different.

Gordon Dunne mentioned that the price of heating oil was outside the control of the Assembly and the Executive. He cited fuel efficiency measures, but, again, I will say that, if the industry were regulated, we would have a better sense of working with the oil companies to make such efficiency measures happen.

Michael Copeland said that the cost of heating oil had risen by 63% in the past two years. I think he said that he agreed that regulation needed to be considered, but he said that it was not the be-all and end-all. I do not think that anybody in today's debate was trying to say that it was the only thing that needed to happen or that it was the be-all and end-all in trying to combat fuel poverty. However, it was discussed as one method that could be looked at.

George Robinson said that some vulnerable households have to buy small drums of oil because they cannot buy a big fill of oil in one go, which means that they are getting a lot less heat for their money. That is very true.

Steven Agnew said that only two suppliers replied to the Office of Fair Trading. I think that that was a good point. He made the very important point that, if something actually happens to your

electricity meter or Phoenix Gas meter, the supplier will come out and fix it. However, if something happens to your boiler, you have to fix it yourself. People just do not have the money to do that. That would be another benefit from regulation that would not be just about price fixing. It would also be about having your boiler serviced and the transparency that is involved in that.

The Minister talked about fuel poverty, and she mentioned that 90% of the price of oil is determined by the crude oil prices. That might be the case, but the hikes in gas and electricity are put at the door of the rise in crude oil prices as well.

If we could look at social tariffs and energy-efficient schemes, and if we could have all of those thoughts of regulation, I think most people would see that that would be beneficial in the long term.

When we had the big freeze in December 2010, the increase in the cost of oil was 10 times that endured by gas customers. If you are saying that the price of oil is determined by the price of crude oil, which, in effect, it is, why did oil go up so much compared with gas and electricity?

Mr Speaker: The Member's time is up.

Ms J McCann: I ask Members to support the motion. I think it is beneficial for everyone in the long term.

Question put, That the amendment be made.

The Assembly divided: Ayes 50; Noes 28.

AYES

Mr S Anderson, Mr Beggs, Mr Bell, Ms P Bradley, Mr Buchanan, Mr Campbell, Mr T Clarke, Mrs Cochrane, Mr Copeland, Mr Douglas, Mr Dunne, Mr Easton, Mr Elliott, Dr Farry, Mr Ford, Mrs Foster, Mr Frew, Mr Girvan, Mr Givan, Mrs Hale, Mr Hamilton, Mr Hilditch, Mr Humphrey, Mr Irwin, Mr Kennedy, Mr Kinahan, Ms Lewis, Ms Lo, Mr Lunn, Mr Lyttle, Mr McCallister, Mr McCarthy, Mr McCausland, Mr B McCrea, Mr I McCrea, Mr D McIlveen, Miss M McIlveen, Mr McQuillan, Lord Morrow, Mr Moutray, Mr Nesbitt, Mr Newton, Mrs Overend, Mr G Robinson, Mr Ross, Mr Spratt, Mr Storey, Mr Swann, Mr Weir, Mr Wells.

Tellers for the Ayes: Ms Lo and Mr McCarthy.

NOES

Mr Agnew, Ms M Anderson, Mr Boylan, Ms Boyle, Mr Brady, Mr W Clarke, Mr Flanagan, Mr G Kelly, Mr Lynch, Mr F McCann, Ms J McCann, Mr McCartney, Mr McElduff, Mr McGlone, Mr McKay, Mr McLaughlin, Mr McMullan, Mr A Maginness, Mr A Maskey, Mr P Maskey, Mr Murphy, Ms Ní Chuilín, Mr Ó hOisín, Mr O'Dowd, Mrs O'Neill, Ms S Ramsey, Ms Ritchie, Ms Ruane.

Tellers for the Noes: Mr Flanagan and Mr McKay.

Question accordingly agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes with concern, Northern Ireland's over-reliance on our unregulated home heating oil market; and calls on the Minister of Enterprise, Trade and Investment to engage further with the Office of Fair Trading, the Consumer Council and the Utility Regulator, whilst also encouraging prepayment schemes operated by local councils, with a view to addressing consumer concerns.

Adjourned at 7.03 pm.



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