



OFFICIAL REPORT

(Hansard)

Volume 21

(24 November 2006 to 7 May 2007)

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Volume 21

24 November 2006 to 7 May 2007

The Northern Ireland (St Andrews Agreement) Act 2006 made provision for Members of the Northern Ireland Assembly to meet in a Transitional Assembly, the purpose of which was to take part in preparations for the restoration of devolved government in Northern Ireland in accordance with the St Andrews Agreement.

Under the provisions of the Act, the Secretary of State for Northern Ireland directed that a Committee on the Programme for Government be established to agree priorities for a restored Executive and to make preparations for restoration.

The Committee on the Programme for Government established the following six subgroups to assist with its work, namely:

- The Subgroup on Economic Issues.
- The Subgroup on Comprehensive Spending Review, Programme for Government, Rates Charges and Water Reform.
- The Subgroup on Workplace 2010 and Public Sector Job Location.
- The Subgroup on Schools Admission Policy.
- The Subgroup on Policing and Justice.
- The Subgroup on Review of Public Administration and Rural Planning.

This Bound Volume contains the Official Reports of all the plenary meetings of the Transitional Assembly and the evidence-taking meetings of the subgroups during the period 24 November 2006 to 7 May 2007. Readers should note that the Northern Ireland Assembly, and thus the Transitional Assembly, was dissolved on 30 January 2007 to allow for an election, held on 7 March 2007, to the Northern Ireland Assembly.

TRANSITIONAL ASSEMBLY
(24 November 2006 to 30 January 2007)

MEMBERS

Adams, Gerry (West Belfast)	Kennedy, Danny (Newry and Armagh)
Armstrong, Billy (Mid Ulster)	Kilclooney, The Lord (Strangford)
Attwood, Alex (West Belfast)	Lewsley, Ms Patricia (Lagan Valley) (<i>Resigned 19 December 2006</i>)
Beare, Mrs Norah (Lagan Valley)	Long, Mrs Naomi (East Belfast)
Beggs, Roy (East Antrim)	McCann, Fra (West Belfast)
Bell, Billy (Lagan Valley)	McCarthy, Kieran (Strangford)
Bell, Mrs Eileen (Speaker)	McCartney, Raymond (Foyle)
Berry, Paul (Newry and Armagh)	McCartney, Robert (North Down)
Birnie, Dr Esmond (South Belfast)	McCausland, Nelson (North Belfast)
Bradley, Dominic (Newry and Armagh)	McClarty, David (East Londonderry)
Bradley, Mrs Mary (Foyle)	McCrea, Dr William (Mid Ulster)
Bradley, P J (South Down)	McDonnell, Dr Alasdair (South Belfast)
Brolly, Francie (East Londonderry)	McElduff, Barry (West Tyrone)
Buchanan, Thomas (West Tyrone)	McFarland, Alan (North Down)
Burns, Thomas (South Antrim)	McGimpsey, Michael (South Belfast)
Burnside, David (South Antrim)	McGlone, Patsy (Mid Ulster)
Campbell, Gregory (East Londonderry)	McGuigan, Philip (North Antrim)
Clarke, Willie (South Down)	McGuinness, Martin (Mid Ulster)
Close, Seamus (Lagan Valley)	McLaughlin, Mitchel (Foyle)
Clyde, Wilson (South Antrim)	McMenamin, Eugene (West Tyrone)
Cobain, Fred (North Belfast)	McNarry, David (Strangford)
Copeland, Michael (East Belfast)	Maginness, Alban (North Belfast)
Coulter, Rev Dr Robert (North Antrim)	Maskey, Alex (South Belfast)
Cree, Leslie (North Down)	Molloy, Francie (Mid Ulster)
Dallat, John (East Londonderry)	Morrow, The Lord (Fermanagh and South Tyrone)
Dawson, George (East Antrim)	Moutray, Stephen (Upper Bann)
Deeny, Dr Kieran (West Tyrone)	Murphy, Conor (Newry and Armagh)
Dodds, Mrs Diane (West Belfast)	Neeson, Sean (East Antrim)
Dodds, Nigel (North Belfast)	Nesbitt, Dermot (South Down)
Doherty, Pat (West Tyrone)	Newton, Robin (East Belfast)
Donaldson, Jeffrey (Lagan Valley)	O'Dowd, John (Upper Bann)
Dougan, Mrs Geraldine (Mid Ulster)	O'Rawe, Mrs Pat (Newry and Armagh)
Durkan, Mark (Foyle)	O'Reilly, Thomas (Fermanagh and South Tyrone)
Easton, Alex (North Down)	Paisley, Rev Dr Ian (North Antrim)
Elliot, Tom (Fermanagh and South Tyrone)	Paisley, Ian Jnr (North Antrim)
Empey, Sir Reg (East Belfast)	Poots, Edwin (Lagan Valley)
Ennis, George (Strangford)	Purvis, Ms Dawn (East Belfast) (<i>From 24 January 2007</i>)
Ervine, David (East Belfast) (<i>Died 8 January 2007</i>)	Ramsey, Pat (Foyle)
Farrell, Ms Marietta (Lagan Valley) (<i>From 9 January 2007</i>)	Ramsey, Ms Sue (West Belfast)
Farren, Dr Seán (North Antrim)	Ritchie, Ms Margaret (South Down)
Ferguson, Michael (West Belfast) (<i>Died 25 September 2006</i>)	Robinson, George (East Londonderry)
Ford, David (South Antrim)	Robinson, Mrs Iris (Strangford)
Foster, Mrs Arlene (Fermanagh and South Tyrone)	Robinson, Ken (East Antrim)
Gallagher, Tommy (Fermanagh and South Tyrone)	Robinson, Mark (South Belfast)
Gardiner, Samuel (Upper Bann)	Robinson, Peter (East Belfast)
Gildernew, Ms Michelle (Fermanagh and South Tyrone)	Ruane, Ms Caitriona (South Down)
Girvan, Paul (South Antrim)	Shannon, Jim (Strangford)
Hanna, Mrs Carmel (South Belfast)	Simpson, David (Upper Bann)
Hay, William (Foyle)	Stanton, Ms Kathy (North Belfast)
Hilditch, David (East Antrim)	Storey, Mervyn (North Antrim)
Hillis, Norman (East Londonderry)	Trimble, The Lord (Upper Bann)
Hussey, Derek (West Tyrone)	Weir, Peter (North Down)
Hyland, Davy (Newry and Armagh)	Wells, Jim (South Down)
Kelly, Mrs Dolores (Upper Bann)	Wilson, Jim (South Antrim)
Kelly, Gerry (North Belfast)	Wilson, Sammy (East Antrim)

TRANSITIONAL ASSEMBLY

(7 March 2007 to 7 May 2007)

THE SPEAKER

Mrs Eileen Bell

MEMBERS

Adams, Gerry (West Belfast)	McCarthy, Kieran (Strangford)
Anderson, Ms Martina (Foyle)	McCartney, Raymond (Foyle)
Armstrong, Billy (Mid Ulster)	McCausland, Nelson (North Belfast)
Attwood, Alex (West Belfast)	McClarty, David (East Londonderry)
Beggs, Roy (East Antrim)	McCrea, Basil (Lagan Valley)
Boylan, Cathal (Newry and Armagh)	McCrea, Ian (Mid Ulster)
Bradley, Dominic (Newry and Armagh)	McCrea, Dr William (South Antrim)
Bradley, Mrs Mary (Foyle)	McDonnell, Dr Alasdair (South Belfast)
Bradley, PJ (South Down)	McElduff, Barry (West Tyrone)
Brady, Mickey (Newry and Armagh)	McFarland, Alan (North Down)
Bresland, Allan (West Tyrone)	McGill, Mrs Claire (West Tyrone)
Brolly, Francie (East Londonderry)	McGimpsey, Michael (South Belfast)
Browne, The Lord (East Belfast)	McGlone, Patsy (Mid Ulster)
Buchanan, Thomas (West Tyrone)	McGuinness, Martin (Mid Ulster)
Burns, Thomas (South Antrim)	McHugh, Gerry (Fermanagh and South Tyrone)
Burnside, David (South Antrim)	McIlveen, Miss Michelle (Strangford)
Butler, Paul (Lagan Valley)	McKay, Daithí (North Antrim)
Campbell, Gregory (East Londonderry)	McLaughlin, Mitchel (South Antrim)
Clarke, Trevor (South Antrim)	McNarry, David (Strangford)
Clarke, Willie (South Down)	McQuillan, Adrian (East Londonderry)
Cobain, Fred (North Belfast)	Maginness, Alban (North Belfast)
Coulter, Rev Dr Robert (North Antrim)	Maskey, Alex (South Belfast)
Craig, Jonathan (Lagan Valley)	Maskey, Paul (West Belfast)
Cree, Leslie (North Down)	Molloy, Francie (Mid Ulster)
Dallat, John (East Londonderry)	Morrow, The Lord (Fermanagh and South Tyrone)
Dawson, George (East Antrim) (<i>Died 7 May 2007</i>)	Moutray, Stephen (Upper Bann)
Deeny, Dr Kieran (West Tyrone)	Murphy, Conor (Newry and Armagh)
Dodds, Nigel (North Belfast)	Neeson, Sean (East Antrim)
Doherty, Pat (West Tyrone)	Newton, Robin (East Belfast)
Donaldson, Jeffrey (Lagan Valley)	Ní Chuilín, Ms Carál (North Belfast)
Durkan, Mark (Foyle)	O'Dowd, John (Upper Bann)
Easton, Alex (North Down)	O'Loan, Declan (North Antrim)
Elliott, Tom (Fermanagh and South Tyrone)	O'Neill, Mrs Michelle (Mid Ulster)
Empey, Sir Reg (East Belfast)	Paisley, Rev Dr Ian (North Antrim)
Farry, Stephen (North Down)	Paisley Jnr, Ian (North Antrim)
Ford, David (South Antrim)	Poots, Edwin (Lagan Valley)
Foster, Mrs Arlene (Fermanagh and South Tyrone)	Purvis, Ms Dawn (East Belfast)
Gallagher, Tommy (Fermanagh and South Tyrone)	Ramsey, Pat (Foyle)
Gardiner, Samuel (Upper Bann)	Ramsey, Ms Sue (West Belfast)
Gildernew, Ms Michelle (Fermanagh and South Tyrone)	Ritchie, Ms Margaret (South Down)
Hamilton, Simon (Strangford)	Robinson, George (East Londonderry)
Hanna, Mrs Carmel (South Belfast)	Robinson, Mrs Iris (Strangford)
Hay, William (Foyle)	Robinson, Ken (East Antrim)
Hilditch, David (East Antrim)	Robinson, Peter (East Belfast)
Irwin, William (Newry and Armagh)	Ruane, Ms Caitriona (South Down)
Kelly, Mrs Dolores (Upper Bann)	Savage, George (Upper Bann)
Kelly, Gerry (North Belfast)	Shannon, Jim (Strangford)
Kennedy, Danny (Newry and Armagh)	Simpson, David (Upper Bann)
Lo, Ms Anna (South Belfast)	Spratt, Jimmy (South Belfast)
Long, Mrs Naomi (East Belfast)	Storey, Mervyn (North Antrim)
Lunn, Trevor (Lagan Valley)	Weir, Peter (North Down)
McCallister, John (South Down)	Wells, Jim (South Down)
McCann, Fra (West Belfast)	Wilson, Brian (North Down)
McCann, Ms Jennifer (West Belfast)	Wilson, Sammy (East Antrim)

PRINCIPAL OFFICERS AND OFFICIALS OF THE TRANSITIONAL ASSEMBLY

<i>Speaker</i>	Mrs Eileen Bell MLA
<i>Deputy Speakers</i>	Mr Francie Molloy MLA Mr Jim Wells MLA
<i>Office of the Speaker</i>	
<i>Adviser to the Speaker</i>	Mr Richard Good
<i>Private Secretary</i>	Vacant
<i>Clerk to the Assembly</i>	Mr Arthur Moir
<i>Deputy Clerk to the Assembly</i>	Mr Joe Reynolds
<i>Deputy Chief Executive</i>	Mr Tom Evans
<i>Director of Legal Services</i>	Ms Clare McGivern
<i>Examiner of Statutory Rules</i>	Mr Gordon Nabney
<i>Editor of Debates</i>	Mr Simon Burrowes
<i>Clerk Assistant</i>	Ms Nuala Dunwoody
<i>Keeper of the House (Acting)</i>	Mrs Sheila McClelland (From 19 February 2007)
<i>Director of Research and Information (Acting)</i>	Mr Michael Rickard (From 19 February 2007)
<i>Principal Clerks</i>	Mr Alan Patterson Mrs Debbie Pritchard Mr John Torney Mr Martin Wilson
<i>Clerk to the Assembly Commission</i>	Tony Logue

THE TRANSITIONAL ASSEMBLY

Friday 24 November 2006

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Madam Speaker: Members, it is a requirement of the Northern Ireland (St Andrews Agreement) Act 2006 that a meeting of the Transitional Assembly be held on Friday 24 November 2006. The Secretary of State has, in accordance with the Act, directed that the Assembly meet at 10.30 am to consider business as it appears on the Order Paper.

Proceedings of the Assembly shall be conducted in accordance with Standing Orders and any directions made by the Secretary of State.

Standing Orders have been determined initially by the Secretary of State and notified to me. Members have been issued with a copy of Standing Orders, and further copies are available in the Rotunda or from the Business Office.

I wish to confirm that, in accordance with paragraph 10 of schedule 1 to the Northern Ireland (St Andrews Agreement) Act 2006, each person who was a Member of the Assembly established under paragraph 1 of schedule 1 to the Northern Ireland Act 2006 shall be deemed to have signed the Roll of Membership and to have taken his or her seat in accordance with Standing Orders.

A Member's designation of identity in the 2006 Assembly, immediately before schedule 1 to the Northern Ireland (St Andrews Agreement) Act 2006 came into force, shall be deemed to be that Member's designation of identity for the purposes of this Assembly, except where a Member changes his or her designation in accordance with Standing Order 5.

Before proceeding with today's business, I remind Members that the role of the Transitional Assembly is to take part in preparations for the restoration of devolved government in Northern Ireland in accordance with the St Andrews Agreement.

Mr Burnside: On a point of order, Madam Speaker. As this is a new legal and constitutional Assembly, and

it is the first day of its meeting, can you give me a ruling on whether I can raise a point about representation of religious chaplains to this Assembly? In the spirit of an inclusive Assembly, and as the Free Presbyterian Church has recently met the leadership of the DUP, opposing the Sinn Féin/DUP St Andrews Agreement, would it not be better before — *[Interruption.]*

Madam Speaker: Order. I am standing. Thank you, Mr Burnside. I have listened to what you have said, and I would be pleased if you will speak to me later. Your point is not part of today's business, but it is certainly one worth noting. Thank you for making it.

Are we all sitting comfortably? I will continue.
[Interruption.]

Order.

Before I proceed, I will repeat what I have said, in case Members have forgotten. Before proceeding with today's business, I remind Members that the role of the Transitional Assembly is to take part in preparations for the restoration of devolved government in Northern Ireland in accordance with the St Andrews Agreement. I expect Members of the House to carry out that role with respect for one another and for the dignity of the House.

For my part, I intend to do my utmost to maintain respect for the dignity of the House, and I trust that I can rely on Members' co-operation in maintaining good order in the Chamber.

**INDICATION OF INTENTION TO
NOMINATE FIRST MINISTER BY THE
LARGEST POLITICAL PARTY OF THE
LARGEST POLITICAL DESIGNATION
AND DEPUTY FIRST MINISTER BY THE
LARGEST POLITICAL PARTY OF THE
SECOND LARGEST POLITICAL
DESIGNATION**

Madam Speaker: Before we begin the statements, I wish to explain how I propose to conduct proceedings. Members will note that, since the Business Committee met this morning, I have received a further direction from the Secretary of State, and I am proceeding in accordance with that direction.

The Northern Ireland (St Andrews Agreement) Act 2006 provides for the nomination of a First Minister designate and a Deputy First Minister designate, who will become First Minister and Deputy First Minister on restoration. It is envisaged that this process will take place after the election to the Northern Ireland Assembly scheduled for 7 March 2007.

In advance of that election, I invite the nominating officer from the largest party of the largest designation to indicate his intention to honour his duty under the Northern Ireland (St Andrews Agreement) Act 2006 in relation to the nomination of a First Minister designate after the Assembly election, subject to the outcome of that election and other necessary conditions being satisfied.

I call Dr Paisley.

Rev Dr Ian Paisley: This statement is one of the most important that I have made in this Chamber since I was first elected to the old Northern Ireland Parliament. It will be solemn, short, simple and straight.

Our Province is facing a most important crisis, and I pray God that it will make the right choice in this hour of crisis. There is never anything easy in decision-making, and today we stand in need of divine strength. May almighty God defend the right.

Before us is a plan that has two main pillars. One is power sharing, and the other is total recognition of, and support for, the Police Service of Northern Ireland (PSNI). Everyone in a position of political power must decide whether he or she will support both those principles. My party, and all the other main political parties, have stated likewise, but until now Sinn Féin has failed to do so. It has, rather, equivocated, hesitated and by various means obstructed progress and continues to blame my party for the delay. My party has been straightforward and faithful in its stand.

When Sinn Féin has fulfilled its obligations with regard to the police, the courts, the rule of law and

other commitments, then — and only then — can progress be made. Delivery is in the hands of Sinn Féin: there can and will be no movement until it faces up to, and signs up to, its obligations. As I said in the House of Commons this week:

“I am a man of plain speech. People know that I try to keep my word as my bond. I am not interested in any word games tonight. I am interested in peace in the country that I love — peace for its families and its children. When I spoke at St. Andrews I said:

“The DUP has been consistent in our demand that there must be delivery from the republican movement before devolution can be restored in Northern Ireland. The days of gunmen in government are over.”

I have no interest — neither in relation to my members nor in relation to the people I represent: the majority of the Unionist population in Northern Ireland — in deviating from the course of action that I have taken. I believe that my policy can and will lead to a better Northern Ireland, where peace and justice take the place of terror and strife, when true democracy reigns. For that to happen — for me as the leader of Unionism to enter a Government under the arrangements identified at St. Andrews — there must be full and unequivocal support for the rule of law, the Police Service,”

— that is, the PSNI —

“and the courts by all Members.”

On this matter, my party executive made the following resolution:

“The DUP in keeping with the outcome of its consultation process wants to build on the areas of progress made at St Andrews whilst recognising that other aspects of the proposals require further work. The Party will continue with the work in progress to ensure up front delivery by Government and republicans ...

The DUP reiterates the need for the Government to deliver on the outstanding issues presented to it by the Party.

The DUP holds to its long standing position that there can only be an agreement involving Sinn Féin when there has been delivery by the republican movement, tested and proved over a credible period, in terms of support for the PSNI, the Courts and the rule of law, a complete end to paramilitary and criminal activity and the removal of terrorist structures ...

The Government stressed, before, during and after the St Andrews talks that the twin pillars for agreement are DUP support for power sharing and Sinn Féin support for policing. Clearly as Sinn Féin is not yet ready to take the decisive step forward on policing, the DUP is not required to commit to any aspect of power sharing in advance of such certainty.”

The circumstances have not been reached in which there can be a nomination or a designation this day. I have made clear my aim, hope and desire for the future. Throughout the DUP’s consultations, we stated that if and when commitments are delivered, the DUP would enter government. At that time, there will fall to me a judgement consistent with delivery on the ground, as a basis for moving forward. Here I stand.

Some Members: Hear, hear.

10.45 am

Madam Speaker: I shall not take points of order at this time. I invite the nominating officer from the largest party of the second-largest designation to

indicate his intention to honour his duty under the Northern Ireland (St Andrews Agreement) Act 2006 in relation to the nomination of a Deputy First Minister designate after the Assembly election, subject to the outcome of that election and other necessary conditions being satisfied. I call Mr Adams.

Mr Robert McCartney: Madam Speaker —

Madam Speaker: Order. Mr McCartney, I am standing. Please sit down.

Mr Robert McCartney: You must —

Madam Speaker: Please sit down. I will take no points of order until this process is completed.

Mr Nesbitt: May I ask a question?

Madam Speaker: I wish to proceed. I have already called Mr Adams, and he is waiting to speak.

Mr Adams: Go mbeannaí Dia daoibh. Tá áthas mór orm ár gcara Máirtín Mac Aonghusa a cheapadh do phost an LeasChéad-Aire.

I am very pleased, a Cheann Comhairle, to nominate my friend Martin McGuinness for the position of Deputy First Minister. I agree with Ian Paisley that today is an important day. This is the beginning of a Transitional Assembly, and, by our presence today, all of us have agreed to that.

Of course, like Ian Paisley, I too believe that we face great challenges in the months ahead. However, I believe that all of the parties that are represented in this Chamber, and the two Governments, can overcome those challenges. We have a lot in common. We all want peace and justice for all of our families and all of our children. We are all here as equals, and we have a duty to govern for the sake of all of our people.

We also, despite protestations, share a common view that British direct rule is bad rule. Our people deserve better on social and economic matters such as health, education, poverty, water charges and rates. Those are the big issues for which people want their locally accountable politicians to take responsibility. We have the opportunity to bring back sensible, sensitive government, including the all-Ireland institutions.

The DUP says that it has difficulties in sharing power with republicans. Let me tell Members that very many nationalists and republicans are very concerned at the prospect of Sinn Féin sharing power with the DUP. However, that is also a challenge to which we must rise and face together. That is what leadership is about.

I am very conscious of the hurt felt by Protestant and unionist people. I am equally conscious of the hurt felt by nationalists and republicans, and by people caught in the middle of what we have all come through. No one has a monopoly on suffering. No one on any of these Benches can have any part in building a hierarchy of victims. Neither can anyone — especially those in

this Chamber — absolve us from the responsibility to build a new and shared future for all of our people. We all must accept our share of responsibility for what has occurred.

As Irish republicans, in many ways, we look back to that great Irish Protestant leader and patriot, Theobald Wolfe Tone, who sought the unity of Catholics, Protestants and dissenters. With goodwill, we can create a space in which all of the issues of difference — whether policing, power sharing, poverty, or any other matter — can be dealt with satisfactorily. Today is another day in the inch-by-inch process of putting the political institutions back in place.

I am very confident that Martin McGuinness will be a champion for equality, fairness and justice — *[Laughter.]* I believe that none of the difficult issues facing us is insurmountable, but it is crucial that everyone present understands that today is not a stand-alone event and that progress is required in the short time ahead.

Go raibh míle maith agat, a Cheann Comhairle.

Mr Nesbitt: On a point of order, Madam Speaker.

Mr Robert McCartney: On a point of order, Madam Speaker.

Madam Speaker: I have made it clear to both gentlemen that I shall hear points of order after this process is complete. Moreover, Mr McCartney will have five minutes in which to speak. No points of order or points of information will be heard at the moment.

Mr Nesbitt: The process has been completed.

Madam Speaker: That may be your opinion; it is not mine. I will carry out fully the direction that was given by the Secretary of State this morning.

Mr Nesbitt: When may we make points of order?

Madam Speaker: I have already said that points of order may be heard after I consider that the process has been completed.

Mr Nesbitt: Therefore, you will allow points of order?

Madam Speaker: I have not, at any stage, said that I would not. I call for order so that we can complete this process.

Mr M McGuinness: Go raibh míle maith agat, a Cheann Comhairle. Tá áthas mór orm an post seo a ghlacadh.

I am pleased to accept the nomination, and, if it is the will of the people and of Sinn Féin, I will represent the people as Deputy First Minister. I will carry out my responsibilities and duties conscientiously, and I will respect and promote the common good of all our people at all times.

Go raibh míle maith agat.

Madam Speaker: In accordance with the direction that I received this morning, it is duly noted that Dr Paisley and Mr McGuinness have indicated, subject to the outcome of the election and other necessary conditions being satisfied —

Some Members: No!

Madam Speaker: Order. I remind Members that, as Speaker, I make the decisions as to our proceedings. Order, order.

I am following the direction given by the Secretary of State — *[Laughter.]* If Dr Paisley wishes to query that, we can discuss it later.

As I said, it is duly noted that Dr Paisley and Mr McGuinness have indicated, subject to the outcome of the election and other necessary conditions being satisfied, their intention to be nominated as First Minister designate and Deputy First Minister designate, after the Assembly elections.

STATEMENTS FROM LEADERS OF OTHER POLITICAL PARTIES IN THE ASSEMBLY

Madam Speaker: We shall now move to statements from the leaders of the other political parties.

Sir Reg Empey: Madam Speaker —

Mr Ervine: On a point of order, Madam Speaker.

Mr Robert McCartney: She is not going to take any points of order.

Mr Ervine: Well —

Madam Speaker: Mr Ervine, I cannot treat you any differently to other Members. I decide when and whether to hear points of order.

Mr Ervine: We have moved to another item on the Order Paper.

Madam Speaker: I am on my feet. Sit down, Mr Ervine.

Mr Ervine: We have moved to another item on the Order Paper. Surely, it is —

Madam Speaker: Order. I have called Sir Reg Empey.

Sir Reg Empey: Madam Speaker, this Assembly and this process is nothing if not consistent in its inconsistency.

Some Members: Hear, hear.

Sir Reg Empey: The question on everyone's lips is whether Dr Paisley has made a nomination — *[Laughter.]* If sufficient bottle does not exist for Members to own up to whether they have nominated, that is a matter for the people to judge — *[Interruption.]*

Madam Speaker: Order. I remind Members that, distasteful as it is, the issue of what today's speeches contained is a matter for the Secretary of State, not the Speaker. *[Interruption.]*

Order. I apologise, Sir Reg, for the interruption to your speech.

Sir Reg Empey: Madam Speaker, it is not unusual for my speeches to be interrupted, so I shall manage. At the meeting of the Business Committee this morning, I asked my party's representatives to ensure that, at the earliest possible opportunity, this Assembly has the chance to fully debate, openly and in front of the public, the operation that we have witnessed. Clarification is required as to whether we have witnessed a marriage or an engagement today, because it is not entirely clear which it is.

However, the one thing that is clear is the trajectory of where we are going, which is towards power-sharing between the DUP and Sinn Féin. That is absolutely clear. The precise details and nuances remain to be

determined. The Secretary of State has moved from rock-solid determinations to fixed dates, to lines in the sand, to vapours in the wind, and we do not know what he intends to do. *[Interruption.]*

Madam Speaker: Order.

Sir Reg Empey: The protests today are more an expression of embarrassment than anything else, because people have been telling us for years about the things that they would not do, the things that they would never do, and that only over their dead bodies would various things happen. *[Interruption.]*

Madam Speaker: Order. Please let the Member speak.

Sir Reg Empey: Inexorably, there is a process taking place, and everyone knows that.

On a more serious note, I believe that the hunger in the country is to make progress. We must have the power to deal with education, water rates and such matters. We must also remember that we have sat here for four years, unable to discharge our duties, because the matter that brought about the collapse of the last Executive — namely the spy scandal — was an example of the fact that the republican movement had not committed itself to totally and exclusively peaceful means.

In the interim period — *[Interruption.]*

Madam Speaker: Order.

Sir Reg Empey: In the interim period, a series of decisions has been imposed upon us by the Secretary of State. Some of those have been the natural outflow of developments; others have been a deliberate attempt to force people into certain political positions.

At the earliest possible moment, we must clarify what the precise time line will be. We also need clarity on the meaning of today's developments. The sound system does not seem to be working in this part of the Chamber, and it was not possible to hear the early part of Dr Paisley's address. However, if the early part was as interesting as the latter part, I have little doubt that we will look forward with great anticipation to reading the record.

As we contemplate the current situation, the one thing that stands out most strongly is the waste —

Madam Speaker: Your time is up, Sir Reg.

Sir Reg Empey: I shall have another opportunity to speak, Madam Speaker.

11.00 am

Mr Durkan: There is as much hollow farce as historic significance in what we have witnessed this morning.

Some Members: Hear, hear.

Mr Durkan: Parties were set a simple test for today, and the manner in which these proceedings are being

conducted means that we are failing that test. Under the Secretary of State's remote direction, language and logic are being turned inside out and on to their head. However, that is not the fault of just the Secretary of State. We need to recognise that the slippage, for which we all criticised the Government for allowing, stems from the slippiness of the two political parties that claim to lead this process but that are deadlocking it yet again. The public are getting fed up with this tired and boring soap opera in which we teeter on the brink and repeatedly go through the same plot lines. In that soap opera, people find ways in which to give each other excuses and vetoes so that they can then get away with blaming each other for failure.

The SDLP endorsed the St Andrews deal not as the best or most perfect way forward but as a path that could get us back into the institutions for which the people, North and South, voted when they endorsed the Good Friday Agreement. However, despite all the declarations and affirmations that the Government made at the time, slippage has occurred since the meetings at St Andrews. The Programme for Government Committee was meant to meet on 17 October, but it did not meet until 20 November. In the week of 10 November, Sinn Féin's ardchomhairle was to meet to make a clear statement on a path that would take us forward on policing — that never happened. On 10 November, the St Andrews deal was to be endorsed and parties were to commit definitively to power sharing before legislation was passed this week — no such commitment was made. Instead, we had the Vicky Pollard-type excuses of "Yes but, no but, not our fault, see — blame them."

The Northern Ireland (St Andrews Agreement) Act 2006 was passed this week, and that legislation saw more vetoes being piled into the DUP shopping trolley. Sinn Féin was happy for that to happen, because it negotiates only for itself and its own in those situations. It does not negotiate for the wider public, for the wider national interest or even for the wider nationalist interest. Therefore difficulties remain.

Nominations were meant to have been made today. The St Andrews deal was clear that nominations should be made on 24 November, and it was clear about what would happen if nominations were not made on that day. Of course, those nominations have not been made.

Some Members: Hear, hear.

Mr Durkan: We were told that the legislation would give the DUP what it wanted only if nominations were made, but that has not happened. That situation is wrong. It is not just bad governance and bad management on the part of two Governments, it is bad negotiating on the part of Sinn Féin. Therefore Sinn Féin has helped to set up this position for the DUP.

As the Northern Ireland (St Andrews Agreement) Bill was passing through Westminster this week, we heard from the DUP that there would be no devolution of justice and policing in our various lifetimes. I thought that many DUP members were Free Presbyterians; however, it seems that many of them are Buddhists who will be reincarnated many times in order for them to say no to the devolution of justice and policing many times. *[Laughter.]* Who put the DUP into that position? Sinn Féin, the party that gave the DUP the triple-lock veto over the devolution of justice and policing, put the DUP into that position. Sinn Féin gave the DUP that veto in the comprehensive agreement, and Sinn Féin was happy for that veto to be gilt-edged for the DUP when the Northern Ireland (Miscellaneous Provisions) Act 2006 was passed in the spring. Sinn Féin welcomed that legislation as sealing the devolution of justice and policing, and Sinn Féin pretended to the nationalist community that it was sealing the devolution of justice and policing. However, it merely sealed a veto for the DUP.

Of course, the DUP has given Sinn Féin a veto. The DUP says that until Sinn Féin moves on policing, the rest of us will not get back to democracy, we will not get the institutions for which we voted, and people will not see politicians doing the job for which they were mandated. The DUP is happy to give Sinn Féin that veto — those parties rely on each other. That in turn proves that none of us can rely on them.

When it comes to voting next March — if we get that far — people will need to know that they have a choice. That choice is between a mandate for stability and a mandate for stalemate. The two parties that between them have given us the worst of our past will not give us the best of our future.

Madam Speaker: I call Mr Ford. Order.

Mr Ford: We started off this morning with what sounded like the longest “maybe” in history — the great pretenders are continuing the great pretence. Yet another line in the sand drawn by the Secretary of State and the Prime Minister has been washed away by a tide of mistrust and bitterness. There is no way in which any rational person could interpret the statement that the leader of the DUP made as being an intention to nominate. *[Interruption.]*

Those on the one side of the Chamber who are catcalling should look outside it and see what the people of Northern Ireland think about what is going on inside it. The people of Northern Ireland are fed up with the delays, the nonsense, and the complete inability of those who were given responsibility in the last election to take that responsibility and live up to it. The Alliance Party is utterly fed up with those parties’ inabilities — despite the leadership that they claim and despite the roles that they have been given — to do

what they have been instructed to do and live up even to the promises that they made in the comprehensive agreement and in the St Andrews Agreement.

It is clear that Sinn Féin has done nothing that could be interpreted constructively as moving towards accepting the rule of law. It has failed to do what it should have done, and all the pious noises that it makes in blaming the DUP do not outweigh that fact. Similarly, the DUP has done nothing to demonstrate a willingness to share power genuinely, engage with other parties, and accept its responsibilities.

If the Prime Minister and the Secretary of State had any integrity, they would close this place down — *[Interruption.]*

Madam Speaker: Order.

Mr Ford: It is time that we stopped the pretence of what is going on. When the St — *[Interruption.]*

Madam Speaker: Order. We will know whether we have to evacuate. Please continue, Mr Ford.

Mr Ford: When the Northern Ireland (St Andrews Agreement) Bill was going through Westminster in an unseemly and almost unconstitutional rush this week, Lord Smith, the former vice-chancellor of the University of Ulster, described it in the House of Lords as “a fig leaf”. He added:

“Whether it will provide a foundation for an operating, representative and democratic system of devolved government ... is extremely doubtful.”

Having now seen the utter farce that has taken place in the Chamber this morning, anybody who had doubts will know exactly what is happening and how little opportunity there is for anything.

The significant differences between the DUP and Sinn Féin have not been addressed, despite all the rhetoric of the past year and a half and despite their fingerprints being all over the St Andrews Agreement. They have merely pushed the blockage further down the pipe. They have done nothing to engage, and they have left the people of Northern Ireland in the limbo of not knowing what is happening and of watching the farce this morning compound that which the Government has created in recent months.

The Alliance Party did not support the St Andrews Agreement, and we have no responsibility for it. What we have seen today is a weakening of even the limited amount of genuine power sharing that was left within that agreement. It was an opportunity to divide power further, and it had nothing to do with power sharing. The people of Northern Ireland deserve better than that, and they will have to see something better than that. The people are not being conned by what is going on, and it is time that those in the Chamber and in the Government stop deceiving people.

Today was supposed to be the simple part of the process. All that was required was the nomination of a First Minister and a Deputy First Minister, and we could not even get that simple procedure right. If we cannot manage a simple nomination process, what chance do we have of dealing with the difficult issues that confront this Assembly? Those difficult issues —
[Interruption.]

Madam Speaker: I have received instructions that we will have to evacuate using the exit that is behind the Speaker's Chair. *[Interruption.]* Order. That is, unless you want to sit here and be bombed or something. Thank you for your co-operation. I remind Members that the sitting is only suspended.

The debate stood suspended.

The sitting was suspended at 11.09 am.

THE TRANSITIONAL ASSEMBLY

Monday 27 November 2006

The sitting begun and suspended on Friday 24 November 2006 was resumed at 10.30 am (Madam Speaker in the Chair).

ASSEMBLY BUSINESS

Madam Speaker: The sitting is resumed. On Friday, as a result of a serious security situation about which my staff notified me, I was required to suspend the sitting under Standing Order 26(e). Before we proceed, I wish to make a statement regarding the events of that day, and I trust that I will be able to do so without interruption.

I will comment on the proceedings of the sitting in a moment, but first I will refer to the security incident that led to that sitting's suspension.

Members will be aware that, following the incident that occurred at the front entrance to Parliament Buildings on Friday morning, an individual has been charged. The matter is, therefore, sub judice, so Members will understand that I am constrained in what I can say about the incident at this stage.

Having been briefed on that investigation by the Chief Constable and an assistant chief constable, I can say that no one should underestimate the very real danger that everyone in the Building faced on Friday morning. The devices that were defused may have been crude in nature, but they were no less life-threatening for that. Moreover, we should not underestimate the extraordinary courage that was shown by our doorkeepers in confronting that danger.

Some Members: Hear, hear.

Madam Speaker: Our unarmed civilian doorkeepers confronted an assailant whom they believed to be armed with a gun and explosives. They disarmed and detained him. By doing so, they undoubtedly prevented serious injury and possible loss of life. They selflessly endangered their own lives in order to protect ours, and we are indebted to them for that. We must not underestimate their bravery, nor understate our appreciation. Two of the doorkeepers involved had to be taken to hospital, but I am very pleased to report that neither suffered serious physical injury.

This morning, I met with all those who were involved to express my own appreciation of, and admiration for, their actions and their bravery. There

will be a further opportunity, Members, for the House to recognise that bravery at a later date. Over the weekend, I spoke with party leaders and many Members, and I know that I speak for the whole House — its Members, the secretariat and Members' staff — and for the many members of the public who were present in the Building for the sitting when I express our sincere gratitude and admiration for the professionalism and courage that the doorkeepers displayed.

Some Members: Hear, hear.

Madam Speaker: In the light of Friday's events, questions have, quite reasonably, been asked about the level of security in and around Parliament Buildings. We must be mindful of Members' own desire that Parliament Buildings be a public building that is accessible and open to all our citizens and visitors. Nevertheless, the Building must also be a place of safety where democracy can be exercised without fear.

On Friday evening, I met the Secretary of State and the Chief Constable and spoke with the chairman of the Policing Board. They have all assured me of their support for, and pledged co-operation in, a full security review at Parliament Buildings. Senior officials met PSNI representatives on Saturday, and immediate measures have been agreed to ensure the security of the Building in the short term. Later this week, I will call a meeting of the Transitional Assembly Commission and will brief party representatives on how officials intend to conduct the broader security review. That review will include a full and detailed report on last Friday's incident, consideration of future police presence, additional security measures and evacuation arrangements. I intend also to consult with the Business Committee tomorrow on whether parties wish to establish a Committee to take forward that review.

Friday's attack on Parliament Buildings was an attack on democracy. In protecting the Building and its users, we are also protecting the right of all our citizens to participate fully and freely in the democratic life of our community. This morning's resumption is primarily to allow for the completion of Friday's Assembly business, but I hope that it will also serve as a strong and clear statement of the shared view of all represented here that democracy is the only way in which the needs of our community can be met, and of our shared resolve that, by our words and deeds in this place, democracy will be seen to prevail. We can all do so in this Chamber by maintaining good order; by exercising our responsibilities in a proper manner; and by conducting ourselves in a manner that upholds common standards of decency, honesty and mutual respect.

I now wish to turn briefly to the proceedings that the incident caused me to suspend. Friday's sitting was a requirement of the Northern Ireland (St Andrews Agreement) Act 2006. That Act provides for me, as

Speaker, to call meetings of the Transitional Assembly and to determine the business to be conducted. It also allows the Secretary of State to direct the proceedings of the Transitional Assembly at any time. In that sense, the Transitional Assembly has not been given the level of autonomy and independence that would be enjoyed by a fully restored Northern Ireland Assembly. Nor am I, as Speaker, able to exercise the unfettered discretion that a Speaker of a fully restored Northern Ireland Assembly would have.

At a meeting of the Business Committee preceding Friday's sitting, it was agreed that we should proceed in a particular way. Following that meeting, I received a further direction from the Secretary of State under which the Transitional Assembly was bound to proceed differently. The terms of that direction were fulfilled on Friday.

This morning I chaired a meeting of the Business Committee at which I explained to Members that, unfortunately, there was insufficient time to inform them of the detail of the direction in advance of the commencement of Friday's sitting. I have arranged for copies of the direction to be placed in the Library. I know that some Members were disappointed by that development, but I trust that they will understand the limitations within which we currently operate.

We will now return to the Order Paper for Friday 24 November. We were interrupted during Mr Ford's statement. I now call on him to continue his remarks. I have allowed him three minutes to do so.

Rev Dr Ian Paisley: On a point of order, Madam Speaker. The DUP supports all that you have said about those who protected us on the occasion that you mentioned. My party would heartily welcome a Committee of this House to deal with the other matters, as you have suggested.

Madam Speaker: Thank you, Dr Paisley. Strictly speaking, that was not a point of order. I shall not take any further points of order. Mr Adams, were you on your feet?

Mr Adams: Yes, Madam Speaker. I want to concur absolutely with what you said about the security staff.

Mr Nesbitt: On a point of order, Madam Speaker. On Friday, you said that you would not take points of order until the proceedings were complete. I am still waiting to make my point of order, although I presume that it will be taken.

Madam Speaker: Absolutely, Mr Nesbitt.

STATEMENTS FROM LEADERS OF OTHER POLITICAL PARTIES IN THE ASSEMBLY

Debate [suspended on 24 November 2006] resumed:

Mr Ford: Madam Speaker, I know that you have spoken for everyone in the Chamber — indeed, for all those who work in the Building — in your reference to the events of last Friday and in the tribute that you paid to the staff. However, I could not continue my speech without adding my tribute, and that of my colleagues, to all the staff, whether doorkeepers or other secretariat staff, who were responsible for evacuating the Building at some risk to themselves. Particular tribute must go to a small group of doorkeepers who, at the front door, put their lives on the line to protect our lives. I trust that when the inquiry into the events of last Friday is conducted, it will deal with rumours that suggest that, by their failure to respond to the directions that they were given, some Members added to the danger to staff.

Hansard records that when my speech was interrupted on Friday, I had just said:

“If the Prime Minister and the Secretary of State had any integrity, they would close this place down”. — [*Official Report, Bound Volume 21, p6, col 2*].

It was absolutely clear that the leader of the DUP had, at that stage, totally failed to give the assurances and commitments to take office that he was required to give, despite the unbreakable deadline of 24 November that was set by Ministers. Similarly, although the Sinn Féin leader said the right words in the Chamber, it is absolutely clear that that party has so far failed to take any constructive action towards full recognition of the Police Service and co-operation with the rule of law. Regardless of the Ard-Fheis, when will the ardchomhairle on policing, which was supposed to be an essential prerequisite of the St Andrews Agreement, be held?

Subsequently, the DUP leader changed what I had earlier described as:

“the longest ‘maybe’ in history” — [*Official Report, Bound Volume 21, p6, col 1*].

to a slightly more specific “maybe”. However, even before he did that, the Prime Minister and the Secretary of State were falling over themselves to say that he had given the necessary commitment, when it was perfectly clear to those who were in the Chamber that he had not given any such commitment.

This morning, the Secretary of State added to that by treating us to a plea via the media that Sinn Féin confirms that the Ard-Fheis on policing will be held before 7 March 2007. What kind of election could possibly be held on 7 March 2007 if Sinn Féin was not fully committed to what it signed up to at St Andrews? Two parties are playing games with the Assembly and

the people of Northern Ireland. Is it any wonder that people are fed up with them? Despite that, the Governments continue on their merry, sweet way. The Governments have given the DUP and Sinn Féin the election that they want and the opportunity to weaken the other parties. The DUP and Sinn Féin are failing to move in any direction. If they cannot live up to their obligations, they ought to go now.

Madam Speaker: The Question is — sorry, that was just wishful thinking on my part. *[Laughter.]* I had intended to call Mr Ervine to give him an opportunity to speak. However, he is elsewhere. Therefore, I call Mr Robert McCartney.

Mr Robert McCartney: Thank you, Madam Speaker. I am not the enemy of the DUP. At the last general election, along with thousands of other unionists, I voted for the first time for the DUP. Like them, I gave not just my vote to the DUP, but my trust. It is in sorrow, rather than in anger, that I speak, for I am acutely aware that my feelings of impending betrayal are shared by many other unionists in other parties.

The choreographed puppet show of last Friday, with a distortion of language and meaning of which Humpty Dumpty would have been proud, nevertheless produced a moment of truth for Ian Paisley. Madam Speaker, when, on Peter Hain's instructions, you deemed Ian Paisley's response an acceptance, he could there and then have denied that it was. He did not. I understand that his response omitted the express acceptance that was in the text that had been agreed with Tony Blair. Subsequently, he publicly accepted the nomination outside this Chamber, albeit conditionally. Madam Speaker, I submit that such an acceptance is invalid and requires to be repeated as a matter of record in the Chamber if it is to be taken as you deemed it.

10.45 am

Only the DUP pragmatists pretend that the St Andrews document is anything but a sugared version of the Belfast Agreement, which makes DUP participation totally dependent on an enforced coalition with Sinn Féin. The DUP's acceptance of such terms makes the party a born-again pro-agreement party, with policies essentially indistinguishable from those of the Ulster Unionist Party — policies that brought electoral disaster upon the UUP.

The core of Trimble's policies was power sharing with Sinn Féin, a party inextricably linked with the men of blood who had murdered, maimed, robbed and destroyed for three decades. The attempts by the DUP pragmatists to disguise the extent of that U-turn from the party's grass roots have failed. The U-turn is a clear breach of the party's present manifesto of only last year, which declared — in express terms — that an inclusive coalition with Sinn Féin under d'Hondt was out of the question.

Tony Blair and Peter Hain want devolution at any price before Blair retires and Hain moves on. They are indifferent to the unstable, unworkable and undemocratic mess that they will leave behind. Devolution for Sinn Féin is a mere cog in its all-Ireland strategy. Acceptance by the DUP of Sinn Féin as coalition partners will legitimise its claim to a place in the Government of the Republic.

Apart from an ego trip and ministerial office, St Andrews-style devolution offers little to unionists. The timetable affords no credible opportunity for testing whether Sinn Féin genuinely supports the police and the rule of law. At best, Sinn Féin will offer the minimum words necessary, with fingers crossed in reservation. The DUP will be inviting upon itself the plague of internal dissent that Jeffrey Donaldson, in a previous life, once inflicted upon the UUP. *[Laughter.]*

It is an illusion that the DUP is in control of the process and can pull out at any time. The further it moves, inch by inch, towards the Government's objective, the further it recedes the possibility of withdrawal. It is equally foolish to assume that Sinn Féin will never deliver on the Pledge of Office. A suitable form of words may be crafted for them, just as it has been for the DUP.

Was it for enforced coalition with Sinn Féin that the men and women of the security forces and the unionist community suffered and died? Will we honour their memories by agreeing to share power with those who approved the murders of Patsy Gillespie and Mr Hegarty, and who organised Bloody Friday, Teebane, La Mon, the Droppin' Well, the Shankill fish shop bombing and countless other atrocities? That is the real question for those in the DUP who want to move on by selling their unionist principles for a mess of ministerial pottage. The DUP leadership may be prepared to yield to threats to dissolve the Assembly, but there are those who will never submit to such threats or be bought with salaries, office, honours or patronage.

There is an historical precedent: Marshal Pétain became the First Minister of Vichy France at the cost of his reputation and the people's trust. There is still time for Ian Paisley to avoid a similar fate.

Madam Speaker: Mr McCartney, your time is up. Thank you.

Before I call Mr Nesbitt to make his point of order, I remind Members that a point of order is not an opportunity for debate. It would assist the House if Members would refer to the relevant Standing Order when they raise a point of order. I shall not accept spurious points of order.

Mr Nesbitt: Thank you, Madam Speaker. As a result of Friday's meeting, I wish to make two points of order.

You referred this morning to Friday's meeting, which you said was required under the Northern Ireland (St Andrews Agreement) Act 2006. You also added that you, as Speaker, were not "unfettered". I wish to address that point.

On Friday you made it clear that, in the Standing Orders, this Assembly's purpose was to bring about devolved government:

"in accordance with the St Andrews Agreement."

You quoted from the law. However, to be in accordance with the St Andrews Agreement means to act under the direction of the St Andrews Agreement.

The St Andrews Agreement made it clear that this Assembly would meet on 24 November 2006.

Madam Speaker: Mr Nesbitt, that sounds suspiciously like a debate. Will you refer the House to the relevant Standing Order?

Mr Nesbitt: Yes. I am asking about the direction that you gave to meet on 24 November 2006 to nominate a First Minister. You then moved straight on to a direction that the Secretary of State gave that overturned that direction.

I ask that you give a ruling on the rationale that the Secretary of State used to give that new direction. If, or when, he gives an answer he states that his decision was made for the greater good of Northern Ireland, I ask what credibility he has left.

Madam Speaker: That is not a point of order, Mr Nesbitt. I will answer that question. I am on my feet; can you take your seat. Thank you.

Mr Nesbitt, thank you for your, in some ways, spurious points of order.

Mr Nesbitt: On a point of order, Madam Speaker. May I ask — *[Interruption.]*

Madam Speaker: Order. As I am on my feet, I will now answer your question.

I explained my position in my opening statement this morning and on Friday, and I do not want to add to that. I remind Mr Nesbitt and other Members that it is for the Secretary of State, not the Speaker, to draw any further conclusions from what has already been said. That may not be acceptable to Members, and they may have been disappointed, but that is how we are working at this point.

Adjourned at 10.53 am.

THE TRANSITIONAL ASSEMBLY

Monday 4 December 2006

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

Members observed two minutes' silence.

PRIVATE MEMBERS' BUSINESS

Secretary of State for Northern Ireland

Madam Speaker: Item 2 on the Order Paper is the motion relating to the Secretary of State for Northern Ireland. One amendment has been selected and published on the Marshalled List. Before the debate begins, I wish to remind Members that I will, as usual, expect them to address their remarks to the motion and the amendment as they appear on the Order Paper and the Marshalled List.

It was agreed by the Business Committee that the House may sit until 6.00 pm. I want to draw the attention of Members to the provisions of Standing Order 11, which relate to “irrelevance or tedious repetition” in speeches. I trust that I will not have to call the attention of the Assembly to anything of this nature.

I also remind the House of my ruling regarding comments of a personal nature and the importance of the dignity of the Chamber, which I made during the Assembly created by the Northern Ireland Act 2006. For your information, on 26 September 2006 I said that:

“it would seem that the proper role of Members of this Chamber would be to comment on, and challenge, the policies of the Government and its Ministers — whether by name or office — in the interests of the electorate. As Speaker, I can think of many occasions since 15 May 2006 on which this has been the case, and I consider that it is perfectly in order for Members to do so.” — *[Official Report, Bound Volume 20, p134, col 2]*.

Later, I continued:

“However, what I would not consider to be in order, in relation to remarks about members of other legislatures, is where comments stray into the arena of personal insults, vitriol or invective.

I would have no hesitation in asking a Member to temper his or her comments where, in my view, a line has been crossed.” — *[Official Report, Bound Volume 20, p134, col 2]*.

I hope that Members will have the dignity of the House in mind in the remarks that they make today.

[Interruption.]

Order. When the debate has concluded, I shall put the question on the amendment. If the amendment is made, I shall put the question on the motion as amended. If the amendment is not made, I shall put the question on the substantive motion. If that is clear, I shall proceed.

Rev Dr Ian Paisley: On a point of order, Madam Speaker. I understand that there is another amendment, tabled by members of my party, which has been rejected. Will you give us the reasons why it was rejected? It is a sad commentary on our discussions, because such an amendment would have been received in the Mother of Parliaments without any opposition from the Speaker.

Madam Speaker: I received your amendment and considered it with my officials. Standing Order 15(c) gives the Speaker the power to select amendments. I did not select that amendment.

Mr P Robinson: Further to that point of order, Madam Speaker. Are you saying that the amendment was in order but was not chosen?

Madam Speaker: I do not need to give a reason. Members should examine pages 63 and 64 of the ‘Northern Ireland Assembly Companion: Rulings, Convention and Practice’, where it states that:

“it is not appropriate for the Chair to give reasons for accepting or rejecting any amendment.”

I do not intend to breach precedent here, or in other places, by doing so. My door is always open if Dr Paisley wishes to discuss this issue for future sittings.

Mr Paisley Jnr: Further to that point of order, Madam Speaker. Will you advise the House whether the Secretary of State advised you not to take that amendment?

Madam Speaker: I have absolutely no comment to make on that. I remind Dr Paisley and other Members that this is the Transitional Assembly.

Mr Robert McCartney: On a point of order, Madam Speaker. You say that this is the Transitional Assembly. Under the terms of the Transitional Assembly, all matters here are under the control of the Secretary of State — the motions to be chosen, the Standing Orders and the instructions to you, Madam Speaker. Is this a democratic Assembly, or is it a puppet show where the Secretary of State is pulling all the strings?

Madam Speaker: I am not going to comment on the bulk of what the Member has said, other than to ask him to read once again the Northern Ireland (St Andrews Agreement) Act 2006. This is the Transitional Assembly. The Secretary of State does not conduct the business here. The Business Committee agrees what is to be discussed. That is the difference between the Transitional Assembly and the Hain Assembly. Again, my door is open if the Member wants to discuss the issue.

Sir Reg Empey: I beg to move

That this Assembly deplores the interference of the Secretary of State for Northern Ireland in the proceedings of the Assembly on Friday 24 November 2006.

The exchanges that Members have just heard demonstrate why this issue should be ventilated. I will refer specifically to the meeting of the Business Committee on 24 November 2006 regarding the conduct of the debate on that day, and I will consider the Secretary of State's involvement in the so-called designation — or declaration — process on that date.

The first phase of the Hain Assembly — Hain mark I — began on 15 May 2006. At that time, although the Secretary of State had the power to intervene, he repeatedly said that he would allow the Assembly opportunities to decide its own business; that never happened. The Secretary of State has subsequently said that as far as the Transitional Assembly is concerned — and as you, Madam Speaker, repeated a moment ago — he would allow much more freedom for Members to decide their own business. However, on the first day, and subsequent to the first meeting of the Business Committee, the Secretary of State personally intervened and overrode a decision of the Business Committee on a relatively trivial matter.

During the six months of the Hain Assembly, beginning on 15 May, it was clear that the Secretary of State had the power to intervene. Many Members spoke to him on a number of occasions, asking him to allow the Assembly — through you, Madam Speaker, and the Business Committee — to determine business. Time after time, motions were proposed by political parties.

One subject was proposed for debate at virtually every meeting of the Business Committee from 15 May onwards: a motion to debate the review of public administration (RPA). The review is vital to the future of the Province. It concerns many of our constituents, yet for six consecutive months the Secretary of State vetoed debate and refused to allow any motion on the subject. The review is a key point, and an issue of concern and relevance to the future governance of the Province. Organisations that spend vast swathes of the Budget are up for discussion, yet the Secretary of State would not allow Members to debate the RPA. Why would he not allow debate? Perhaps it was because Members might have views that differed from his views. That might be embarrassing for him. Mr Gallagher has now tabled a motion for tomorrow's debate, and Members may then have an opportunity to discuss the subject. It will be interesting to see whether the Secretary of State will intervene or interfere.

I turn now to the Business Committee meeting on the morning of 24 November. The Committee met at 9.15 am to discuss arrangements for the business that was to be dealt with by the Assembly later that morning. The issue of speeches arose. The Committee decided

that the two nominating officers and the leaders of the other political parties would each address the Assembly for five minutes. Sinn Féin proposed that its nominee should be allowed to speak, but the Committee decided against that. The position that the two nominating officers and the remaining party leaders would speak was maintained.

The meeting broke up at approximately 9.50 am. Immediately afterwards, one assumes that Sinn Féin Members went to the Secretary of State and complained that their man would not be allowed to speak. The Secretary of State — one of Her Majesty's principal Secretaries of State — then issued a ministerial direction to you, Madam Speaker, to the effect that Mr McGuinness should be allowed to speak. Mr McGuinness spoke a few words of pidgin Irish, followed by an address lasting 37 seconds. It took a Cabinet Minister to intervene to allow that to occur. Yet, Madam Speaker, the Secretary of State had said to us that the Transitional Assembly would be different from the previous Assembly. This situation is scarcely evidence of that. At the first hurdle, the Secretary of State has failed, having intervened — presumably after a representation from Sinn Féin — and issued a ministerial direction to you, Madam Speaker. Yet we are to believe that the Transitional Assembly has a freedom that the Assembly of the previous six months did not have.

10.45 am

On that basis, it is evident that the Secretary of State is still intervening, and the control freaks in the Northern Ireland Office are still saying that they will decide what business is conducted here. If that is the case, Members need to know, and the sooner we know, the better. Nevertheless, the Secretary of State has started to run the Transitional Assembly in exactly the same fashion as he conducted the previous Assembly over the six months from May.

Mr Robert McCartney: Does the Member appreciate that the Speaker's reply to my point of order referred to a very different approach, in that she maintained that the Business Committee, not the Secretary of State, made the necessary decisions? As I understand it, the hon Member is making the case that the Speaker's reply is just not correct.

Sir Reg Empey: That is precisely the case, because I am simply recounting the events of the morning of 24 November, which were that, between 9.50 am and approximately 10.20 am, the Secretary of State received a representation and issued a direction. Madam Speaker, that seems to be inconsistent with the view that he expressed, and the view that you put forward a moment ago, which was that the approach of the Transitional Assembly would be qualitatively different to that of the previous Assembly in that the Business Committee

of the Transitional Assembly would have the freedom to decide what business is conducted.

I wish that that were the case, but, at the very first test, it was not the case. In fact, Madam Speaker, on the trivial matter of Members speaking for a few seconds, when their interventions could have had no impact on any decisions that the Assembly would take, the Secretary of State decided to issue a direction. If I am wrong, Sinn Féin Members have the opportunity to get up now to say that that party did not make any representations to the Secretary of State, but I think that that is exactly what it did.

I turn briefly to Sinn Féin's proposed amendment, which would remove the date from the motion, leaving it to read:

"That this Assembly deplores the interference of the Secretary of State for Northern Ireland in the proceedings of the Assembly."

It was Sinn Féin Members who went to the Secretary of State precisely to get him to intervene in the affairs of the Assembly. How can they on the one hand say that they deplore the involvement of the Secretary of State in the proceedings of the Northern Ireland Assembly, yet on the other be the first party to go to him, cap in hand, to ask him to intervene in its proceedings in order that Mr McGuinness can speak for a few seconds?

At the outset of this debate, we must make it clear where we stand with the Secretary of State's involvement. Sinn Féin's amendment has no credibility for the obvious reason that that party was the first to seek the Secretary of State's involvement. The first action that it took was to go to the Secretary of State to bail it out in order that Martin McGuinness could speak after he was nominated. To argue that Sinn Féin's amendment has any credibility is nonsense, and I want to make it clear that the Ulster Unionist Party rejects the amendment and will vote against it.

With regard to some of the other matters, my colleagues —

By the way, Madam Speaker, as the clocks are not functioning, I do not know how much time remains for my contribution. *[Laughter.]*

Madam Speaker: Order. I have two points to make: last week, the Business Committee decided that there would be no limitation on time for any Member who wishes to speak and that Members would have as long as possible in which to make their contributions. However, I hope that Members realise that we are listening to them, which is why I made the comment about there being no tedious repetition. Of course, Sir Reg would not be guilty of that. Secondly, the difference between the Transitional Assembly and the previous Assembly is shown in today's debate, which was agreed last week, and tomorrow's debate. Every

Member, including myself, knows that the Secretary of State governs the Assembly.

That is clear. Everyone knows that that is what the St Andrews Agreement meant — that this is now, in a way, the Hain Assembly mark II. I want people to be clear about that. The Business Committee can decide the order of business, and it has done so for today and tomorrow.

Lord Morrow: On a point of order, Madam Speaker. You have just clarified that the Business Committee decided that speaking time today would be unlimited. That was not clear. The matter was so unclear that your staff had to ring Members in order to ascertain their views. I gave my view; I understood that speeches would be limited to 15 minutes and 10 minutes. The Business Committee never made the matter clear.

Madam Speaker: The Business Committee will deal with that issue. My understanding was that we were to have an open debate.

Rev Dr Ian Paisley: Further to that point of order, Madam Speaker. Will you tell the House when you propose that the debate will end?

Madam Speaker: I have already told the House that the debate will end at 6.00 pm.

Sir Reg Empey: Madam Speaker, you are making some of my points for me. You said that the Business Committee would determine which debates would take place. However, my contention is that that has already proved not to be the case. The Secretary of State has already intervened — at the first meeting of the Business Committee — on a trivial matter. Ostensibly, there is an alleged freedom to decide, but your response to the Member for North Down Mr Robert McCartney confirms that the Secretary of State can do anything at the drop of a hat. I was going to make an appeal to him to get the clocks right, but you have now decided that there will be no limit on contributions to the debate.

My colleague Mr McFarland will address in detail some other matters pertaining to 24 November, but it would be remiss of us not to put that day into context. The Secretary of State's involvement in that, and in other matters, was far-reaching and well known in advance. The date of 24 November was built up as a huge issue. For months, the Secretary of State had been saying that he was setting a deadline, and that if certain events did not take place on that day, this place would fold. For nine months, he berated us on the money that we received as Members and for the cost of this place, yet spending £0.5 million on the St Andrews talks did not seem to bother him or his colleagues. Nevertheless, he said that unless we were doing our jobs by 24 November, he would close this place, and we would be finished.

That went on for months, and the general public were concerned that we were unable to carry out our functions fully. That is not the fault of most people in the Chamber who want to carry out their full functions but have been prevented from doing so since 2002. We will go into that issue on another day. The Secretary of State berated us for the cost of this place and then told us that he would close it down on 24 November if certain events did not take place. He wanted the First Minister designate and the Deputy First Minister designate to be clearly identified on 24 November. That was inserted into the Northern Ireland (St Andrews Agreement) Act 2006, which states:

"The proceedings to be conducted by the Transitional Assembly shall include the making of nominations from among its members of persons to hold office as First Minister and deputy First Minister".

As we got closer to 24 November, a different language entered the debate. We were not to have designation or shadow Ministers; declarations of intent came into the picture. That would be the line drawn in the sand. Subsequently, declarations of intent became qualified declarations of an intention to do something at some future point — perhaps — and so it went on and on.

Even at a casual glance, it would seem that schedule 1 to the 2006 Act has already been breached. Later, Members will examine the anatomy of that day more closely. However, I must recall the comments of the noble Member Lord Morrow, who addressed the Chamber on 26 September 2006. He said:

"Members have been told that 24 November is destiny day." — [*Official Report, Bound Volume 20, p168, col 1*].

Let us remember the words "destiny day", Madam Speaker.

"That day will come and go, the rain will fall as often as ever, and the sun will shine as infrequently as ever, but anyone who is holding their breath for 24 November can forget about it. I state clearly: those people can forget about 24 November because nothing will happen." — [*Official Report, Bound Volume 20, p168, col 1*].

[*Interruption.*]

It is not pantomime time yet.

Some Members: Oh yes it is.

Madam Speaker: Order. It is not pantomime time yet.

Sir Reg Empey: I fear, Madam Speaker — and Mystic Meg will rest easy in her bed — that Lord Morrow's psychic powers of anticipation are perhaps not as accurate as he would normally expect. On a number of occasions, I looked at his comments that the sun would shine and the rain would fall, and I wondered what was his political message to Members in September. I came to the conclusion that he was not sending us a political message but giving us the weather forecast. [*Laughter.*]

On a more serious note, Members need to climb an enormous mountain if we are to gain any credibility

with the public. If Members are not able to decide on the simple matter of what we debate and how we debate it, what credibility do we have? According to the Northern Ireland (St Andrews Agreement) Act 2006 and to another deadline that the Secretary of State has set, within a few months the Chamber is supposed to be responsible for a £12 billion Budget, for legislation and administration. However, we are not sufficiently responsible to conduct our own business. Madam Speaker, that is my fundamental point.

Members must indicate clearly that they should be permitted to decide and conduct their business without let or hindrance from the Secretary of State, provided they are operating within the law — and I think that there is already a question mark over that, after the events of 24 November. That is the thrust of what Members should be doing. Without any disrespect — this is not a personal issue — but if the Secretary of State for Northern Ireland is to give any credibility to this Assembly, he must make it clear that if people go running to him asking for his help to do this or that, saying that the nasty people in the Assembly would not let them speak, that sort of argument is no good to anyone. Members must take responsibility for themselves. I urge Members to support the motion.

Mr Adams: I beg to move the following amendment: Leave out all after the second "Assembly".

Tairgim an leasú, a Cheann Comhairle.

I listened with great interest to what our Friend had to say. He predicated his whole case on what he described as a "trivial matter".

11.00 am

I was thinking to myself that some people looking in on today's debate are victims of the crisis in the health services, are worried about water rates being imposed or are witnesses to the decline of our rural communities. As we face Christmas, some people are badly affected by poverty. I moved the amendment because I wondered what all those people would think of the little tête-à-tête between the UUP and the DUP. Members may have noted the report into collusion from the Oireachtas, which is the Dublin Parliament. I wonder what people who are part of that dreadful part of our history will think of the motion.

The motion is not about the British Secretary of State but about the battle within unionism. The paranoia that Sinn Féin causes both main unionist parties to suffer, and some of the very small parties echo that paranoia, advantages no one. It has not been to the advantage of any of the Members who have spoken today. Nationalists, republicans and democrats will naturally take some pleasure from any motion that is critical of a British Secretary of State, especially if it comes from unionists. However, Sinn Féin's view is that the motion does not go far enough. It is not good

enough to say that Members want a British Secretary of State not to interfere on only one day. Sinn Féin does not want him to interfere at all.

Whatever we think of British Secretaries of State on a personal level, they are a breed of politician whose task is to promote and defend Britain's self-interest in Ireland. I am sure that all Members agree that they do that above all other interests — above the interests of the DUP, the UUP, Sinn Féin, the SDLP, the Alliance Party or anyone else. They do so above and beyond the interests of the people of the North, or, indeed, of this island.

Peter Hain has deservedly attracted a reputation for having bad judgement. He has made a series of bad judgements: the appointment of the Interim Commissioner for Victims; appointments to the Parades Commission; his opposition to an Irish language Act; and his creation of the Hain Assembly and now the Transitional Assembly. All have been about pandering to unionism. Despite that, do unionist Members here feel any greater affection for Peter Hain or British Secretaries of State? No.

Níl grá ar bith ann — there is no love at all in it. It is all about expediency, which is nothing new. Whether it was British Lord Lieutenants in Dublin Castle or British Secretaries of State in Stormont Castle, all Britain's colonial viceroys have used the usual techniques of divide and conquer — bribery, threat and corruption — to promote their own interests. When those interests coincide with the interests of unionism, a Cheann Comhairle, unionists and the British are partners. However, when those interests do not coincide, the truth is that the British Government's interests, not Irish unionists' interests, take priority.

It is often said — and unionists are better judges of this than I am — that unionists have no real loyalty to the British Government. Be that as it may, one thing is certain: the British Government have no real loyalty to the unionists. If all Members were sufficiently moved to give voice, we could all agree on that. Members on the Benches on this side of the House labour on in the hope that colleagues on the Benches opposite will one day liberate themselves and realise that none of us needs British interference in our affairs.

The UUP, DUP and others currently consider their self-interest to be served through the connection with Britain, irrespective of their distrust and disdain for British Governments. I commend to our unionist colleagues another motion, which was passed at the first formal meeting of the Society of the United Irishmen in Belfast more than 200 years ago. I understand that Willie McCrea was not there on that day. *[Laughter.]*

That resolution — *éistigí liom* — is very pertinent to today's motion, as it has a really interesting historical echo —

Madam Speaker: It would need to be, Mr Adams.

Mr Adams: It is, absolutely:

“That the weight of the English influence in the government of this country is so great as to require a cordial union among the people of Ireland to maintain that balance which is essential to the preservation of our liberties and the extension of our commerce.”

Reg Empey spoke of the need to have the freedom to decide what we want to do. That resolution spoke of “the preservation of our liberties”. Most of those who were involved in that great enterprise were Presbyterians: people such as Samuel Neilson from Ballroney; Mary Ann McCracken and her brother Henry Joy McCracken, who was hanged in High Street in Belfast; Rev Sinclair Kelburn; Rev William Steele Dickson; Jemmy Hope, who was a Templepatrick man; Henry Monro from Lisburn; and John Robb from Ballynahinch. Last Friday, a Cheann Comhairle — *[Interruption.]*

Madam Speaker: Order.

Mr Adams: Last Friday, the DUP met at Templepatrick, and I heard Ian Óg, on the way in, appealing to his party to remember that republicans are the real enemy. Templepatrick has a proud Presbyterian republican history. *[Interruption.]*

Madam Speaker: Order.

Mr Adams: The Presbyterians, led by Henry Joy McCracken, left from there and from Mallusk to take Antrim and begin —

Madam Speaker: Order. That is all very interesting, Mr Adams, but please keep to the motion.

Mr Adams: I am speaking to the amendment.

They began a process to create a new society that was based on the principles of equality, fraternity and liberty.

Dr McCrea: On a point of order, Madam Speaker. Was the Secretary of State involved 200 years ago as well? *[Interruption.]*

Madam Speaker: Order. I am on my feet, and I am speaking. Thank you. Mr Adams is speaking to the amendment. I do not know how old the Secretary of State is.

Mr Weir: On a point of order, Madam Speaker. Do you have any power to reconsider the time limit on speeches? The Member opposite has reached only 1798; how long will it take him to get to 24 November 2006? *[Interruption.]*

Madam Speaker: Order. I take the Member's point on board; it is very relevant. I have already asked Mr Adams to keep to the amendment, and I do have the

authority, as Members know, to curtail Members' speeches or to speed them up. Mr Adams, please continue.

Mr Adams: My points are entirely pertinent. We have a motion that calls merely for an end to interference on one given day and an amendment that seeks an end to all interference. Given that the DUP met in Templepatrick, and given that its members are Presbyterians, I thought that it was important to cite that historical example of which the DUP may not be aware. I think that the House would be pleased if everyone here were conscious of those facts.

The British Secretary of State is treated with great scorn by Members on the Benches opposite. Why is that? Why do they not send him packing? Why do they not take upon themselves the power to be part of the political institutions? Rather than propose motions that are based on trivial matters — and I use their own words — Members should get down to the real business of conflict resolution, start to build some confidence and trust, not just in these institutions, but in each other, and deal with the social and economic issues that people face.

The motion has nothing to do with Peter Hain or the British Government. It is about antagonism and competition between the UUP and the DUP. Our amendment is wide because, as I have said, Sinn Féin is against any British Government interference in Irish affairs. Like the republican Presbyterians who gathered at Templepatrick, Sinn Féin supports a cordial union among all the people of Ireland that will maintain that balance, which is essential for the preservation of our liberties and the extension of our commerce.

Sin é; go raibh maith agat.

Madam Speaker: Before I call Dr Paisley, I want to make one comment. Lord Morrow made reference to the Business Committee meeting. It was said at that meeting that Members wanted to speak at length to today's and tomorrow's motions, and that is why there are no time restrictions on the debates. However, Members should use their judgement.

Lord Morrow: On a point of order, Madam Speaker. Do you accept that there was confusion? Had there not been confusion, your staff would not have been ringing Members to ascertain —

Madam Speaker: I have accepted the Member's point, and, as I have said, we will discuss it at the Business Committee meeting tomorrow.

Rev Dr Ian Paisley: Members have listened to an interesting extract from republican propaganda history. However, I inform the Member who has spoken that he does not discern between Presbyterians and Unitarians. The Presbyterian Synod — the Synod of Ulster — was totally opposed to the rebellion. Those who were named as Presbyterians were Arians or Unitarians.

Mr Adams: On a point of order. Does the Member accept that all the people whose names I read out were Presbyterians?

Madam Speaker: That is not a point of order.

Rev Dr Ian Paisley: I do not want to give the Member a lecture on Hodge's theology, but I recommend that he reads it in his spare time: even better, he should read the Bible and get it at first hand.

Some Members: Hear, hear.

Rev Dr Ian Paisley: It is absolute nonsense and a perversion of history to be told that the Presbyterians of Northern Ireland were all lined up in an act to undermine proper democratic government and break the British link. I am glad that the Member mentioned Templepatrick, which was first evangelised by a grandson of John Knox — and my theology is very close to that of John Knox. There was such a split in the Presbyterian Church in Templepatrick at that time that no one would give the Trinitarian Presbyterians any ground, and they had to build their church outside Templepatrick. The Unitarian church is inside Templepatrick, behind its walls, and the Presbyterian church is outside, about two miles away. There was a distinct difference, and the Member needs to remember that difference.

However, we are not fighting to be British: we are British. The Member eulogises those who are republican, and if he wants to do that, that is his business. However, I have as much right to stand by my faith, my patriotism and my nationality. I am a British subject in an Assembly that is part of the United Kingdom, and I am entitled to refute the propaganda that Members have been forced to listen to today. The DUP's amendment, which was refused, did not cover only one matter.

11.15 am

It covered matters such as water charging, the review of public administration, the review of rating, post-primary education, rural planning, and an economic package for Northern Ireland. It did not cover one particular matter and forget about the rest; my party believes that all those matters are important to the people of Northern Ireland and that they should all be discussed. I said to the leader of IRA/Sinn Féin that he had better listen to the majority of the unionist population, which is getting restless, because, seemingly, he does not intend to keep to the —

Mr Adams: On a point of order.

Madam Speaker: Before you make your point of order, Mr Adams, I remind Dr Paisley — although I am sure that he does not need to be reminded — that he must address his remarks through the Chair.

Mr Adams: A Cheann Comhairle, Dr Paisley made the point that he is a British subject and that he has his

views, which he is entitled to put to the House. I assent to that fully. He mentioned the leader of IRA/Sinn Féin. There is no party in the Assembly called IRA/Sinn Féin. The party that he refers to is called Sinn Féin.

Madam Speaker: Thank you, Mr Adams. I am sure that everyone knows that.

Rev Dr Ian Paisley: Evidently, members of the British Government and the Tory Party do not know it, for that is how they refer to that party. One of those members, who was Prime Minister at the time, referred to that party as "IRA/Sinn Féin". Some people have accused me of softness, because sometimes I use all sorts of terms against the IRA. I deliberately use that term today to show that my enemies, who claim that I have gone soft, are not telling the truth. The leader of that party will surely call it whatever he wants. However, in the House, I will retain the right to say what I believe is absolutely proper.

Mr Adams: On a point of order.

Madam Speaker: I remind Members that we have all signed the Roll of Membership. No Member's name is on the roll with the term "IRA/Sinn Féin" next to it.

Mr Adams: I ask you to make a ruling on the matter, which I would like to speak about for a moment, if I may.

Madam Speaker: It would be inappropriate to do so at this stage. However, you may speak to me after the debate.

Mr O'Dowd: On a point of order, a Cheann Comhairle. Will you make a ruling on the position that has been taken by Members from the Benches opposite?

Madam Speaker: I will make the ruling at my discretion. I have already made a comment that every Member should listen to.

Rev Dr Ian Paisley: Perhaps it is a good omen that the party opposite is ashamed at being called IRA men. I hope that that will continue and that there will be an epidemic in that party of repudiating that which it has eulogised for many a long day.

I was surprised at the Member's comment that Members should unite for their own preservation. It is some preservation when one thinks about the murders that have been committed in our Province. It is some preservation when one thinks about the young and the old who have been murdered. It is some preservation when one thinks of those from every religious body — Roman Catholic, Protestant and others — who have been murdered by IRA/Sinn Féin. Those matters concern us all, and we must underline them in this debate.

I would like the Secretary of State, as a result of this debate, to move away from his past and be regenerate to the fact that he lives in a part of Ireland — the Province of Ulster, as we call it — that is part of the

United Kingdom. I hope that he will remember his past pronouncements and past criticisms of Northern Ireland and that those will cease and that he will be converted to getting the best for the people of Northern Ireland. Certainly, the way in which he has acted in past days, as far as this Assembly is concerned — and the first Assembly as well — shows exactly the manner of man that he is. However, he too could know regeneration. I hope that he will know it and realise that the people of this Province — unionist, Roman Catholic and nationalist — all have a right to express their particular convictions within the law. They should see to it that they do so within the law.

I want to make a plea to the leader of the party opposite: we are all waiting to hear him say that he will support the police and that he will abide by the conditions that are laid down in the St Andrews Agreement. The sooner that we hear that, the better for us all.

Mr A Maginness: Having listened to the exchange between Dr Paisley and Mr Adams and to their various views of history, my conclusion is that they should perhaps combine those views and produce another short history of Ireland that might be acceptable to the people here. We have heard many history lessons this morning. However, I did not come to this Assembly to listen to a history lesson, and I certainly did not come to hear the rather condescending view of history that has been expressed by Gerry Adams. That view would do credit to a GCSE Irish history class.

This Assembly's time would be better spent, not in exchanging views on Irish history and seeking solutions to the present in the past, but in looking at the present and trying to address some of the problems of the present. We should examine seriously the problems that exist in our political system and try to resolve them.

Mr Adams's view is that the Secretary of State panders to unionists. The Secretary of State has pandered to more than unionism. He has indeed pandered to the DUP, and, at times, to other elements within unionism; however, he is not above pandering to Sinn Féin, and, in particular, to Mr Adams. He pandered to Sinn Féin in relation to on-the-runs, and it was pressure that the SDLP brought that got that despicable piece of legislation on that matter reversed. Nonetheless, that was an example of the Secretary of State pandering to Sinn Féin, as he has done on many occasions. In fact, Sinn Féin has spent more time at 10 Downing Street than any other party in this House. Sinn Féin's strategy has been to ingratiate itself with the British Government to get them to do things on its behalf. That is the reality of the situation.

Mr Robert McCartney: The Member will remember, in connection with the very point that he makes about pandering to Sinn Féin, a British Prime

Minister's remark when the SDLP complained at Weston Park that its views were not being listened to, yet those of the panderers beside him were. The response to the SDLP was: "You have no guns." Perhaps that is the cause of the pandering to Sinn Féin.

Mr A Maginness: The whole issue of political violence, as exercised by the republican movement, certainly had an important effect on the British Government's policy.

Mr O'Dowd: Will the Member take a point of information?

Madam Speaker: There is no such thing as a point of information.

Mr O'Dowd: In that case, will the Member give way?

Mr A Maginness: Unlike Mr Adams, I will.

Mr O'Dowd: Thank you. The Member seems to forget that the British Government listen to us because of our massive mandate.

Mr A Maginness: I remind the Member that, in the 1970s, the 1980s and the early 1990s, the SDLP had an overwhelming mandate from the nationalist community. Mr Adams and his colleagues ignored that mandate. Sinn Féin ignored it, and the republican movement continued to carry out acts of violence — political violence — to achieve political ends. It had no mandate from the nationalist community, either North or South, to do that. However, Mr Adams would today criticise people in his constituency who use political violence, because, he says, they are microgroups that have no political mandate. Remember, however, that the IRA was a microgroup that never had an electoral mandate to impose misery, violence, death and destruction on the Irish people.

Some Members: Hear, hear.

Mr A Maginness: Let me remind Sinn Féin of that historical fact.

Friday 24 November was not this Assembly's best day. In fact, it was a grave disappointment, and it caused universal dismay and disgust on the part of the people. It was said earlier that Lord Morrow had previously described 24 November as a day on which "nothing will happen." — [*Official Report, Bound Volume 20, p168, col 1*].

I ask Lord Morrow this question: if nothing happened on that day, as he had predicted, why did he and 11 of his colleagues, now infamously dubbed the "dirty dozen", issue a statement? [*Laughter.*]

Madam Speaker: Order.

Mr A Maginness: Why, if nothing happened —

Mr Campbell: On a point of order, Madam Speaker. I understood that the term was the 12 apostles.

Mr A Maginness: I suppose that that is theologically more sound. [*Laughter.*]

Mr McMenamin: Look out for Judas. [*Laughter.*]

Mr A Maginness: Which one?

11.30 am

Madam Speaker, if nothing happened on that day, why did those 12 Members go to the trouble of issuing that epistle, to use the biblical language of Mr Campbell? The reason was that the tensions in the DUP are so grave, and so intense, that it is divided and frightened. The party is frightened of a future in which the people in this society can work together in partnership in order to solve the problems that I mentioned at the beginning of my address.

They are frightened that the old certainties of sectarian politics will be demolished and will melt or be eroded by people working together in partnership. That point should be made by all in the House who are committed to a non-sectarian, democratic future. We have to work together to form the Administration.

I took heart from what Dr Paisley said to Gerry Adams this morning. He said that if Gerry Adams gets his act together on law and order and shows commitment to the rule of law, the police and the legal process, Dr Paisley will join him in a power-sharing Administration. That is the challenge for Sinn Féin in the Assembly.

There is an equal challenge for Lord Morrow and the rest of the doubters in Dr Paisley's party: to recognise that they can no longer live in a sectarian block and hope that society can make progress. We have to work together, and we have to create a partnership. That is the challenge for Dr Paisley, although some members of his party may not be up to it. The disappointment felt by people on 24 November was occasioned by the fact that there was no clear statement from Dr Paisley and his colleagues giving the certainty that was necessary to people outside the Chamber.

The people of Northern Ireland want certainty in politics. They want the certainty that they are going forward and that they will not have to live in a sectarian morass any longer — they want to be lifted out of it. They want the certainty of a future in which people can live together in sustained peace. That is what people wanted on 24 November, and that is what they did not get. It was not the intervention of a third party that caused the fiasco on 24 November; it was the failure of the DUP to assert that it was going forward in the joint office of First Minister and Deputy First Minister. That is what caused the disappointment and dismay in people's minds.

That disappointment further devalued politics in the House and in our society. Our reputation is very low, and it has been diminished individually and collectively. This is not about people losing faith in the

DUP, the SDLP, Sinn Féin or the Ulster Unionists: it is about people losing faith in politics itself. Politicians must give leadership. They cannot hide — like Sinn Féin and the DUP — behind Secretaries of State. They have to be brave and show people that they are ready to face the challenges of office.

We can blame the Secretary of State, and I share the criticisms that have been made of him this morning. However, in this situation, the Secretary of State is more sinned against than sinning. We politicians are guilty collectively of the greater sin of not taking the opportunity to come together, create a power-sharing Executive and restore the other institutions of the Good Friday Agreement.

Public confidence is diminishing, and it will diminish further unless we get our act together. We have an opportunity to do that, and we should do it now.

Mr Ford: The motion and the reaction to it in the Chamber show how easy it is to take cheap shots at the Secretary of State. It is great fun, and we all enjoy it. However, I do not see the Galleries filled with his officials staring down at us. A man who does not seem to take much notice of what the courts say is unlikely to take much notice of an Assembly that is bound to him.

We are not here just because of the failures of the Secretary of State, although it would be pleasant to enumerate them all, and we could spend hours doing so. We are here because of the failures of the parties that have responsibility in the Chamber — failures that span many years — and in particular the failure of the two largest parties to live up to their obligations under the St Andrews Agreement. They negotiated those obligations with the two Governments over a period of weeks, not just the three days in St Andrews, but have completely failed to do what they were supposed to do within the prescribed timescales, and all this has arisen from that. Of course, the first four years of the Assembly were not exactly a success for the two parties that led that Administration.

Sir Reg Empey talked about the meeting of the Business Committee that set up the arrangements for the plenary sitting on 24 November, about what was supposed to happen, who was or was not supposed to speak and who did or did not run to the Secretary of State to demand an opportunity. I must confess that I lost the thread slightly; I am not clear whether Sir Reg's principal objection is that Martin McGuinness's Irish is not very good or that he took only 37 seconds to say what he said. That was about the level of Sir Reg's complaint.

So what? The real issue of the interference in the Assembly's processes that day is not about whether Martin McGuinness did or did not speak. It is about the Secretary of State's demand that words be said in that Chamber that imply that people had lived up to

their commitments when they patently had not — and everyone in the Chamber knew that they had not. My complaint is that the Secretary of State forced the Speaker of this Assembly, who should be bound to this Assembly, to make an utterly false statement. We should care about that type of issue if we want to move forward.

Mr Hussey: On a point of order, Madam Speaker. I am referring to the Standing Orders under which we are currently operating. In support of Mr Ford, and pursuant to Standing Order 2(a), I ask for your determination on the implementation of Standing Order 20.

Madam Speaker: I shall come back to you. Thank you for that point.

Mr Ford: I am sure that we all look forward to hearing your ruling on that point of order once you have consulted the necessary paperwork.

The real issue is not whether Martin McGuinness did or did not speak, or in which language. The issue is the continual interference of the Secretary of State in misinterpreting the comments made by parties and by party spokesmen, both within and without the Chamber, in order to maintain the pretence that there has been progress when there has been none.

Adding to the mistrust, disappointment and annoyance that the people of Northern Ireland feel when they see this charade in the Chamber, attempts are made to show that things are being done. However, it seems that the interests of the Secretary of State and the Prime Minister demand that that pretence be maintained, and the interests of the DUP and Sinn Féin demand that that pretence be made, even though nothing at all is happening.

In winding up his speech, Sir Reg Empey said that the fundamental point was that our credibility depends on our ability to arrange business in the Chamber. It is not. The fundamental point is that the credibility of Members of this Assembly depends on their ability to face up to the difficult agenda that is ahead of them, take the difficult decisions, get on with forming an Administration and do the work that needs to be done. There is no sign whatsoever that the parties that aspire to sit in the Executive are living up to that.

The St Andrews Agreement was a deal between the British and Irish Governments, the DUP and Sinn Féin; the Ulster Unionist Party and the SDLP have said that they support the agreement. Those four parties have taken seats on the Programme for Government Committee and are clearly and publicly stating their intention to get on with the formation of a Government. However, the kind of debates held in the Chamber, the kind of exchanges that occur in the press, the failure of anything constructive to come from the discussions over the summer in the Preparation for Government Committee and its subgroup on economic challenges show just how much those parties still have to do. Why do they

not get on with it? Instead of having pointless debates in the Chamber, why do those parties not show that the work will be done and that they will move forward?

The experience of the previous Executive, which operated for three years, showed that there was real difficulty in tackling the issues that matter to the people of Northern Ireland. Where was the collective action to improve health and social services or education? Why was nothing done to clean up the environment, deal with the mess that is public transport or improve the finances of Northern Ireland? That would have obviated the meaningless statement from the Chancellor and the Secretary of State a month ago. Most fundamentally, why did the Executive do nothing to take forward the 'Shared Future' agenda, and why are they still doing nothing to show a commitment to it?

Madam Speaker: Mr Ford, the motion relates to the events of 24 November.

Mr Ford: If we are looking at what went wrong on 24 November, we need to examine the historical context. After all, the Sinn Féin leader managed to go back as far as 1798. I was hoping not to go back that far, although, as a Presbyterian from the presbytery of Templepatrick, I find it a fairly interesting subject.

I was disappointed that, in his pantheon of Presbyterian heroes, Mr Adams failed to mention William Orr, who is a distant relation of my wife. Perhaps he will manage to mention him the next time that we get around to that debate. William Orr is buried only 200 yards or so from where the DUP met last week. He would have been a relevant example to that party.

Gerry Adams's comments about the history of 1798 are fundamentally irrelevant to where this Assembly stands today, just as the DUP leader's theological discourse is fundamentally irrelevant, because where we stand today concerns the obligations of those Members' parties. Ian Paisley was quite right when he faced across the Chamber and said that he wanted to hear Sinn Féin's commitment to the rule of law, but when did we hear the commitment from the DUP?

The failure of the DUP to engage with other parties and to stand up to its obligations under the St Andrews Agreement simply lets Sinn Féin off the hook completely on the issues of justice and the rule of law. It is easy for the DUP to make points about those issues, but that party's utter failure to engage in what it should have been doing feeds the position whereby the Secretary of State continues to interfere in the Chamber, and nobody else does anything to move issues forward.

Alban Maginness was correct when he spoke about the problems in Sinn Féin and the DUP. However, he rather ignored the time between 1999 and 2002, when the British Government spent most of their time, and virtually all their effort, pandering to the Ulster Unionist

Party and the SDLP. In seeking to make the then Executive work rather better than it did, the British Government failed again. I disagree with Alban Maginness when he says that something happened on 24 November in the Chamber, because nothing happened. Nobody could suggest with any grain of truth that the necessary obligation was forthcoming from the DUP.

My complaint is not that the Secretary of State interfered at that point but that he interfered at that point to pretend that black was white and that there was progress, when patently there was none.

11.45 am

It seems that Sir Reg Empey's motion arises out of the confusion of 24 November, but there is also much confusion in his party. Its members are confused over whether to attack the DUP for having done a deal or for not having done a deal. When DUP members themselves cannot decide whether they did or did not do a deal, it is difficult and confusing for Ulster Unionists to know how to attack them.

It really is time for Ulster Unionists to try to act in a constructive and meaningful way as they pretended to act in the first few years of the first Northern Ireland Assembly. They should stop adding to the confusion and difficulty. If politics is to be seen to work in this place, there are obligations on Members from all parties. It is time for people to stop picking fights and pointing fingers. It is time for all parties to live up to their obligations.

Lord Morrow: As one of the Members who has been most used and abused here this morning, I find it interesting that no one has been able to refute what I have said. I listened intently to my colleague Sir Reg Empey when he addressed the House. He felt compelled to name me. It is interesting that he agrees that I got it right on two counts: I got the weather right, and I got the fact that nothing was going to happen on 24 November right. I like an honest man. I like a man who acknowledges the fact that a person gets something right, a man who is prepared to stand up and say that a person has got something right. I want to place on record my thanks to Sir Reg for being so honest. I suspect that he had other motives, but we will not go into them.

This morning we listened to Sinn Féin/IRA boldly declaiming an elegy on history that has been warped, to say the least. However, is not all of its thinking warped? Its members have tried to put out the hand to unionism, and I simply wonder if it is the same hand that they have been holding out for the past 35 years. Is this their idea of a way forward? Is this their idea of covering up?

The leader of my party and I had a very sobering experience last week. We met an elderly woman who

is over 80 years of age, a mother who pines for a son who was abducted and was never seen again. The people sitting opposite me could help that lady if they wanted to, but they point-blank refuse to do so.

The challenge to Sinn Féin/IRA today is this: if you are changing, let those changes be seen and be noticeable, because anything less will not do. If you think for one single, solitary second that you are going to get away with some bland statement about supporting the police in order to be fast-tracked into the Government — and I hope that Sir Reg is listening intently because I am going to make another prophesy — the answer here and now is: forget it. If there is any part of that that you do not understand, I will give way to you on this occasion, and it is not often that I give way to Sinn Féin/IRA.

Madam Speaker: Lord Morrow, I ask you to keep to the motion.

Lord Morrow: Yes, I will.

Mr McElduff: Can I ask that the contributor from the DUP speak through the Chair? I would appreciate that.

Madam Speaker: Order. Lord Morrow knows that he must speak through the Chair. I have asked him to keep to the motion, and he has agreed to do so.

Lord Morrow: You had brought that matter to my attention before the Member stood up, Madam Speaker. You know that I tend to do that all the time, anyway.

Why does Sinn Féin not support the police today? Why not last week, why not next week? I will tell Members why — Sinn Féin has been promised something more. Let the message go to the Secretary of State, the Prime Minister and anyone else who wants to listen: the more one concedes to those people, the more resolute unionism will become. Pushover unionism is gone. Its Members are sitting quietly in a corner of the Chamber today, with nothing to say any more; they are in the history books, and that is where they will stay. People caught them on.

Mr Nesbitt: Having been accused of being silenced, I must ask a question of Lord Morrow. At the weekend, Mr Hay said that Sinn Féin had to deliver on policing before the DUP would commit in any way to power sharing. However, the DUP executive committee statement on 9 November said that it was not required to commit. A non-requirement does not mean that the party will never commit. I contend that the DUP did indeed commit. Perhaps Lord Morrow will tell me which side of the DUP he is on; is he on the side of Mr Hay's statement or on that of the executive committee statement of 9 November? They are not the same.

Lord Morrow: Madam Speaker, I can only suggest that when the hon Member has something to say, he should stand up and say it. *[Laughter.]*

Madam Speaker: Order. Thank you, Mr Nesbitt. Lord Morrow, please continue.

Lord Morrow: I listened intently to what Mr Maginness had to say — Mr Maginness of the SDLP, that is.

Mr A Maginness: The real one.

Lord Morrow: The Member said that, not I.

Rev Dr Ian Paisley: He has Protestant blood in his veins. Do not be too hard on him.

Lord Morrow: He is the real one, then.

He was quite vociferous in naming others and me as the "dirty dozen". Sitting right behind him were two of his colleagues who have suffered considerably at the hands of thugs and republicans for being courageous enough to take a stand on the side of law and order. Perhaps my commendation will not enhance the situation for them.

However, Mr Maginness would have been better to turn his arrows on those who have tried to drive the likes of Mr Ramsey and Mr McMenamin from their homes, burned their vehicles, smashed their windows and otherwise intimidated them. It is they whom Mr Maginness should deal with today. He should ask them why they are so reluctant to support law and order when his party has had the courage to take a positive stand. He should have defended his colleagues on those issues.

Mr A Maginness: It is obvious that Lord Morrow did not listen to my speech. I made it very plain that it was Sinn Féin's duty, obligation and challenge to accept policing and the rule of law.

Lord Morrow: I have heard what the Member has said. However, let the message go out loud and clear from the House: if we are to return to a normal society, there must be unequivocal support for policing, justice, and law and order. If that is painful for some, too bad: if they want to be democrats, they must act like democrats. They cannot simply talk like democrats; they must act like democrats.

Mr O'Dowd: On a point of order, Madam Speaker. You ruled the DUP amendment out of order, but it appears that the Member is speaking to his amendment. Sinn Féin is more than happy to set time aside in which to debate it at length, but it appears —

Madam Speaker: Mr O'Dowd, once again I remind you that I am the Speaker, and I make the rules here. I also ask you, Lord Morrow, once again to keep to the motion, or to the amendment if you wish to support that.

Lord Morrow: I thought that I was doing that, because I was responding to what has been said. If it is in order for others to say something, it must be in order for me to respond to them. However, I am almost finished.

There has been a missed opportunity in the House today concerning the motion. Every MLA whom I hear on the radio, read in the press or see on the television says that we need an Assembly to tackle the bread-and-butter issues. How true that is. DUP Members made an honest attempt to do that. We wanted to talk about an economic package, the review of public administration — and I welcome the fact that it will be discussed and debated tomorrow — support for the police, and water rates and charges. The Assembly should be discussing those issues today, but alas, the opportunity has not been afforded to us, and it is being missed.

Madam Speaker: Thank you, Lord Morrow. That issue will be discussed at tomorrow's Business Committee meeting.

Ms Gildernew: Go raibh maith agat, a Cheann Comhairle.

I support what the Sinn Féin president, Gerry Adams, said this morning about the motion, our amendment and the interference of Peter Hain in our business. In order to examine that, we must look at the historical implications of the British Government's involvement in our country. As they did in every country that they colonised, they caused trouble and strife, created disharmony, pillaged the natural resources and murdered those who stood up to the might of the British Empire.

When the Irish potato harvest failed in the nineteenth century, the rest of the crops and livestock were shipped out to England by the ton.

Mr McMenamin: On a point of order, Madam Speaker. I cannot hear the Member from where I am sitting.

Madam Speaker: You are correct, Mr McMenamin; it is difficult to hear even from here. Perhaps, Ms Gildernew, Members would be able to hear what you are saying if you slowed down.

Lord Morrow: Talk a wee bit slower.

Madam Speaker: That is what I just said, Lord Morrow.

Ms Gildernew: When the potato harvest failed in the nineteenth century — *[Interruption.]*

You can hear me now, Maurice, can you?

The rest of the crops were shipped out of our country by the ton. Absentee landlords squeezed every penny out of their tenants, and millions of people starved or were forced to emigrate.

Madam Speaker: I know that we have had many history lessons this morning. Please move on to the amendment, if that is what you are speaking to. I am not sure of the relevance of your comments. If you can make them relevant, I will listen.

Ms Gildernew: I am making them relevant, Madam Speaker. I have listened to some of the other contributions today, and my comments are no less relevant than some others that I have heard.

Madam Speaker: That is your opinion; it is not mine.

Ms Gildernew: The effect of the pogrom on the Irish people is still felt in parts of our country, and when the Irish people have demanded their independence over the generations — whether in 1798, which Gerry Adams has already mentioned, or in the 1916 rising, when the men and women called for a new Ireland where all the children of the nation would be treated equally — they have been met by the might of the British Empire. The brutality of the resistance to the rising was disgraceful, even by British standards. James Connolly was murdered by a firing squad while propped up on a chair.

The democratic will of the Irish people was also ignored when the election results in 1921, which showed overwhelming support for a 32-county republic, were overruled. The Irish people have been treated with absolute contempt throughout the generations, and that has not changed in 800 years.

This British Secretary of State is only one —

Mr K Robinson: On a point of order, Madam Speaker. Does the Member accept that, in the historical period to which she refers, the population of unionists in what is now the Republic of Ireland dropped dramatically? Does she class them as Irish people and part of the Irish nation?

Madam Speaker: Mr Robinson, that is not a point of order; you are merely referring to the speech.

Ms Gildernew: That is not a point of order. I am also worried about the hundreds of young people — unionist and nationalist — who leave here to be educated in other parts of the world and do not return.

What we are doing here is important, and we should encourage all those people to stay to build that new Ireland.

12.00 noon

For generations, the Irish people have been treated with contempt. This British Secretary of State is only one of a list who have acted with impunity. Peter Hain's actions demonstrate that he is no different to those who have treated the will of the Irish people with disdain. Sinn Féin wants Ireland's relationship with its nearest neighbour to be one in which people are treated fairly and with equality. The British Empire no longer rules the waves, and we will not be treated as second-class citizens.

I listened to Maurice Morrow's comments, and if he were to listen to the victims of state violence, he would better understand where Sinn Féin is coming from.

Over generations, many families have been bereaved by the British state.

The people of this island should have the right to govern without interference. We in this Chamber — unionist, republican and nationalist — would be better able to conduct our affairs without interference from Peter Hain, John Reid or any of the interchangeable British Secretaries of State who came before them.

The DUP has allowed a small number of fundamentalists to dictate terms and conditions to us all. The sooner that Members get on with the jobs that they were elected to do, the better. Members have already referred to water charges, education cuts and rates rises; we must be here making decisions for ourselves. As long as Peter Hain holds his position we will not be able to do that, and I ask all Members to work together to ensure that we rule our own future, making decisions that are accountable to the people who elect us.

Mr McFarland: Friday 24 November was a much-heralded D-day. After what we understand was a fractious morning, the unusually hushed Benches of the DUP sat unsure about exactly what their leader would say. Mr McGuinness sat opposite, barely able to contain his eager anticipation at his nomination to be Deputy Prime Minister of this “six-county failed political entity”.

Dr Paisley stood to speak, and we all sat with bated breath awaiting his indication to nominate. The speech finished and, it is fair to say, there was a confused look around the Chamber that said it all. Dr Paisley had missed out the punchline. Mr Adams made his contribution, and Madam Speaker read a speech suggesting that Dr Paisley and Mr Adams had indicated an intention to nominate. The DUP mumbled, but there was no rebuttal.

As the day evolved, the 12 apostles issued a statement making it clear that Dr Paisley had not indicated an intention to nominate. As my colleagues said earlier: “Oh no he hadn’t.” At that stage the Prime Minister and the Secretary of State became apoplectic. We understand that the Secretary of State intervened to instruct Dr Paisley to clarify his position, and Dr Paisley duly followed with a statement that said:

“Everyone already knows that in those circumstances ... I would accept the First Minister’s nomination”.

We have heard “Oh yes I did” and “Oh no he didn’t”. It is clear that Ian Paisley and Martin McGuinness are the First Minister and the Deputy First Minister designate and that the shadow Executive are meeting weekly. The DUP should stop pretending otherwise.

There are serious questions to be posed. The night before Friday 24 November, did the NIO, the DUP and Sinn Féin agree what would be said the next day? Did the Secretary of State give Madam Speaker the text of what she should say? Did the Secretary of State tell Dr

Paisley to issue a statement clarifying his position? I leave those questions to be answered by those who are involved.

My party leader has pointed out that there was interference with how long Mr McGuinness would be given to speak, and it looks as though the Secretary of State also intervened with the Speaker’s statement and with Dr Paisley’s clarification.

Members need answers to those questions. The Secretary of State should now leave Members to conduct the business in the Assembly. I support the motion.

Mr Attwood: As my colleague Alban Maginness has said, the SDLP does not support the motion, as it misses the much bigger points that have already been referred to. The Secretary of State’s intervention — or not — in the affairs of the Assembly merely reflects a deeper culture and approach that he has adopted towards much of public life in the North.

The present Secretary of State, as a tool of government, has interfered with due process, with upholding proper standards and with the standing authority of public bodies. That has been his policy and practice on too many occasions. Evidence that is already in the public domain is a damning indictment of that approach.

There is evidence that the Secretary of State tried to influence nominations to the Parades Commission under the false notion that he could appease elements in the Orange Order. As regards the court case concerning the appointment of the Interim Commissioner for Victims and Survivors — and there is no issue about the individual — there is evidence that the Secretary of State used a concession to the DUP in a misplaced effort to soften its heart. With respect to water charges, he is pursuing the Chancellor of the Exchequer’s policy under the false notion that he might one day become the Chancellor’s deputy when the Chancellor becomes Prime Minister.

The problem is that the Secretary of State — across a wide range of issues, and on too many occasions, in order to obtain quick fixes and for reasons of political expediency — employed a policy of interference to bring about his desired outcome. As Members know, from experience in the Chamber and from all those cases, the Secretary of State has been seen to be flawed and foolish in pursuing that policy.

Gerry Adams said that much of that was “pandering to unionism”. However, Sinn Féin has learned well from bad practice. Not only have the British Government pandered to unionism on occasions, they have — as a matter of policy on too many issues — pandered to republicanism.

My colleague Alban Maginness cited an example that I will explore more deeply. With respect to on-the-runs and state killings, the British Government and

Sinn Féin, in a mutual effort to obscure the past involvement of state agencies and the IRA, colluded in signing off on a cover-up policy. Not only did they sign off on that, but when the legislation was proposed, Sinn Féin welcomed it. Later that same week, Martin McGuinness justified it.

There is no more telling indictment of British interference in Irish affairs — especially given what Michelle Gildernew has just said about the history of British involvement in Ireland — than when, at the very moment that the British Government decided to cover up their involvement in various activities, criminal and otherwise, Sinn Féin assisted them in that cover-up and interference because of the on-the-runs issue.

How can Sinn Féin criticise British interference in Irish affairs when it is hand in glove with them in covering up the truth about years of human rights abuse in this part of Ireland? It does not add up: it is contradictory, confused and is an insult to the Irish nationalist people, never mind to other people on this island.

However, I am worried that the policy of interference in Irish affairs, which people in the Chamber have quite rightly berated, continues to be an element of British policy in this part of Ireland. As we speak, people in the Chamber continue to run to the British Government to get them to interfere in what is the right approach to our political problems.

Alban Maginness made a valid point, which is worthy of emphasis. The more that people interfere with due process, seek quick fixes, do deals behind closed doors and impose wrong standards when proper and right standards are necessary, the more that the integrity of politics will be damaged. Furthermore, the more that those things happen, the more that young people, in particular, will run from political life and the more that low standards in high places will become part of our political culture in a way that will ultimately damage the nature of our society.

The real issue is not British interference in the Chamber or in any other aspect of Irish life: it is why the British still have an opportunity, through the Secretary of State, to interfere in our business. The reason for that is that the parties in the Chamber have failed — and in my view, one or two parties more than others — to create stable political institutions.

The Secretary of State can get away with whatever he wants because of the failure to create and stabilise political institutions. The reason why the British Government can do what they want on water rates, public health, the Budget, the bill of rights, and all the other aspects of public policy in this part of Ireland is because of the failure to have Ministers in this place doing business for the people of this place.

My fear is that that will continue because there are still doubts about whether the DUP is real about inclusive

government, although it is edging that way, and because there are doubts about Sinn Féin's signing up to a lawful society, even though it is edging that way.

Given all that doubt and the nature of British interference in aspects of public policy in this part of Ireland, the SDLP's ultimate concern is that the election that we face will not be a passport out of all that, but will rather build those difficulties into the politics of this part of Ireland for the next number of years, perhaps decades. There is only one choice in those circumstances: it must be recognised that those parties and organisations that have been part of the worst of our past cannot be guaranteed to bring about the best of our future.

Mr Robert McCartney: Thank you, Madam Speaker. One suspects that the debate has fallen into two parts: first, the interference of the Secretary of State in the business of Friday 24 November; and secondly, a general indictment of British interference, whether through viceroys in Ireland or Secretaries of State in Northern Ireland.

Madam Speaker, last week you stated that the activities of an arthritic lunatic armed with a toy pistol and some sort of firecracker was an assault on democracy. It is open to question as to whether he should be sectioned under mental health legislation or sent to jail.

However, the real assault on democracy occurred in the House on the morning of Friday 24 November when you, Madam Speaker, were given instructions from the Secretary of State. I excuse you from discharging your duties, given the limitations that have been placed on you. The Secretary of State has reduced you to the status of a speaking tool — to an object, which is how Cicero described a slave. In other words, he was describing someone in human form who simply had to follow the instructions of a superior person. I have made it quite clear, Madam Speaker, that I absolve you from all liability in that case.

12.15 pm

I read with interest the Secretary of State's direction, which you were good enough to place in the Assembly Library. It is clear that not only did the Secretary of State give you specific instructions that afforded you no discretion whatever, but he obviously treated you as some sort of partially sighted person, given that it was typed out in a font that was so large that it could have been seen almost at the far end of the Chamber.

When I read through those instructions, it became apparent that they could have been followed only if they were based on some prior agreement. As one political commentator has said, if Dr Paisley had made a peroration that combined the Lord's Prayer and a Hail Mary, in the circumstances, you might have deemed that an acceptance. *[Laughter.]*

However, there is a serious aspect to this matter. The question arises as to whether some form of words was agreed in advance by the Secretary of State and by those parties that were required to respond to the nomination. Certainly, when a similar proposition was put to Dr Paisley last May, his response did not require a five-minute sotto voce response. He simply said: "Certainly not, Madam Speaker." He said that on 22 May, when it was suggested that he had been nominated as First Minister. Therefore when we look at this specific issue, we must conclude — if one subjects it to forensic examination — that there was a form of words that the Secretary of State was confident would be sufficient in his opinion for you to read out what you did when you said that you accepted that positive responses to the nominations had been made.

Madam Speaker, you may be able to tell us whether at any stage the Secretary of State offered you a form of words that would have enabled you to read out what he had prepared for you in that very large print, deeming what had been said a positive acceptance. Perhaps you would care to leave in the Assembly Library, as you kindly did with the previous document, a copy of the document that was made available to you and that, if repeated by the parties, you could have deemed a positive response. That, however, is another matter.

I want to deal briefly with some of the absurd historical references about interference that have been made here. The suggestion that all those Presbyterians whom Mr Adams named supported a united Ireland was quite erroneous. As every reputable historical work points out, all those Presbyterians were perhaps in favour of a united Ireland that followed the principles of the American War of Independence and, of course, the French Revolution. They were men seeking liberty, but all reputable historians point out that what happened in that area of Ireland now known as the Republic was described as a "piked crusade against Protestants". Those are two very different things.

Let us not have any more of those twisted or distorted historical allusions. As a matter of fact, since we are talking about Templepatrick, we must ask: who put down those Ulstermen who fought for liberty at Templepatrick? It was Catholic yeomanry from Monaghan. The Member should get his facts right before he starts giving history lessons in this Chamber.

Moving on to some of Mr Ford's remarks, the Alliance Party, in the form of Mr Ford, although I give others a certain — *[Laughter.]*

Mr McCarthy: Thank you very much.

Mr Kennedy: Go easy.

Mr Robert McCartney: I have heard all of Mr Ford's clichés, including the phrase "in terms of working together". One could write a letter that is made up entirely of Alliance Party clichés and send it

to the 'Belfast Telegraph'. It might even be published. The Alliance Party is forever "breaking logjams", "empowering the people", "moving forward", "jumping through windows of opportunity" and "taking risks for peace". Lest the SDLP become too excited about this criticism, I should say that to some extent it also has played a part. *[Laughter.]*

Madam Speaker, people constantly talk about the necessity of working together, moving forward, and jumping through the aforementioned windows, without actually looking at the specifics of what that means. As Lord Morrow very eloquently said, when we are talking about working together, we must determine who we are going to work with, and we must ask what is the disposition and record of those whom the Alliance Party and the SDLP would exhort to work together.

Mr Adams talks about working together, offering the hand of friendship or even, in the words of the proclamation of 1916, "cherishing all her children equally". The problem is that Sinn Féin and its inextricable partners, the IRA, have for over 30 years murdered, maimed, robbed and destroyed in a campaign that was directed against the unionist community. The people who were burnt alive in the La Mon Hotel were not representatives of the British Government. They were dog handlers — they were members of a kennel club. That charge could be repeated endlessly. Those simple fundamentalist country folk worshipping in Darkley were machine-gunned indiscriminately by members — if not of the IRA — of the republican tradition. Was that organisation reaching out to the Protestant unionist people to be involved?

When some Members talk about history, the famine and the alleged wickedness that was perpetrated against the Irish people, we should remind ourselves of the Protestants who were driven out of Cork and other places from 1920 to 1922. We should remind ourselves of a state that, in its anxiety to put itself beyond its stronger neighbour, excluded Protestant unionists in the Republic from all sorts of office. It abolished rights that those people had enjoyed for centuries, and it created a Roman Catholic constitution for a Catholic people. That is part of the history on both sides. Do not presume, in this Chamber or anywhere else, to say that in the weeks or months running up to 26 March 2007, Sinn Féin can restore in the unionist people a confidence that would enable them to trust that party in any way.

The unionist people will not give their trust either to Sinn Féin or to any other party within their own ranks that would attempt to persuade them that the conditions exist for that trust. I do not rule out a time in the future when Sinn Féin, unlike the leopard, will be shown to have changed its spots.

Madam Speaker: Mr McCartney, please keep to the motion.

Mr Robert McCartney: The Assembly can do without interference from many aspects of Government. Until then, Members must realise that the Transitional Assembly is a joke. We are here at the behest of the Secretary of State, and we are under his control in so far as he designates Standing Orders and can refuse to follow the Business Committee's directions on what business will be conducted here. Having regard to the extent of that interference, we must ask ourselves why we are here. All parties must address that question. Why are the parties taking part in a democratic charade?

There has been talk about post-26 March 2007, when there will be an absence of that kind of interference and the beginning of a golden age when an Assembly is up and running. What will Members do then? If we continue to suggest that water charges will disappear, that a rating system that is based on capital value will be a thing of the past and that the problems in the educational system will suddenly dissolve, we are fooling the people of Northern Ireland in both communities. If a future Assembly abolishes water charges, without the interference of the Secretary of State, the £300 million that those charges would produce will have to be found by that Assembly at the cost of withdrawing that money from health, education, roads or something else. If the Assembly decides to cap rates and introduce a banding system, the money to pay for it will have to be found somewhere else.

The truth is that a devolved Assembly is always subject to interference either from a Secretary of State or the Treasury, who will always determine what must be done. Remember that it was an Assembly, without interference from the Secretary of State, that decided that it was necessary to revise the rating system to something similar, if not identical, to that which is now being proposed. It was an Assembly, without the interference of the Secretary of State, that decided to charge for water and other services, on the basis of a new rating system.

There is no point in the Assembly deluding itself and the electorate that a form of devolved Government under d'Hondt will be an answer not only to a maiden's prayer, but to a prayer from the entire electorate. Under d'Hondt there will be no Opposition, because 100 of the 108 Members in the Chamber will belong to parties that form the Government. There will be no collective responsibility because those parties that nominate Members to that Executive will have total control of them. The system that has been foisted on parties is a recipe for instability and disaster, and all parties appear to condone and endorse it.

Peter Hain — or the Secretary of State, to give him his full title — was asked during the last debate on the issue in the House of Commons who was against the St Andrews Agreement. He replied, "Only Robert McCartney". If Robert McCartney has to be like the small boy who pointed out that the emperor was entirely naked, that, Madam Speaker, is a function that I am happy to perform.

12.30 pm

Mr McElduff: The Speaker asked Members to avoid making tedious or repetitious speeches. After Mr McCartney's contribution, can you make a ruling on what constitutes tedium and repetition?

Madam Speaker: There has been historical relevance in each speech, to which I have given leeway. Members have also repeated issues, which is normal. As I said before, Mr McElduff, I leave it to Members' judgement to make their speeches relevant and to curtail their length, both of which most Members have done this morning. I am sure that Dr McCrea, the last Member to speak this morning, will do that as well.

Dr McCrea: I deeply appreciate many of the contributions, especially those from Sinn Féin and the SDLP. They have certainly added to the confusion, rather than the enlightenment, of the House.

For example, I am confused about why the Sinn Féin/IRA Benches are filled this morning. During the Hain Assembly mark I, Sinn Féin would not come to any of the debates. I do not know what has happened since then that has caused Sinn Féin Members to change their minds, make some abysmal excuse and crawl back into the Assembly. Mr Hain probably told them that they would not get any Christmas presents. Sinn Féin has moved an amendment regarding the Secretary of State's interference. He interfered well in telling Sinn Féin to get back into the Chamber or else it would be out on its ear. Therefore Sinn Féin had to crawl back.

Sinn Féin's amendment deplores the interference of the Secretary of State. No party visits the Secretary of State or Downing Street more than Sinn Féin. It has been suggested that Sinn Féin has to keep in touch with its handlers, and that is why it is in Downing Street so often. That would make sense, particularly with regard to some Members and their connections.

Sinn Féin has the audacity to move an amendment condemning the Secretary of State's interference. How would he interfere in much of Sinn Féin's philosophy? Did Sinn Féin not go along with the Secretary of State in objecting to the capping of rates? Sinn Féin would not agree to the capping of rates; it concurred with the Secretary of State. Is this not also the party that supports the Secretary of State in the reorganisation of local government and in the setting up of seven councils? Sinn Féin Members have the audacity to talk

about the Secretary of State's interference — he and they are buddies. They are Siamese twins. Sinn Féin are the new Irish Brits, because they are lapping from the Secretary of State's bowl. When he tells them to move, they are very happy to do so.

Sinn Féin seems to have a new interest in water rates, hospitals and schools. At least, it had an interest in the past in blowing up water pipes and schools, and in attacking people who were visiting their loved ones in hospital. A young man was murdered outside Magherafelt after visiting the hospital where his wife had just given birth.

However, it now has a new conscience, and I find it rather interesting. Members of the Business Committee will remember that, during the first Hain Assembly, they tried to get all those subjects onto the agenda. Which party blocked them? It was the party that now tells Members that it is concerned about water rates. It could have been talking about water rates for the past couple of years.

Sinn Féin is now concerned about hospitals. Of course it must be careful about hospitals, or interfering with hospitals, because it was its Minister who closed hospitals. The hospitals in Omagh, Magherafelt and Dungannon were all under threat from the proposal made by Sinn Féin. It then had the audacity to attend rallies and go on platforms and say that it was against the closure of Tyrone County Hospital, when it was its Minister who recommended the closure. It said that it was against the closure of the Mid-Ulster Hospital and taking away its maternity services. It now has the audacity and cheek to talk about interference when its Minister recommended it.

That shows Sinn Féin's hypocrisy. It is not concerned about water rates, hospitals and schools. The Assembly could have been debating those issues for months before the decisions were taken on water rates, the sewerage system and schools. Who stopped the debates? It was not the SDLP, the Ulster Unionists, the Alliance Party or any other parties represented — and it was not the Democratic Unionist Party; it was the one party that now says that those matters must be discussed, because they are so near to the heart of the community. That is political hypocrisy of the highest order.

To add to my confusion, the Member for West Belfast Gerry Adams stood up in the Chamber and said that he wanted to talk about a "cordial union". Would he tell that to Mrs McVeigh and to the many relatives of the disappeared? Would he tell that to the relatives of the innocent people who have been murdered?

It takes cheek or audacity for a Member to stand up and say that he is concerned about the young people who leave Northern Ireland. That is the party that is associated with the people who have driven those young people out of Northern Ireland and will still not

let them come back. Let us not have pious words when — *[Interruption.]*

Madam Speaker: Order. Please keep to the motion.

Dr McCrea: Madam Speaker, I am keeping to the motion very carefully. I am referring to points that have been raised. Talking about the disappeared and those driven out of Northern Ireland might be a joke to certain Sinn Féin Members — and I see laughing and sneering on some of their faces — but I can assure you —

Mr O'Dowd: On a point of order, Madam Speaker. No one on these Benches is sneering, and I can assure the Member that no one thinks that it is a joke.

Dr McCrea: Madam Speaker, I accept your ruling as to whether that was a point of order. However, the Member who rose to his feet was sneering and laughing at the time.

Madam Speaker: Order. That was not a point of order. However, I gave Mr O'Dowd some leeway.

Dr McCrea, you may continue.

Dr McCrea: Thank you, Madam Speaker. Those issues have added to the confusion.

Mr O'Dowd: On a point of order, Madam Speaker. A serious accusation has been made against me, and I am sure that I should have the right to reply.

Madam Speaker: Yes. I will give you that right after the debate.

Dr McCrea: I understand that those who have no knowledge of democracy would not know about the rulings of the House. A Member has no right of reply in the midst of another Member's speech. I know that that will come —

Madam Speaker: Dr McCrea, I have already given that information.

Dr McCrea: Madam Speaker, I am pointing out that there are those who know little about democracy and, therefore, have to be trained, just as others have to be trained.

This is a major debate. A motion was tabled and an amendment proposed on the interference of the Secretary of State. Other matters confuse me as well. On the one hand, the leader of the Ulster Unionist Party told us that Dr Paisley did not nominate. Then the hon Member for North Down Mr McFarland said that, clearly, Dr Paisley did nominate. I know that there is confusion in that party and mighty divisions among its members. There are many parties in that party. Two Members stood up today and challenged each other. If they want to challenge each other, they can do so outside the Chamber. They should not do so in a public forum such as this; it makes them look stupid.

Mr Nesbitt: Will the Member give way?

Dr McCrea: I am not talking about Mr Nesbitt, so he can just sit down. The hon Member is another story. However, I certainly do not want to bring him into this. I was referring to two of his colleagues. When the hon Member is not being talked about, he would do much better to sit there and listen.

I am confused by Mr Empey's concern for the DUP at the weekend. He pleaded for there not to be divisions in the DUP. He is the first Ulster Unionist Party leader who has ever said that he wants the Democratic Unionist Party to be so warmly united. What we are really hearing from the Ulster Unionists is that the St Andrews Agreement is terrible, but they want to know where they can sign up. They are dying to —

Mr Kennedy: The Member's party is already dying.

Dr McCrea: The hon Member for Newry and Armagh should not talk too much; he is quite often confused in his mind about which side of the political fence he is on. One day he is on one side; the next day, he is on the other side. However, I will not be led down that road — I want to stick to speaking to the motion.

Let me make something clear: as regards the interference of the Secretary of State, it is true that on 24 November, the Business Committee was told certain things by you, Madam Speaker. What happened in the Chamber was different to what the Business Committee had been told. I believe that you received a further communication from the Secretary of State, and that, therefore, you abided by that instruction. That proves the interference of the Secretary of State.

It is also true that, in the Business Committee, it was proposed that the party leaders would speak during the debate. Each party leader was given a portion of time to address the Chamber. Sinn Féin/IRA requested that the person whom it would nominate to become Deputy First Minister should have the opportunity to speak. The Business Committee turned down that request; however, when I came into the Chamber, I found that the Business Committee's decision had been overturned. By whom had it been overturned? Once again, it was through the interference of the Secretary of State.

Dr Paisley made his statement in the Chamber. For the benefit of the Ulster Unionists — I know that enlightenment is good for them — who said that the DUP was waiting with bated breath to hear what Dr Paisley was going to say, Dr Paisley had already read his statement to all the DUP Members, and they unanimously supported it. I know that certain Members do not always welcome facts. However, facts are always stubborn things that stand on their own ground.

Let me make something clear: Dr Paisley did not indicate an intention to nominate and did not accept the office of First Minister.

Mr Nesbitt: Oh yes.

Dr McCrea: Was that a yawn?

There we find the Secretary of State's interference once again. He decided to interpret the words of Dr Paisley's statement in the way that he wanted by turning the dictionary and the English language on its head. I believe that the hon Member for North Down said that it would not have mattered whether it was the Lord's Prayer, the Hail Mary, or both together; there was going to be an intention or an acceptance. The Secretary of State must also be in a confused state. He does not understand the meaning of words.

12.45 pm

There has been deliberate interference by the Secretary of State. That is totally unacceptable. There are matters that must be attended to, and the DUP will see to them — no matter whether the Secretary of State interferes a thousand times.

My hon Friend Lord Morrow clearly mentioned the need to support the PSNI, the rule of law and the courts. Whether or not Sinn Féin/IRA wants to give that support, or whether it has to do so kicking and screaming, the spotlight is on that organisation. It will have to give that support whether it likes it or not. It is not a matter of words or pious platitudes; the proof will be in its actions.

As the leader of Her Majesty's Opposition in another place stated, one proof — one of many — would be for that organisation to hand over those who murdered Robert McCartney. It knows exactly who was responsible for that murder.

That organisation can tell its voters or its restless members that policing and justice powers will be devolved to this House, and they can hold their breath waiting for it — but not only will they be blue in the face, they will have gone completely. That matter is not on the agenda. It will not matter whether the Secretary of State says that it is, because he has no power in the matter. The lock has been given to this House and to this party.

I can assure the House that Sinn Féin/IRA need not think that it will walk with the murderers and gangsters of this country and be in control of the police in Northern Ireland at any date in the foreseeable future. Political lifetimes have been spoken about, but I believe that those time frames are too short to describe it.

Mr Dawson: Does the hon Member agree that there is an absolute contradiction in Sinn Féin's position on policing? On the one hand, it says that it supports civic policing, while, on the other, it is scrabbling to get political control of policing.

Dr McCrea: I thank my hon Friend for his intervention; he is absolutely correct. Of course, confusion is nothing new for Sinn Féin.

Madam Speaker: I remind Dr McCrea and Mr Dawson to please confine their remarks to the motion. As interesting and relevant as they may think that their comments are, that matter will be debated at another time.

Dr McCrea: The amendment is about interference by the Secretary of State not only in the past but in the future. That is the amendment that you accepted, Madam Speaker.

No matter how much the Secretary of State thinks that he can badger people into submitting to what he believes, the DUP will make its own decisions. The Secretary of State has tried to interfere in the DUP's affairs. He tried to tell me, my hon Friend for East Belfast and my hon Friend for North Belfast that we should not say that policing and justice would not be devolved to this House. He will not tell the DUP what to believe or what its policies are. The DUP makes its policy, and it will stand before the people. I can assure the House that Sinn Féin will not be getting policing and justice powers; it can tell its people or its restless troops whatever it likes, but it will certainly not be able to do so on the basis of fact. Those powers are not coming. Sinn Féin can look for a date, but the DUP is not tied to any date that the Secretary of State sets — 26 March, 26 May or June.

A Member: That is weather forecasting.

Dr McCrea: That is another weather forecast.

The structures of the IRA will have to be dismantled and its ill-gotten gains handed over. There must be a proper mechanism through which to throw out terrorist supporters, if there is support for terrorism. There must be an end to criminality. The DUP will make that judgement on behalf of its people, but there must be a credible testing period, and the matter will have to be tested to the satisfaction of the people whom the DUP represents.

Mr McNarry: Will the hon Member give way?

Dr McCrea: The hon Member will have the opportunity to speak. I am led to believe that it is coming close to lunch hour.

I must make it abundantly clear that I resent the Secretary of State's interference. He will not tell us what we have said or what we are to say. There may be puppets of the Secretary of State sitting on the Benches opposite; there may be those who are the Secretary of State's toys. He will handle them whenever it suits him, and they must keep in touch with their handler. One thing, however, is certain: nobody will be pulling the Democratic Unionist Party's strings, because it has never been the Secretary of State's toy. DUP Members will be answerable to the people, and they will honestly, firmly and resolutely stand by that which they promised the electorate.

Some Members: Hear, hear.

Mr Hussey: On a point of order, Madam Speaker. Before we break for lunch, I seek clarification on my earlier question. Dr McCrea has quite clearly indicated the Rev Dr Ian Paisley's position. I refer you specifically to Standing Order 20(c), and I expect a judgement on that when we resume.

Madam Speaker: That is fine. I have already said that I shall provide that. I shall try to keep to my word, as I usually do.

Given the time, and given that a sufficient number of Members' names remain on the speaking list, I propose, by leave of the Assembly, to suspend the sitting until 2.00 pm, so that Members can have lunch.

The sitting was suspended at 12.51 pm.

On resuming (Madam Speaker in the Chair) —
2.00 pm

Madam Speaker: During the debate this morning, Mr Hussey raised a point of order referring to Standing Order 2(a), which provides that the Speaker's ruling shall be final on all questions of procedure and order. If I picked him up correctly, Mr Hussey then urged me to make a ruling on how Standing Order 20 was applied during the sitting on 24 November.

My answer is clear. Standing Order 20 did not cover the item of business directed by the Secretary of State for the Order Paper of that date.

Mr Nesbitt: On a point of order, Madam Speaker. Does that mean that the direction given by the Secretary of State had no Standing Order applied to it?

Madam Speaker: The direction was in accordance with the Northern Ireland (St Andrews Agreement) Act 2006 for the business of the day.

Mr Nesbitt: Can you please clarify whether the direction was without the application of Standing Orders?

Madam Speaker: The Act supersedes Standing Orders, and the business of 24 November was within the remit of the Act. Standing Order 20 was not relevant for that sitting.

Mr Nesbitt: Was any Standing Order relevant?

Madam Speaker: The Standing Orders are always relevant to the order of business in the Chamber, but Standing Order 20 was not relevant to the order of business on 24 November.

I call Mr Murphy.

Mr Hussey: Madam Speaker, I refer to your own opening remarks on 24 November:

"Proceedings of the Assembly shall be conducted in accordance with Standing Orders and any directions made by the Secretary of State." — [*Official Report, Bound Volume 21, p1, col 1*].

I stress that you said "and" not "or". Your remarks did not serve to override the Standing Orders. Any direction from the Secretary of State would be additional; it would not override the Standing Orders we were given to operate with.

Madam Speaker: We were not dealing with the issue of nomination on 24 November, therefore the Standing Order was not relevant.

Mr Murphy: Go rabh maith agat, a Cheann Comhairle. Today could be a good day for the Assembly if the outcome of the debate is that we resolve to prevent any future interference by the Secretary of State in our affairs. However, that is unlikely, because all parties here have engaged with the Secretary of State at times on various issues.

The rationale of the UUP motion is not that its members are concerned about the Secretary of State's interference in the Assembly; they were not concerned about it in the past. Nor does the motion seek to prevent any future interference by the Secretary of State in the Assembly. Rather, it takes issue with his interference on a specific day over a specific issue. That is the weakness in the motion. Either we wish to conduct our business, in charge of our own affairs and without the interference of the Secretary of State, or we are content for the Secretary of State to interfere as and when he deems it necessary. If there was a genuine attempt to prevent or to restrict in some way the British Secretary of State from interference in the Assembly, the motion would not be time related and specific; rather it would be open-ended. That is the strength of the amendment.

Ulster Unionist Party members were very clearly exercised by any toing and froing between the Secretary of State and the other political parties on 24 November. It is ironic that the motion should come from them, because that party is one of the greatest users of the Secretary of State's interference in our arrangements. Members will perhaps cast their minds back to a time when the Assembly was not in shadow, virtual, or transitional format — let alone Hain one or Hain two — but was fully functioning.

As part of the Executive's programme it was decided, as required under the terms of the Good Friday Agreement, to deal with the very vexed issue of flags and emblems. The Executive decided to set up a subcommittee to deal with that matter and gave it the task of drafting an agreed proposition, in accordance with the Good Friday Agreement, for dealing with flags and emblems on public buildings. I think that Michael McGimpsey was on that subcommittee, as were Bríd Rodgers from the SDLP and our own Deputy First Minister designate, Martin McGuinness.

While the subcommittee was carrying out its business, the Ulster Unionist Party opened up negotiations with the then Secretary of State, Peter Mandelson, who guaranteed to legislate for that party's proposals if the subcommittee could not reach agreement. Therefore, while a fully functioning Executive here were trying genuinely to carry out their business, the Ulster Unionist Party had persuaded the Secretary of State to overrule that business. It ill behoves that party to come here today and complain about the Secretary of State's interference in a Transitional, Hain one or Hain two Assembly.

Of course, it was at the Ulster Unionist Party's prompting that the Secretary of State introduced the suspension legislation that has us in the state we are in today — and Members quite often bemoan the idea of a Transitional or virtual Assembly. Suspension legislation was introduced at the request of the Ulster Unionist Party to enable it to walk in and out of the

previous Assembly as the whim took it. It was introduced by Peter Mandelson and effected on a number of occasions by Secretary of State Reid, again at the request of the Ulster Unionist Party — interfering with the workings of a democratic institution, which had full powers allowed to it under the Good Friday Agreement.

Mr Kennedy: That is not our fault.

Mr Murphy: Well, if Members on the Benches opposite still believe in stories about spy rings, they will soon be writing their letters to Santa Claus. I hope that they have all been very good boys. *[Interruption.]*

Madam Speaker: Order.

Mr Murphy: Of course, there is another matter that the Secretary of State dealt with. Again it was Peter Mandelson, and again it was at the request of the parties. It was not necessarily a matter within the competence of the Assembly at that time, but one certainly hopes that it will be within the competence of this Assembly in the near future. I am referring to the Police (Northern Ireland) Act 2000. What was proposed in the Good Friday Agreement as a new beginning to policing was completely undermined by the representations made by some parties to the Secretary of State. They were not alone in doing that. All parties here have gone to the Secretary of State on various issues, and all parties have sought his intervention.

The weakness of the Ulster Unionist Party's motion and, I suppose, the hypocrisy of the motion is that its only complaint with the Secretary of State's intervention is when the intervention is not to its liking. That party is not ruling out future requests for the Secretary of State to intervene in the workings of the Assembly.

I suggest, and our amendment suggests, that either we get to the stage at which we have no intervention from a British Secretary of State or the British Government in our democratic institutions, or we keep the situation in which parties can go traipsing off to the Secretary of State with their demands. The Ulster Unionist Party led the way in this at a time when we had a fully functioning Executive here.

The answer to all of this is for us to assume responsibility for our own affairs. While under the — what are termed — “transitional arrangements” for the Assembly, parties can decide what business they will do, it is also the case that the Secretary of State can interfere quite readily in that business. He has taken that power as part of the St Andrews legislation. People have expressed frustration with the various interferences from the British Secretary of State and have acknowledged that the British Government intervene in our business with their own agenda and not with that of any particular interest group here in Ireland. If we want to prevent that, we must assume those powers ourselves.

We must take responsibility for our own affairs. Ultimately, we must take power from the hands of British Government Ministers and British Government officials in Ireland. Let us act in the interests of those who have elected us. No one in this part of Ireland has elected the Secretary of State or any of his Ministers. No one here has given endorsement to any of his officials, yet they have power to interfere in any of the matters that we attempt to deal with.

Ultimately, it is our responsibility to take back that power into the hands of accountable and democratically elected representatives here, to exercise it on behalf of the people who elected us, to be responsive to their needs and not to respond to the demands or current strategies of the Northern Ireland Office.

This morning, I listened with interest to the leader of the Democratic Unionist Party's plea to my party in relation to policing matters. I was heartened by his plea, because it shows that there is a pressing concern within the DUP for the matter of policing to be dealt with. *[Interruption.]*

Policing is also a pressing concern for my party, and I assure the leader of the Democratic Unionist Party — irrespective of the cackling of other Members on the Front Bench opposite — that our party is very much ready to deal with the issue of policing. We are very much up for dealing with that issue and we want to resolve the issue of policing.

My plea in return to the leader of the DUP, and his party, is for him to work with us in dealing with policing. There are issues outstanding. We have been working with all the various people involved to try to progress those issues. There is work that his party and my party must do in order to progress some of those outstanding issues. My plea to the DUP is this: let us take these necessary steps together and let us liberate the future for all the rest of our people. There is work to be done on policing; let us get down to it.

Interestingly, in his contribution before lunch, Rev McCrea said very clearly that the issue of the transfer of powers relating to policing and justice is not on the agenda. It is, however, on the agenda for a meeting that his fellow Members are attending at the moment. One of the issues for the subgroup on policing and justice matters is the timing of the transfer of those powers and the model that will be adopted.

Rather than trying to dig ourselves into deeper holes, wise counsel should prevail. Let us give each other a bit of space to work on these issues; let us make sure that we contribute to each other's ability to deal with those issues, rather than trying to push each other into corners. Members of the DUP should not push themselves into corners over this issue. We will give others space to genuinely deal with outstanding matters; we wish for others to work with us as we try

to deal with those issues ourselves. The plea from Dr Paisley is well heard, but he, and his party, needs to work with us to resolve these outstanding issues. Go raibh míle maith agat, a Cheann Comhairle.

Madam Speaker: I call Mr Tom Elliott.

Mr McNarry: He has been called away on urgent business.

Madam Speaker: I call Mr Nelson McCausland, who is in the House.

Mr McCausland: This morning, Gerry Adams spoke at some length on the subject of the United Irishmen. I do not want the proceedings to become a history lesson, but it is important to set the record straight on one aspect of that era, not least because Irish republicans today are keen to see themselves as the successors of the United Irishmen.

Gerry Adams mentioned Samuel Neilson, but he omitted to say that, within a few years of the 1798 rebellion, Neilson acknowledged that everything that the United Irishmen had fought for in 1798 had been secured for them through the Act of Union. In other words, Neilson had become a unionist. *[Laughter.]*

That is a lovely prospect; it is an appealing prospect. *[Laughter.]*

Mr Kennedy: Steady on.

Mr McCausland: It is an appealing prospect: republicans seeing the error of their ways, undergoing a political transformation and becoming unionists.

Mr Kennedy: Go easy. *[Laughter.]*

Mr McCausland: It is perhaps a wee bit much to hope for.

Even William Drennan, the real founder of the United Irishmen, eventually became reconciled to the Union, and a Belfast newspaper quoted him as commending the term "British". Within a few years, most of the radicals in the ranks of the United Irishmen had become supporters of the Union. William Drennan was the poet of the United Irishmen. In Clifton Street graveyard in my constituency of North Belfast, lies the grave of his son, John Swanwick Drennan, who was the poet of the Ulster unionist movement in the late nineteenth century.

Those men were not Irish nationalists; rather, they were internationalists. What they opposed was this: a corrupt, rotten Parliament in Dublin. Looking at the Dublin Parliament of more recent times, I must say that, 200 years on, little has changed.

2.15 pm

Several Members spoke this morning of the Secretary of State's pandering to Sinn Féin. That is an important issue, because it is a long-established practice. Such pandering to Sinn Féin by Secretaries of

State has not only poisoned the political process by rewarding the wrong doer, but it has created numerous inequalities in Northern Ireland, and it has increased and reinforced other existing inequalities.

That is why the DUP amendment, which was rejected, referred to the need for delivery of equality measures for the unionist community. It is also why the DUP is, for example, calling for an Irish language audit. We have a right to know how many concessions on the Irish language have been given to Sinn Féin over the past 20 years and, particularly, how much money has been lavished on Irish language concessions under the old direct rule and under the devolved Administration through the Department of Culture, Arts and Leisure.

Dr McCrea: From Michael McGimpsey?

Mr McCausland: Yes. McGimpsey is the name of the man who was in charge of that Department; that is right. I would also like to know how much money is being spent on Irish-language concessions under the current direct rule. There is no need to be too detailed about it; a figure to the nearest £10 million will probably suffice. Such is the scale of the money that has been lavished on the Irish language that we have a right to know how much has been spent by the various Departments and by non-departmental public bodies (NDPBs).

I had read into the minutes of the Committee on the Preparation for Government the text of an internal Government memo — a briefing paper for a previous Secretary of State — from the period before the Belfast Agreement. The instruction contained in that memo was to make concessions regarding the Irish language to please Sinn Féin. That is what the briefing paper was about. That is only one example of politically inspired discrimination and interference by a Secretary of State, but it serves to make the point.

I could equally refer to the interference of the present Secretary of State over the summer when Gerry Adams and Gerry Kelly went hand in hand to the door demanding more money for republican festivals in Belfast, for the West Belfast Festival, for Ardoyne and for the New Lodge. Money had already been allocated to them, fairly and impartially, by the Northern Ireland Events Company. They had received their share, but they were not satisfied. Sinn Féin cannot cope with equality; it prefers preferential treatment. It prefers to see others discriminated against and discrimination in favour of republicanism; its members do not like equality and fairness. The Secretary of State overruled the democratic decision of the Northern Ireland Events Company and the fair and equitable allocation of money to republican groups by giving them more money at the behest of Messrs Adams and Kelly.

Those are two examples of interference by the Secretary of State, and examples of the long-standing

tradition of the Secretary of State pandering to the republican movement. A resolution of such inequalities is an essential step to be taken before we can move forward on devolution, and it will take some time for that to happen. That is why the DUP has made it a central issue.

Unfortunately, the pandering of the Secretary of State to Sinn Féin has increased the scale of the problem, and his failure to tackle it — something which cannot be done in a matter of weeks and months — remains a major obstacle to devolution.

Considerable reference was made this morning to the importance of policing. The problem is that Sinn Féin sees policing as something that it might consider signing up to — probably with about 100 caveats and qualifications and with its fingers crossed behind its back — if it gets something in return. One of my colleagues made that point this morning.

The plain truth is that there should be no reward or recompense for signing up to policing and supporting law and order. Sinn Féin should do it because it is the right and decent thing to do; it is the democratic thing to do. I hope that we will see some movement on that in the near future. It remains a hope, but perhaps a hope that will not be realised.

Nevertheless, those are the sorts of issues that need to be dealt with — policing; support for law and order; equality. Unfortunately, so far the task has been made more difficult by the interference of the Secretary of State in rewarding the wrongdoers, and in not rewarding people for simply doing the right thing.

Madam Speaker: This is the first occasion that the Assembly will hear from Ms Caitríona Ruane. She will be making her maiden speech. As Members will know, it is the convention that a maiden speech be heard without interruption.

Ms Ruane: Go raibh maith agat, a Cheann Comhairle.

When Gandhi was asked what he thought of British democracy, he said that he thought it would be a good idea. I have no doubt that many people in Ireland share Gandhi's view. I suspect that if Members were to go around the world to Britain's former and current colonies, in Asia, Africa, Latin America or the Middle East, they would find a similar view.

What has British colonialism, or interference, meant for human rights and equality across the world? It has meant devastation, famine, war, destruction and genocide, the attempted destruction of native languages, disease and imprisonment. The list is endless. There is a pattern where the colonisers give privilege and power to groups, and marginalise others who dare to stand up against human rights abuses. Day and daily, we are faced with horrific pictures from across the world of rights abuses, torture, tragedy and poverty.

Anseo in Éirinn, is Éire aontaithe an aisling atá againn, áit ina mbeidh cosaint ann do chearta gach duine.

Ireland is divided by an artificial border that creates and perpetuates poverty, and by the failure of the Irish and British Governments to promote and to protect the rights of everyone on an equal basis. The gap between the have and the have-nots is growing. The wealth that should enrich the nation, and create equal opportunities, is being squandered. Entire sections of society live in poverty; they are marginalised and live on the edge. Daily, there is systematic, endemic violence against women and children. Apart from isolated cases, it goes unchallenged.

The British Government, certain sections of civic society and the political establishment have perpetuated the myth that the Six Counties is at the cutting edge of fair employment legislation, and that the British Government have been innovative in the field of equality. The reality is different. Every piece of equality and human rights legislation has been fought for. Anyone who sought to reform or to change the system faced not only indifference, intransigence and foot dragging, but also institutionalised obstruction. The fair employment debate has been characterised by disagreement over the nature and extent of discrimination. Some refused to acknowledge that structural discrimination ever existed, while others are prepared to grudgingly concede that isolated incidents of discrimination may have occurred in the past.

Mr Weir: On a point of order, Madam Speaker. I appreciate that in this debate you have taken a reasonably liberal interpretation on the nature of speeches — some have wandered tangentially away from the motion. Is it in order, however, for a speech to make no reference whatsoever to the motion? Surely there must be some degree of relevancy?

Madam Speaker: All speeches, Mr Weir, should be relevant. This morning, every Member has in some way been guilty of not always speaking to the motion. This is a maiden speech; therefore I allow more leeway. However, I am sure that Ms Ruane will remind us that she is speaking to the amendment.

Ms Ruane: What I am saying is relevant. I will continue.

The next step in this argument is that the past is the past; that things are different, so let us move on.

Unionism and other elements of the establishment, including Peter Hain, try to blunt the tools that are key to ensuring a fair and just society. They attempt to undermine the equality and human rights legislation that is essential in order to combat discrimination and inequality.

In so doing, they damage tools that can assist all of us in challenging discrimination and inequality wherever

it exists. Many unionists argue, without a hint of irony, that the injustice and the inequality that sparked off the civil rights movement were not real problems in the first place but a figment of Catholic nationalist imagination that was mired in victimhood, encouraged by republican conspiracy and designed to undermine the state by fuelling nationalist anger. That argument supports the view that public finances should not be wasted on equality. That agenda and philosophy contribute to a recurring theme in the public debate within unionism in the North of Ireland.

One of the key obstacles to developing a society based on equality is the absence of debate about the causes and nature of sectarianism. Sectarianism, like racism and sexism, has at its heart issues of power relationships. Over the coming weeks and months, the human rights and equality agenda will become even more important. It needs to be at the heart of social and political change in Ireland, North and South. That is why Sinn Féin has placed human rights and equality at the heart of the negotiations. That is why it argues for an effective anti-poverty strategy, a round-table forum on a bill of rights, effective anti-discrimination legislation and powers and resources for the human rights commissions. Equality threatens no one and benefits everyone, whether you live in the Shankill or the Falls, Downpatrick or Newry, Fermanagh or Derry, Mayo or Cork.

Ní bhagraíonn an comhionannas ar aon duine — muise, tá sé chun leasa gach duine, bíodh siad ar Bhóthar na Seanchille, ar Bhóthar na bhFál, i nDún Phádraig, i Rinn Mhic Giolla Rua, i bhFear Manach, i nDoire, i Maigh Eo nó i gCorcaigh.

We have had a painful and disruptive past. We need to learn to live with each other without compromising our fundamental beliefs. The Good Friday Agreement provides me, as an Irish republican, with a context within which I can pursue my political aspirations. For me it is logical that there will be a united Ireland. The logic of unity is compelling. Unionists have a valuable role to play in all of that, and we are enthusiastic advocates of rights — everyone's rights. I do not say that to provoke or insult. We have to learn to respect each others' rights, to respect beliefs without necessarily agreeing with them. We have unique opportunities in Ireland at the moment: to build a very different island to the one that we have currently; for the neighbouring island to be a neighbour, rather than a coloniser; and to bring peace to "the Planter and the Gael", to use Peter Robinson's terminology.

When we look back, years from now, we will remark upon how much has been achieved. Are things improving? Of course they are. Can they improve more quickly? They can. Can the DUP and Sinn Féin be the parties that work together in the Executive to bring about human rights and equality for everyone?

They can. If there is political will, it can be done. The marginalised people who vote for the DUP and for Sinn Féin will be glad to see it.

The DUP's excuses for not talking to Sinn Féin do not stand up to scrutiny. We need a mature debate on the issue of political violence and victims, not the reaction of a playground bully. Every actor in the conflict inflicted violence: the state, with its police, Army and agents; the loyalist paramilitaries who worked hand in glove with the state; and recent reports on collusion show only the tip of the iceberg. RUC men put on berets in the middle of the night, carried out shootings and, putting on a RUC uniform the next day, pretended to investigate the shootings they had carried out the night before. Look at the revelations coming out daily about Loughinisland, to mention but one case. People from all communities —

Mr Kennedy: On a point of order, Madam Speaker, I am loathe to rise to my feet on the occasion of a maiden speech. However, it is the convention of a maiden speech that it steer clear of issues that are deemed controversial. Clearly the Member has failed to do that and is indulging in a blatant act of Sinn Féin party political broadcasting and propaganda. Her speech does not fulfil proper expectations of a maiden speech.

Madam Speaker: You have pre-empted me, Mr Kennedy. I was about to remind the Member that it is not the convention to make such contentious remarks in a maiden speech.

2.30 pm

Ms Ruane: I am speaking about something very important — getting the peace process up and running and getting the DUP speaking with Sinn Féin. I am speaking about British interference in Ireland, and the motion is about interference.

The DUP says that it will not talk to republicans because they use violence, yet that party was happy to run up and down mountains wearing berets and waving gun licences or invading parts of the South. The DUP acted as cheerleaders for the RUC, even when it operated outside the rule of law. The DUP's position of not talking to republicans is unacceptable.

Does any Member think that it is better to have direct rule, double-jobbing, here-today-gone-tomorrow Ministers from another island running the state, who do not understand us, much less care about us or how we think? Do my and Jim Wells's constituents in South Down want water charges? Of course not. We need local, accountable Ministers running this part of Ireland.

Where do we go from here? I hope that we can go forward together. Sinn Féin wants to engage with others to progress the situation, get the institutions up and running and move forward on all the human rights and equality elements of the agreement.

Let us be able to look back in 20 years' time and say that the end of 2006 and beginning of 2007 was the time when we took a qualitative step forward and made real change for the Planter and the Gael. Let us create a situation in which everyone can feel confident about the future for our children, because they deserve it. To paraphrase that brave trade unionist from County Cork, Mother Jones: let us all commemorate our dead, but fight like hell for our living. Go raibh maith agat.

Mr Paisley Jnr: Whoever said that Northern Ireland's politicians were stuck in their past obviously got it right, when one considers what has been discussed in today's debate. One Member began in 1798; another in 1921; one Member mentioned Gandhi; and another spoke of links to the United Irishmen. I am tempted to start in 1641 and mention the Battle of the Boyne to bring the debate up to date slightly.

The debate was supposed to be about what happened in this House, not in 1798 but last Friday. We have moved completely away from that, and I am sure that, for the rest of my remarks, Madam Speaker will cut me the same slack as she has done for everyone else.

Something has emerged from the debate from which the Secretary of State can take succour — namely, that he is universally detested by Members from across the House. The picture that has emerged is that he is not the most adored character, because of his interference in certain ways in Northern Ireland. No matter on what side of the House Members sit, they do not like the Secretary of State's interference.

It has been easy for some Members to blame the Secretary of State. Indeed, the intention of the motion is to put the Secretary of State into the firing line, and rightly so — he should take the blame where he is responsible. However, it is important to remember that the guilty parties sit on the Benches opposite. We should keep our focus on those guilty parties for one obvious reason: direct rule operates at present because the Assembly collapsed in the autumn of 2002 due to the activities of Members sitting opposite. That is why there is a Secretary of State and why he is exercising the power in the way that he wishes.

When Sir Reg Empey introduced today's debate, I imagine that he got a great sigh of relief and a great deal of satisfaction from Sinn Féin because he tried to take the spotlight away from Sinn Féin's responsibility for the mess that Northern Ireland finds itself in. We must maintain the focus on the fact that Sinn Féin has responsibilities to live up to, that it is deliberately failing in those responsibilities and that the sooner that it lives up to those responsibilities, the better for everyone.

We can all accept that we do not want a Secretary of State to unduly interfere in any matter. It is obvious that he interfered because Sinn Féin has allowed him

to. Sinn Féin wrecked the previous Assembly, and it intends to continue wrecking democracy in Northern Ireland, because that party is not signed up to the democratic process in the way that it should be.

Sinn Féin is not signed up to the rule of law. It is not signed up to support for the Police Service. It is not signed up to support for the rule of our courts. That is why there is a Secretary of State in office today.

When the leader of Sinn Féin, Gerry Adams, made his speech this morning, I was reminded of the saying that the victors always write history. It was pretty clear to me that he had read the loser's version of history, because his contribution about what republicanism and nationalism have been trying to achieve was, factually, completely askew.

Let us be absolutely clear: this is, as some people have described it, a partitionist Assembly. This is going to continue to be a partitionist country. That is because republicanism has failed, and failed miserably. It has failed on several counts. It cannot get into Government without delivery. It has tried to run away from delivering on all of the crucial matters, and in particular on the rule of law, on support for the police and on support for the courts. Its failure to deliver on those issues now counts against it as the reason why it cannot get into Government.

Some Members said today that they wanted to hear something from Sinn Féin about policing. It is pretty clear from the speech that we have just heard that Sinn Féin really is stuck in a time warp and has very warped ideas about the police. A callous slur was issued against the Royal Ulster Constabulary and its members, who lay in ditches, took bullets and bombs, and were unjustly targeted while protecting every member of this society, whether Catholic, Protestant or other. Those people were smeared in the most vicious and awful way by the previous contributor. All I can conclude from her comments and her attitude to this debate is that she is really not getting ready at all to support the police and the rule of law.

Imagine coming here and saying that people on all sides should take responsibility and that the violence in Northern Ireland was caused by the Royal Ulster Constabulary, the Crown services, or loyalist paramilitaries, when it is patently obvious that, for over 35 years, we had rampant republicanism bombing and murdering people from its own community and from every community to achieve its ends. Most people would be horrified at the comments made by the previous contributor.

Some people think that if Sinn Féin were to just utter a few words or a pledge to support policing, that would be enough to get them over the bar of support for the police. However, we should lay out clearly what support for the Police Service of Northern

Ireland, for the rule of law and for the Royal Courts of Justice actually means. It will not be lip service, or simply uttering some words in the pretence that that is the acceptance of policing. It has to be real, qualitative support for the police on the ground.

In other words, we want to see the people who, in a ghastly way, murdered Robert McCartney in the Short Strand brought to justice. We want to see republicans in that area coming forward and giving witness evidence, not to some third party, but to the Police Service of Northern Ireland. We want to see them coming forward and making sure that that evidence can be used in open court, and that those witnesses feel free, and not under duress, to give that evidence.

We want to see real, active support for the police in a practical way, so that the police know that they have the support of the community when they go in to make arrests or carry out investigations; so that they are not attacked, brutalised or made to feel that they are not wanted, but are actually sought in those areas.

We want to see the demise of paramilitary-driven crime. We do not want to see it just boiling down for a few months; we want to see the end of it. It has to be over. Paramilitary-driven crime by republicans has to cease permanently. The reason Sinn Féin has failed to face up to that issue is because it is doing so well out of paramilitary crime. The most recent statistics on paramilitarism and extortion in Northern Ireland demonstrate that republicans are doing extremely well as a result of crime in Northern Ireland and, indeed, across the border.

We want to see that the exploitation of that ill-gotten gain is over with as well. Support for law and order — for British law — means that there has to be respect for the people who administer that law on the ground on a daily basis for the entire community.

Given the comments of the last Member who spoke, respect from Sinn Féin is totally absent.

The DUP wants to see support for the courts and for law and order. Members have been told that a pledge and some witnesses might go some way towards assisting people to support the services. However, it will take time to measure that and see how it actually occurs. I hope that Members see that sooner rather than later. At St Andrews, the DUP made it clear that the clock would start ticking at that time on Sinn Féin's support for the police. However, since St Andrews it has shown no support for the police. Members should recall that awful crime in south Armagh when a Protestant woman and a Catholic man were burnt to death in their home. Why did Members not hear leaders from that community calling for the police to be brought in to carry out that investigation? Sinn Féin was silent on that point. When there was a disturbance in Ballymurphy, when a gun was found and a gang of

men beat up another man, why did Members not hear republican leaders in that community calling for the police to come in and, in turn, supporting the investigation? Sinn Féin has a considerable distance to travel in all of this.

Sinn Féin knows that its ideology is in serious trouble as a result of its having to support the rule of law, the police and the Royal Courts of Justice if it wants to get into the Government. There is not going to be a united Ireland. That pipe dream is over, and it should have dawned on Sinn Féin by now. It can sign up to whatever aspiration it wants to, but there is not going to be a republican united Ireland. The Union, according to recent polls, is not only stronger, but unionist confidence is stronger in the Union than it has been for several decades.

If Sinn Féin wants to get into a Government in Northern Ireland, it must sign up to the same principles as every other political party and accept the rule of law, the courts here and the police. If it wants into the Government it must support the rule of British law. What republican can say that he wants to support the rule of British law? Republicanism will only be honoured as an academic proposition at that time. It cannot be honoured as a real aspiration if it is signed up to British law. Perhaps the penny is starting to drop with republicans that with this project and strategy that they keep talking about — if pursued to its logical end, and they accept democracy, the rule of law, the courts and the police — they are the accepting the rule of the Crown in Ireland. That is what it means to Sinn Féin. The sooner Sinn Féin swallows its pride and accepts that, the easier it will be for us all. Sinn Féin lost the debate; it lost the big vote and the argument; and republicanism is therefore finished. The sooner that republicans face up to that, the better.

Alban Maginness made some telling comments in his earlier contribution. He said that today's time would be better spent dealing with the issues of the present as opposed to hashing over the issues of the past. Most people today are astounded that we are not discussing water rates, the review of public administration (RPA) — we will discuss that tomorrow — or Sir George Bain's recently published report on the future of our education services. Those are the issues that affect us on a daily basis, and there is a demand from the public for their politicians to actively engage in those matters that prevent job losses, to see our country flourish, to have the economic package delivered and to have their problems addressed. It is a scandal that Members are dealing with an issue that has become a farce today. The Secretary of State was wrong to interfere in the way that he did, and my party supports the calls on that. That is an issue that we need to get to grips with, and the sooner the better.

I understand that Sinn Féin is upset and concerned that people still call it IRA/Sinn Féin or Sinn Féin/IRA. If Sinn Féin is going to move and put the IRA behind it, making it a thing of the past, then of course the DUP understands that it is embarrassing for it to be linked with that organisation.

2.45 pm

How many of those present in the Chamber today also sit on another secret organisation — the army council of the IRA? Those who do not like the Secretary of State's interference in the Chamber should think about how everyone on this side of the House feels when the secret hand of the IRA army council extends into the Chamber and directs the activities, actions and statements of certain Members. Sinn Féin can cry all it wants about the Secretary of State being about. People must wake up to the fact that he is here because Sinn Féin has failed all the people of Northern Ireland by ensuring that democracy cannot run its course, and by standing in the way of democracy for decades.

Mr Nesbitt: I support the motion. I will be as precise as I can in talking to the motion that Members deplore the action of the Secretary of State on 24 November. One has to go back to a day or two before that to discover the genesis of the problem that arose on 24 November. In the House of Commons on 21 November, the leader of the Democratic Unionist Party asked where the date of 24 November for nominations had come from. I recall that the leader of the SDLP replied that it came:

“from paragraph 10 of the St Andrews Agreement.”

The leader of the Democratic Unionist Party responded that he would not bow his neck to any “wee bit of white paper” drawn up by the United Kingdom and Irish Governments. The Secretary of State then supported the leader of the SDLP when he confirmed that the rationale behind nominations on 24 November came from paragraph 10 of the St Andrews Agreement, which stated that:

“the Assembly will meet to nominate the First and Deputy First Minister on 24 November.”

The Secretary of State added that paragraph 10 referred not only to nominations on 24 November 2006 but to devolution on 26 March 2007. Therefore, he clearly set out the rationale behind the debate on Friday 24 November. He omitted to mention something to which you, Madam Speaker, referred when the Assembly met on Friday morning. You reminded Members, and that is why I raised the point of order, that the Assembly was to act:

“in accordance with the St Andrews Agreement.” — [*Official Report, Bound Volume 21, p1, col 1*].

That means that the Transitional Assembly must comply with the directions of that agreement.

Therefore, regardless of whether the leader of the DUP considers that agreement to be a “wee bit of white paper”, the law contained in the Northern Ireland (St Andrews Agreement) Act 2006 clearly states in section 1 that it was to act in accordance with the St Andrews Agreement. Had the Assembly acted according to the Act, without interference, there would have been nominations, because the Act also states that the Assembly must “meet on 24 November”. Anyone who was making a judgment on that Act would be clear about what was meant to happen. However, the Secretary of State did interfere, as he had the legal right to do so. Under schedule 1, the Secretary of State could direct the Assembly in any way he “thinks fit”. Indeed, it states that the Assembly must act:

“in accordance with directions determined by the Secretary of State.”

The deplorable aspect of what has happened is that the Secretary of State, in giving his direction, was not acting in accord with the St Andrews Agreement, but in discord with it. He turned it around, and that is what caused the farcical situation to which Members have referred, and the public are aware of that too. It is abundantly clear what caused the problem.

What is the outcome of this farcical position? The party to my left is unusually shy at the moment. It does not like the words “indicate”, “nominate” or “designate”, and it is reticent about using certain words. I am not concerned so much about the words that were used — it is substance rather than the form of words that is important. Mr McCrea is absent now but he was present earlier, when he was trying to chide the Ulster Unionist Party by saying that our leader said one thing and our chief negotiator, Alan McFarland, said another. That was not the case. Each was complementing what the other was saying.

The Secretary of State said that 24 November was the day for decision. That morning we did not have the leader of the Democratic Unionist Party indicating to nominate, designate, or do anything — and I hear agreement from one of the 12 apostles, or whatever description anyone wishes to give those who issued that statement. That afternoon, the leader of the Democratic Unionist Party issued a statement, and he made it very clear that, in the event of certain conditions being fulfilled, he would accept the position of First Minister. There was a “commitment” — I will use that word — from the leader of the Democratic Unionist Party that afternoon, and that is what Mr McFarland was referring to.

The Secretary of State allowed that shambles to unfold. It is clear that we now have a person who will become First Minister for Northern Ireland in due course, subject to the conditions of the Pledge of Office being adhered to. That afternoon, he added that it was also

subject to the wishes of the electorate. The Northern Ireland Act 2006 makes it clear that it is the largest party that will nominate the First Minister, not the largest party within the largest designation. At this moment the DUP is the largest party — it may or may not remain so.

Let us be in no doubt about why the Secretary of State intervened. The leader of the Democratic Unionist Party has been clearly identified as being set apart from his peers — he has a different standing. In any definition of the word “designation” he has been designated. To use the word as a verb, he has been designated. Indeed, the fact that he will not take up the position until March 2007 at the earliest means the word could also be used as an adjective.

The law says that the title “First Minister designate” does not come into being until immediately before designation to the actual office on 26 March 2007. Whether or not one is given a title, in substance we have a designated First Minister, a First Minister-in-waiting. The position of the Ulster Unionist Party is not one of contradiction, and it is a pity that Mr McCrea is not here. My party leader and Mr McFarland complemented one another in what they said.

Another little aspect of the Secretary of State’s deplorable intervention in the workings of the Assembly is that he has allowed people to use weasel words over what happened last Friday. The Democratic Unionist Party rightly refers to its executive motion of 9 November, which it says it will adhere to. The motion stated very clearly that the party was not required to commit to any aspect of power sharing.

Those words were chosen carefully. It was not required to commit to any aspect of power sharing in advance of devolution or in advance of the policing issue being dealt with. However, “not required” does not mean that it will not happen, because the DUP did commit. It was not required to, but it did. A few days ago, I noted in ‘An Phoblacht’ that the president of Sinn Féin congratulated Mr Paisley on his commitment — there is that word again — to become First Minister, and he welcomed that commitment.

What I find most deplorable is that politics throughout the United Kingdom and further afield is held in low repute. Men and women, and perhaps even Members of the Assembly, feel that politics in Northern Ireland is in lower repute. For many months, the Secretary of State stated that the law would be upheld, that it was devolution or dissolution, and that we must make up our minds. He also said that he could not vary from the law and that nominations would have to happen. They did not.

The Secretary of State should not make the situation even more embarrassing and even more farcical by repeating those statements. He should not do it because

he is wrong. The Secretary of State showed by what he did on 24 November that no date in law is sacrosanct, because he has the power, under schedule 1, to give any direction to the Assembly — even a direction to overturn a date. We also know that case law and judicial review would support his position.

I deplore the Secretary of State’s actions on Friday 24 November 2006, and he should cease forthwith from saying that the law will be upheld and that there must be devolution or dissolution, because he is wrong. He proved that last week; he proved the farce. Therefore, please, Secretary of State, do not continue with the farce.

Dr Farren: I suppose that it could have been predicted that, at a time when our thoughts and plans should have been focused on our future, today’s debate — the first full debate in our transitional format — would find us once again back in the blame game. That is what the motion, and its amendment, has invited us to engage in, with unionists attempting to out-unionist unionists, and Sinn Féin feeling that it has to assert its so-called republican credentials.

Remarks from Members only underline why interventions by successive Secretaries of State in the proceedings of this, and former, Assemblies have been inevitable — even to the point of suspension. However, the main responsibility for our suspension lies not with Secretaries of State but with ourselves, and we are fools to ignore that reality.

I have always regretted that any Secretary of State over the past eight years has had to make such interventions. Indeed, some time ago, the SDLP put forward coherent proposals that would have obviated the need for suspension to have persisted for so long. Nonetheless, Madam Speaker, we are where we are.

If we are to move forward, and if this Assembly is to be the locus for the hopes and aspirations of those whom we claim to represent, we must end the blame game.

3.00 pm

We must take responsibility for our own affairs, and by our taking that responsibility, render impossible further interventions, let alone suspensions, by Secretaries of State. Madam Speaker, if we persist in not doing so — if we do not act responsibly and begin to address urgently the critical and practical matters that face our society — the Assembly is in greater danger than ever of becoming an irrelevance. Indeed, the events of 24 November in the Chamber were saved from becoming a major tragicomedy only by the real tragicomedy that transpired outside its doors.

What message does that give our society about the critical matters of economic development, reform of public services, education, and so on? A major report was published today on the future structure of education. We have had no opportunity to express our views on

that report, when people would expect us to do so, because of the motion and amendment that are before us for debate. What message does that send about concerns over health, infrastructure and all the other practical matters that people sent us to the Assembly to deal with, if all that we engage in is a blame game, in which the object is to quote and misquote one another, as though the Assembly were a university debating room rather than a place where matters of serious concern to the electorate should be debated? What message is sent out if we try collectively to blame the Secretary of State for the mess that we are in, and, for good measure, every other Secretary of State, Governor General, Lord Lieutenant and King's Deputy back to Henry II?

We have been treated to historical treatise. One, from the leader of Sinn Féin, was about 1798, the proclamation of 1916, and all that was promised therein. The establishment of the Society of United Irishmen was based on the vision of uniting Catholic, Protestant and Dissenter under the common name of Irishman. The 1916 proclamation promised to treat:

“all the children of the nation equally”.

It is a bit rich, however, to hear that vision repeated without any apology from the leader of a party that has supported the murder and maiming of the very people whom the United Irishmen set out to unite. I can hardly imagine that those men who gathered on Cave Hill would have condoned in any way the IRA's campaign of violence, which was perpetrated in the name of the very vision that the United Irishmen had fashioned in Belfast 200 years previously.

Indeed, it is of little value to quote noble and high-minded vision statements such as those of 1798, 1916, and other eras, if those statements are to be belied by such campaigns. Madam Speaker, I wonder how the many representatives of the groups in the business, trades union and community sectors, which all devoted many hours and considerable effort to preparing detailed memoranda on how we might plan our economic future, and which attended meetings of the Committee on the Preparation for Government, will react when they hear of today's proceedings. Many among them must be questioning the time and effort that they gave us during all those months.

I also wonder what the reaction of many of the electorate will be. I have recently been canvassing for a local by-election. On the doorsteps, people are saying that is not that they do not want devolution to return — most of them do, however much they may be sceptical about the prospects of its return. More than anything, however, they want to know whether parties will provide themselves with the opportunity to work openly and honestly with one another, for the greater good of all and will do so on the basis of equality, respect and adherence to the rule of law.

It is stating the obvious to say that we have to work together to overcome our divisions. Most people accept that reality. They recognise that we cannot forget the past, nor can we overlook the hurt caused by all sides in that past. They recognise that we must begin working together to start the healing process as best we possibly can and to commit ourselves to working for the social and economic betterment of all our people.

The people on the doorsteps are ahead of the politicians, but the future that they want will be built only on an honest acceptance of the commitments set out in the Good Friday Agreement, and, more recently, in the St Andrews Agreement. Those commitments must be honestly accepted as essential conditions for the return of devolution; full acceptance of the responsibilities under the new policing arrangements; and a full and open acceptance of responsibility to work the partnership arrangements that are set out in the Good Friday Agreement.

Simply indulging in a blame game, whether blaming the Secretary of State or one another, will not help us to advance towards that prospect or to realise those commitments. I trust that after today's debate we will begin to address more seriously the practical issues that people here want us to address effectively, with vision and creativity, on their behalf.

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

Mr Weir: I rise at this late hour of the debate with mixed emotions. It is right that we should have the opportunity to debate the interference of the Secretary of State, but, as a previous Member mentioned, there is a range of more pressing issues to be addressed. It was therefore disappointing that my party's amendment did not get chosen, because it would have provided an opportunity to debate issues such as water charges, the rating system, academic selection and the review of public administration. I am glad to say, however, that we will have a debate on the review of public administration.

I note, with a slight degree of disappointment, that Dr Farren is due to retire at the end of this session. I have also heard rumours that the hon Member for South Down Mr Nesbitt will not be standing for election in the Assembly again. I do not know whether those rumours are true. If they are, I urge him to reconsider, because this House obviously wants to hear more of the exciting analysis that he often gives us. The House would be a lot poorer if he were not here to give that analysis. I do not know whether there is any truth in that rumour, but I hope that Mr Nesbitt will at least seek election to this Chamber, even if he is not necessarily returned to it.

Dr Farren: Is the Member pleased to see me go?

Mr Weir: I have seen the sterling work that the Member has done. The difference that I make is that

the Member has publicly announced that he will not be standing in the next Assembly election, whereas, at this stage, the suggestion that the hon Member for South Down will not stand again appears to be only a rumour, and perhaps a completely false one. Perhaps it is news to him — I have obviously been talking to some of his colleagues in South Down.

I also had mixed emotions when I saw Sir Reg Empey's motion on the Order Paper complaining about the Secretary of State's interference in the workings of the Assembly. My first thought was that he was having a laugh. It may be very noble of the hon Member to criticise the Secretary of State for his interference, but he has developed selective amnesia about his role, and his party's role, in the work of the previous Assembly and about the interference of previous Secretaries of State.

Am I alone in remembering Séamus Mallon announcing his resignation as Deputy First Minister in this Chamber in 1999? Indeed, it was so clear a resignation that I understand that he had to make his own way home that day — his ministerial car had been withdrawn. Use of his fax machine was withdrawn as well, and he no longer had access to his office. A few months later, however, there was interference from the then Secretary of State, and a resignation that had been as plain as the nose on anyone's face suddenly became an "unresignation". I did not hear a great deal of complaint about that from the party that tabled today's motion.

We then had a situation —

Mr Kennedy: Was the Member still in that party then?

Mr Weir: I made my position on the matter very clear at the time.

Mr Paisley Jnr: Unlike Mr Kennedy.

Mr Weir: Yes.

In 2001, the Assembly's integrity, which appears now to be sacrosanct to the Ulster Unionist Party, was interfered with again when we went through the pantomime farce of Members from the Alliance Party and the Women's Coalition becoming Unionists for the day simply to overcome the obstacle of a majority of the unionist community not being prepared to elect a First Minister. On that occasion, the Ulster Unionist Party seemed to care little about the integrity of the Assembly. Indeed, the party's then leader was perfectly happy to benefit from the Assembly's lack of integrity.

There was supposed to be an Assembly election in the summer of 2003, but the then Secretary of State interfered to try to put off that election, in what was called the "save Dave" campaign. Unfortunately for the Ulster Unionist Party, that was simply putting off the inevitable. The Secretary of State and the Government have now passed the stage at which it was

pointless to try to rescue the Ulster Unionist Party. A "rescue Reggie" plan is no longer on the agenda.

Although it is perfectly valid to criticise the Secretary of State for his interference on 24 November, it rankles when that criticism comes from UUP members who have been perfectly happy to accept interference in the political process by previous Secretaries of State. If Members wish to take the high moral ground, they should at least try to ensure that they are not serial offenders before doing so.

It must be said, however —

Mr Kennedy: That is rich coming from you.
[Laughter.]

Mr Weir: I would like more crimes to be taken into consideration.

Whatever criticism I may have —

Dr Birnie: Does the Member concede that the interference that undoubtedly occurred on 24 November benefited his party? He appears to be arguing that past interference benefited my party, so, logically, is he saying that the same is true in his case?

Mr Weir: I am making the point — not for the first time — that the Member's party has shown a degree of hypocrisy. I have not argued that interference has been to the benefit of my party. The Member has difficulty with either listening or logical thought. Given his support for the Belfast Agreement down the years, perhaps logical thought is not one of the Member's fortes.

Whatever criticism I make of the UUP's level of hypocrisy, its hands are pristine compared with those of Sinn Féin. On behalf of the rest of the Democratic Unionist Party, I echo the Member for North Antrim Mr Paisley Jnr by utterly repudiating the disgraceful attack on the integrity of the RUC that took place in the Chamber earlier. Those men and women who served in the Royal Ulster Constabulary provided us with peace for many years. Many of us were able to sleep safely in our beds because of them, and for the RUC's name to be dragged through the dirt by the Member who spoke earlier is utterly reprehensible.

In looking at the current situation, I am slightly bemused that a Sinn Féin Member has suddenly started quoting Gandhi as a great reference. Yes, his remarks about British democracy are well known, but the central tenet of Gandhi's life was non-violence. If Sinn Féin had truly followed Gandhi's teachings over the past 35 years, many people who are unfortunately lying in their graves would be alive today. I will not listen to Sinn Féin's hypocrisy on that issue.

I will not listen to that party's whiter-than-white complaining about the Secretary of State because, time

and time again, it has gone running to the Secretary of State to alter the process to benefit itself.

3.15 pm

Complaints were made earlier about the fact that we are four years into suspension, something that I am sure many of us regret. However, only one party has been to blame for that suspension: the party opposite. Its failure to support policing and the rule of law, its connection with terrorist structures and its continued paramilitarism and criminality have been the blocks that have prevented us from moving from debating the Secretary of State's interference to tackling issues of real meat and substance. The party opposite brought down the Assembly in 2002, and it is that party that prevents its restoration today.

The change that must take place in the party opposite is not simply a matter of words; it is about key tests on the rule of law, democracy and policing. For example, will the party opposite urge people to give information to the police about the recent dreadful incident in south Armagh? That is one of the key tests. Will that party encourage young nationalists and republicans to join the police? Will its members give evidence and inform the police when incidents happen in their areas?

There is a range of tests; it is not simply a question of supporting structures or making a statement. What that party does in practice is the relevant test for this party. Until that is resolved, the Secretary of State will have the opportunity to intervene, and that is something that we should all deplore. However, the solution lies in the hands of the party opposite. If that party wants to move this process forward, it knows precisely what it must do.

It is right that we should send a clear signal today, albeit one that is limited by the terms of the motion, which does not go far enough in considering the wider issues. We are happy to say that the Secretary of State should not intervene; we should have some degree of control over our own destiny. The Assembly should set its own agenda, but we should, at least, do so on the basis of a consistent position and not lapse into the hypocrisy of either the proposer of the motion or the party opposite.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle. I speak as much to have a right of reply, a Cheann Comhairle, as to endorse our party's amendment to the motion.

The Member for Mid Ulster who sits on the opposite Benches said earlier that I was smirking at his comments about victims and the disappeared. I wish to place on record that nothing could be further from the truth. I have relatives who are victims. My constituency includes the towns of Lurgan, Portadown and Banbridge, which know only too well what violence can do to a

community. Indeed, that Member, who is not present in the Chamber, associated with the mass murderer Billy Wright, who caused many deaths in my constituency.

In relation to the allegations of smirking, I wish to put it on record that nothing could be further from the truth. The most parliamentary language that I can use to describe the Member's comments is that they were inappropriate and far from the truth.

Mr Hussey: Considering the historical issues that have been mentioned today and the fact that my father was a Welshman, perhaps I should complain about the Roman invasion of Britain. We are the ancient Britons; we were driven westwards. Similarly, the fact that my mother's family is from Ballybay perhaps means that the invasion of the neighbouring area of Clontibret should also be on my lips. However, I digress, Mr Deputy Speaker, and I apologise for doing so.

Dr Farren and Peter Weir mentioned many of the issues that we could, and should, debate. Those Members who sat in the previous Assembly will be aware of the issue that I had in relation to Sinn Féin representation in the Chamber and that party's claim that its Members were democrats because of their electoral mandate. I could not accept it then, and I do not accept it now.

I accept that the party has an electoral mandate, but I maintain that the democratic mandate has to be attained by Sinn Féin. Its Members can, by their actions, attain that democratic mandate, and I hope that eventually they do so. That would allow them to move forward and deal with the democratic issues that the other parties in this Chamber are trying to deal with.

I support the motion. The Secretary of State, through his actions to date in the political process, has displayed a total lack of credibility. The process is a shambles, and it is little wonder that the general public has lost faith in politics. Here we have a Transitional Assembly that will last until the end of January. It is not really an Assembly at all, but something created by the Secretary of State essentially as a sop, perhaps to hobble Members and prevent us from making proper decisions. I have some sympathy with Mr McCartney's view that the entire situation is a puppet show, although those might not be the words that I would have used. However, it is certainly a shambles and a fiasco.

I wonder about the Secretary of State's motivation for his actions. Iraq has become something of a quagmire, the sharks are circling over cash for honours, and the Prime Minister is trying desperately to have one positive chapter in the account of his soon-to-be-over premiership. In anticipation of life after the current Prime Minister, several candidates, including our own Secretary of State, have thrown their hats into the ring for the job of second in command of the Labour Party. In this more crowded race, it will be tough going.

Others are already out of the blocks, grabbing headlines with comments on many issues, including, for example, the wearing of veils. Therefore there is great expectation that Northern Ireland will cross the line for the sake of the Prime Minister's legacy and the Secretary of State's ambitions.

I will choose my words carefully in what I say next: I firmly believe that we have witnessed the prostitution of our political process at the behest of the Secretary of State. The Secretary of State has overstepped the mark in his efforts to move the process on. I too want devolved Government for our people, and I want to be allowed to get on with the job that I was elected to do three years ago. However, the manner in which the Secretary of State behaved on Friday 24 November was an insult to the Speaker of this House. It was also an insult to the Members of this Assembly, and, more importantly, it was an insult to the electorate of Northern Ireland. There is nothing wrong with wanting to trade Hillsborough for Dorneywood, but the Secretary of State's recent intervention displayed equal measures of arrogance and desperation, damaging his own credibility and that of the political process with one pre-prepared response.

There is no doubt that this gung-ho attitude would not be tolerated in Wales. His calculated guess that, as a means to an end, this riding roughshod over the political process here would go unnoticed in Westminster might have paid off had it not been for the continuing disastrous saga in this Province. I suppose that we owe the Secretary of State a debt of gratitude for re-igniting interest in Northern Ireland within the corridors of power, where, after years of an exasperatingly slow process, debate had moved on to the war on terror, climate change and John Prescott.

It is little wonder that there has been a huge drop in the number of people on our electoral register. As apathy increases and the more moderate voters stay at home, the fate of us all is being decided by an increasingly polarised group. The will and momentum to finally get devolved institutions up and running is fast evaporating and could soon be out of our grasp.

(Madam Speaker in the Chair)

If there is not a proper Assembly, should we not at least have a Speaker and a Business Committee who can make decisions without the intervention of the Secretary of State? One would think so, but the Speaker was appointed by the Secretary of State to do his bidding. It was embarrassing to sit in the Chamber on Friday 24 November when a prepared response supplied by the Northern Ireland Office was read out. It was so out of sync with what was said that proceedings became farcical.

Those examples point up the lack of credibility of the Secretary of State and his political master, the

Prime Minister. They are so desperate to save the downward spiral of their political careers that they will stop at nothing to keep the process train on track: they will even reduce the integrity of the institutions that they helped to create.

Deadline after deadline — each apparently immovable — has passed and been fudged. Each fudge is worse than the one before. That does nothing but add more and more concessions in the vacuum before issues can be resolved.

That blatantly opportunistic and farcical approach to politics turns the public off and taints the entire political class in Northern Ireland. It should stop immediately. If the public are to have any faith in politics, the bare minimum that they should expect from the Secretary of State and the Prime Minister is a modicum of integrity and consistency. Sadly, that currently seems too much to ask for.

I do not wish to diminish the seriousness of the event that occurred in the Great Hall on 24 November, but it is hard to know who caused the bigger disruption that day. Was it Michael Stone with his improvised devices, or the Secretary of State with an improvised Assembly? The farcical scenes — in the Chamber, not in the foyer — on 24 November were, I suppose, appropriate as we move into the panto season. I ask the Secretary of State where his political career is. Is it behind him?

Ms Ritchie: Today we have been subjected to a debate consisting of a diet of historical references going back centuries and, of course, many theological references. Sinn Féin and the DUP have been trying to justify their own positions. There have been contributions dealing with historical, competitive grievances, but none of them moves us forward politically or benefits the community in the North of Ireland. Those speeches do not provide for economic growth, put bread on the table, or speed up waiting lists for the elderly ladies in our constituencies who require hip operations.

However, lest any of us be in any doubt, Members have been set a challenge to achieve political accommodation. We should set about doing that rather than indulging in our grievances and our past. Members must move forward if we are to bring about change and a better way of life for the people whom we represent.

To achieve a political accommodation, there must be full subscription to power sharing by the DUP, and Sinn Féin must totally and absolutely sign up to all policing structures, encourage young people to join the PSNI and encourage people to give information to the police on issues of criminality, so that those responsible can be apprehended.

The urgent restoration of the political institutions is required so that we have political and economic stability, growth, investment in our infrastructure, and to engender hope in our community. My colleague Seán Farren, the Member for North Antrim, said that when canvassing in the past few days, he found that people are looking for that hope and crying with desperation. We have the opportunity to give them that hope.

There is no doubt that the Secretary of State and the British Government have deliberately engineered this process to show themselves in a good light. They have set up the deadlines, threatened parties if such deadlines are not met, and defaulted on and violated their own deadlines when the answers provided were not adequate, or when two parties did not live up to their commitments.

3.30 pm

The process has been characterised by the boy who cried wolf too often, namely the Secretary of State, and by the procrastination and obduracy of two parties that have failed to provide us with political hope, progress and stability and with that political accommodation which they could make. The communities are crying out for hope, stability, justice, equality and, above all, for a better future for their children and generations to come.

Earlier, Members referred to victims. There is no doubt that the needs of victims must be addressed, but it must be done in the hope of a promising future and in the knowledge that victims' aspirations can be fully recognised. The public sees political parties anxious to negotiate for themselves, parties that are selfish and refusing to think of the requirements of the wider community. It sees parties more interested in their standing in the opinion polls or in how they can outwit each other. What happened to the principles, enunciated in the Good Friday Agreement, of partnership, of working together and of trying to resolve the problems for the betterment of the people the parties represent?

What is the position of Members on water charges, rates, the Review of Public Administration (RPA), tourism, infrastructure and the need to address waiting lists? I have statistics on what is required for reinvestment in the tourism infrastructure. Over the next five years, tourism will require £150 million to be spent on capital infrastructure; £25 million on marketing, servicing and events; and a further £25 million on the acquisition of skills and competitiveness. That can be achieved only if Members are serious about providing that political hope, if they can demonstrate that they can go that extra mile, instead of indulging in the past.

Members must not forget that they live on a small island and that perhaps the world has grown tired of us. If we want to be taken seriously, the final bold steps must be taken. Sinn Féin must sign up to policing and the DUP to power sharing. Members must provide certainty for the people; they must provide hope. That is what is now required.

Madam Speaker: Would the Member please keep to the motion?

Ms Ritchie: I will, Madam Speaker, though I have heard many speeches today that outline all the various principles to which I have referred.

Madam Speaker: I have reminded all those Members of the necessity of speaking to the motion.

Ms Ritchie: I am about to finish. Of the motions before us, neither the principal motion nor the amendment affords people hope or stability. Members must move forward. The real question for the Assembly is whether we are ready to create that new political dispensation, to move from the past to the future, and whether the two parties that are causing the present difficulties are ready to trigger the mechanisms to provide the new future that the people require.

Mr McElduff: Go raibh maith agat, a Cheann Comhairle. Ba mhaith liom tacaíocht a thabhairt don leasú atá curtha síos ag uachtarán Shinn Féin, Gearóid Adams.

I speak in support of the amendment proposed by my party leader, Gerry Adams, which deplores the interference of the British Secretary of State in the proceedings of the Assembly. It is interesting that the word "intervention" is used by the DUP while the word "interference" is used by the UUP. It is as though the DUP is keener to hold the hand of the British Secretary of State than the UUP. The DUP perceives gentle "interventions" from Peter Hain; whereas, in Reg Empey's analysis, his actions amount to "interference".

The British Government have interfered not just in the Assembly itself, but throughout the structures and processes established by the Good Friday Agreement. My colleague Caitríona Ruane dealt adequately with the constant undermining of equality commitments and how the appointment of the Interim Commissioner for Victims and Survivors was mishandled.

The history of British interference and its negative impact on our country is already well detailed and chronicled in history books and has been here today. The outcome of the 1918 elections did not suit the British Government, so they partitioned the country. More recently, when Bobby Sands MP was elected in 1981, the rules on who could or could not contest elections had to be changed — moving the goalposts. More recently, this Assembly and the political institutions have been suspended consistently against the will of the Irish people.

When it comes to Ireland, British Secretaries of State really have not got a clue. They do not understand Ireland. Which one of them was recorded in the House of Commons Hansard as saying there would be a meeting in a "tea shop" in Dublin, when it should have been a meeting with the "Taoiseach" in Dublin?

Dr Birnie: I thank the hon Member for giving way. He mentioned the 1918 election. Is he aware that in terms of the number of votes cast, his party, Sinn Féin, did not get more than 50% of the votes in that election. It certainly got a majority of the seats on the island; that was to do with the voting system, but the party had less than 50% of the vote.

Mr McElduff: I thank the Member for the information. It is rich coming from a party in electoral decline, but we will not go into that.

There is a great phrase used in Civil Service circles, which is “duty Minister for the weekend”. Did you ever hear anything like it? British direct rule Ministers take it in sequence to be the duty Minister for the weekend. The first time that I heard that phrase was under the stewardship of Malcolm Moss. Everybody knows that when Patrick Mayhew was first dispatched to the North of Ireland, the NIO civil servants showed him a map. He was very perceptive and intelligent, because he looked at the map and said: “I presume these areas marked green are where the nationalist tradition tends to live?” The civil servants replied: “That’s right, Minister.” “And these areas marked orange, I presume, are where the unionist tradition tends to live?” Again, the civil servants told him that he was correct. “What’s this blue bit in the middle?” said Mayhew. “That’s Lough Neagh”, replied the civil servants. That was Patrick Mayhew’s introduction to the North of Ireland.

Of course, Peter Hain is not elected to any institution in Ireland, and it is regrettable to see that the DUP in particular wants to hold on to Peter Hain’s hand in the time ahead, instead of exhibiting confidence and taking the reins of power itself. There is no doubt that people are counting the cost of British direct rule and have cited the issues: lack of inward investment; poor quality of water and roads infrastructure; education and health cuts; the prospect of water charges and rates increases; and planning policy statement (PPS) 14, spelling the death knell of many rural communities where there is a real housing crisis.

The DUP is not willing to seize the reins of power. I call on all locally elected representatives to seize control of our destiny, to let go of Peter Hain and walk for ourselves, to map out our own future and to remove the umbilical cord. It is obvious to me that the DUP is far happier with unaccountable civil servants running the show rather than seizing the reins of power itself.

The bona fides of the DUP with regard to power sharing generally has to be questioned. Its track record in local government west of the Bann, and not least in Castlereagh and Ballymena, make it clear that the DUP has no interest in sharing power with anybody. Contrast that with the d’Hondt mechanism and principles, which are applied universally west of the Bann, where

nationalists tend to have the more significant electoral clout.

There is value in North/South co-operation, all-Ireland harmonisation and all-Ireland integration in the time ahead. In respect of health planning, for example, let us avoid back-to-back planning along the border, duplication and waste of spending. Let us maximise scarce resources.

Those are matters for the Programme for Government Committee.

Madam Speaker: Draw your remarks to a close; you are not keeping to the subject of the motion.

Mr McElduff: Are my remarks time-limited? I will move to a conclusion now, Go raibh maith agat, a Cheann Comhairle, and I thank you for your guidance.

Ian Óg appears fixated about a united Ireland — he doth protest too much when he talks non-stop about a united Ireland. Sinn Féin will continue to campaign peacefully, politically and democratically for a united Ireland and is determined and confident that it will be achieved.

On 24 November, Martin McGuinness clearly stated that he was happy to carry out his “responsibilities and duties conscientiously” — [*Official Report, Bound Volume 21, p3, col 2*].

The DUP was considerably less clear, but I hope that in the weeks ahead the DUP will engage wholeheartedly in the Programme for Government Committee and in the subgroups, which are doing very important work.

Go raibh maith agat, a Cheann Comhairle.

Mr Kennedy: It has been an interesting, historic and sometimes hysterical day. I say “historic” for several reasons. This morning, there was drama when Dr Paisley made a direct appeal to the leader of Sinn Féin, Gerry Adams, to join the Policing Board — that was negotiation, I suppose, by insult. Nevertheless, many in the media will see that as progress. Be careful what you ask for, because sometimes you might get it.

The most historic aspect of this afternoon’s part of the debate was the silent and seamless handover of the Speaker’s Chair by Madam Speaker to the Deputy Speaker Mr Molloy. To the best of my knowledge — and I stand to be corrected — that was the first time that a Sinn Féin Member has presided over a debate in the Chamber. That was an interesting moment, and Mr Molloy took the Chair without any objection from the DUP or anyone else in the Chamber. Today, out of small beginnings, limited progress has been made.

The UUP wanted to have today’s debate in order to highlight the deficient manner in which the Assembly is forced to do business. A range of political matters has been mentioned today: 1798 was probably the earliest

date mentioned, although another Member attempted to go back as far as Henry II. Irrespective of those, however, it is important to recognise that the Assembly lacks the credibility that comes with being in charge of its own affairs. It appears to be very much subject to the whim of the Secretary of State, Peter Hain. Members will do well to remember that Peter Hain dined out on speeches that threatened ill against Assembly Members and their staff. He said that they would all be thrown out of work and become unemployed. He worried my wife and alarmed my children.

Such was the venom from the Secretary of State that people began to wonder if I would have to get a proper job. Yet, on 24 November, for reasons of political expediency, the Secretary of State produced a fudge.

Sinn Féin's leader, Gerry Adams, lectured the Assembly on Templepatrick. It is an interesting place and in recent days has become important. It will be no less so tonight when, as I confess to the House, I am due to address the Ulster Unionist Party there.

A Member: In a telephone box?

3.45 pm

Mr Kennedy: No, the telephone kiosk was busy — I will not have jokes like that. My suspicion is that none of the people who will attend the meeting tonight will be interested in the historical interpretation placed on events there by Gerry Adams. Mr Adams reminded me of what the American poet Ralph Waldo Emerson said around 1840 about someone of whom he was presumably very suspicious:

"The louder he talked of his honour, the faster we counted our spoons."

Therefore, we will count our spoons when we listen to Mr Adams.

We then had Dr Paisley's contribution and the plea to Sinn Féin to do something on policing. It remains to be seen if that is the continuation of what might be described as a courtship dance. However, only time will tell.

Alban Maginness gave us a different form of history, although, to be fair, he did place on record timely reminders to Sinn Féin of its immediate past history. One point that he raised with due regard was that people have lost faith in politics and in the political process.

We then had the inevitable lecture from David Ford, the leader of the Alliance Party. He is no longer in his place. The Ulster Unionist Party did not formally support the St Andrews Agreement. It is not our document. The political fingerprints on it have nothing whatever to do with the Ulster Unionist Party. However, other parties, such as the DUP and Sinn Féin, appear to be very interested in its outcome and in its practical outworking.

Lord Morrow engaged, to an extent, directly with Sinn Féin across the Chamber. As a weather predictor, he is the champion of the Assembly, and we will be looking out for more weather predictions. We will see if Mr Morrow can be as accurate in the future as he apparently has been in the past.

Michelle Gildernew retreated through 800 years of misery. She mentioned the potato famine, 1916, and said that everybody was to blame — particularly Peter Hain — and that we are all very ungrateful. That is basically a precis of her contribution.

However, Alan McFarland asked important questions. *[Laughter.]*

It is all written down. I know what all the Members said because I wrote it down. Alan McFarland asked significant questions about the behaviour of individuals, political parties and Government, none of which have been addressed in the debate. One hopes, for the long-suffering taxpayer at least — if not for other Members of the House — that honest answers will be provided.

Alex Attwood heavily criticised the Secretary of State, but then indicated that he would not follow through on those criticisms by voting for the motion. I do not know if Members understood that logic. Frankly, I did not — so I will leave it there. *[Laughter.]*

Mr Robert McCartney drew attention to the fact that the Speaker had had to read from a large-print document that was either "Janet and John" or "Dick and Dora", but, nevertheless, it happened. He again posed questions about the choreography, and sequence, of events. I must reiterate that those are questions that deserve answers.

We then heard an impassioned speech, as usual, from Dr McCrea — I am not sure whether he is in his place — but we certainly did not get much clarity from him. Instead, many allegations were made against various people. It appears that Dr McCrea is pessimistic about early progress being made. *[Laughter.]* I was able to decipher that in the middle of his contribution. We then quickly suspended and tried to digest his words over lunch.

We returned to the Chamber to hear a contribution from Conor Murphy. We received a more up-to-date history lesson but, again, it was not a happy affair: it was all about wrongs that had been done on Conor and his community. It was rather tired and very predictable. However, he was quite responsive to the earlier pleas of Dr Paisley. It reminded me of the last few words of an old hymn:

"We know one gate is open, one ear will hear our prayer."

It will be interesting to see whose prayer will be heard. To an extent, the courtship dance continued. However, it appears to be more of a minuet than a waltz.

Mr Nelson McCausland then complained bitterly. Members will know what a sad life I have led, and what a particularly sad morning I have spent listening to you lot and writing it all down. *[Laughter.]* Copies of my speech will be available for Hansard later. Mr McCausland berated the Irish language in particular and called for what he described as “an Irish language audit”. He wanted to know how much money would be required, et cetera. It would have been all very well for him to do so, had it not been for the fact that his party, during the negotiations at St Andrews, made provisions for an Irish language Act, which will undoubtedly provide for measures of the Irish language which, quite frankly — *[Interruption.]*

Mr P Robinson: Will the Member give way?

Mr Kennedy: No, I am sorry. The Member had his chance. If a Member's name is not written down on my list, he or she does not qualify. The Member's name was not on my list.

The St Andrews Agreement clearly outlines plans for an Irish language Act that will have a considerable impact — not least a cost impact on the provision for the Irish language.

We then heard from Caitríona Ruane, who, in her maiden speech, was very unmaidenly and was quite aggressive. She started her speech by quoting Gandhi; I was not sure whether it was Goosey Goosey or Mahatma. However, it was stirring stuff. She talked about the artificial border, discrimination, famine, poverty, inequality and injustice — this from a person who lives in Carlingford, but drags herself up to Northern Ireland to indulge in all those things. *[Laughter.]* She wants to come to Northern Ireland so that she can be discriminated against, enjoy poverty and endure injustice and inequality. Welcome to Northern Ireland. *[Laughter.]*

Ms Ruane also said that, deep in her heart, burned a desire for a united Ireland. It reminded me of the dead parrot sketch from Monty Python: the parrot is dead; it is lifeless; it is completely dead; it is not pining for the fjords. Those who support a united Ireland have no prospect of success. The principle of consent enshrined in the 1998 Belfast Agreement — about which Ms Ruane's party is apparently enthusiastic — confirms that. She had better smell the coffee.

Ian Óg, as he has now been popularly described, brought us back to Templepatrick with the Templepatrick declaration. It was the longest suicide note in history — or perhaps not; we shall see. The Templepatrick declaration clearly arose as a result of the DUP meeting last Friday. How significant Templepatrick is in all of this; its historical position will be absolutely crucial. Many years from now, historians will say, “Ah, was that Templepatrick? Is that where that happened?”

Dr Farren: Was the Member there?

[Laughter.]

Mr Kennedy: I was not there, but many of those who were have signed up to the Templepatrick declaration, and we shall see the practical outworking of that.

I pay tribute to Dermot Nesbitt's very thoughtful and careful analysis, which was not always terribly well received, particularly by an ungrateful Peter Weir — *[Interruption.]*

Oh yes, he is always sticking with his own lot.

Dr Farren reminded us that this Assembly should, and must, take responsibility. I hope, therefore, that he will join the UUP in the Lobbies to ensure that we stand up for this Assembly's independence.

It is rather a pity that Mr Weir chose to indulge again in his lone crusade to express vitriol about the Ulster Unionist Party. I suppose that it is done in the vain hope that it will endear him to his new party, but we shall see.

Mr O'Dowd rebutted something that I did not quite understand and have long since forgotten. Derek Hussey made a very good contribution and accurately described the current Assembly as a shambles, which I believe reflects public opinion.

We heard Margaret Ritchie's contribution, and I hope to see her voting in the Lobbies with the UUP as well.

Mr McElduff made another negative contribution. He referred to back-to-back cross-border health considerations. It is a pity that his party colleague Ms de Brún did not take that into account in the case of Tyrone County Hospital — which is in his constituency of West Tyrone — when she was the Minister of Health, Social Services and Public Safety.

Some Members: Hear, hear.

Mr Kennedy: No prompting from the back.

Madam Speaker, in spite of what everyone else has said, I shall be brief. When everything in the pot is boiled down, it is clear that the Secretary of State has undermined the basis of this Assembly, and in so doing he has seriously compromised your independence and authority, and that of your office. At the same time, he has not enhanced his own political reputation, either in Belfast or in London.

Question, That the amendment be made, put and negated.

Main Question put and agreed to.

Resolved:

That this Assembly deplores the interference of the Secretary of State for Northern Ireland in the proceedings of the Assembly on Friday 24 November 2006.

Adjourned at 4.00 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 5 December 2006

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

Members observed two minutes' silence.

PRIVATE MEMBERS' BUSINESS

Review of Public Administration

Madam Speaker: The Business Committee agreed that the House may sit until 6.00 pm to debate the motion on the review of public administration (RPA). I have further consulted with the party Whips, who have agreed that the first round of Members' speeches should be limited to 15 minutes, with subsequent speeches being limited to 10 minutes.

Before the debate begins, I wish to remind the House that, although Members will have made declarations in the Register of Members' Interests, given the subject of today's debate, they should also be aware of the requirement of Standing Order 29(f), which relates to the need:

"Before taking part in any debate or proceeding of the Assembly,"
for a Member to:

"declare any interest, financial or otherwise, which is relevant to that debate".

Mr Weir: On a point of order, Madam Speaker. Why was the amendment that Mr Maskey and Mr O'Dowd tabled, which is effectively a direct negative of the motion, selected when the DUP's proposed amendment to yesterday's motion, which added to the motion, was rejected?

Madam Speaker: As I said yesterday, I will not discuss my reasons for rejecting any amendments. That is not convention. The amendment is not a direct negative. That is my decision. The amendment expands on the motion.

Mr Hay: On a point of order, Madam Speaker. I want to raise an issue that occurred in the House yesterday. It is important that it be raised. I am content for you, Madam Speaker, to deal with it today or in the future. There is nothing wrong with Members having a bit of banter during debates. Sometimes, it can add to the debate. However, for a Member to mislead the House

and to tell an untruth is totally different. I refer to the words of the deputy leader of the Ulster Unionist Party, Danny Kennedy, when he was making his winding-up speech after yesterday's debate. I shall quote briefly from yesterday's Hansard for your information, Madam Speaker. Referring to my colleague Nelson McCausland, he said:

"It would have been all very well for him to do so, had it not been for the fact that his party, during the negotiations at St Andrews, made provisions for an Irish language Act". — [*Official Report, Bound Volume 21, p48, col 1*].

Madam Speaker: I have heard what you said, Mr Hay. Obviously, I have not had a chance to read Hansard this morning. I will check the report and get back to you on the matter.

Mr Hay: Madam Speaker, it was an untruth and was misleading to the House.

Madam Speaker: Order. I am on my feet, Mr Hay. I will consider the matter and I will make a ruling on it. I cannot do either until I have read Hansard. Thank you very much.

Mr Gallagher: I beg to move

That this Assembly expresses serious concern about the potential of a seven council model to centralise services, remove jobs and resources from many areas and to underpin sectarianism and community division; and further calls on the Secretary of State to shelve present plans for super councils and allow the decision on future council arrangements to be taken by a restored Northern Ireland Assembly.

It is entirely ironic that, on the matter of the number of councils, the only party to stand by the British Government with regard to super-councils is Sinn Féin. It is particularly ironic, given that the leader of Sinn Féin reminded everybody in the Assembly that it was the role of the Northern Ireland Secretary of State and his predecessors to promote British interests in Northern Ireland.

Ms Stanton: On a point of order, Madam Speaker. Sinn Féin is not the only supporter of super-councils. Many other groups also support them.

Madam Speaker: Thank you very much, Ms Stanton, for that information. However, I am afraid that that was not a point of order.

Ms Stanton: The Member misrepresents many people.

Madam Speaker: Ms Stanton, I am on my feet. That was not a point of order. Thank you.

Mr Gallagher: Ordinary people will be less concerned with the irony of that than with its implications for them. Those who stand to lose their jobs are obvious potential victims. Those who live in rural areas and will suffer as a consequence of centralisation are also obvious potential victims. The great majority of people, who will bear the brunt of an unequal

distribution of the rates burden under a seven-council model, are also potential victims.

There is no argument about the need for the reform of local government. Ratepayers want less bureaucracy, greater efficiency and better delivery of public services. They expect a better system. However, they are entitled to one that is fair to all, regardless of where they live, and one that preserves local identity and some sense of place. However, the architects of the plan arrogantly ignore such a laudable aim and instead want to push their plan for super-councils through. Of course, the plan is not in the interests of the ordinary people who pay rates: it is a plan that will lead to centralisation, Balkanisation and confusion, and to an unfair and unequal distribution of the rates burden.

This is a plan to centralise public services on an unprecedented scale, and it will be at the expense of rural areas and the people who live there.

It is a plan that will move jobs, offices and resources away from our county towns, and it will leave rural areas, especially in the west, even further disadvantaged than they are at present. Sinn Féin is the only party here that wants the plan to go ahead, and if that happens, it will be a serious mistake that will leave most ratepayers disadvantaged and disempowered.

The plan is based on an English model for local government, and it is totally inappropriate for Northern Ireland. It will lead to the closure of offices, especially west of the Bann, and it will move the jobs and resources into a small number of our larger towns. We are also being asked to accept a model with three unionist-dominated councils and three nationalist-dominated councils. That will underpin the community division and polarisation that has served the people of Northern Ireland so badly.

The Government tell us about a strategic framework plan for a shared future in Northern Ireland, yet they are completely undermining it with a seven super-council model for local government with its inevitable consequence of trapped minorities. Those trapped minorities will be under the control of dominant and domineering oppressive majorities.

Instead of seizing the opportunity to deliver equality and promote good relations for future generations, the architects of that model will separate and segregate people on a crude sectarian basis. It should be clear to anyone who understands the depth of the division in our community and the importance of working towards a shared future that this is indeed a retrograde step.

Even now there are some councils in which some parties continue to keep political power and exclude other parties from top council posts. Despite this, and despite the danger of such practices being repeated in the new councils, Sinn Féin continues to take the word of the British Government on something as fundamental

as the protection and safeguards for what will become permanently trapped minorities. The fact is that while other aspects such as the boundaries of these new councils and the number of councillors have received attention, no safeguards have been produced to ensure equality.

We all know from experience and history that there are no effective checks and balances in the democratic world that can deter an elite group that chooses to abuse its powers. That is why the SDLP rejects the seven-council model. There are better models, and we want to have in place a model that guarantees equality and is able to deliver services efficiently to people everywhere in Northern Ireland.

The very first claim in the Government's own document, from those who designed the seven-council model, is that it would allow service operators to operate to common boundaries. In other words, all citizens within the new council boundaries would share the same health trusts and the same common boundaries for all key services. The health trusts, which take effect from 1 April 2007, will have completely different boundaries from those of the super-councils.

Take the example of people in Magherafelt, who will go to Derry for their council services yet will not be able to go to Derry for their health and hospital services. They will have to go to Antrim or perhaps Belfast. People living in the new council area in the west will find that some of them will go to Derry for their health services, some will go to Craigavon and some will go to Antrim.

The result will be that the delivery of public services will be every bit as messy, confusing and chaotic as before. Serious questions must be asked about a Government that still want to steamroll ahead with a plan that is so badly in breach of their own standards of efficiency and equity.

10.45 am

Most Members will agree that the very least that the ratepayer is entitled to under any new configuration is a fair and equal distribution of the rates burden. As elected representatives, we already know how many people are worried about their rates bills and the threatened water charges. In addition to that, they now have the implications of the seven-council arrangement, and that is a cause for serious alarm.

Let me give Members the example of the new West Local Government District — to use the Government's terminology — which includes the existing Fermanagh, Omagh, Dungannon and Cookstown council areas. Cookstown ratepayers are currently paying for a council loan of £1.55 million, Dungannon has a loan of £1.95 million, and Fermanagh ratepayers have a burden because there is a loan of £1.9 million, while Omagh has a £9 million loan.

In the proposed new council area, ratepayers will face a loan of £14.6 million. Given that the new councils will take over the liabilities of all existing councils, the rates bills in the old Cookstown, Dungannon and Fermanagh council areas will noticeably increase, while bills will decrease for the ratepayers in the old Omagh District Council area, because, as Members know, that is the way it will work. In any new council grouping where there is an exceptionally high burden of debt in one of the old council areas, that will become a debt burden on all of the ratepayers in the new council area.

If Members want a really shocking example, they should look at Magherafelt District Council. It currently has borrowings of £35,000 — very small indeed in comparison with the other councils — and as a result the rates there are among the lowest in Northern Ireland, at 120.67p. However, it will be in a new council area with Derry, which has a rate of 176.74p; Limavady, which has a rate of 152p; and Strabane, which has a rate of 149p. In the new council arrangement, the ratepayers of Magherafelt will face repayment on total borrowings of £31 million. Based on the estimates for the financial year 2004-05, that will mean a rates rise of 33%. To make that clear, a householder paying £1,000 a year will, because of this wonderful new model, be immediately faced with a rates bill of £1,330.

Those are examples of the serious flaws in the Government's proposals, and they all add up to compelling reasons for those responsible for the plan to go back to the drawing board.

The sense of place and local identity that is important for communities everywhere in Northern Ireland is in danger of being stripped away. Fermanagh is well known as the one council area that has retained its townland names: all that is in jeopardy. Members from other constituencies and other district council areas will point to aspects of their own heritage that the local ratepayers do not want placed in jeopardy. All of our identities are shaped by local identity and a sense of place, and those are very important to all of us. In the new model, local identity and a sense of place are being vandalised — in the interests of what?

I have outlined the serious implications for ratepayers across Northern Ireland. I am interested to hear what the Sinn Féin representatives in my constituency have to say about ratepayers inheriting a debt from another council.

People have a shared pride in their area, and, in our divided community, that has empowered locally elected representatives to work for the common good. Many Members will know from their experiences that such shared pride has enabled those representatives to work for the common good in the interests of the wider community. Now, a direct rule Government and Sinn

Féin are preparing to cast all that aside and expecting people to accept a model of local government that is neither local nor legitimate.

I fail to understand how elected representatives of local communities with any sense of responsibility — especially in the west — can possibly lend their support to the plan.

Mr Maskey: I beg to move the following amendment: Leave out all after the first "Assembly" and insert:

"affirms its support for the Review of Public Administration and the new arrangements for strong and effective local government, within a seven council model, underpinned by power sharing, equality and social inclusion."

Go raibh maith agat, a Cheann Comhairle.

For the record, Members are aware that I am a member of Belfast City Council. As I listened to Tommy Gallagher, it was patently obvious that he has not spoken or listened carefully to some of his party colleagues. Two of them, Cllrs John O'Kane and Dermot Curran, sit on the political panel, which, as Members know, is at one end of the process of the Local Government Taskforce. Tommy Gallagher says that he wants a 15-council model. However, neither he nor any other Member has publicly or privately proffered a credible explanation for a larger number of councils making sense.

I simply ask Tommy Gallagher, or any other Member who talks about reducing the number of councils from 26 to 15, for example, to tell me and the general public which councils they want to retain or abolish. Do they want to retain Carrickfergus Borough Council? Tommy Gallagher should talk to his colleague, who is deputy mayor of Castlereagh Borough Council. On what I call a council league of shame, it has the worst under-representation of Catholics in the workforce, at only 6.8%. A similar disparity, both religious and gender-based, exists in other council areas in the Six Counties. I want anyone who argues for any particular configuration to provide a rationale for doing so.

Mr Gallagher also mentioned the argument surrounding the rates burden.

Mr Nesbitt: Mr Maskey referred to percentages of under-representation in the workforce. Can he give evidence from the Equality Commission statistics to show where there is not equality of opportunity?

Mr Maskey: I am not here as a witness, and I do not have to give evidence. However, Members will find that the recent Committee on the Administration of Justice report provides a good indicator. My point is that there is religious disparity in the workforce. Not only is there Catholic under-representation, but the reverse is also the case in areas where there is under-representation of the Protestant population in the work-

force. Sinn Féin wants a system of local government that ensures that such under-representation does not happen in any district council area. From day one, as Tommy Gallagher's colleagues on the Local Government Taskforce will know, Sinn Féin has never been wedded to having a particular number of councils.

In fact, Sinn Féin resisted it from the very early stages. We were not prepared to plump for a figure of seven, six, 15, 12, or 11 councils; we were not prepared to throw a dart and choose a particular number because it sounded OK or because it might guarantee a certain number of councillors. Much of the political debate has been driven not by the number of councils but by the number of councillors. There are parties that are afraid of having a serious reduction in their number of councillors in the next election.

In 1999 or 2000 the previous Assembly endorsed the RPA. If this motion succeeds, politically the work of the RPA will be given back to the Assembly. That will mean that it will have taken 10 years for the review to be completed, and many would argue that it will be out of date. I see no reason why Members should defer this matter. Sean Begley and I worked at task force level and on the political panel throughout the process. Based on that personal experience, I do not have confidence that the other parties will get to grips with the fundamental and serious issues that face us. We need to move full speed ahead on the RPA to get a result soon. We need a fairer rates burden and to have equality at the heart of local government, and when people are elected they must not be treated as second-class citizens in the chambers and the systems of local government.

Members need to bring on board the concept of community planning, which would ensure social inclusion. Of the nine options, the seven-council model is the one that guarantees that any minority community will be at least 20%. In any of the three versions of the 15-council model, there would be minority communities of such a small size and scale that they would not be able to return an elected representative to look after their interests. Sinn Féin is not prepared to accept a system of local government in which people cannot get elected or be represented in a council chamber. The option 7C model guarantees that minority communities will be of sufficient size to have people elected and be involved in the governance arrangements of the new councils. That is why option 7C is the only one, out of the nine options on the table —

Dr Birnie: The Member is arguing that under, say, the 15-council model, there would be cases in which one section of the electoral community would not be represented. The 15 proposed council areas are based on the 14 parliamentary constituencies outside Belfast, plus Belfast. Can the Member name any of the 14 constituencies outside Belfast that does not have a mix of nationalist, republican, unionist and other

representatives in this House? Would that not be repeated at the council level?

Mr Maskey: Look at North Down Borough Council, for example. It is a small area; look at the community balance there. The key issue here is that the minority community would be so small that it could not be involved in the governance arrangements, the community planning process or even the elected representation. I ask Members to present the evidence. Sinn Féin has looked at every one of the nine models and asked people to bring forward further options. No options were brought forward.

Mrs Long: Is the Member suggesting that council boundaries should be gerrymandered in order to achieve certain electoral outcomes, rather than being divided in terms of good administration?

Mr Maskey: Certainly not. I hear people talking about Balkanisation — currently there are 26 district councils. How many of those are unionist-dominated, and how many are nationalist-dominated?

Can Members give me an answer?

11.00 am

The Members opposite have not even done their homework. There are more unionist-controlled district councils than nationalist-controlled ones. That should not be the case. If we have 15 councils, perhaps nine of them will be unionist-controlled and six or seven nationalist-controlled. Is that kind of Balkanisation any better? Is it the level of Balkanisation that suits Members here or is it the degree of Balkanisation?

We argue that the option 7C model allows minority communities in all council areas to have sufficient representation to allow them to be involved in the governance arrangements, in respect of both the community planning process and the ability to attain elected representative status.

Mr Storey: Will the Member give way?

Mr Maskey: No, I am sorry. I cannot give way again.

The system of local government that we advocate is the one that we have argued for from day one. We have never accepted anyone's proposals. It is great to hear Tommy Gallagher talking about Sinn Féin's supporting British policies. As someone said a while ago, patriotism is the last refuge of the scoundrel. I have not heard him be so anti-British in a long time; he seems only to be so when the number of councillors comes into question, as it will in the next round of discussions on local government. Notwithstanding that, we have argued from day one that our preferred system of local government had to be strong in order to get more power, but that it could not, under any circumstances, get Sinn Féin's support unless it was underpinned by

the most rigorous checks, balances and safeguards for the benefit of citizens and their elected representatives.

Tommy Gallagher talked about the RPA proposals as if they were a done deal. He should ask his colleagues John O'Kane and Dermot Curran how many of the current proposals have already been signed off by his party. The community planning subgroup — *[Interruption.]*

I sit on the political panel, and I can tell the Member that his colleagues on it have never resisted the proposals or reacted negatively to them. Mr Gallagher talked about governance arrangements, but those are not tied down by any stretch of the imagination — because the unionist parties in particular do not want to concede the principal of power sharing in local government.

We want a system of local government that is strong and effective, which provides value for money for citizens, and which has a fair rates distribution across all the council areas. Councils must run on the principles of power sharing. Equality must be at the heart of governance arrangements, and, above anything else, the people, through the community planning process, must be involved. We have argued, both publicly and privately, with the direct-rule Ministers and on the political panel that equality should be put on a statutory basis. Citizens must be involved in the community planning process so that they can have a real say in how local government delivers their services.

I invite anyone to tell me how those principles can be underpinned by deferring this matter. The parties that want to defer the matter are not prepared to sign up to the kind of power-sharing arrangements that are required to prevent Balkanisation and further polarisation and to ensure that there is full inclusion.

Tommy Gallagher and members of other parties say that Sinn Féin is the only party to support the seven-council model. We may be the only political party in the Assembly to take this stand, but we are pleased to do so, and we are prepared to work through to the last moment to ensure that local government is based on all the principles that I have mentioned. There is a great deal of work yet to do.

INTERREG, the Equality Commission, the Rural Community Network and many other major organisations all say that they would prefer a smaller number of councils, and many of them have opted for the seven-council model in particular. It may not reach the totality that we would prefer — we are still working for that — but it does provide for a more coterminous approach between service providers.

Most reputable organisations, such as the Ulster Farmers' Union, are in favour of the seven-council model and against having a larger number of councils, because the former provides a more coterminous approach and increases cohesion in local government.

The larger the number of councils, the more political parties and some communities can continue to work in isolation.

The smaller the number of councils, the more parties are forced to work together. At present councillors work side by side, yet they never meet, discuss or plan jointly. Under the new arrangements, councillors will have to work together. Those arrangements are counter-Balkanisation and show how we are trying to redress the polarisation that clearly exists. For too long, too many people have been in their comfort zones.

Tommy Gallagher raised the issue of local identity. Who is suggesting that any townland will be abolished under the new council configuration? Of the present 26 district councils, some will go and others will be subsumed into other, as yet unnamed, councils. Who mentioned any townland, village or hamlet that will disappear? I have not heard of one. Will Larne disappear? Some people might want it to, but it will not. *[Laughter.]* Will Camlough —

Mr Storey: It is far too cold for you.

Mr Maskey: Mr Storey, you should talk to your colleagues on the political panel.

Madam Speaker: Mr Maskey, please speak through the Chair.

Mr Maskey: If Mr Storey would care to speak to his colleagues, he would know that in my last contribution to the political panel I highlighted Larne as an example of how people in smaller council areas may feel that they are not part of the new, bigger council. Therefore the bigger council would be obligated to have a structure to make sure —

Mr Storey: On a point of order, Madam Speaker.

Mr Maskey: Talk to your colleagues, Mr Storey.

Mr Storey: On a point of order, Madam Speaker. That is not what the Member said. The Member made a direct derogatory comment about Larne, but now he does not have the honesty to say what it was.

Madam Speaker: Mr Storey, you have said your piece, but it was not a point of order.

Mr Maskey: Everybody knows that many places have a particular reputation. Many people do not want the political entity of Larne to exist. Certainly, nationalists do not.

As I have already said, and as my colleagues will outline throughout the day, we support a model that we believe affords the fairest system of local government. We have not heard a single proposition from another Member or party that rationally advocates another configuration.

Madam Speaker: Before we proceed, I remind Members that it is unparliamentary to challenge the honesty of another Member.

Mr Weir: I serve on North Down Borough Council, and I am also a vice-president of the Northern Ireland Local Government Association (NILGA).

I want to deal with a couple of the points raised by the Member who spoke previously. He concluded his speech by talking about polarisation and reputation. Many Members will take that with a pinch of salt, at best. There is a high level of hypocrisy in Members from the party opposite talking about polarisation when, for the past 35 years, that party conducted a sectarian murder campaign that, more than anything else, polarised the community.

The Member also referred to the political panel. Representatives of various political parties have worked on the political panel because their aim is to modernise local government. Indeed, most of the panel's work is number-neutral. The Member mentioned SDLP members John O'Kane and Dermot Curran, both of whom I know. Those members of the political panel, and members from parties other than Sinn Féin, have consistently opposed the option 7C model. Time and time again, they have made their opposition to the option 7C model absolutely clear, and to imply anything else is a gross slur on them. Mr Maskey may be happy to continually highlight Sinn Féin's isolation, but let us at least put it in context.

He also expressed concern at the number of councillors. Let us nail that issue. Under the proposals there will be 420 councillors. Most parties would be prepared to accept a similar figure. If Sinn Féin is prepared to accept that number, why not have those 420 councillors sitting on 15 councils? The number of councillors is not the issue that concerns Mr Maskey. Furthermore, if he is concerned about slowness of delivery, let Sinn Féin come out from its isolation.

Mr Maskey: Will the Member take a point of information?

Mr Weir: No, the Member has already had his chance; I do not want to give him any more rope.

Sinn Féin has the opportunity to vary the speed at which the RPA will be implemented. If Sinn Féin is concerned about delays, let it abandon its isolated stance and agree with every other political party in Northern Ireland that there should be 15 councils. There will then be unanimity on the issue and rapid progress can be made. It is in Sinn Féin's hands.

I am delighted to debate this issue for two reasons. First, the DUP supports the motion and opposes the amendment because it believes this to be an important subject. Secondly, the Government have tried for the past six months to stop this debate taking place. Time and

time again in the Business Committee, various parties have pushed this subject onto the agenda, but the Secretary of State's veto has repeatedly prevented debate.

Sir Reg Empey: Does the Member accept that the motion was proposed and vetoed at every meeting of the Business Committee from 15 May to 23 November? Is that not correct?

Mr Weir: I cannot confirm that since I am not a member of the Business Committee. However, I believe it to be the case.

The Government have constantly blocked debate on the issue because the decision to support a seven-council model is one of the least justifiable of their many bad recent decisions. It has the least merit, is the most politically driven and has been produced for the wrong reasons. It is particularly appalling that the Government have used the issues of reform of public administration and the number of councils as devices in their wider schemes for political progress in Northern Ireland. At times in the past 35 years, councillors of various parties have been the principal voice of democracy in the country. They have stood at democracy's front line, providing services to ratepayers and constituents. Many have paid with their lives — the ultimate sacrifice. It is utterly shameful for the Government to use local government as a bargaining chip in the wider political process.

Mention has been made of the arguments advanced for the seven-council model. It is important that we examine each of them to show how spurious they are. The first is coterminosity, which Mr Gallagher has already dealt with to a large extent. The idea was that local government boundaries would be coterminous with those of health and education boards. The RPA proposes five health trusts, the boundaries of which bear no relation whatsoever to the proposed council boundaries. The five education boards will be replaced by a super-board that will oversee the whole of Northern Ireland. When asked about the subject at a recent meeting of the Northern Ireland Policing Board, the Chief Constable said that his new district command units could fit in with whatever model was produced; perhaps two councils would be coterminous with one district command unit. It appears that there is no coterminosity anywhere, yet it was said to be one of the main drivers behind the seven-council model.

We are also told that the responses to the consultation showed that the seven-council model is what people want. However, 90% of responses did not deal with the number of councils; rather, they concentrated principally on education issues such as libraries, youth services and issues involving the Council for Catholic Maintained Schools. There is no overwhelming desire in the community for a seven-council model.

Not only do all the parties represented in the Assembly — with the exception of Sinn Féin — believe that the seven-council model is wrong, but smaller parties such as the Green Party also oppose it. At a meeting of NILGA some months before the RPA reported, every Sinn Féin councillor present voted in favour of the 15-council model, although this was before the release of the Sinn Féin statement.

11.15 am

I understand that in the press at the weekend Sinn Féin accused the SDLP of being in an unholy alliance, presumably because the SDLP agreed with all the other parties. I am sure that politically Sinn Féin would love to be in an unholy alliance, but it cannot get other parties to back it.

Sinn Féin also mentioned the rates base, and Tommy Gallagher has covered that point. If various councils are bolted together they will be burdened with different rates, rates bases and debts. Given the Government's proposed review of rating, there will be regional disparities throughout Northern Ireland. Under the seven-council model there will be no similarity in the rates base.

There will be great savings, we have been told, yet those of us who have been involved with the RPA will know that simply putting in the mechanisms to implement the proposals will cost, conservatively, between £15 million and £25 million — that is purely for the mechanisms to bring forward the modernisation task force and capacity building. The cost of redundancies may be between £25 million and £30 million. However, both those figures will be dwarfed by the money that will have to be paid into pension schemes — perhaps £60 million or £70 million. Where are the great savings that have been promised?

We are told that there will be efficiencies. However, there is little evidence to suggest that that will be the case. Under a 15-council model there could be some economies of scale because one service could be produced for all the constituents in an area. However, under a seven-council model councils will have to cover such wide areas and incorporate such remote regions that pressure will be put on them to provide not simply a headquarters but also a range of regional offices, thus duplicating services again and again.

At a recent meeting with the DUP, the Minister raised the idea of civic councils subordinate to the new super-councils — in effect a form of parish council. The seven councils could create an additional layer of government. Where is the efficiency in that?

As everyone is aware, the real reasons that the Government plumped for seven councils were, first, to pander to Sinn Féin, and secondly to apply political pressure to the other parties, which opposed it. In other words, the Government are telling the political parties

that if they do not like the new arrangements, they should get into an Assembly and sort them out. Those reasons are entirely spurious and utterly impure.

As Mr Gallagher said, we are going to Balkanise Northern Ireland, producing three councils that are nationalist-controlled, three that are unionist-controlled, and Belfast, which will be reasonably evenly divided. The justification offered by Sinn Féin is that there will be large minorities in the seven new councils. We will have large, permanently trapped minorities in council areas. Is it preferable to have large groups of disgruntled people rather than small groups? I fail to see the logic in that. It will inevitably lead to poor governance. Either an elite majority will enforce its will on a minority, which the SDLP is concerned about, or there will be so many checks and balances in the system that there cannot be effective government. Either way, it will not lead to good governance for the people of Northern Ireland; it will lead to remoteness and a lack of identity.

No one is suggesting that council areas should be based on townlands, but no one in Northern Ireland, outside Belfast, will identify with the new boundaries. The Boundary Commissioner's initial report, which listed them as Inner East, East, or whatever, showed the absurdity of these boundaries. No one says, "I'm from east Northern Ireland", "I'm from the south-east" or "I'm from the south-west". People will mention the areas that they come from, but there is no community identification whatsoever in the RPA proposals. That will lead to a sense of dislocation, of people feeling isolated from their local council, and to lower turnouts in elections. It will lead to disaffection with the political process and to councils that are less responsive to the people of Northern Ireland.

Reforming the present model to a 15-council one will provide people with a system that they will feel is directly accountable to them because local councillors will still represent their area. People will see that the needs of their area are met rather than being subsumed into vast council areas that stretch across Northern Ireland.

The 15-council model will produce economies of scale; no one is arguing for the retention of the 26-council model. All parties, with the exception of Sinn Féin, have said that the 15-council model is more suitable for making economies of scale.

With respect to my colleagues from various parties in Belfast, rates in Belfast — for a range of reasons that I accept — have tended to be higher than in other parts of Northern Ireland. That is partly because Belfast is a capital city. However, the evidence suggests that moving to an economy of scale of 250,000 people does not produce any additional economies of scale beyond what would be achieved with, perhaps, 100,000 people.

Indeed, it could be argued that, due to the vast scale of Belfast — which would be replicated in other councils under the option 7C model — there is not the opportunity for the high level of budget scrutiny that many smaller councils achieve. Belfast's status as a capital city is not the main reason for its higher rates, but it is a factor. There is no evidence to suggest that very large councils produce lower rates; in fact, the opposite is the case.

A 15-council model would provide local government that is close and accountable to the people, and which is local in the true sense of the word. The option 7C model will be bad for accountability and for the local identity of the people of Northern Ireland. All Members are in favour of greater efficiencies and greater modernisation in local councils so that they will be able to provide a better service for the people of Northern Ireland. However, a seven-council model will not provide that.

The option 7C model will be weak, unrepresentative and unaccountable. That is why the Assembly should reject it. A clear message should be sent to the Government: listen to the people of Northern Ireland and to their directly elected representatives who believe that the option 7C model will be bad, and that a 15-council model would be much better for their future.

Mr J Wilson: All parties — including Sinn Féin — should support the motion because it is the right thing to do. It should also be supported for another reason. The Ulster Unionist Party tabled a motion on an earlier no-day-named list along the same lines as the SDLP motion. However, that is by the by.

The option 7C model proposed for Northern Ireland is plainly and simply wrong. It is so wrong that it must be halted in its tracks this very day. The motion proposes that the Assembly call on the Secretary of State to “shelve” plans for seven councils and to allow a future Assembly to take the process forward.

In response to the RPA further consultation exercise, my party proposed a 15-council model, and its reasons for so doing were well publicised at the time. In any new consideration of the number of councils required to deliver local services — and there must be one — the Ulster Unionist Party will forcefully make the case for 15 councils.

We were told that support for the option 7C model had been identified through reading all the reports produced by the experts and panel members. However, it was difficult to identify precisely who supported that model. Mr Maskey mentioned a group of people today who, he states, supported the option 7C model. Time has moved on since those people supported that model, and if they were asked whether they still supported it, I think that, with reality having set in, much of that support would have gone.

Mr Maskey: In the past couple of weeks, INTERREG III has stated that the option 7C model would optimise the money available — through European funds, for example — to deal with the entire border corridor area. That was said only two or three weeks ago — not years ago.

Mr Hussey: I am sure that my colleague will admit that much of the INTERREG money is fed through the cross-border groups rather than directly through the councils.

Mr J Wilson: Alex Maskey has made my case for me: he could mention only one group that may still be holding on to the seven-council principle. Sinn Féin is the only party in the House that lends its support to that model, which caused more than a little disquiet in that party. My knowledge of how some Sinn Féin supporters across the Province think confirms what we have heard elsewhere: there is a growing number of party members in Sinn Féin who are not in line with Alex Maskey. That is yet to come out.

One could say that the voice of politicians across Northern Ireland has been ignored, and not for the first time. More importantly, the voice of those who elected them is being ignored. Of course, since the Local Government Boundaries Commissioner published his provisional recommendations, which regrouped 26 councils into seven, any support that there was for the seven-council model has been evaporating. Members need not take my word for it. If they talk to people in Antrim, Lisburn, Carrick and the surrounding region, they will not find much support for this new place — and “place” is all that I can call it at present — of Inner East Local Government District. At this festive season, one starts to think of Bethlehem and places such as that. *[Interruption.]* Someone suggested that the proposed new council looks like a big muffler around Belfast. I would not like the area that I represent to be called such.

When the commissioner published his provisional recommendations, he admitted, openly and freely, that he had consulted academics and local historians about possible names for the new configuration. They could not come up with any. Therefore we are left with North, South, East, West, Inner this and Outer that. The idea is absolutely crazy. Some of us advised the RPA team that it was ignoring totally the question of local identity. The UUP did, and I know that other parties did as well.

I had the good fortune to attend, as a Deputy Speaker of the Northern Ireland Assembly, the opening of the National Assembly for Wales. When I was there, Paul Murphy spoke to me privately. I shall not share what he said about the seven-council model; indeed, I would not be able to use the exact words, so I shall not

repeat them. However, in an interview with 'Fortnight' magazine in February he said:

"I made it clear that I wasn't happy with a small number of local authorities. I would have personally preferred something around the fourteen or fifteen mark..."

And this is the important part of what he said:

"I am a bit troubled that they [the seven councils] are too big and whether in fact you'll see an east and west of the Bann divide which will increasingly become more polarised."

Those words are worth thinking about; in fact, they are worth repeating. Mr Murphy said that the seven councils would be too big and he wondered about the east-west divide and polarisation. The UUP agrees with that opinion.

That brings me back to the motion:

"this Assembly expresses serious concern about the potential of a seven council model to ... underpin sectarianism and community division".

Paul Murphy agrees with the political parties in Northern Ireland.

Many of us, in our political careers, have invested heavily in bringing together communities. I can speak only for myself, but I am satisfied that I have done my best. That was not always the easy option, and it has cost some of us dearly. Let us not destroy what we have achieved, because success was achieved, as seen in our communities.

11.30 am

A seven-council model is a nonsense. It is a recipe for division, polarisation and the total destruction of communities. It is, most certainly, a sectarian carve-up, and the Ulster Unionist Party warned against it. The proposals amount to repartition and will destroy decades of cross-community work and partnerships at a stroke. Let me make this clear to the Government: they are ignoring the democratically expressed will of the people of Northern Ireland. A seven-council model will not constitute the right approach. Sinn Féin may say that it does, but three quarters of the voting population of Northern Ireland say that it does not.

My party contends that the motion should receive support, and I hope that it does. It will send a loud and clear message that the representatives of the people of Northern Ireland believe that their communities deserve better than second best. The Ulster Unionist Party supports the goal of reform through the review of public administration but will not back a Government proposal that is so contaminated and falls so far short of its intended aims.

It is interesting to look back to the beginning of the process. When Ian Pearson launched the consultation process, he said tellingly:

"We must ensure that the new arrangements are fair and equitable, and that they command confidence among the political parties and their constituents."

Have the Government delivered on this goal? No, they have not.

In responding to the Assembly debate on draft Planning Policy Statement 14 (PPS 14) earlier this year, the Secretary of State said:

"I will naturally want to reflect carefully on the Assembly debate."

He went on to say that he would take account of the views expressed. I invite the Secretary of State to listen and reflect on what is being said in the Chamber today. Would Peter Hain have introduced such a proposal in Wales if all but one of the political parties there were against it? I very much doubt it.

The Secretary of State has said that the people of Northern Ireland expect MLAs to do the jobs that they were elected to do. How many times have we heard that from the Secretary of State? Well, today we are doing just that. We are making it clear that the current Government proposals to create seven super-councils do not command widespread support, particularly among politicians here.

I support the motion.

Mr Neeson: I declare an interest in that I have been a member of Carrickfergus Borough Council since 1977 and have a great deal of experience of local government. We all agree that 26 district councils are too many for Northern Ireland. There is a need for radical reform to create efficient and effective councils that are responsive to the local needs of the people of Northern Ireland.

The consultation on the new boundaries was basically a myth. I remember the number of meetings that my party had with Lord Rooker, and I am sure that other parties also met him. That particular individual showed great arrogance to the elected people of Northern Ireland, and I can assure Members that very few tears were shed on his departure.

To all intents and purposes, the proposed seven councils constitute a sectarian carve-up, with three nationalist councils to the west and three unionist councils to the east. However, I am pleased that the Alliance Party will continue to hold the balance of power in Belfast to ensure that power sharing continues in that council.

To all intents and purposes —

Mr Maskey: Obviously, Mr Neeson is a member of the political panel and has heard all the reports from the various subgroups, including the one on governance. Does he not agree that, although the final details of the power-sharing arrangements have not yet been agreed, his party has supported a plethora of proposals on such matters as proportionality, weighted majorities, call-in,

petitions of concern, a code of conduct, internal standards committees, the structure of council committee systems, and decision-making? All of those measures have been instituted.

Mr Neeson and I had an engagement in a hotel in Templepatrick a while ago at which I reminded him that Sinn Féin would not be — *[Interruption.]*

Madam Speaker: Order.

Mr Maskey: Templepatrick has been a busy hub this last while.

Mr Neeson will recall — *[Interruption.]*

Madam Speaker: Order.

Mr Maskey: It is a serious point. Mr Neeson will recall that, during that meeting of the political panel, I reminded him that Sinn Féin would not be countenancing a governance arrangement that allows any party to usurp the will of the vast majority of the people and their elected representatives. Governance arrangements have been set down.

Madam Speaker: Mr Maskey, interventions must always be brief.

Mr Neeson: The only thing to emerge from what Alex Maskey has said is that Templepatrick seems to have become the centre of the universe.

To all intents and purposes, and apart from being a sectarian carve-up, this is in many ways a re-partition of Northern Ireland. I believe that that is why Sinn Féin has supported it — with the exception of Francie Molloy, who is conspicuous by his absence today.

We know that there is to be a radical shake-up of the health and education boards. One of the main objectives that the Government have been hoping to achieve is coterminosity between the various boards and trusts. That will not happen under the seven council areas that are proposed. On a personal basis, I also have serious reservations about NILGA's proposal for 15 district councils. Serious consideration should be given to the 11-council model. That is why it is important that this Assembly be given the opportunity to look at the original proposals.

As Alex Maskey has already pointed out, I have been a member of the political panel — as has Sam Gardiner of the Ulster Unionist Party. A great deal of work has already gone into the proposals that have been made. Some very worthwhile work has been carried out, particularly by the nine task forces. However, there is still a great deal of work to be done. The Assembly should be given the opportunity to scrutinise the changes and proposals that are coming forward, particularly in relation to council powers over public transport and the whole question of responsibility for local roads and planning.

I am pleased to say that in many ways Lord Rooker's successor, David Cairns, is much more responsive to the views of Northern Ireland politicians than Lord Rooker was. In the interim before the restoration of devolution there are opportunities to bring about various changes to the proposals. The restoration of devolution is the real challenge facing, in particular, the DUP and Sinn Féin. Yesterday, both parties gave us history lessons. As a former history teacher, I can tell those parties that, if no progress is made by 26 March next year, history will judge them very poorly indeed.

The issue of what will happen to current council staff must also be addressed. Morale among council staff is very low; they do not know what the future holds, which is why there is a need to consider their needs and develop certainty for them.

I believe that the Chief Constable is moving very prematurely in restructuring local policing services. Furthermore, it calls into question the future role of district policing partnerships under that restructuring. That issue also requires serious consideration.

Dick Mackenzie recently published his proposals for the new council boundaries, and I understand the difficulties he encountered in trying to find names for the proposed seven councils. Under the proposals, my own council will become part of Inner East Local Government District, which will comprise Carrickfergus, Antrim, Newtownabbey and Lisburn —

Mr Ford: And Templepatrick.

Mr Neeson: And Templepatrick, of course.
[Laughter.]

In relation to the question of association, with regard to that particular proposed council, I ask Members what the people of Carrickfergus have in common with, for example, the people of Dromara — very little indeed. The current proposals do not respect local interests at all.

On the issue of the transfer of powers to local government, may I make an appeal about the supporting people programme? The proposal is to transfer responsibility for that programme from the Northern Ireland Housing Executive to local councils. Over the years, the Housing Executive has been a major success story as regards the development of housing in Northern Ireland. Responsibility for the supporting people programme should remain with the Housing Executive. Members of the Housing Executive and the Northern Ireland Housing Council recently outlined their arguments to my local council. That responsibility should remain where it is at the present time.

The Government continually talk about a shared future, and we are told that a shared future is very much at the forefront of the current proposals. However, the truth of the matter is that, as far as the Government are

concerned, a shared future is simply talk, and cheap talk at that.

There has also been talk, as Alex Maskey knows, about the possibility of councillor designations in the new councils — something to which my party is totally opposed. We realise that that is an entire sham, as demonstrated on a number of occasions in the Northern Ireland Assembly.

As a member of the Subgroup on the Economic Challenges facing Northern Ireland, I noticed that one issue that came up time and time again was the inefficiency of Government Departments in Northern Ireland. Such inefficiencies are the result of the artificial creation of 10 Departments. We know why 10 Departments were created — to create jobs for the boys and girls in the parties that formed the Executive. If we are to achieve joined-up government, there must be a reform of central government.

If Northern Ireland is to really move forward, the current proposals for the new councils should be binned immediately.

Madam Speaker: That concludes the first round of Members to speak. The time limit for Members yet to speak in the debate will be 10 minutes. There is a long list of Members who wish to speak, so I remind Members that I shall be keeping them to their allotted time.

11.45 am

Mr Campbell: I am delighted to start the second round of speeches, Madam Speaker. I hope that we go the full 15 rounds, although it remains to be seen who will be left standing at the end.

I wish to declare that I am a member of a local authority; I am a member of the city council in Londonderry.

Several Members have referred to the importance and seriousness of the RPA, and it is appropriate, therefore, that we are discussing the matter in the Assembly today. Very little disagreement remains on the need for reform of our public administration. It was blatantly obvious that, with three MEPs, 18 MPs, 108 MLAs, 582 councillors, and however many trusts and boards for a population of 1.7 million, we were the most over-governed part of the United Kingdom. Therefore it is well past time that we had reform. The matter for discussion, however, is not reform itself but the nature of that reform.

I agree with those Members who spoke about the importance of the cost-effectiveness of any reform of public administration, particularly for those councils that appear to be the focus of both the motion and the amendment.

I draw Members' attention to the two areas with which I am most familiar. How can it be cost-effective

to have a council in the west/north-west of Northern Ireland that stretches from Castlederg in the south-west to Magilligan on the north coast? I cannot think of a more difficult task than delivering cohesive local services that will attempt to bring together people with a common interest in order to get them to work for the greater good of all the people of that area, given the distance of 60 miles and the different terrain and demographics between those who live at either end of that range, not to mention those who live in the middle.

The north-east, which stretches for about 60 miles from Coleraine on the north coast to the shores of Belfast Lough, also contains huge diversity. It is difficult to imagine how a local council can serve communities in that diverse area cost-effectively. That will be the legacy of the seven-council model. A 15-council model — or thereabouts — would reduce an area of that size, enabling it to deliver local services much more effectively and more cost-effectively. For that reason, all the political parties, with the exception of Sinn Féin/IRA, prefer the 15-council model.

I also wish to deal with the issue of political representation. My colleagues and others who have served on the political panel have mentioned, quite rightly, the importance of governance, however many councils there are to be in Northern Ireland. Various political representatives have raised the issue of the feelings, concerns, fears and apprehensions that a minority would have in each of the council areas, and their views must be taken into account. However, those whom I have heard outline such concerns are usually people who trot out criticism of unionist-controlled councils for their treatment of their nationalist minority. We have heard such criticism today.

Rather than listen to a politician's political views or fears, we should look at practical examples of what has actually happened in places such as south Armagh, Strabane and on the west bank of Londonderry. When Sinn Féin — or, unfortunately, the SDLP in some cases — has espoused a political view, not only have some unionists felt that they are not being treated well, they have moved out of the area en masse. We must face that reality.

It is not simply a case of people who come from the 15% minority community in council areas such as Castlereagh, Larne or Lisburn not being elected deputy mayor or chairman of a technical services committee. Unionists who live in nationalist areas fear that a jackboot will be put to their necks and that they will have to leave. Over the years, that fear has been borne out. We must try to ensure that people from a minority community can live in any future council areas, whether they are set up under the 15-council model — that is my preference — or the seven-council model, even if those councils are governed by councillors whose

political outlook is fundamentally different from theirs. Unfortunately, that has not been the case in the past.

Mrs D Kelly: Does the Member concur that the reason that many people moved out of areas across the North — not only out of unionist-controlled or Protestant areas — was due to the conflict and sectarian violence of the past 30 years?

Mr Campbell: The short answer is yes; that is the case. However, why is it that the unionist community in the three council areas that I mentioned as examples is the prime target in the firing line? I am not aware of large numbers of nationalists moving out of Craigavon because of paramilitary activity or the activities of Craigavon Borough Council. However, I can point to numerous instances of tens of thousands of unionists moving out as a result of paramilitary activity —

Mrs D Kelly: Madam Speaker, if the Member wants me to —

Mr Campbell: I have not yet given way, Madam Speaker.

Madam Speaker: Order.

Mr Campbell: I accede to, and fully accept, the fact that paramilitary violence was the primary cause of division and population movement. However, politicians, by their actions, cannot wash their hands of those population movements and simply say that that was a terrible situation. In various areas, populations have moved because of the activities of the Provisional IRA and others. People who take political decisions that impact on those communities must realise that there are consequences to those decisions.

Over the past few years, I assumed that we were trying to move on from the days of population movements. However, the seven-council model does not offer that prospect. The 15-council model — or a similar model — with sufficient safeguards and governance procedures, would ensure that people in certain council areas did not feel that their culture, outlook and political aspirations were being ridden roughshod over. That has happened to both communities. All too often I hear nationalists and republicans referring to what happened in unionist areas, but we all know what happened in republican areas. In Dungiven, in my constituency, parasites drove out hundreds of members of my community. That has happened across Northern Ireland.

Mr Hyland: Will the Member give way?

Mr Campbell: No, I do not give way to Sinn Féin/IRA.

Those are the realities — *[Interruption.]*

Madam Speaker: Order.

Mr Campbell: Those facts and figures cannot be denied. When I hit the bullseye, some people become annoyed and angry.

That is just too bad: if they cannot take the heat, they should not be in the kitchen.

Ms Gildernew: Go raibh maith agat, a Cheann Comhairle. First, I refute the myth that Sinn Féin is the only group that supports the seven-council model; many diverse groups also agree that that model is the best. Those groups include: the Northern Ireland Council for Voluntary Action; the Institute of Directors; the Northern Ireland Tourist Board; the Ulster Farmers' Union; the Irish National Teachers' Organisation; the Confederation of British Industry; and Friends of the Earth. *[Interruption.]*

Madam Speaker: Order.

Ms Gildernew: Those on the opposite Benches, particularly Gregory Campbell, gave many spurious reasons for why people have moved out of their homes. Plenty of people have been bombed out of their homes in places such as Ahoghill. We have argued that legislation should be put in place and financial sanctions imposed to deal with those councils that do not try to eradicate bigotry in their areas. We should consider creating good-relations policies.

Mr Storey: On a point of order, Madam Speaker. Again, in the interests of accuracy, Ballymena Borough Council had nothing whatsoever to do with any of those activities in the village of Ahoghill.

Madam Speaker: That is not a point of order, Mr Storey.

Ms Gildernew: Thank you, Madam Speaker. Yes — *[Interruption.]*

Mr Maskey: It is more to the shame of that Member's party that it did nothing about it.

Ms Gildernew: Yes; it is more important that the Member's party did nothing about it.

However, in every engagement —

Mr Hussey: Will the Member give way?

Ms Gildernew: No, I will not. I do not have much time.

In every engagement, Sinn Féin has argued that the number of councils is not the key issue. We want strong and effective local government and an end to the quango culture. We want increased value for money in order to bring about democratic accountability for local government. Crucially, we want all of that underpinned by rigorous checks, balances and safeguards. One reason that local government is in its current position, and has been for three decades, is because of unionist councillors' systematic practices of discrimination. That behaviour continues.

I shall focus my remarks mainly on EU issues, particularly those that are connected to funding and rural matters. For 15 years, the European Union has had a LEADER programme that aims to bring local people together to create an agreed strategy for their area, using EU money, and to intervene to create jobs and assist rural communities. That has been successful across Europe, but it has been particularly successful in Ireland. The current LEADER+ programme in the North deals with 13 groups, it has a budget of €22 million for 2001-08, and it will create in excess of 1,000 jobs in rural communities and will safeguard many more. For example, compared to the EU programmes with budgets that are two or three times that amount that the Department of Agriculture and Rural Development is delivering, LEADER+ will prove to be extremely good value for money.

To date, additional resources that are above current levels of subvention that come into the Six Counties and the border corridor have not come from the British Government, or, indeed, from the old National Development Plan of the Dublin Government. However, through Peace III money, which totals €266 million, and the new territorial co-operation programmes, the EU will invest a combined total of €532 million between 2007 and 2013 in the COMET (Councils of the Metropolitan Region) and core partnerships and the border corridor. The border corridor is the most deprived area on the island of Ireland, and, in the past, EU funds have provided a major source of employment, and they will continue to provide that and other services.

Mr Weir: On a point of order, Madam Speaker. I am sure that we are all fascinated by the investment in the border corridor and the EU programmes. However, is any of that relevant to the motion, to which the Member should surely be speaking?

Madam Speaker: Order. That was not a point of order. I am sure that Ms Gildernew will review the relevance of her speech.

Mr Hussey: Will the Member give way to a genuine question?

Ms Gildernew: No, I will not.

As I have pointed out, in a recent submission to the Special European Union Programmes Body on the new territorial co-operation fund, INTERREG IIIA partnerships stated:

"The RPA will have a number of implications, which are substantially favourable to the prospects of effective cross border territorial co-operation. These include a redefinition of council boundaries into the proposed 7 super councils. While some adjustments of boundaries will be needed, the proposed map of new councils broadly fits the current INTERREG IIIA partnerships ... This should greatly facilitate the partnerships taking a strategic approach."

Therefore, the seven-council model is the optimum configuration if a coterminous approach through the strategic use of those additional resources in the border corridor is to be facilitated.

12.00 noon

Indeed, the seven-council governance model — larger councils working in concert with community planning structures — is similar, in terms of scale, process and structures, to the county council and county development board model in the Twenty-Six Counties.

In relation to potential for strategic parity between councils in the border corridor area, the INTERREG IIIA partnership report also concluded that:

"The impact of the RPA, [the 7 super councils], is to bring the scale and the processes of local government much more into line between Northern Ireland and the Border Region of Ireland"

To promote balanced regional development in the border corridor area for the mutual benefit of all the communities that live there, the seven-council model provides a geographical area and institutional space to make best strategic use of EU development moneys.

It should also be noted that INTERREG IIIA partnerships are made up of social partners, staff and political representatives from Sinn Féin, Fianna Fáil, Fine Gael, the DUP, the UUP and the SDLP.

It is interesting to hear what the UFU has to say about the review of public administration. It has endorsed the approach of making high-quality services accessible to all by significantly streamlining the present administrative structures and redirecting the resultant savings to improve front-line services in the North of Ireland.

The UFU states:

"It is absolutely imperative that a satisfactory balance is achieved between administrative rationalisation and local representation, consultation, responsiveness and accountability."

Specifically, the union has supported plans to move to a seven-council structure but says that rural representation must be protected.

However, in the midst of all this, the other political parties are having a field day; they are refusing to engage and are actively working to wreck any prospect of agreement on the way forward.

If the Member who tabled today's motion took a look at the pathetic delivery of assistance to rural communities, particularly building sustainable prosperity moneys and the Peace II programme, in which his former colleague, Brid Rodgers, presided over a delivery mechanism that successfully delayed the beginning of many parts of the rural development programme for more than two years and kept the greater part of delivery in the Department of Agriculture and Rural Development —

Mr Hussey: On a point of order, Madam Speaker. I trust that the Member will also mention the decision of Minister Cairns that the rural Protestant community needed extra money.

Madam Speaker: That was not a point of order. At the beginning of this afternoon's sitting, I will again read out what I have said before about points of order. Quote the relevant Standing Order, Mr Hussey, and you may be allowed to make a point of order.

Ms Gildernew: Of a budget of more than £80 million, only £22 million went to the LEADER programme, but that will create more than 1,600 jobs. Will the Member be confident that the other £58 million — almost two thirds of the budget — will create anywhere near the equivalent, which would be about 4,500 jobs? I do not think so.

The majority of the jobs created by the Member's party in the Department of Agriculture and Rural Development were jobs for the boys. The SDLP is concerned about its own political skin. It is not concerned about local people being able to make decisions about local communities. It wants to keep control and join together with unionism, as it does throughout councils in the North, to maintain the status quo.

Mr Gallagher: Will the Member give way?

Ms Gildernew: No, Tommy, I do not have time.

The SDLP is putting forward false arguments that are more about being anti-Sinn Féin than being pro-rural communities. When the SDLP had the opportunity to support rural communities, it failed. It allowed the Civil Service to dictate the terms, and rural communities are now suffering as a result.

Mr Gallagher: On a point of order, Madam Speaker. In relation to support for rural communities and —

Madam Speaker: That is not a point of order, Mr Gallagher.

Mr Gallagher: And mention was made —

Madam Speaker: That is not a point of order. I am on my feet. I will take this opportunity to read out what I have already read out at least twice before. I remind Members that a point of order is not an opportunity for debate. It would assist the House if Members referred to the relevant Standing Order when they raise a point of order. I shall not accept spurious points of order, attractive though they may be to Members.

Mr Hussey: Under Standing Order 2A —

[Interruption.]

Madam Speaker: Do you wish to make a point of order, Mr Hussey?

Mr Hussey: Yesterday, it seemed that certain Standing Orders on the papers that we were given were

not relevant. Will the Speaker determine which Standing Orders are relevant?

Madam Speaker: Mr Hussey, yesterday you referred to Standing Order 20, and I said that it was not relevant to the business of the day. That is correct. The point that I am making about points of order is correct every day: Members must relate their point to the relevant Standing Order. I will then comment on it. It appears to me that most of the points of order are raised in order to add to the debate and to make spurious points. Attractive though that may be for Members, it is not in order.

I apologise, Ms Gildernew. Extra time will be allowed.

Ms Gildernew: Go raibh míle maith agat, a Cheann Comhairle.

As I was saying, when the SDLP had the opportunity to support rural communities, it failed. It did such a poor job that it completely failed to put in any measure of rural proofing, and that has allowed draconian anti-farmer and anti-rural policies, such as Planning Policy Statement 14, to be introduced. Savings made through the reduction of governance here must be recycled into front-line services, and rural dwellers must be properly represented. Farmers and farming families are at the heart of rural communities. The option 7C model is the best way to enhance and protect them. I urge Members to support the amendment. Go raibh míle maith agat.

Rev Dr Robert Coulter: I am glad of the opportunity to speak on this issue, because one hears many questions about it in the community. It is interesting to note that when the public are questioned, more than 70% of their concerns are about health. That is one of the major issues that I have come up against. However, although the debate so far has been wide-ranging, the health aspect of the RPA has largely been left to one side.

Public administration reform is not simply about the efficiency or effectiveness of delivery. Efficiency and effectiveness are important in themselves, but they are not the core activity of the public services. The clue lies in the word "service": service is the core activity. Health and social services are arguably the most sensitive activities in which Government engage. That is why the Ulster Unionist Party has always emphasised that patients are at the heart of the Health Service. We must put the patient first.

There are aspects of the RPA package as regards health and social services with which I have no problems. For example, the creation of a single strategic health and social services authority to replace the four health boards and oversee the implementation of policy across Northern Ireland is welcome. The reduction of duplication has been consistently advocated by the UUP and reflects the role of strategic health authorities in Great Britain. However, that successful move has

been marred and compromised by a failure to ensure that democratically elected representatives have a place on the strategic health and social services authority. That is unquestionably a serious flaw in the new arrangements.

That raises an important issue that is characteristic of much of the RPA process and its outcome: the system is driven and controlled by bureaucratic considerations, without sufficient regard for democratic input. That is not altogether surprising, given the Civil Service's direct-rule culture. For years, it has operated in a direct-rule vacuum, insulated from the rough winds of democratic accountability and, in particular, public disapproval.

However, we cannot fault efforts by the Civil Service to improve service delivery. That is one of the better aspects of the Civil Service's efforts to improve itself in recent years. I want to put on record my strong support for the current leadership of the Civil Service in its efforts to improve service delivery.

However, we can find fault with the insufficient regard for democratic input. I am sure that the Civil Service will argue that much consultation has taken place. However, consultation is not the same as locally elected representatives making decisions. It runs like a vein through the whole RPA process. That will be one of the biggest issues that the Assembly will have to sort out if it is properly restored. We will have to effect a major change of culture and mindset in the Civil Service in order to clear away the cobwebs of unaccountable direct rule.

Another disturbing aspect of the RPA is its drift away from the principle of coterminosity, which was mentioned several times this morning. That drift is one outcome of the lack of regard for democratic input, to which I have already referred. The proposed five new integrated trusts — the Western Area Trust, the Northern Area Trust, the Southern Area Trust, the Belfast Area Trust and the South Eastern Area Trust — are a step away from the principle of coterminosity. As will be the case with the local commissioning groups, the boundaries of local health units should coincide with those of local government. If the planners of the RPA had sufficient regard for democracy, they would see that weakness in their proposals. However, reducing the number of the current 18 trusts is a welcome step.

The failure to create a single Northern Ireland hospitals' authority is one of many glaring missed opportunities in the RPA model. It has been historically proven that hospitals have haemorrhaged and drained a great deal of primary and community care funding. The separation of primary and community care from acute services would have created a proper basis for health funding and ensured that funds for primary and

community care were not drained to support acute care. That is important, given that medical focus is shifting towards preventative medicine. However, it is difficult to see how preventative medicine can succeed if it must compete with acute services for funding — acute services inevitably win. One weakness of the old process is being replicated in the new system.

The seven local commissioning groups that deal with primary care may restore some of the balance that will be lost in the RPA health proposals. By recognising the centrality of primary care and the need for primary-care-led commissioning, there is at least an effort to underline its importance. If that is to be more than lip-service, however, it is vital that the local commissioning groups are properly resourced and that funding for that care is ring-fenced.

The lack of elected representatives on the new Patient and Client Council, which will replace the Health and Social Services Councils, is another incidence of the democratic deficit that is implicit in these proposals. That is a serious flaw, as it is only through elected representatives that genuine accountability and representation can be achieved. The seven-council model reduces the options that are available for coterminosity in health service delivery, and it creates inflexibility in the delivery of services. Critical mass and efficiency considerations may be important, but not at the expense of democratic input. Democracy must always hold the higher ground in any new arrangements. The twin pillars of democratic accountability and improved service delivery will keep the RPA house standing. At present, the democratic-input pillar is largely missing, and this Assembly must address that deficit. The sooner locally elected representatives in the Chamber make decisions, the better for everyone. I support the motion.

Ms Ritchie: I declare an interest as a member of Down District Council and as a member of NILGA. Before speaking to the motion, I shall address some misrepresentations.

Contrary to assertions that were made by the Sinn Féin representative for Fermanagh and South Tyrone, Michelle Gildernew, the former Minister of Agriculture and Rural Development addressed the needs of the rural community.

She addressed the needs of those involved with foot-and-mouth disease, introduced rural proofing and also overruled civil servants by introducing milk quotas for small producers. The SDLP led the charge against PPS 14, although I am led to believe that some Members from Sinn Féin were initially in favour of it. The SDLP led the charge in the Chamber when Sinn Féin was absent.

12.15 pm

The proposals for the seven councils under the arrangements for the review of public administration undermine the principle of local identity and a sense of place and dismantle the political homogeneity that has characterised many district councils throughout Northern Ireland for many years. They will sever natural power-sharing arrangements that have worked well in Down, Derry and Newry and Mourne councils, contrary to some of the assertions made by the DUP in the past, because it has benefited from those power-sharing arrangements in Down District Council.

The seven-council model has not engendered cross-community support, and it will simply heighten the east-west divide, cause greater division —

Mr Weir: Will the Member give way?

Ms Ritchie: No, I have only 10 minutes.

It will cause greater division, polarisation and sectarianism. The seven-council model will place minorities in certain areas at greater disadvantage and place current and future proposals for investment and infrastructure in jeopardy. Unionists and nationalists will experience similar problems with the proposed configuration of seven councils. Take, for example, the proposed East Local Government District council — a name that makes people's blood run cold — of which Down District Council will be a part. I have a point of information for the DUP: Down District Council has had power-sharing arrangements on an incremental basis since 1973, and my colleagues ensured that the DUP was represented on statutory committees over many years when its colleagues in the UUP would not afford it that opportunity.

Mr Campbell: Will the Member give way?

Ms Ritchie: No, I have only 10 minutes, and I wish to continue.

The proposed East Local Government District council will be overwhelmingly unionist in its representation. Coming from the south-east, where partnership, equality and working together have been common coinage since 1973, I fear that the new political demography will simply marginalise nationalists and could ensure that partnership and equality are consigned to the past, irrespective of the safeguards in legislation. Is that what Sinn Féin wants and supports? Does it want the existing arrangements eradicated in favour of a model that puts the future of Down District Council, which has worked well as a partnership, in jeopardy? Is that what its sense of a new political dispensation really means?

Furthermore, some of the councils that will form part of the suggested East Local Government District council have already had the audacity to object to the auditor about Down District Council's plans for a new

administration centre in Downpatrick. Why is there interference? Down District Council has not interfered with their business agenda. Undoubtedly those councils want to ensure, at this stage, that the suggested East Local Government District council headquarters will be in north Down, Newtownards or Castlereagh, thereby immediately colouring the future investment prospects for that area. Such developments cast unhappy shadows over future political arrangements for the people that the SDLP represents.

The seven-council model puts politics, political arrangements and the future of partnership arrangements on the back burner. With the Balkanisation of Northern Ireland — a term that was used by the Sinn Féin Member for Mid Ulster Francie Molloy, who seems out of step with his own party but in agreement with the broader body politic — the principles won by the civil rights movement of respect for political difference, equality and justice for all have been severed. Is that what Sinn Féin supports and campaigns for? Has it rejected people? It has simply pandered to the British and negotiated for itself in order to gain political control of certain parts of Northern Ireland. Is that part of the side deal — *[Interruption.]*

Madam Speaker: Order.

Ms Ritchie: Is that part of the side deal for those on the run? That cropped up last November and December — the same time as the new arrangements for local government. I wonder why.

We have been told that the new arrangements under the review of public administration will create savings. What savings? Mr Weir has already referred to savings. The SDLP doubts that any savings will be made, because they have not been quantified. Consider, for example, the proposals for the management of roads and the delivery of new road infrastructure in Northern Ireland: the unitary Roads Service is to be demolished and replaced with nine roads authorities — for a place the size of Northern Ireland.

Seven of the nine roads authorities will be formed from the new councils, with different budgets, priorities and resources, and different abilities to undertake different projects. There will also be a motorway and trunk roads authority and a body to deal with standards and performance. Will different standards for roads maintenance apply in the same council area? Could the maintenance standards for motorways be different from those for country B-roads? What significant research has been carried out in that area?

Returning to the issue of the rates base, will some councils expend higher levels of funding than others? Will councils and the motorway and trunk roads authority give similar priorities to roads? How will proposals for the future management of roads deliver

balanced regional development, equality and justice for Northern Ireland, yet simultaneously provide an upgraded roads infrastructure that will contribute to economic growth? Those are some of the issues that the economic challenges subgroup discussed.

The recent publication by the Local Government Boundaries Commissioner simply copper-fastens the proposals for the option 7C model, because he was circumscribed by the legislation to deal only with those issues. That publication demonstrates no cognisance of local identities. Some Sinn Féin representatives applauded him and the process that will eradicate their own roles. Electoral wards have been severed, natural ties of communication have been torn asunder and the new configuration bears no relationship to transportation or education ties or where people avail themselves of services or go shopping.

The Boundaries Commissioner's driving force appears to be to undertake a mathematical exercise for each electoral ward. A cursory study of the figures demonstrates a difference in eligibility figures for electoral wards between the east and west of Northern Ireland. For example, the eligibility figures may be greater in the west than in the east or vice versa. The Boundary Commissioner's proposals for electoral wards clearly demonstrate a need to meet the requirements of larger councils rather than an understanding or empathy for communities and their requirements.

Mr Kennedy: Will the Member give way?

Ms Ritchie: No. I have less than two minutes left.

In order for real political progress to happen, for people to continue working together and for respect for difference to be honoured, the option 7C model must be removed from the agenda.

The Programme for Government Committee — on which Members from the four main parties sit — must make more realistic proposals that reflect political homogeneity, the necessity for partnership, natural geographical patterns, community ties, transportation networks and economic growth. I wonder why Sinn Féin idolises the option 7C model; perhaps it has more to do with deals that that party has done in Downing Street.

[Interruption.]

The proposed model will not enhance political progress. It could act as an encumbrance to future political developments and hamper the people whom we all seek to represent. Remember: politics is about people and their requirements and demands. The proposed model must be withdrawn.

[Interruption.]

By snapping at me from the sidelines, Sinn Féin Members are simply thinking of themselves, their

council seats and their level of political representation. That is their main agenda in today's debate.

Madam Speaker: Members will know that the Business Committee has arranged to meet at lunchtime. I propose, therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm.

The sitting was suspended at 12.24 pm.

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

2.00 pm

Mr Deputy Speaker: Before the debate resumes, I wish to remind the House of the requirement of Standing Order 29, which relates to the need for Members, before taking part in any debate or proceeding of the Assembly, to declare any interest, financial or otherwise, that may be relevant to that debate.

Mr Hussey: On a point of order, Mr Deputy Speaker. In Standing Order 34(d)(ii), there is terminology that might confuse the House; it refers to the “Army Council”. I ask the Speaker’s Office to investigate and report back to the Chamber.

Mr Deputy Speaker: I thank the Member for his intervention. I will refer that to the Speaker, and no doubt she will give a ruling at a later date.

Mr Storey: I think that that comment from Mr Hussey would be better referred to the members of the party opposite; they might be able to give more clarity than the Speaker’s Office.

I wish to declare an interest as a member of Ballymoney Borough Council, the second smallest of the 26 district councils. We heard a lot this morning about identity, and in the very rural council area that I come from it is vital that the issue of identity is not lost; it is important. I have often said that, and I say it again. Take for example Lisnagunogue — and if anyone wants to try and spell that, they will do a better job than me — in my constituency of North Antrim. How relevant will a new super-council be to that townland and hamlet? That is an issue that we cannot easily dismiss.

The current Government plan to reduce the number of local councils from 26 to just seven would not only weaken local government, but also make it more remote and unrepresentative of the needs of local communities. It has another serious potential problem in that it could become the greatest organisational blunder of the twenty-first century.

The DUP has consistently called for improvements that would streamline the decision-making process and reduce bureaucracy, but I fear that the current proposals regarding local government will be detrimental rather than advantageous. The DUP has long pressed for real and serious savings in public administration. While others wasted their time in trying to house-train Sinn Féin/IRA in 2003, the DUP set about producing real and serious proposals to address financial waste and over-governance. We said that the 11 Government Departments created under the Belfast Agreement were too many; that was the Belfast Agreement’s Millennium Dome and the pro-agreement parties’ version of jobs for the boys.

The DUP pushed for real and meaningful savings. At last the Secretary of State has decided — and it is not often that we give him credit for anything he says or does — that the 11 Departments should be considered and looked at, and I hope that they will be reformed in a way that is more reflective of the needs of any future Assembly.

Dealing with Northern Ireland’s numerous unaccountable quangos is key to the success of the reorganisation of our Province’s public administration. Those who deliver services ought to be accountable to the people of Northern Ireland through elected representatives; the boards and bodies that we have created down through the years have too many placemen who are not answerable to any electorate in any part of Northern Ireland.

However, Mr Deputy Speaker, I want to make it clear that opting for seven councils is the wrong decision for Northern Ireland. Not many people would seriously argue that we need 26 councils to perform the functions of local government. However, the reduction to seven is several steps too far, for many reasons.

This morning, one of the Sinn Féin/IRA representatives accused us of not being able to give any reasons for our opposition to the seven-council model. There is one glaringly obvious reason for seven councils’ being a bridge too far: there is no evidence of any political support in Northern Ireland for the reduction from 26 councils to seven.

Other Members have said that the seven-council model will lead to a carve-up in parts of the south and west of our Province, handing them over to republican control. If it is wrong at this time to put into the Government of Northern Ireland those who cannot commit themselves to the rule of law and who cannot support the Police Service of Northern Ireland or the courts system, it is equally wrong to give those same individuals, and that same party, power over the seven-council model.

It was interesting to listen to this morning’s tirade from the Sinn Féin/IRA representative on the importance of European funding. The Member would like to corral us into the view that if we accept the European model as the delivery mechanism that we should all pursue, it could equally give us the same control in a council west of the Bann. We must ensure that local authorities are controlled in a way that is not detrimental to any section of our community.

These proposals for a seven-council model are shoddy and have only served to unite democratic political parties in this Assembly. On that basis, we exclude Sinn Féin, for whom democracy is but one option, one possibility, one string to its bow. For it, democracy is only a hobby, a tactic, a means to an end. Having got wind of the fact that the Government were going to opt for the seven-council model, Sinn Féin

chose to back what it saw as the winner. In a classic piece of political scavenging, it changed course in order to be seen to be clever and ahead of the game. However, it must have forgotten to inform the Sinn Féin Member for Fermanagh and South Tyrone and left him not knowing exactly what day of the week it was. How could he have got it so wrong? Did he believe that Gerry and Martin were talking about RPGs (rocket propelled grenades)?

Mr Hyland: On a point of order, Mr Deputy Speaker. The Sinn Féin Member for Fermanagh and South Tyrone is a female, not a male.

Mrs Foster: He is talking about the other Member for Fermanagh and South Tyrone.

Mr Storey: Yet again Sinn Féin has got it absolutely wrong. Francie Molloy thought that Gerry and Martin were talking about RPGs and not the RPA. Naturally enough, he concluded that he would need more of them.

Mr Hyland: On a point of order, Mr Deputy Speaker. If the Member is referring to Francie Molloy, he is a Member for Mid Ulster. The Member opposite should get it right for a change.

Mr Storey: Naturally enough Francie Molloy concluded that he would need a pitiful seven, just in case they had to go back to what they do best.

However, we need to be absolutely clear about where this seven-council proposal came from. Why are we considering the reduction of 26 district councils to seven? Let me remind Members of a former Member of this House, a Mr Foster. It is not Ivan on this occasion, or my hon Friend Arlene either. *[Interruption.]* I would have been happy if it had been he.

Let me remind Members what Sam Foster said at the Ulster Unionist conference in 2000:

"In England, the average county council unitary authority serves almost 700,000 people and the average district council close to 100,000."

Function, form, size and location are all aspects that we need to examine afresh to increase the effectiveness of our councils. Had Mr Foster had his way, the Government would not have suggested seven, six, five, four or possibly three councils in Northern Ireland, and that proposal would have fitted the analysis of the situation.

We must always remind the House that there is a consequence for the actions that we take. There are many Members running through the country saying that water charges are terrible and industrial rating is an awful thing, but remember: it was the decisions that were taken by this Assembly in a previous life that brought about those recommendations and that situation. The same is said of RPA — this was the place where it started. *[Interruption.]*

Mr Deputy Speaker: Order. Your time is up, Mr Storey.

The next speaker is Mr Philip McGuigan, and this is the first occasion on which the Assembly has heard from Mr McGuigan. He will be making his maiden speech. As Members know, it is convention that such a speech is heard without interruption.

Mr McGuigan: Go raibh maith agat, a Cheann Comhairle.

I declare an interest in that I am a member of Ballymoney Borough Council. I have had the honour of listening to Mr Storey use any given subject for debate to launch a tirade against Sinn Féin and those who vote for and support us.

I listened with great interest to all that was said this morning and cannot help but draw the same conclusions that my party colleagues have drawn: the arguments put forward by those on the opposite side of the Chamber against the current RPA arrangements just do not stack up.

While I do not want to touch on all that has gone before us this morning, I want to tackle a few points, particularly the point that was laboured by Tommy Gallagher and Peter Weir with regard to the economies of scale and the rates distribution — in their terms, the fair rates distribution.

People should remember that the proposals for the seven-council model came about as a result of an independent investigation into the matter. If the House does not want to take our word for it, listen to the words of the Equality Commission, which has said:

"Fewer councils could assist in better distribution of resources between council areas. More councils are likely to have a greater unevenness in the rating basis with a greater mismatch between demand for services and local government income generated through rates."

The Northern Ireland Council for Voluntary Action has said that seven councils will create the most equal property wealth base.

I also want to refer to the point that Peter Weir made when he talked about the inequalities and the differential between rate bases which currently exist within councils. He then went on to propose a 12-council model, but he failed to explain how the 26 councils could be reduced to 12 without tackling the differential rate base.

I also want to take up the point that was made this morning about Sinn Féin being on its own, or, in some cases, a lackey to the British Government. I do not think that Sinn Féin could ever be accused of being a lackey to the British Government, and we are not, as has been said this morning, on our own in supporting these proposals. My colleague Alex Maskey referred to a number of groups who support the seven-council model. Those groups include the Ulster Farmers' Union,

the Rural Community Network, the Confederation of British Industry, NICVA, the Irish National Teachers Organisation, Friends of the Earth, the Institute of Directors, the North West Public Sector Group, the Tourist Board in the North, the Institute of Public Health in Ireland, Help the Aged and Derry Chamber of Commerce to name a few. It is obvious that these proposals, which currently exist in the review of public administration, have widespread support throughout the community.

While I realise that the review of public administration covers a wide group of subjects, I want to focus particularly on Tommy Gallagher's notion that the seven-council model will underpin sectarianism and community division.

2.15 pm

When people use that argument, I ask myself where they have been for the last 30 years. If they want to see a model that underpins sectarianism and community division, they should open their eyes and look at the current model. Are Castlereagh, Lisburn, Ballymena, Coleraine, Newtownabbey or Ballymoney — my own council — beacons of pluralism and good practice in promoting equality and power sharing? In unionist-controlled councils, a *LeasCheann Comhairle*, the practice of widespread and systematic discrimination is the norm. In any new arrangement, that needs to be addressed. As Mr Maskey said earlier, Sinn Féin's support for any new arrangement is predicated on the need for appropriate safeguards to protect both elected representatives and the ratepayers whom they serve.

Much has been made by the SDLP, in the media and in public, of the term "Balkanisation". I remind the SDLP that that term means "the proliferation of ethnically-defined areas". It stands to reason that the greater the number of councils, the more Balkanised local government will become. The SDLP fails to explain what will be different in an 11- or 15-council model. How would the boundaries be drawn? The seven-council model does not create the sectarian bipolarity that defines the geography of the Six Counties; the same sectarian line can be drawn on the map of any other proposal.

More than any other model, 7C appears to ensure that each council area will have a minority community of sufficient size to ensure its inclusion in the arrangements for the governance of the proposed council. As a councillor who lives in the north-east of Ireland, dare I say that that is a very welcome prospect. That is not simply my opinion, nor that of Sinn Féin; it is the opinion of the Equality Commission that the best option, on equality grounds, is to have the smallest number of councils that will secure effective service provision.

Sinn Féin is serious about equality and about political emancipation. The importance of the opportunity

offered by the seven-council model should not be lost on unionists, particularly those who live in border areas and who fear assimilation and erosion of their political identity and culture. As has been said on many occasions, a *LeasCheann Comhairle*, when we in Sinn Féin talk about equality, we mean equality for all. When examples of good and bad practice are compared, that becomes clear.

I want to see local government in the North move forward in an effective manner; the shackles that hinder local councillors from making more effective changes removed; councillors from all political parties and perspectives working together to enhance the lives of their communities and of all who live in the Six Counties; and stronger councils driving local communities forward. Provided appropriate equality measures and power sharing are implemented, those objectives are best served by the proposals of the review of public administration. I have heard nothing in the arguments of others today to deflect me from that view. Go raibh maith agat.

Mr Gardiner: I declare at the outset that I am a member of Craigavon Borough Council in the Upper Bann constituency.

The seven-council model is a system designed by bureaucrats for bureaucrats. A new system of local government should, instead, be modelled around democracy and local participation, giving life to local communities and pushing meaningful decision-making down as far as possible within the system. Even by its own standards, the seven-council model fails miserably. The effective abandonment of the principle of coterminosity of services means that there is no standardisation of governance between health, education and local government. The failure to achieve coterminosity wipes away any gains that may be made in economies of scale and critical mass.

It would be no exaggeration to say that coterminosity was the central organising principle behind public administration reform in the first place. The whole idea was to have democracy accountable at every level across a broad range of public services. That vision has been lost — instead we are facing a repeat performance of the confused pattern of demarcation lines of the public services under the existing system.

Why has the objective of coterminosity — and its underlying principles of local democracy and accountability — been quietly abandoned? Why did it cease to matter? Lack of coterminosity has led to ludicrous situations. Consider the example of the so-called banana republic council area, a proposed merger of Lisburn, Newtownabbey, Carrickfergus and Antrim.

In the further education sector, however, Lisburn Institute of Further and Higher Education is to be merged with the North Down and Ards Institute, which is in a

totally different council area. The East Antrim Institute of Further and Higher Education in Newtownabbey is to be merged with the North East Institute of Further and Higher Education in Ballymena in yet a third council area — so much for rationalisation. If that is the best that the RPA planners can come up with, it is time that this Assembly sorted them out.

We are embarking on a seven-council model, creating units with an average population of 250,000, when average council sizes elsewhere are much smaller. Even those Members who favour greater integration with the Irish Republic must have difficulty understanding why council areas will cover a population of 250,000 when the average size in the Irish Republic is only 100,000. Unionist-minded people wonder why an average council area in Scotland or Wales has 100,000 inhabitants, while we must make do with remote super-councils.

Likewise, everyone wonders why decision-making in Northern Ireland is to be taken away from local areas to remote super-councils, when the English model that is currently being constructed is designed to push the decision-making process as far down the system as possible — in some cases even into local neighbourhoods.

Northern Ireland is a small place, suited to small council areas that reflect historical patterns of local identity. People cannot possibly be expected to identify with remote super-councils that often sit some distance from many of the areas that they govern. That is bound to lead to yet more people failing to engage with local democracy. Voter turnout at council elections will, I predict, fall further.

At a time when we in Northern Ireland should be bolstering democracy and the democratic process, the option 7C model will effectively kill democracy and further reduce public participation in the democratic process. The political vacuum created by direct rule and the lack of accountable local Ministers has already undermined that. Instead, we should take measures designed to boost democracy, and give people the sense that they can make a difference and that they can change things.

It is strange that one aspect of the option 7C model that retains some balance of level involvement — the creation of civic councils involving elected representatives and business interests in local towns within the new super-council areas — has been quietly forgotten and abandoned. That is why I have called for the civic council proposals to be revisited. No matter what model or number of councils we eventually opt for, we must nurture the democratic process, not cosh it.

The process of public administration reform has been as flawed as its conclusions. Discussion about the regeneration of the education boards is meaningless

without the inclusion of the Department of Education. Public administration must include the entire system of public administration for the reform to be meaningful. Leaving the functions of Stormont Departments out of the equation actually influences the outcome of that reform. How can a realistic restructuring of local administration be undertaken without reference to this Assembly?

Now that the Assembly seems to be back on track, the process of arriving at a seven-council model must surely be revisited and revised. The way that local councils relate to this Assembly is the single most important consideration for the smooth operation of Government in Northern Ireland in the future.

It is also intolerable that public money should continue to be spent developing the seven-council model, when four of the five major parties in the Assembly are opposed to it, and the likelihood of a seven-council model being agreed by this Assembly is almost zero. There should be no more public money spent on pursuing the seven-council model until the Assembly pronounces on the subject. The whole process and outcome of the reform of public administration is so flawed, incomplete and erratic that it will have to be examined again, root and branch, by the Assembly.

As a member of the political panel, I have drawn the Ulster Unionist Party's concerns on the seven-council model to the Minister's attention time and again, but thus far he has not made a final decision. I hope that the powers necessary for Northern Ireland to go forward will be back with this Assembly.

Mr Hay: This is a lively debate. There is no doubt about the importance of trying to get the future of local government right. I listened today to the Members opposite talk about equality and fairness. However, let me relate to the House a story that, I think, is important to the debate.

Mr Deputy Speaker: Mr Hay, have you anything to declare?

Mr Hay: Yes, Mr Deputy Speaker, I have quite a lot to declare. I am a member of a particular council in Londonderry, and I have been for many years.

Mr McElduff: On a point of order, a LeasCheann Comhairle. To clear up any confusion, will the Member declare the name of the council?

Mr Deputy Speaker: That is not a point of order.

Mr Hay: The party opposite talks about fairness and equality, but I can remember — not that long ago — when a member of Sinn Féin came into the Guildhall, where the council was meeting, and decided to set a bomb there. That happened on two occasions — not just one. Do Members know how Sinn Féin rewarded that party member? It selected him as a candidate for the next local government elections, at which he was

successful. That was the work of Sinn Féin and the entire republican movement. Therefore that political party endorsed that candidate for what he had done. Not only did he blow up the Guildhall where the council sits, but he put lives at risk, and he had the audacity to fail to apologise for his actions. That happened in the early 1980s. The Members opposite talk about equality and fairness; however, I give that example of their associates' actions — I hope that the organisation has moved on from that.

Members will agree that local government in Northern Ireland has worked reasonably well over the years, even with the limited powers that it has had. I will go even further and say that over 30-odd years — the difficult years in Northern Ireland — it was the only political and democratic voice that ordinary people had. The public could go to their individual council areas and express their views on issues. That was a useful tool; there was no other political forum in which ordinary people could participate.

Over the years, local government has also been hugely successful in many aspects of driving forward economic development, inward investment and job creation in the individual areas. On occasions, even with limited powers, they were able to give a lead on many issues. It is important that the House should recognise that and recognise the work of local government over the difficult years in Northern Ireland.

2.30 pm

There are 26 district councils, four health boards, 19 health trusts, five education boards and about 100 quangos serving a population of 1.7 million. Members will agree that that cannot be defended. For the future of Northern Ireland, there must be strong local government that is fit for purpose in the twenty-first century. That is what everyone in the House is trying to achieve. The new councils should be at the heart of front-line service delivery as well as civic life. They should represent the needs of communities and ensure that local services are delivered efficiently and effectively. However, the seven-council model cannot deliver that; the councils will be very remote from their communities.

We need to change and modernise local government in Northern Ireland. At the moment, it is going through change from within and without. It is also important to remember that the Northern Ireland Office is pushing ahead in order to ensure that most of the work will be done and that any future Assembly, when it is up and running, will find it difficult to reverse those decisions. Civil servants and Ministers are not listening. They intend to drive through these policies in the knowledge that a local Assembly could change some aspects of the RPA. I have no quarrel with civil servants; however, they appear to be driving the RPA through as

quickly as possible in the interests of the Secretary of State and the direct rule Ministers, so that when the House is up and running, there will be very little that anyone can do about it. That is the great worry. There is no doubt that the Secretary of State is not listening to the majority of the political parties in Northern Ireland. I hope that he is listening today and will take on board some of the genuine concerns expressed by Members for the future of local government here.

There is a great debate about additional powers for the councils. If that is to be the case, I have no problem, but there must be serious checks and balances. As councillors, we all deal with planning issues. At present, planning is a mess in Northern Ireland. The resources required to deal with planning are not available. Responsibility for planning will now pass to local government, but without extra resources.

Mr Weir: Does the Member agree that if local government is to get additional powers for planning and roads — which we all welcome — that is worthwhile only if it is properly funded, and that what is proposed at present would leave a black hole in funding? Planning and roads, for instance, are currently underfunded, and there is a real danger that that would have to be passed on to the ratepayer.

Mr Hay: I support the Member's comments. That is a fear that is shared by most of the political parties. Where do we stand on the issue of more powers? Will it simply be a mess when it comes to roads and planning? Will we get more resources? I doubt very much whether we shall get any more resources.

We do not have a sympathetic ear in the Northern Ireland Office when we raise such issues. There seems to be a notion that the NIO will divide Northern Ireland up and lump it with more powers and responsibilities, but not give it more resources. That is of deep concern, especially to people who live in rural areas. Rural dwellers feel the pinch first when any cutbacks are made, be those in roads or in housing. We all know how they are suffering now when it comes to rural planning. However, the RPA will cause great concern to the whole population.

Many issues concerning the reorganisation of local government have not been properly thought out for the simple reason that we have civil servants here who are continually pushing an agenda. I would prefer them to slow down on the reform of local government and the rest of the RPA in order to allow this House eventually to deal with issues such as planning, roads, health and education that come to us daily from the public. The public are pushing forward all those matters, and if we are not very careful when the new local authorities are set up, everything will be in an absolute mess. The finger will not be pointed at civil servants; it will be pointed at this House.

(Madam Speaker in the Chair)

Ms Lewsley: I wish to declare that I am a member of Lisburn City Council.

The outcome of the RPA must be proven to be consistent with Government commitments on equality, new targeting social need, human rights and rural proofing. Although it is clear that many issues were raised through the nine task forces — and that will continue when a further structure is set up to replace them — it is important for there to be equality proofing of any future process and proposals. The importance of that cannot be overstated. Equality proofing was designed to inform and influence policy as it is being developed and not, as previous documents suggest, to be used at the end of a process when it becomes very difficult to influence that policy.

I am also concerned about the potential negative impact of the RPA on the participation rates of women in public life. Those rates are already disproportionately low. I commend the ongoing initiatives of the Local Government Staff Commission for Northern Ireland, NILGA and the National Association of Councillors to deal with that problem, but, as part of any implementation plan that is produced, we must ensure that public bodies become more representative of the people whom they serve.

We heard earlier that changes in the health sector are to be made before developments in education services and local government. The fear in the health sector is that many of the job losses there will be women's jobs. Of course, the opportunity for them to move among the other sectors will not arise, because that sector is moving first. The Secretary of State has already announced that many of those jobs that will be lost will be those of administrators and back-office workers, and we know that the private sector has not grown sufficiently to take in that number of employees.

Good-quality, well-managed public services are essential to equality of opportunity and the creation of a healthy participative democracy. It is important that services are provided consistently and that there is no postcode lottery, which we have now. We must ensure a levelling-up of services, not a levelling-down. Equality issues must, therefore, remain central to this debate until the end.

The community and voluntary sector has been mentioned. That sector is worried about how its voice will be heard in the super-councils. At present, many community and voluntary organisations have lines of communication and good working relationships or partnerships with their local councils. They believe that the word "local" has been taken out of local government. They want to know how they will have a voice on the new community planning groups, given

that many of those groups will be representative of perhaps four or more current councils at any one time. The scrapping of the local health and social care groups has left their users with no voice until the new structures are set up in 2008. Where will they have a voice in the interim? Those are just some of the issues that concern people in the community and voluntary sector.

Some community and voluntary groups say that they have been told by the Northern Ireland Council for Voluntary Action and others that if we have these super-councils there will be a better chance of their getting mainstream funding, which would make them more sustainable in the long term. However, Lord Rooker told my colleagues and me that there is no way in which any money saved from the RPA is going to go to the pork barrel in Northern Ireland. That is what he thinks of the community and voluntary sector.

Mr Maskey: Patricia's colleague Michael Carr is a member of the community planning subgroup. Like the rest of its members, he more or less signed off on its proposal that communities must be involved in the community plan process. I suggest that political leadership is required here from people like Ms Lewsley and her colleagues, who are involved in these deliberations but obviously are not telling people out there. People are asking why the SDLP is not in a position to tell them what its members are agreeing to.

Ms Lewsley: I am sorry, but I am voicing the opinion of the community and voluntary groups that are coming to me in my constituency. At the end of the day, I need to make this quite clear: any members of the SDLP who were on any subgroups said from the outset that they were not signing off on any decisions that were made there.

Mrs D Kelly: Does my colleague not agree that there are huge concerns in the broader community that some political parties and their representatives will muscle in on many of the residents' associations and other community and voluntary groups and take over the community planning process?

Ms Lewsley: I am very grateful for both of those interventions.

I note the research on the profiles of the social need indicators for the seven-council models, but I do not accept that a mixed social profile is the only or best guarantor of equality. Given the other factors that I have just mentioned in relation to local government, we can best promote equality in the context of a more accessible, responsive and flexible arrangement with more than seven councils.

Today, we have talked about the Secretary of State and the — I believe misleading — information that he has given to the public about the vast savings that we are going to get from the RPA. We have not yet heard

from any of the direct rule Ministers about the amount of money that is going to be set aside or the cost of implementing the review. In fact, many of us believe that it will cost more to implement than it will save.

It has also been mentioned that we need to ensure that budgets are not downsized by Departments in the months before the transfer to the new council structures, because, as Tommy Gallagher said, the cost will be given to the public to pay through the services that need to be delivered.

Alex Maskey's speech took 15 minutes, and he spent most of that time having a go at the rest of us about why we would not support the seven-council model. I did not hear anything in his speech that encouraged me to support that model. He talked about the different subgroups, in particular the political subgroup, and he mentioned that John O'Kane and Dermot Curran from my party were both on it. When they were talking about checks and balances, Sinn Féin was not proposing the 20:80 threshold. When John O'Kane asked a member of his party —

Mr Maskey: On a point of order, Madam Speaker. That is factually incorrect. My colleague Cllr Sean Begley and I rejected the figures presented —

Madam Deputy Speaker: That is not a point of order.

Ms Lewsley: They said that there would be no minorities of less than 25%. In fact, we have heard here today about the banana republic, and we believe that Sinn Féin has sold out its own colleagues east of the Bann. In the new Inner East Local Government District there will be 13%. In fact, when Twinbrook, Poleglass and Lagmore go into Belfast, it could go as low as 10%. Is that a price that Sinn Féin is prepared to pay to ensure that it gets its power base west of the Bann? I do not know.

Mr Maskey talked about other parties and self-preservation, yet it was he who stood in the Long Gallery some months ago when Lord Rooker was launching the RPA and said that Sinn Féin had only supported the seven-council model because there would be 70 councillors on each one. Is that not evidence of jobs for the boys?

2.45 pm

It is funny how Mr Maskey was selective in the parts of Tommy Gallagher's speech that he mentioned. He did not rebut the issue that Tommy Gallagher raised about the rates increase — was that because Sinn Féin has not thought about the rates burden that will fall on the public? Indeed, it was an afterthought when Mr Maskey mentioned coterminosity and local identity. Does that mean that Sinn Féin has backed the wrong horse, as many of its members across Northern Ireland

are saying? The fact that Francie Molloy is absent from the debate has already been mentioned.

The SDLP has been upfront and honest with the public — *[Interruption.]*

Madam Speaker: Order.

Ms Lewsley: The SDLP has been upfront and honest with the public in outlining the real impact of the review of public administration.

Mr McElduff: Will the Member give way?

Ms Lewsley: I am sorry; my time is nearly up.

I support, along with Michelle Gildernew — *[Interruption.]*

Madam Speaker: Order.

Ms Lewsley: Thank you very much, Madam Speaker.

I am delighted to support the motion, along with Michelle Gildernew, rather than the amendment to it.

Madam Speaker: Members should show courtesy when other Members are speaking.

Some Members: Hear, hear.

Madam Speaker: This is the first occasion that this Assembly will hear from Ms Pat O'Rawe, when she will make what can be described as her maiden speech. As Members know, it is the convention that such a speech is made without interruption.

Mrs O'Rawe: Go raibh maith agat, a Cheann Comhairle. Before I begin, I state that I am a member of Armagh City and District Council. In supporting the amendment, I shall concentrate on the issue of equality in respect of women and the review of public administration. It has been rather disappointing that the debate has mainly focused on the number of councils, rather than on some of the other issues.

The review of public administration places many challenges before us all, and none more so than ensuring that women are not excluded from political life and participation in decision-making processes. There are many constraints that prevent women's equal and meaningful representation and participation in decision-making. That is the reality that we face, whether it be in political parties, the women's sector or as women working in the public sector.

A Cheann Comhairle, of the 144 posts in the top two tiers of local government officers, 20 are held by women. Furthermore, 54% of councils — that is 14 of the current 26 councils — have no female representation at all at those levels. Currently, there are only 125 women among a total of 582 councillors, although I hope that some of the issues relating to the number of women councillors and women council officers will be remedied in the future through the work of the women in local councils initiative.

Even in the Chamber, when all Members are present, we can all see that there are very few women in the Assembly. Figures relating to appointments to public bodies released on 31 March this year showed that 2,070 appointments were made to 107 public bodies. Women accounted for 32% of those appointments — a figure unchanged from the previous year.

Strategically, political parties, the women's sector and the women's movement need to ensure that the issue of women's representation is placed firmly on the agenda. In other words, we must insist that compulsory, affirmative actions are integral to any structures that emerge from the review of public administration. From the current structure of local government, a scattergun approach is evidently being taken in adhering to equality mainstreaming and applying new targeting social need on the basis of objective need to deliver services that uplift the lives of those most marginalised in society.

A Cheann Comhairle, that cannot be allowed to be carried through into the review of public administration, no more than it should be the approach that is taken to the draft Priorities and Budget, to infrastructure investment, to job creation or to plans to introduce water charges. The fact is that female representation in local government is consistently low, despite attempts by political parties across the board to encourage women candidates to come forward.

Some parties, such as our own, take the issue more seriously than others, but there is still much work to be done. If we are serious about democratic equality for women, we must insist that it be an underpinning requirement of whatever RPA structures emerge. Representation without equal representation is neither desirable for a society that is emerging out of conflict nor acceptable from a democratic-rights-based approach to representation in its fullest sense. Much work is therefore required in the period ahead in order to form the effective civic and political partnerships that will shape, monitor and hold to account the changes that are coming in local governance and in other political and policy-related areas. I ask this Assembly to support the amendment in order to ensure that we have strong and effective local government that is underpinned by power sharing, equality and inclusion.

Mr K Robinson: I begin by declaring my membership of Newtownabbey Borough Council, which is, incidentally, a most forward-looking council. It introduced wheelie bins to Northern Ireland, has led on economic-development issues, and, in 1999, was the first council here to instigate a major European conference.

Mr Kennedy: Does it cover Templepatrick?

Mr K Robinson: It does indeed; we have our eyes on Templepatrick, and on Donegore.

We were also one of the first councils to twin with an emerging eastern European country: we are twinned with the city of Rybnik in southern Poland. For the benefit of the Member who gave the previous speech, I point out that my party group on Newtownabbey council has 50% female representation, the leader of my group is female, as is the Whip, and I feel quite marginalised. *[Laughter.]*

Any major changes in business or in government require a central organising logic. They must not simply amount to a numbers game. It seems to me that that logic is sadly missing from the proposed pattern of seven super-councils that is currently being imposed on Northern Ireland against the wishes of four of the five major political parties. *[Interruption.]*

Madam Speaker: Order.

Mr K Robinson: I welcome the Member for Mid Ulster Mr Molloy to the Chamber. I look forward to his contribution to this debate. *[Laughter.]*

Four of the five political parties, which between them represent three quarters of the people of Northern Ireland, have been pushed aside by this move by central Government.

The ludicrous nature of some of the combinations that are proposed was evidenced by the failure of the authorities to find even suitable or meaningful names for the proposed super-councils. "Inner East" means nothing to anyone in the population centres of Newtownabbey, Carrickfergus, Antrim and the recently created city of Lisburn.

That banana-shaped monstrosity, which has been referred to before, does not even have an A-class road running through it to link it together. For most practical purposes, it is impossible to travel from one end to the other without going through the increasingly traffic-polluted city of Belfast. If there is ever to be a chance to create any sort of civic identity in any of the new council areas, those areas must make some sort of sense to the population that lives there. A consequence of the failure to engage with the inhabitants of an area will be a further drop in electoral engagement, which will result in the democratic legitimacy and credibility of the new structures being lost.

Northern Ireland is a small place, and, as we heard throughout yesterday's debate, people have a deep attachment to, and connection with, their history on both sides of the main religious-political divide. If a seven-council model were being pursued, one has to wonder why historical county boundaries were not an option, which would have meant something to the people on the ground.

The whole pattern of reorganisation bears the stamp of bureaucracy and, one might add, "Hainery". Of course the public were to be consulted, but be assured that we, the Government, will go for the Civil Service-driven seven-council model, anyway. It is reminiscent of Henry Ford, who said that people could have a Ford car in any colour as long as it was black. In this scenario, we can have any combination as long as it is seven. The process has the same stamp as the Secretary of State's treatment of the Assembly, which is to ride roughshod over the wishes of three quarters of the people of the Province.

The seven-super-council model is deeply inappropriate for Northern Ireland, which is a Province of small communities. Beyond the conurbations of Belfast, Lisburn and Londonderry, it is largely a Province of small towns with strong local identities that have grown and developed over centuries. We should nurture those identities, not sweep them away. The pathetic proposal for civic councils, which was a belated attempt to keep local communities engaged, is simply window dressing.

The process of public consultation was deeply flawed. The format may have been adhered to, but unattributable leaks from the Government meant that there were going to be seven councils anyway. That made most people feel that a response to the proposals was a complete waste of time. It is another example of how the format of public consultation is adhered to, but not the spirit. We have seen several examples of that.

The whole point of reorganisation, in the first place, was to rationalise the plethora of boards, quangos, councils and bodies with borders that did not coincide and to create in their place a democratically accountable structure, where different services had the same boundaries and the same lines of democratic accountability. That has not happened. Instead, the principle of coterminosity, which was one of the better ideas in the reorganisation, has been abandoned. What is the point of reorganisation if there are no organisational gains?

Madam Speaker, the position of the Assembly in relation to the new super-councils also concerns me. The new councils must be dovetailed into the Assembly system — to the Committees and the Executive. When the Assembly is operational, the proposed super-council structures will have to be reviewed. It is not prudent to press on with the council reorganisation when the Assembly — the democratic voice of the people of Northern Ireland — has not considered the issue in detail. The Assembly will have to live with the system.

The current departmental structure was referred to earlier, and it has, up to now, escaped scrutiny and the axe. The Departments have major spending powers, and have we not seen an ongoing saga of departmental failures and a waste of huge sums of public money? I

see that Mr Dallat has joined us in the Chamber; he has highlighted that issue on many occasions. Surely now is the time to examine the Government and departmental structures, which have been exposed, thanks to the efforts of the Northern Ireland Audit Office and other related inquiries.

More than any tinkering with local government, departmental trimming would enhance the efficiency of government and save huge sums of public money rather than the minuscule amounts for which local government currently accounts.

To press on with seven super-councils before the Assembly is up and running fully is a deeply undemocratic way to proceed. That will pre-empt democratic decision-making on issues such as rates increases and water charges. There is a drive in some sections of the Government to turn those issues into a *fait accompli* before the democratically elected Assembly can debate and decide on them.

I support the motion.

Madam Speaker: Mr Thomas O'Reilly will now make his maiden speech. As Members know, it is the convention that such a speech be made without interruption.

3.00 pm

Mr O'Reilly: I declare that I am a member of Fermanagh District Council, which is in the unique position of sharing its council and county boundaries. Fermanagh has always rightly been described as the jewel in the Six Counties. Whether there are seven or 15 council configurations, and regardless of their size, like many areas, Fermanagh has an identity that will not be lost.

Tommy Gallagher, who also represents my county, talked about job losses. Those job losses will not wait for the new councils to be established; they are happening daily. The area of Fermanagh that I represent has experienced many job losses. We need to work diligently to ensure that those losses do not continue, either now or when a new council model is established.

We must protect people who work in places such as Fermanagh. If jobs were moved from that county to Belfast, for example, the people doing those jobs would have to travel tremendous distances. We must consider how they would survive if they had to travel such distances. A council model that would allow jobs to be retained in those areas would help many workers, particularly the low paid, who cannot afford to travel. The infrastructure west of the Bann is poor, and Rosslea, a small village in Fermanagh, is serviced by one bus a week. There is not much hope of people being able to use that service to travel to Belfast for work. Therefore jobs in that area need to stay local, and that means having a council model that is big

enough to deliver services and stop their daily pull into centres such as Belfast.

Advancements in technology have given us the opportunity to move away from relying on travelling to centres such as Belfast. We have all heard the term “distance learning”, and given that information technology is used to acquire an education, the principle behind that could be applied to distance working. For example, that principle could apply to the hundreds of civil servants who travel daily to Belfast, negotiating the perils of traffic jams to do so. On arrival at their respective places of work in Government Departments, the majority of those people spend their entire working day sitting in front of computers, week in and week out.

Why should they have to make round trips from places such as Fermanagh? Those trips cover distances of over 150 miles and can add anything up to four or five hours to a working day. With facilities such as the Internet, broadband, webcams and teleconferencing, there is no logical reason why those people could not perform their duties as efficiently as they do in Belfast from workstations in Fermanagh or other places.

That would not mean the decentralisation of the entire Civil Service; it would simply require that it find local accommodation for its staff. It could even save money by sharing offices and by not paying travel allowances.

I have no doubt that other areas could house people from their localities who have to commute. Not only could that be more efficient but it would greatly reduce absenteeism by removing the stress of having to battle through traffic jams and congestion every working day.

As a direct result of civil servants being predominantly based in Belfast, the vast bulk of economic activity and wealth in the Six Counties is also centred around Belfast. That encourages those who make economic decisions on investment and infrastructure to give priority to projects that will impact on the political centres, which works to the detriment of other areas, particularly areas west of the Bann, such as Fermanagh and South Tyrone.

However, if some of those who influence those decisions were detached from the centre, they might be better motivated to make a greater impact on decisions affecting regions outside the main conurbation.

Locating large numbers of Civil Service jobs to regional areas through distance working could help stimulate economic activity and would, in turn, attract further investment and create opportunities for local industries. It is well documented that investors and developers are attracted to locations that have a concentration of Government Departments and agencies. It is obvious that the principle is well enough understood at senior policy-making level, yet the fixation with

investing in Belfast and consolidating Government in the Belfast metropolitan area continues unabated.

It is time for Fermanagh and South Tyrone to challenge that; it is time for a change. It is time to invest in teleworking technologies, challenges and opportunities. An over-concentration of Government-related work in Belfast has had a negative impact on investment in other urban and rural areas.

When viewed over decades, it is clear that this policy has contributed to rural depopulation, poverty and deprivation in many areas. In the North, the old unionist regime's discriminatory practices contributed to the urban decline west of the Bann. More than 80% of all investment in the North over the past five years has been in Belfast.

The policy has therefore not changed or ended despite the equality legislation introduced after the Good Friday Agreement. That is why Sinn Féin demanded at the St Andrews discussions that the British Government accept the requirement that every policy and departmental decision be subject to an equality impact assessment. That is one of the most far-reaching aspects of those negotiations, and Sinn Féin will hold those Departments and agencies to account to ensure that regional disparities are detected and progressively eliminated.

I have heard nothing today that has dissuaded me from the idea that the seven-council model is the best model through which to not only deliver services, but to give those services the size and budget that will really make a difference. Assembly Members who are also councillors will certainly understand how little power councillors have. For example, planning is one area over which councillors have very little power. If we have a job to do at council level, we must have the ability to do it effectively. We need a budget that can make a difference and not a budget that is tied up in so much red tape that it is practically spent before we get it. So many major problems face us: the implementation of water charges; the cuts in education; and so on. We must be able to deal with those issues at a local level.

I have heard much talk about who is missing from the Chamber. I see that Seán Farren, the former Minister of Finance and Personnel, has not appeared in the Chamber today. He was one of those who was pushing through the legislation for the introduction of water charges. It is certainly interesting to see who is not here.

Mrs Foster: I also am a member of Fermanagh District Council. *[Interruption.]*

I note that you are not a member of any council, Ian. *[Laughter.]* You asked for that.

There are some issues that I want to address before I move to the substantive part of my speech. Members

of Sinn Féin raised two of those issues. First, there is the matter of the participation of more females in local government. The simple fact is that fewer councillors will mean fewer women councillors. That was completely missed in the Member for Newry and Armagh Mrs O'Rawe's submission to the House. Secondly, the Sinn Féin Member for Fermanagh and South Tyrone Ms Gildernew said that the area would not be able to lobby effectively for anything if there were not seven super-councils. If Fermanagh and South Tyrone is subsumed with Omagh and Cookstown, we will find it considerably more difficult to lobby for jobs — or anything else for that matter.

I welcome today's debate. As other Members have said, it is long overdue. We have, however, heard no sound reason for there being seven councils. That is not a proposition: it is a fact. We have heard plenty of attacks from Sinn Féin on other parties, but it has given no sound reason for having only seven councils. The idea may sound good in theory. However, in practice, as many councillors have pointed out in the Chamber today, it would be ill-conceived. Councillors are the people who know how the system works, not the long list of bodies that has been read out by Sinn Féin, which have not received a single vote between them.

Sinn Féin has tried in vain to cover its blushes from its electorate. As previous contributors on this side of the House and, indeed, from the SDLP have pointed out, the seven-council model will lead to a sectarian carve-up of Northern Ireland and, therefore, polarisation. Fermanagh District Council is a county council. I would prefer it to remain so. However, even if there had been a move towards coterminosity with the Westminster boundaries, that would have been a more effective way of dealing with, and lobbying on, many issues of concern in Fermanagh and South Tyrone.

My colleague Mr Peter Weir, the former president of NILGA, has dealt effectively with many of the spurious claims that we have heard from the party on the Benches opposite. I want to outline what the seven-council model would mean for my constituency of Fermanagh and South Tyrone. The House has heard an elected Member for Fermanagh and South Tyrone try to justify the seven-council model as being good for rural dwellers. What patent nonsense that is. How could it be better for rural dwellers to be further cut off from the east of the Province? That is what will happen. I have long complained about my constituency's being forgotten about by the east. If it were sidelined in the past with regard to investment, there is no doubt that that will be worse under the super-council model.

The West Local Government District, which would run from Belcoo to the shores of Lough Neagh, would be left to get on with business and would be forgotten about totally by the east of the Province. There would be no community identification, which would lead to

alienation from the local political process. Let me tell the House that if people switch off from local politics, they will switch off from all politics, including the Assembly, if they have not done so already.

The Fermanagh District Council area is known for its natural beauty and tourism. After agriculture, tourism is its biggest industry. The council has, through necessity, carved an effective corporate image for itself, not least in relation to tourism. As my colleague Mr Hay mentioned, councils throughout Northern Ireland have had to take the lead on many occasions with regard to the economy. I say "through necessity" in relation to tourism, because central Government and, indeed, the body that is charged with tourism promotion, the Northern Ireland Tourist Board, have done little to promote the jewel in Northern Ireland's crown, namely the Fermanagh Lakelands.

It has been left to Fermanagh District Council to promote the tourism potential of the area, which it does very well, but what will happen under the option 7C model? Who will promote the Fermanagh lakeland when it must compete with Omagh, Cookstown and Dungannon? That issue does not seem to bother the MP for Fermanagh and South Tyrone, but I wish to inform the House that I do care, as do the many people whose livelihoods depend on tourism in Fermanagh.

3.15 pm

Safeguards will be vital in any new system. We have heard much from the party opposite about sectarianism, as if it only happens to its members. Sinn Féin is the largest party on my council, and it has tried to stop the flying of the Union flag at the royal pipe band competition — an event that brings significant revenue to Enniskillen, where I am a councillor. At a council meeting just last night, Sinn Féin made a song and dance about a grant of £100 for capacity building to a group of innocent victims in south-east Fermanagh — so much for equality and respect.

Sinn Féin may continue to pursue intimidation by other means, but there are those of us in purely democratic parties who will continue to hold the line, no matter how difficult that may be. It is time for Sinn Féin to walk the walk and not just talk the talk. That is not the case in relation to the review of public administration alone, but in relation to policing and support for the courts and the rule of law.

Mr Hussey: In making my speech, I will try to stick to the Standing Orders under which we operate.

I support the motion. However, I must address several issues that other Members have raised. I do so now because comments were made in maiden speeches, which, as the Speaker pointed out, cannot be interrupted.

Mr O'Reilly mentioned depopulation caused by unionism. How dare a Sinn Féin representative from

County Fermanagh tell us about depopulation in an area where Protestants faced ethnic cleansing, as has also happened in my constituency of West Tyrone? How dare you, Thomas. I am sorry; I had to say that.

What about people on the west bank of the Foyle?

Madam Speaker: Mr Hussey, you said at the beginning of your contribution that you would abide by Standing Orders. As I said, Members should be very careful about naming other Members, and their speeches should keep to the motion.

Mr Hussey: I declare an interest as a member of Strabane District Council and, as the motion relates to the RPA, I declare my membership of the Western Education and Library Board, which is also part of the review.

In relation to your advice to me, Madam Speaker, I referred to remarks that I could not address at the time they were made because of the rule concerning maiden speeches. I feel very strongly about that.

Mr McGuigan spoke of equality for all. Perhaps he could convey that message to his party colleagues in my neck of the woods, who are regularly orchestrating opposition to expressions of local cultural identity. Is that equality?

The motion concerns the rationalisation of local government. I support a 15-council model, which would not change the colour of the particular council that I wish to be part of — a west Tyrone council. The model adopted will make no difference to me, as my council will still be a republican/nationalist-dominated council. However, I support the motion on the basis of its logic.

Mrs O'Rawe was concerned that the debate centred on the number of councils, and quite rightly so. The RPA is about much more than local councils. However, local councils should be the building blocks that can be utilised in the wider review of public administration.

The issue of coterminosity has been lost in the present proposals. There is a coterminosity that is inbuilt within the parliamentary constituency boundaries, and that should have been recognised. A natural electoral pyramid system is available within those boundaries. There are councillors, MLAs and an MP — a natural progression that could be utilised for dovetailing other services, including education, health, the Roads Service, the Water Service, and the Housing Executive. Such a situation already exists in building control, for example, where we have the grouping system. That could quite easily have been utilised to bring us all together in group systems to deal with the bigger issues of health, education, etc, and would have an extremely effective coterminosity. That has been lost. Late in the day, the Government agreed, or accepted, that local identity had to be maintained

within local government. They accepted the principle, but they did not enact that principle in the hames — the Hain's hames — that they have produced and offered to us all.

In my area — I am looking around, but most of my "Team West Tyrone" colleagues have disappeared — there are those who are worried that minorities will be left out. However, in my area, which I hope will become one of the councils — a west Tyrone council — councillors have proved that they can work together on bread-and-butter issues. There are constitutional differences, but surely this is the sort of thing that should be developed in local government: locally elected representatives working together for the local good. Where is the local identity in what has been proposed? Madam Speaker and Members of the Assembly, I just do not see it. As has been rightly said already, I do not know what somebody on the shores of Lough Neagh will have in common with somebody on the other side of the lough in Fermanagh. There is no commonality.

Reference has been made to INTERREG III. Again, there is a grouping system that operates along the border corridor — Sinn Féin has referred to it — with the three cross-border groups, now joined by the internal group in Northern Ireland. I sit on an INTERREG IIIA partnership and am a past chairperson of the North West Region Cross Border Group, and I am quite content with that. Within it, INTERREG IIIA is feeding in. It has been claimed that INTERREG IIIA partnerships would be happier with the seven-council system. I cannot see how that would work logically.

Another means of INTERREG IIIA funding is through the local strategy partnerships. Where are they going? Would there be a local strategy partnership covering the entire south-west, or covering the entire north-west? No, thank you.

Mr Maskey talked about community development. What better example has there been of community development than that witnessed in my area? I am sure that Members will have seen community development strategies developed through local strategy partnerships in other areas. Those are the good things that we need to maintain. Local identity must be maintained and coterminosity can be attained in an extremely logical way by the use of a 15-council model — a model that does work and will work.

Sinn Féin expressed concern that minorities would be left out. Mr Weir said that the intention was that the same number of councillors would be retained, and that, therefore, the electoral threshold for each elected representative would remain the same. How does one lose out on representation? I cannot see the logic of it. As the motion says:

“allow the decision on future council arrangements to be taken by a restored Northern Ireland Assembly.”

Let this debate develop in here — unless Sinn Féin is aware that it will not live up to its pillar of the twin pillars that are required and does not expect a proper Northern Ireland Assembly to come into being. If that is the case, Sinn Féin should say so or houl yer whisht.

Wait until the parties can make their own decisions. I ask the Minister to allow the parties to make our own decisions, have the sort of debate that we are having now and allow a democratic decision, a majority democratic decision to come forth from the Assembly.

Some Members: Hear, hear.

Mr P J Bradley: First, I apologise that I have a cold today. Yesterday, Members debated at length the events of 24 November 2006. I remember only that I got wet and cold, and I still have the cold.

While canvassing during my first election campaign, I called at the home of the retiring councillor for the area, John McAteer. I have never forgotten his words of assurance to me. John, who has since sadly passed away, told me that the people knew me, that I knew the people and that I would do OK.

I was duly elected, and during my term on the council I learned the importance of my predecessor's words. I represented the rural areas of Burren, Ballyholland and Derrylecka and, as a local councillor, it was important to me that I knew the people whom I represented. I realised that it was equally important to the local ratepayers to know their representative.

No one in the Assembly, from whatever constituency, who claims to have the interests of his rural constituents at heart should remotely consider supporting the direct rulers' proposals to carve up our cherished rural identities.

Under the present structures, it is fair to assume that every voter in Northern Ireland knows at least one councillor and that most councillors personally know 75% to 80% of the families in their electoral areas. If the new structures are forced upon us, all that will change and the majority of rural electors will not know a councillor, and councillors will have little or no knowledge of the majority of people from their electoral areas. If the direct rule Ministers have their way and Sinn Féin continues to support the British on the RPA proposals, the word “local” will be taken out of local government.

In May, speaking at the Balmoral Show breakfast event, Lord Rooker clearly outlined his desire to see the Assembly controlled by Northern Ireland politicians sooner rather than later. The departing Minister of Agriculture and Rural Development qualified his comments by stating that local input and decision-making is best when carried out by local people. The Minister was referring to the Assembly,

but it is even easier to apply the same sentiments when speaking about rural residents and rural government structures.

Today, several Members referred to rural communities and the farming community. Reference was also made to the support of the Ulster Farmers' Union for the seven-council model. I have no argument with its taking that line — and I must declare that I am a member of the Ulster Farmers' Union and greatly admire its work. However, everyone would agree that the Ulster Farmers' Union, in the main, represents those with larger farms in Northern Ireland.

Members in this corner of the House are concerned with all farmers, whether they own five, 10 or 50 acres of land. Those with small farms and smaller rural communities lose out. It is interesting to note that the Northern Ireland Agricultural Producers Association, which represents those with smaller farms, has not yet taken a line on the proposals. It has not rushed into supporting the proposals, and perhaps that sends a message.

The RPA proposals will greatly diminish the voter/councillor relationship. In the South Down area, the amalgamation of Newry and Mourne District Council, Banbridge District Council, Armagh City and District Council and Craigavon Borough Council will result in an approximate ratio of 4,400 electors per councillor.

Regrettably, such a high ratio will mean that representatives will not know their constituents personally. It is even more disturbing that many rural ratepayers and residents will not know their local councillor. It is fair to assume that, unlike the present structures, officials with little or no knowledge of the areas to be covered by the super-councils will administer the proposed amalgamations.

I looked at the ratios in nearby jurisdictions. Although governing systems differ from country to country, the figures were interesting. After the restructuring of local government in Wales, the ratio of local government electors is 1,761 per councillor. In the Republic of Ireland, the ratio is 1,654 electors per councillor, and in Scotland the ratio of 3,200 electors per councillor is considerably higher.

3.30 pm

To make further comparisons and to highlight the concerns of many, I shall list the differentials of the numbers of people for each elected representative in six other European countries. The systems in those countries may be different, but they demonstrate the importance that is attached to local politics and to the need to have contactable representatives in all areas. In Spain the population differential for each elected representative is 610, in Finland it is 410, in Germany it is 350, in Sweden it is 256, in Austria it is 209, and in France it is 118. In Northern Ireland the average

differential for each of the current 26 council structures is approximately 2,500 people for each elected representative. Many people, including some of the political parties, consider that differential to be slightly low, and it is accepted that changes to that could be tolerated. However, as I stated in my opening remarks, rural representatives in Northern Ireland cannot accept the ill-conceived changes that are being foisted upon us by English and Scottish direct-rule Ministers.

Members should remember that we are not discussing European electoral areas, parliamentary or even Assembly constituencies; we are discussing local government areas and the important role that councils play in local communities.

There are additional reasons to challenge direct-rule Ministers' treatment of Northern Ireland. Members need only look at previous reviews in other jurisdictions to find that in Scotland, the number of local authorities was reduced by 51%, and in Wales a similar 51% reduction was applied. However, in Northern Ireland a drastic reduction of 73% is proposed.

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

I referred in my opening remarks to the rural areas of Ballyholland and Derrylecka, and those are the best examples that I can give of rural communities that are under threat. If the proposed draconian measure were implemented, those two areas — over 100 streets, avenues and cul-de-sacs — would be merged into a ward of the city of Newry. Those making the recommendations — and others who are content to let them be implemented — are prepared to sacrifice the heritage and distinct identities of two very proud and respected rural communities.

That is but one example, and I am sure that Members can find similar examples in their own areas. I support the motion, and, like Members on the opposite Benches, I request that the recommendation is put on hold until the Assembly is up and meeting properly. Only then can Members make a decision. That decision should not be made for them by outsiders. As the song said:

"For the stranger came and tried to teach us their way".

Members know what is best for this area.

Mr Shannon: I wish to declare that I am a member of Ards Borough Council and have been for 22 years. It is one of the Province's premier boroughs, and I am happy to be a member of its council.

Strenfird is aa' plase o' ooutstaunin beuty. Aa' plase wi' aai guid vebrant histry. An tha airdes an its blaiwicks celebrat this yeer its fivour hunner yeer in stiel. Tha airdes is woarked herd tae let tha woarl ken aboot oor pride inoor ain histry. Aboot tha beuty an majesty o' tha loch: aboot tha cherm o' oor wee hamelets an villages.

Alang tha coast o' tha loch an oor pride in haein gerdens that hae bin gein tha staunin as aa woarl heritage sieht.

Am no jist blawin aboot tha mony mony attractions that my borough hiss tae oafar at oany tiem avaw its "aw yeer roon".

Thees things er sae importan tae tha fowk that leev an woark oan its beutifil shoars. Hooiver pit fort theese facts tae sumyin fae Dundonald or Carryduff an intrest an pride will decrease as they tauk aboot pride in ther district, an whut wud seem laek freenly rivalry in tha normal wae o' things.

In tha gein oot an sharein o' funs is foar mare seryus

An tha facts er glaring oot tae see.

Strangford is an area of outstanding natural beauty. It is a place with a vibrant history that celebrated its four-hundredth year in style. Ards Borough Council has striven to let the world know about its pride in local history, about its pride in the sheer beauty and majesty of the lough, about the charm of the small villages along the peninsula and about its pride in having gardens that have been nominated as world heritage sites. I am not merely blowing about the many attractions that my borough has to offer at any time of year — those attractions are particular to the Strangford area and are vastly important to the people who live on the lough's beautiful shores. However, if those facts are relayed to someone from, for example, Dundonald or Carryduff, that pride will be somewhat dissipated as those people relate their pride in their districts. What may seem normally like friendly rivalry will be more serious in the context of the allocation of funds. The facts are stark.

Prof Paul Carmichael of the University of Ulster said:

"local government must be genuinely local if the system overall is to retain a sense of being responsive to local needs. By this reckoning, the new seven 'super councils' are a travesty of genuine local government."

It is at best unlikely and at worst impossible that a city council could understand the needs of a rural area and vice versa. The system devised simply does not take into account the sense of affinity that is needed to ensure a successful local government regime. One need only sit in on any council meeting to see the diversity of opinions with regard to allocations of funding. We have all experienced that and can imagine the difficulties that the proposed amalgamations would cause.

Communities are being thrown together geographically, as the areas have little in common to link them. Given that no names could be found to unify the districts — as the Local Government Boundaries Commissioner, Dick Mackenzie, admitted — it is abundantly clear that the seven-council model suffers from a complete lack of local identity.

Members may have read a recent 'Belfast Telegraph' questionnaire, which invited readers to suggest names for the seven new councils. One of the more amusing responses was that they should be named after the Seven Dwarfs because the Seven Dwarfs have as much affinity with the seven proposed council areas as anybody else.

There is no question that a more streamlined system of local government is needed in Northern Ireland. However, the seven-council model is clearly not the best way forward, and should not be taken beyond the consultation process. The fact that four of the five main parties agree that it is not the best way forward for the Province is proof of that.

The vast majority of elected representatives are opposed to the seven-council proposal. A majority of the 1,400 people surveyed across the Province by the Northern Ireland Statistics and Research Agency came out strongly in favour of an 11- or 15-council system, as opposed to the 113 people who responded to the further consultation document on the seven-council model. Why is that the case? The reason is that there is a widespread and legitimate fear, not only with regard to the loss of local identity, but with regard to the loss of local accountability. A local representative would have little say in the outcome of council meetings because 250,000 voices would have to be represented in each council area. Compare that with Scotland, where the quota is 100,000 for each council. In Wales, to which the Secretary of State is keen to compare us, only 1,500 votes are required to achieve election to a council. However, 5,500 votes would be required to gain a seat on one of the seven super-councils.

People in the fishing village of Portavogie can have quite legitimate fears that their needs will be overlooked in favour of the needs of those living in Dundonald on the outskirts of Belfast. If Northern Ireland were to be divided into 11 council areas, that would give added scope for true power sharing, genuine local democracy and lower-level accountability. The seven super-councils would be too remote and would not be sufficiently representative of local communities.

The loss of accountability and local identity would be a major problem. The seven-council model would impose sectarian divides and split the Province into the nationalist west and the so-called unionist east, with Belfast in the middle, pulled between the two. It is surprising that a Government that have urged us to break down dividing walls, to integrate more fully and to pull down the barriers between us are now, to all intents and purposes, formalising those very divisions.

The formation of seven super-councils will polarise political opinions and agendas, whereas the 11-council option would diminish somewhat the impact of the north-south and east-west divide. If we are to believe

that the way forward is by living in peace together — and I hope that that is the aspiration of many, if not all, in this Chamber — this polarisation is a poor substitute and a very bad idea.

What is it hoped to achieve by that kind of segregation, other than to throw a bone to Sinn Féin? That party has the greatest desire to segregate and to polarise in the hope of steering the population towards its agenda. The intention to strengthen segregation goes against everything that Government urge us to achieve here and raises serious questions about what is behind this move and about what the Government have in store for us.

We should consider the impact on health and social services and the education boards. In those areas, identity will also be lost, so we must look at the whole picture to see how it might develop.

The Assembly should insist that the Secretary of State do away with the implementation of the seven-super-council arrangement and have the 11-council model in its place. The Assembly must back that proposal because it represents the views of the majority of the people in the Province.

The wishes and ultimate well-being of the electorate are paramount: research conducted by the University of Ulster, and the wishes of my constituents, state that the majority of people want more than seven councils — they want 11 councils. The ultimate well-being of our people lies in the Assembly's ability to carry out a full needs assessment of the boroughs and consequently to implement the best possible solution.

Lord Rooker, the Minister with responsibility for the review of public administration, set out the criteria for the creation of the super-councils. He stated:

"local government must ... be at the heart of local services, locally delivered, operating at a size and scale that will allow a council to stretch itself in terms of the services it delivers now and into the future."

The criteria are worthwhile, but if the seven-council plan is implemented, it will not fulfil them, no matter what way one looks at it. It is up to the Assembly and its Members to find a satisfactory solution. Most — if not all — people think that the solution is the 11-council plan, which would streamline vastly without losing identity and accountability.

The problem must be solved at a local level and not by those who have a different idea of what is needed by the people of Northern Ireland. Members must insist that they are given the power to carry out what they have been elected to do. It is the wish of the majority of elected representatives and of the people of the Province. I urge everyone to support the motion.

Mr Beggs: I declare an interest as a member of Carrickfergus Borough Council, Carrickfergus

Community Safety Partnership and Carrickfergus District Policing Partnership.

I too have serious concerns about the proposed seven-council model and the dangers that will result from a so-called local government that is large, impersonal and remote. Like other Members, I agree that the term "local" will be questionable in the proposed new super-councils.

It is good that additional responsibilities will be returned to councils from quangos and other bodies. However, will the decisions that the proposed new super-councils take be seen to be local and accountable to ratepayers? The proposed new councils will be very distant.

During the Troubles, local government was often the only source of local democratic accountability. It was a source of community stability, where local people could work together in the community's general interest in order to improve roads, health services and housing. That scenario should not be put at risk. The dangers of remoteness are evident in my constituency of East Antrim, which comprises Larne Borough Council, Carrickfergus Borough Council and some wards of Newtownabbey Borough Council. The proposed seven-council model would result in the constituency being split, with some councils being absorbed into North East and others into Inner East.

The proposal to reduce 26 local councils to seven is a dramatic, radical and risky shake-up. A sense of local identity will be lost, and the changes will affect many aspects of local communities. Some local newspapers may even be at risk because much of the coverage in such papers emanates from local councils. If local councils cover a huge geographical area, there would be relatively little to report in the 'Larne Times', 'Larne Advertiser', 'Larne Gazette', 'Newtownabbey Times', 'Carrick Times' or 'Carrickfergus Advertiser'. The collective effect will be that local cohesion will be put at risk.

3.45 pm

The proposed boundary changes, and how they affect my area, are particularly unacceptable. Larne Borough Council is to join Ballymena Borough Council, Ballymoney Borough Council, Moyle District Council and Coleraine Borough Council.

Larne is the gateway port for rural Northern Ireland, the premier rural port. It naturally gravitates towards Belfast and the main transport corridor along the A8, and along the east Antrim railway line towards Carrickfergus and Belfast. The natural community linkages are towards Ballyclare, Carrickfergus and Newtownabbey. I am a member of Raloo Presbyterian Church in the Larne borough. It is part of the Carrickfergus presbytery. I am also an officer in the East Antrim battalion of the Boys' Brigade, in the

Larne area. The natural community linkages point, not towards Ballymena or Coleraine, but to the east Antrim area. The proposal is a nonsense. It goes against the grain. Why were such local aspects not taken into consideration when making these proposals?

Let us turn to Inner East Local Government District: Carrickfergus, Newtownabbey, Antrim and Lisburn. From Whitehead in County Antrim to Dromore in County Down.

Mr Poots: To Dromara, rather.

Mr Beggs: I beg your pardon, I meant to say Dromara. What is the connection between Whitehead and Dromara? I suggest that there is none. I have no wish to offend colleagues from Lisburn City Council, but I perceive that their area gravitates towards the Lagan valley corridor. They travel the M1 to Belfast, not the M2. Inner East Local Government District — the "Big Banana" or the "Banana Republic", as others have referred to it — appears to consist of the bits left over after the rest of Northern Ireland has been divided up. That is the only force binding together the disparate parts of Inner East. That is no basis on which to form a new council area. Larne, Carrickfergus and Newtownabbey have natural community linkages, and these could easily be respected in a 15-council model of local government for Northern Ireland. I suggest that it will not be possible to reflect local community concerns in the proposed seven-council model.

Much more than local councils are affected, however. Others have mentioned local strategy partnerships, community safety partnerships and district policing partnerships. It is doubtful whether local strategy partnerships will continue beyond implementation of the review of public administration. The structures of community safety partnerships and district policing partnerships appear to be amalgamating as, I believe, they should do. Will four council areas, each with three different partnerships, end up as one new strategic partnership, or district policing partnership, covering that entire area, with perhaps one or two members representing each council area? If that is the plan, there is a huge risk of losing the skills and cohesion that have developed in existing partnerships. Such a plan would go too far, cover much too wide an area and allow little opportunity for community involvement.

The motion expresses serious concerns about the dangers of the centralisation of jobs and services. When the Government identify savings as a result of the review of public administration, they mean savings from a reduction in the number of jobs. It is right to reduce costs for ratepayers by becoming more efficient. However, there is a need for balance. The greater the centralisation and efficiency, the greater the remoteness from the centre in peripheral areas. People will have to

travel further to lobby a council committee or a council officer. Will those from Whitehead have to travel to Lisburn or Antrim to speak to the appropriate council officer or committee? Will those from Islandmagee have to travel to Ballymena or even to Coleraine — some sixty miles away — for the same purpose? The geography is wrong.

I must respond to derogatory remarks made about a part of my constituency. Alex Maskey referred to Larne. He is patently unaware of the “team Larne” approach adopted by Larne Borough Council. He seems unaware that at present Larne has an SDLP mayor or that it used to have an SDLP deputy mayor — within a borough that has only two nationalist representatives on a 15-member council. Under the new proposals, it is most unlikely that a nationalist in the proposed North East Local Government District area could be elected mayor of such a large district. Only through local interests and co-operation have members of Larne Borough Council seen fit to share the civic positions. That sense of identity and responsibility may easily be lost when formulae are introduced.

I also respond to accusations made by DUP representatives with respect to water charges and rates. The DUP Minister responsible for water in the Northern Ireland Assembly must have been aware of departmental options, yet he did not disclose any of the plans that were in the drawers in his Department. The DUP promised in its election campaign to stop water charges and to reduce rates. It has been the leading unionist party for over three years now, and in that time rates have increased not by 9%, but by 19%, and water charges are likely to be introduced. All that has occurred on the DUP's watch. It cannot blame anyone else.

The seven-council model is wrong — wrong geographically, for service accessibility, for jobs and for community cohesion. Like my colleague Sam Gardiner, I call on the Secretary of State to shelve the seven-council plan. He would not introduce such a plan in Wales were he faced with such an obvious lack of community support there. If he did he would probably not be re-elected, but, of course, he is unaccountable in Northern Ireland. Given the lack of community support, the seven super-councils should not be introduced here. I support the motion and I hope that all will join us, except for those who have some self-interest in generating further sectarian division in Northern Ireland.

Some Members: Hear, hear.

Mr Deputy Speaker: I call Mrs Dolores Kelly.

Mrs D Kelly: Thank you, Mr Deputy Speaker; it is good to see you here. *[Laughter.]*

(Madam Speaker in the Chair)

Mrs D Kelly: Usurped once again. *[Laughter.]*

I wish to declare that I am a member of Craigavon Borough Council. I welcome the end of the dual mandate, and am hopeful that I will also see the end of the triple mandate.

In her maiden speech, Mrs O'Rawe referred to the representation of women in political life. I wish to draw her attention to a report, 'Women and the Review of Public Administration', published in September 2005 by Queen's University. That report found that concerns exist that the RPA could further reduce the opportunities for women's participation in public life as a result of the reduction in the number of councils and boards.

Perhaps the Member might be enlightened by the statistics contained therein, and consequently review her position on the seven-council model. After all, I do not believe that her constituents in South Armagh, or indeed those of her colleagues in South Down, will relish being dragged all the way up to Craigavon, or vice versa.

The reform of public administration is the most far-reaching reform of the system of public administration in Northern Ireland for a generation. It has enormous consequences for the way that public services such as health and education are delivered, and it poses new challenges for local government.

Increasingly in Western democracies there is a problem with reduced levels of involvement and participation by citizens in public life. One example is the decline in voter turnout in recent years; another is the fall of 82,000 in the number of voters listed on the Northern Ireland electoral register that was published last week.

In its comments on the RPA proposals, NILGA said that democratic processes should be valued, nurtured and supported in a way that is closely connected to the local community. People living on the shores of Lough Neagh and in the fishing port of Annalong have little in common, but under the seven-council model both areas will be part of the new super-council currently known as South Local Government District.

My party colleagues have outlined many of the SDLP's concerns about the model of local government imposed by this British direct-rule Minister. I wish to deal primarily with the consequences for rural areas. The RPA has determined that rural development delivery will move to local government, and policy will rest with the Department of Agriculture and Rural Development (DARD). The timing of the transfer of functions will significantly influence who delivers the next round of rural development.

It is, however, highly debatable whether local government will be ready to deliver the new programme in January 2007. I do not believe that it will be ready. On what evidence, therefore, has Sinn

Féin supported the British Government's argument for the seven-super-council model, and what protections have rural communities been guaranteed? Has the Department of Agriculture and Rural Development been appointed as rural champion? I would think not considering its silence on Draft Planning Policy Statement 14 (PPS 14). There was not even a whimper from DARD on a planning policy that will mean no more housing in the open countryside and the effect that that will have on schools, rural businesses, post offices, and so forth.

There is no evidence that Government Departments have rural proofed their policies. After 15 years of rural development in Northern Ireland, we still do not have any legislative base or a rural White Paper. Ideally, a rural White Paper would capture the vision and encourage a common understanding of the value of rural areas as an asset to the region. A White Paper would also set out principles to ensure the equitable and sensitive provision of services and infrastructure to support and sustain rural areas. I reiterate the SDLP's call for a rural White Paper.

The option 7C model has been accepted by Sinn Féin without guarantees for the large rural areas. Ms Gildernew made much about rural communities and made many misleading comments about the SDLP and INTERREG IIIA in particular. Sinn Féin was caught on the hop by PPS 14, and some of its members even supported it at the outset. It is being caught out again in its support for British direct-rule Ministers in the option 7C model.

Perhaps Ms Gildernew's support for the option 7C model has more to do with sparing her blushes over the debate on which new hospital to support — one in Omagh or one in Enniskillen. First, she supports one hospital, then she supports the other. Members of Sinn Féin, the great negotiators, are more renowned, as the history books will show, for negotiating for themselves on such issues as on-the-runs and community restorative justice rather than for the interests of the wider community, and certainly not for the rural community. I support the motion.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. I declare membership of Cookstown District Council. After much alleged deliberation, the Government and their review of public administration team came up with seven so-called super-councils. Some people call them super-councils, and they can also be called sub-regional councils, but they can never be called local councils. In fact, they cannot be named at all, such is their lack of identity and sense of place or locality as is obvious in my council area, an area stretching from Ballyronan on the shores of Lough Neagh in south Derry to Belleek on the Fermanagh border.

A sense of place and identity remains crucial to local government. People have an affinity with and a sense of belonging to their district. One may say that that connection is local or parochial, but it is enriching since that sense of belonging creates a bond with local government as councillors try to deliver public services in a defined locality.

More importantly, local, regional and national governments throughout the world welcome engagement with and participation in local democracy. The lack of engagement with one's Government and the loss of feeling of belonging and affinity with them has led to particularly low electoral turnouts in western democracies. That is because councils are viewed as not belonging to the people, and their perceived remoteness, aloofness, distance and lack of identity are widely regarded as being the source of that disenchantment. However, the British Government introduce remote, aloof and distant models for so-called local government here. They do not learn.

I have looked at some other European models. Norway, with a population of 4.6 million, has two tiers of local government — 19 county authorities and 431 municipalities. It is proud of its local government, and it is presently devising measures to enhance equality and equity. Norway's aim is to guide local citizens' participation in local public life and formal decision-making processes.

4.00 pm

France, with a population of 58.5 million, has almost 37,000 communes, each with a mayor and a municipal council. Switzerland, with a population of 7.25 million people, has 26 cantons subdivided into districts, with 2,900 municipalities in total. There are other models, but those municipalities, cantons and districts have been developed over time for a reason: to enable participation; to respect diversity; and to help to prevent overwhelming domination by one community or identity over another. Those countries have tried to learn from the brutal excesses and worst elements of European history. The lesson is: accommodate, not dominate. We could learn their lessons of equality and respect for diversity. Here, however, the British Government introduce their proposals to Balkanise the North and, rubber-stamped by Provisional Sinn Féin, to create super-DUP-councils east of the Bann.

That plan will have economic consequences. We all know that we rely heavily on public-sector employment. People employed at all levels in local councils, education and library boards and the Health Service now face an uncertain employment future, courtesy of the review of public administration.

It is a setback for local government, a road map for future division, a body blow for local district town economies due to job losses. How can anyone in

Government, in the RPA team or in Sinn Féin be so detached from the lives of ordinary people and blind to the consequences of these proposals as to advocate the present recommendations as a way forward?

Tacaim le rún mo pháirtí. I support my party's motion. Go raibh maith agat, a Cheann Comhairle.

Madam Speaker: The Question is — Sorry, that was wishful thinking on my part.

I call Mr John O'Dowd to make the winding-up speech on the amendment. My apologies, Mr O'Dowd.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle. Your wishful thinking was that I was not going to speak.

Today's debate, in a sense, has been very enlightening. Actually, it has been almost the opposite of that. It has shone much light on the debate on the RPA, and it has highlighted one important factor. All the parties, apart from Sinn Féin, are opposed to option 7C, but they cannot tell us which option they prefer, and why. Some say that they are in favour of 11 councils, some say they favour 15 councils, and others do not know how many they favour. In fact, one Member, who sits on Down District Council, was totally opposed to the RPA. The Member's contribution was about saving Down District Council. Perhaps it was about saving her council seat. The latter may be of more importance to her.

I speak in favour of our amendment, but, like many other Members, I am also a councillor — I sit on Craigavon Borough Council. The number of councillors who have spoken here today is the best argument that I have heard for ending the dual mandate. I shall return to that point.

Sinn Féin did not adopt the British Government's proposal. It was long thought out and debated by the party, but, more importantly, it was the product of consultation and thorough investigation by an independent research team. The party examined the proposal and came to its conclusion after looking at equality measures, and after ensuring that there would be a fairer rates base, no domination by any section of society and fair play for everybody. That was how we arrived at the option 7C model. However, it appears that many parties decided on the number of councils and then decided what argument they would use to arrive at that number. Few of today's contributions have shown why there should be 11 councils, 15 councils, or whatever.

They have not come to that conclusion. Some Members appear to oppose the option 7C model simply because Sinn Féin supports it, so limited is the political debate in their parties.

The DUP, in particular, says that it wants a reduction in the number of civil servants; it wants civil servants sacked in their hundreds, if not thousands. I note that

one Member said yesterday that he wants thousands of civil servants to be sacked. The DUP also wants a reduction in the number of Government Departments, but not in the number of council seats. That party's attitude is one of, "don't touch our councils; they are ours."

The DUP says that it wants a reduction in the number of MLAs. Many prophecies were made in the Chamber yesterday, and I will make another: if the debate on reducing the number of MLAs ever reaches this Chamber, I predict that the Members opposite will vote against it, because it will go back to the old argument of, "save our seats, no matter what else happens". *[Interruption.]*

If I will be an old hand by the time we are in Government, you will be a lot older than me, I can assure you.

Madam Speaker: Please address your remarks through the Chair.

Mr O'Dowd: In proposing the motion, Mr Tommy Gallagher said that the option 7C model would result in trapped minorities, but the 15-council model that some SDLP members support will also result in trapped minorities. The difference with Sinn Féin is that we have been pushing and lobbying very hard to ensure that power sharing and equality exists on those councils. I am not talking about token power sharing; I am not talking about the token taig elevated to the position of mayor or deputy mayor to ensure that a Shinner does not get it. I am talking about all parties being included and all the voices on a council being heard.

However, the SDLP says that no model in the world will protect any minority. Is the SDLP saying that the 15-council model that it espouses will not protect minorities because no model in the world can do that? Sinn Féin is saying that there is a model. *[Interruption.]*

Tommy, I paraphrased what you said, and you can check the Hansard report afterwards. I believe that a model does exist, and that, collectively, we, as political parties, can come up with a model that will protect the minority voices within a council, and outside it.

The SDLP needs to ask itself about the unholy alliance that it has formed with the UUP and DUP. If we end up with 11 or 15 councils, that would satisfy the SDLP. However, the SDLP has not asked this question: are the DUP and the UUP prepared to share power? The record shows that they are not. The records of those parties on power sharing on councils are absolutely disgraceful.

The new unholy alliance, based on opposition to the option 7C model, escapes the fundamental facts. What lies behind that alliance? Removing the numbers element from the equation, if the councils do not serve all the people and if all the voices on councils are not heard and respected, it will be a disaster waiting to happen.

The loss of local identity and local voices has been discussed. What is the alternative to that? No Member has said that the 15-council model should have such-and-such — Sinn Féin has. Sinn Féin has said that the option 7C model should have local, area-based committees, made up of elected representatives. Such committees would act as mini civic forums, ensuring that the voices of local people, local minorities and local ethnic minorities can be heard, and would provide a forum where local decisions can be taken and local issues dealt with.

Mr Poots: Protestants in Newry?

Mr O'Dowd: Yes; Protestants in Newry. That is exactly where a local, area-based committee would work. We have come up with proposals on that.

The debate on the names of the councils is an absolute and complete load of nonsense. If a 15-council model were adopted, preliminary names would still be required. At the end of the day, I do not care if the new councils are called one, two, three, four, five, six and seven; it is the services that councils provide that are important to me. More importantly, the people who pay rates to those councils do not care what they are called. They want to ensure that those councils provide proper services to communities and individuals. The debate on the names of the councils is somewhat premature, and also unnecessary.

I would like to respond to Cllr Kelly's remarks about rural communities. She said that Sinn Féin is not interested in rural communities. It is strange, then, that in the two largest rural communities west of the Bann, people go out and vote for Sinn Féin MPs. They also send back a majority of Sinn Féin councillors and MLAs. The people in those rural communities must believe that we have an interest in them.

Mrs D Kelly: Will the Member give way?

Mr O'Dowd: No, thank you.

The Member for Upper Bann is confused. Sinn Féin has not signed up to all of the RPA. We are still in negotiations about the 7C model. We are certainly still negotiating about the quangos that surround all the issues within the RPA. The SDLP may have stopped negotiating, going into the political lobbying bodies, etc; Sinn Féin has not. Our party is in there negotiating the best possible deal for the whole community, including protection for rural communities.

I can put Mrs Kelly's mind at ease, if she has a couple of hours to spare — although it might take longer. The Member believes that Sinn Féin did not respond to PPS 14. Our response was very effective. She has the opportunity to read it, although she will need a few hours as it is very detailed. In fact, the next time I see her I will give her a copy.

Some of the myths are going to have to be got rid of here. The other parties are telling us that they need local voices, local communities. However, in the political panel's discussions about other sectors being involved, all the parties other than Sinn Féin opposed community involvement. They wanted it to be exclusively for councillors. How, then, are they looking for local voices?

Mr Weir: Elect them.

Mr O'Dowd: The Member is telling us that he wants local voices to be heard.

In conclusion, in these six hours of debate I have heard from the Benches opposite plenty of reasons for not wanting model 7C. I have heard little as to any alternative. What we have witnessed today is turkeys voting against Christmas.

Mr Hussey: On a point of order, Madam Speaker. Standing Order 11(g) refers to Members persisting in irrelevance. I am questioning the relevance of the Member's concluding remarks to his proposed amendment, which affirms his support for a review of public administration that he himself admits they have not finished negotiating on.

Mr Maskey: On a point of order, Madam Speaker. A review is a review; it does not mean an outcome.

Madam Speaker: Mr Hussey, the speech has been concluded. It would be nice if we all took your advice.

Mr A Maginness: If I could say — *[Interruption.]*

First of all, I declare that for my sins I am a member of Belfast City Council and have been for 21 years. We have had a wide-ranging, interesting and worthwhile debate. I do not think that anyone in the House rejects the notion of a thorough review of local government, and no one has rejected the suggestion that there should be a serious reduction in the number of local councils.

Of course, there is an irony about the debate, in that the only party that has supported the British Government's conclusions in relation to local government has been Sinn Féin. Not only that, but Sinn Féin has stubbornly persisted in defending the British Government's conclusions. Perhaps it is some form of political infection that the party has picked up on its many trips to Downing Street. Sinn Féin's negotiators have spent more hours in Downing Street than the average Cabinet Minister.

4.15 pm

Mr O'Dowd claimed that Sinn Féin put forward and supported the seven-council model and that it solidly resisted anything other than that model. However, Sinn Féin councillors on Fermanagh District Council supported the 15-council model. Perhaps Mr O'Dowd should go to Fermanagh and talk to his own councillors to get their genuine views. Those councillors rejected the seven-council model; they rejected the arguments

emanating from Connolly House that thou shalt prefer the seven-council model and thou shalt obey Connolly House, no matter if you feel that people have lost their sense of place or think that the RPA conclusions on coterminosity are a nonsense.

The RPA proposes five health and social services trusts and seven health commissioning groups, so there is no coterminosity. At the outset, we were told that the principle of coterminosity constituted the very essence of the review of public administration. The Government have now abandoned that idea. Why? They have abandoned coterminosity for the sake of their own centralised administrative convenience, not for the people on the ground — council workers, councillors and ordinary citizens.

Sinn Féin blindly accepts that the distribution of rates throughout Northern Ireland will be equitable and that every council will receive the same support and be able to generate the same funds that Belfast does with its population of some 300,000 people. Although those facts are patently unsubstantiated by the Government, Sinn Féin is prepared to accept them as an act of faith. What kind of political evaluation of an important issue is that? This issue will affect ordinary ratepayers and all citizens of rural areas and rural towns.

People want equity and fairness, and they want the Government to prove that the arrangements that they are preparing to impose are fair and equitable. In spite of discussions, negotiations and representations by all the parties, the Government have refused to allow local politicians to determine this issue.

There is no reason why Sinn Féin Members could not have stood up today and objected to the first part of the motion but accepted the second part, which states that the Assembly should decide the future arrangements, but no: Sinn Féin does not want the Assembly to make that decision. It is opposed to both parts of the motion. During today's debate, which has lasted more than four hours, Sinn Féin has never said that it is prepared to allow the local Assembly to decide this important issue.

The reason for that is that Sinn Féin is determined to establish power bases throughout Northern Ireland that it hopes to control. This is about power; it is not about equity or a sense of identity for local people, but simply Sinn Féin's selfish interest in using power for party political advantage. There is no other explanation.

Sinn Féin talks about safeguards. Alex Maskey said that, in all seven new council areas, the minority community would not be less than 25%. That is absolute nonsense — check the figures.

In reality, minorities will be disadvantaged in situations in which there are large majorities, whether Catholic or Protestant, unionist or nationalist. That is

unfortunate, but it is an obvious consequence of the way in which these arrangements have been determined.

Everybody wants safeguards to be included. The safeguards that we want are the same ones that everybody else wants. However, stating that everybody wants safeguards is not an argument; it does not support the seven-, 15- or 26-council models. The reality is that we have a new dispensation in which there will have to be power sharing and in which safeguards for minorities will have to be included.

Sinn Féin's argument, therefore, is spurious. In fact, it is a red herring that does not address the central issue of the number of councils that should exist. The SDLP wants to have up to 15 councils in order to dilute the sectarianisation of the new councils. If there are seven councils, the minority/majority differential will be seen in stark relief. That is unacceptable. If we have 15 councils or so, we will dilute the interface between nationalist and unionist. That is a very important element in determining a new dispensation for local government.

People will listen carefully to today's arguments, and they will be convinced that the argument for seven councils is wrong on all scores. Having seven councils will do nothing to advance the interests of the ordinary man and woman in the street. It will not assist us in any way in the creation of more efficient services, and it will diminish and destroy the sense of belonging and place that is important to the people of Northern Ireland.

Today's debate has been a good argument, but it is important for all of us to reflect on what has been said. The final decision on this issue must be referred to the new Assembly, in which it is to be hoped that all of us will participate. In that Assembly we can achieve a solid, healthy political consensus — not an unholy alliance — that the entire community can finally support.

Question put, That the amendment be made.

The Assembly divided: Ayes 16; Noes 44.

AYES

Francis Brolly, Willie Clarke, Geraldine Dougan, Davy Hyland, Alex Maskey, Fra McCann, Raymond McCartney, Barry McElduff, Philip McGuigan, Conor Murphy, John O'Dowd, Pat O'Rawe, Tom O'Reilly, Sue Ramsey, Caitriona Ruane, Kathy Stanton.
Tellers for the Ayes: Barry McElduff and Conor Murphy.

NOES

Billy Armstrong, Alex Attwood, Roy Beggs, Paul Berry, Mary Bradley, P J Bradley, Thomas Burns, Wilson Clyde, Fred Cobain, Michael Copeland, Robert Coulter, Leslie Cree, John Dallat, Diane Dodds, Mark Durkan, Alex Easton, Reg Empey, David Ford, Arlene Foster, Tommy Gallagher, Samuel Gardiner, William

Hay, Derek Hussey, Dolores Kelly, Danny Kennedy, Patricia Lewsley, Alban Maginness, Nelson McCausland, David McClarty, Alasdair McDonnell, Alan McFarland, Michael McGimpsey, Patsy McGlone, Stephen Moutray, Sean Neeson, Robin Newton, Edwin Poots, Margaret Ritchie, Ken Robinson, Mark Robinson, Jim Shannon, Mervyn Storey, Peter Weir, Jim Wilson.

Tellers for the Noes: Billy Armstrong and Thomas Burns.

Question accordingly negatived.

Main Question put and agreed to.

Resolved:

That this Assembly expresses serious concern about the potential of a seven council model to centralise services, remove jobs and resources from many areas and to underpin sectarianism and community division; and further calls on the Secretary of State to shelve present plans for super councils and allow the decision on future council arrangements to be taken by a restored Northern Ireland Assembly.

Adjourned at 4.39 pm.

THE TRANSITIONAL ASSEMBLY

Monday 11 December 2006

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

Members observed two minutes' silence.

PRIVATE MEMBERS' BUSINESS

The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006

Madam Speaker: The Business Committee has agreed to allow two hours for each of today's debates. The proposer of each motion will have 15 minutes to speak, and all other Members will have 10 minutes.

Mr Donaldson: I beg to move

That this Assembly notes that the Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006 have been laid in Westminster in advance of the equivalent regulations for the rest of the United Kingdom and calls upon the Government to withdraw these regulations and leave this issue to be determined by the Northern Ireland Assembly upon restoration.

Let me be clear from the outset that the motion is not about homophobia or gay bashing, as some have accused it of being. It is about something far more important — religious freedom in this country.

The motion is also about the role of the Assembly in considering important legislation that is meant to reflect the will of the people whom we represent. It is about the elected representatives of the people of Northern Ireland asserting their right to influence laws that will have such a significant impact on the lives of our constituents. That right has not been properly exercised in respect of these regulations.

There has been inadequate time for the public to respond to the initial consultation on the regulations. The Government's consultation document, 'Getting Equal: Proposals to outlaw discrimination on the grounds of sexual orientation in the provision of goods and services in Northern Ireland', was launched in Northern Ireland on 29 July 2006, and the consultation closed on 25 September. That eight-week period included the entire month of August, which is one of the main holiday periods in Northern Ireland.

The Government's own guidelines state that public consultations should be held over a standard minimum

period of 12 weeks. We had only eight weeks to consider the draft legislation. In the rest of the United Kingdom, the consultation lasted for the 12-week period. Why was Northern Ireland treated differently, and our consultation period reduced? The Office of the First Minister and the Deputy First Minister (OFMDFM) has given no reason thus far to justify the shortness of the consultation period.

The regulations were made on 8 November 2006, just six weeks and two days after the public consultation closed on 25 September 2006. Do the Government really expect us to believe that six weeks was long enough to consider the 373 responses and to address the complex issues raised in those responses?

In a letter to my right hon Friend Dr Paisley dated 22 November 2006, the Secretary of State said that there had been 3,000 responses to the consultation in Great Britain, and that consequently the decision had been made to delay their implementation to:

"ensure a full and proper account was taken of them",

that is, of the responses. In fact, the Government have delayed the making of the regulations in England, Scotland and Wales until April 2007.

If we take the 373 responses in Northern Ireland as a proportion of the overall response in the United Kingdom, we find that they represent some 11% of the total responses. However, the population of Northern Ireland is only 2.8% of the total population of the United Kingdom. Therefore the response rate in Northern Ireland was much higher than that in Great Britain, yet there has been no delay in implementing the regulations here in order to ensure that a full and proper account is taken of those responses. Again I ask the question: why is Northern Ireland being treated differently?

In England, Scotland and Wales, the difficult issues raised by the consultation process were described as resulting in the need to:

"make sure that there is effective protection from discrimination while ensuring that people have the right to religious freedom".

That view was expressed in an interview given on BBC Radio 5 on 26 October 2006. There is nothing to suggest that the complex issues raised on the mainland do not need to be addressed in Northern Ireland.

On Friday 8 December, 'The Independent' reported that there is a split in the Cabinet on this matter between the Secretary of State for Northern Ireland and his colleague the Secretary of State for Communities and Local Government, Ruth Kelly. The report states that:

"Peter Hain, the Northern Ireland Secretary, has pushed through regulations in the province that will be tougher than the Government plans for England, Wales and Scotland."

It continues by claiming that the Secretary of State:

“has defied a call by Ruth Kelly, the Cabinet minister responsible for equality, to hold fire until a common approach has been agreed.”

We have a situation in which the Secretary of State in Great Britain with responsibility for this legislation is saying to our Secretary of State, according to that newspaper report, that he should hold back until we get a common approach across the United Kingdom, and yet the Secretary of State for Northern Ireland seems determined to press ahead against that advice.

The Government's analysis of the responses to the public consultation in Northern Ireland was published only on Monday 27 November 2006. That is almost three weeks after the Government finalised the regulations.

Therefore it seems unlikely that the Government analysed properly the responses to the consultation paper before making the regulations. Surely Ms Kelly is right in saying that more time is needed.

Additionally, the published regulation 3(3) is a new harassment law, but no formal question was put on harassment in the consultation paper ‘Getting Equal: Proposals to outlaw discrimination on the ground of sexual orientation in the provision of goods and services in Northern Ireland’. In fact, paragraphs 4.13 to 4.15 of that paper set out reasons for not including harassment in the regulations. Paragraph 4.15 specifically states:

“On the basis of the complex arguments put forward we are minded to accept that it is not appropriate to legislate for harassment within these regulations.”

The regulations now contain provisions on harassment, but there has been no proper consultation on that important aspect of the regulations.

The regulations threaten to override the consciences and rights of free speech of Christians and others who object to homosexual practice. That contravenes articles 9 and 10 of the European Convention on Human Rights. Indeed, article 9 of the convention is given statutory force by the Human Rights Act 1998.

It is also worth noting that all six of the world's major religions are opposed to homosexual practice, and Judaism, Islam and Christianity all teach that it is sinful. Not all hon Members will agree with that view, but Christians and people of other faiths sincerely hold it. Given that these are new restrictions, the regulations will interfere with one's freedom to practise one's religion. The restrictions will apply to all aspects of society, and it is proposed that they should apply to the religious teachings, observances and practices, and services that religious organisations offer to the community. The Government say that exemptions are built into the regulations. However, those do not provide adequate protection for religious groups, churches and organisations.

Regulation 16 does not apply to the harassment provisions. For example, if baptism, communion or church membership is denied to a homosexual and the minister of the church meets with that person to explain in orthodox theological terms the religious belief that justified that denial, that person could bring a claim for harassment, complaining that the minister's approach had the effect of violating dignity or creating a “humiliating or offensive environment.”

Regulation 16(4)(a) says that:

“Nothing in these Regulations shall make it unlawful for a minister —

(a) to restrict participation in activities carried on in the performance of his functions”.

That exemption covers the minister's refusal; however, it does not cover any subsequent explanations that are given by the church. Therefore a church could be sued for harassment for the way in which it refused a homosexual membership or for the way in which any other aspect of its religious observances were refused.

If I had time, I would give other examples as to how this legislation will have an impact on Christian bookshops, on Christian organisations that run old people's homes and on Christian owners of bed-and-breakfast premises. The regulations will cause major concerns for Christians who are involved in life's many normal activities and who believe that they have the right to exercise their religious conscience.

The harassment provisions also apply to state and independent schools and to universities. Therefore if a teacher teaches the orthodox Christian belief that homosexual practice is sinful, a pupil who self-identifies as gay could bring a claim for harassment, complaining that such teaching had the effect of violating their dignity or of creating an intimidating, “humiliating or offensive environment.” Is that the kind of situation in which we want to place our teachers? Have hon Members had the opportunity to consider that?

The freedom to teach religious belief also engages article 2 of the first protocol to the European Convention on Human Rights, which provides that:

“In the exercise of any functions which it assumes in relation to education and teaching, the State shall respect the right of parents to ensure such education and teaching in conformity with their own religious and philosophical convictions.”

10.45 am

How are we going to uphold that right in Northern Ireland when these regulations become law? How will parents have the right to send their children to school to have religious instruction based on biblical Christian teaching when it is possible that, under these regulations, teachers will be prevented from providing that instruction, or could be sued for harassment if they do? That is a

matter for everyone in Northern Ireland who cares about religious freedom in this part of the United Kingdom.

There is no religious harassment law in Northern Ireland with respect to the provision of goods, facilities and services, yet harassment laws on sexual orientation have been inserted into these regulations. That is completely inconsistent with the declared aim of creating equality of protection for all categories of persons.

Part IV, article 31, paragraph 5(a) of the Fair Employment and Treatment (Northern Ireland) Order 1998 provides broad exceptions for schools. However, the Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006 set down blanket anti-discrimination and harassment laws for educational establishments. Clearly, there is a contradiction between those two laws.

These regulations are far reaching. They will impact on many areas of life, and, therefore, will affect people in all areas of society in Northern Ireland — in education, business, the public sector, and especially those in the religious life and in religious organisations.

The Churches have spoken out very clearly on the issues. For example, in an article in 'The Catholic Herald' on 1 December 2006, the Roman Catholic Church in Great Britain warned the Government that if the regulations are implemented on the mainland, the Church will close the nine adoption agencies it runs, rather than be forced to place children for adoption with homosexual couples.

The role of the Churches in adoption, in social life and in civil society will be seriously undermined by these regulations. People in Northern Ireland depend on the Churches. The Churches provide support at community level and they are involved in the social life of our community. Nonetheless, these regulations have the capacity to undermine that involvement. Who will take up that work in the future?

In the Anglican Church, the Bishop of Rochester, the Rt Rev Michael Nazir-Ali, warned the Government that the regulations would certainly affect a great deal of charitable work done by the Churches and others, and that it will be the poor and disadvantaged who will be the losers.

The Presbyterian Church in Ireland has described the regulations as a worrying intrusion of legislation into the affairs of faith.

The Methodist, Baptist, Free Presbyterian and Elim Churches, and many other denominations, have expressed similar concerns. The Evangelical Alliance has made representations to the Government to press for the withdrawal of the regulations, and the Christian Institute is preparing a legal challenge in the event that

the Secretary of State decides to proceed with implementation from 1 January 2007.

In his letter to my right hon Friend Rev Dr Ian Paisley, the Secretary of State confirmed that:

"These Regulations have not arisen through European law, unlike those relating to discrimination on the grounds of sexual orientation in employment;"

He went on to say that:

"if a re-established Assembly wished to revoke the Regulations, legally I believe they would be entitled to do so."

Surely, Madam Speaker, that is a tacit acceptance that the Assembly has the right to consider and to determine this legislation, yet the Secretary of State seeks to deny Members that right.

The issue before hon Members this morning is that for the above reason, and all the others that I have outlined, the Secretary of State should withdraw these regulations and leave the issue to be determined by the Assembly upon restoration. I call on all parties in the Assembly to support the motion, and, in doing so, uphold its right to legislate on issues that quite properly are the concern of many people across the community in Northern Ireland.

Madam Speaker: I remind Members that the Business Committee agreed that this would be a two-hour debate. I already have more than enough Members to allow for a two-hour debate, and if every Member takes the full 10 minutes we will be over time. However, I do not want to restrict the speeches of any Members.

Ms Ruane: Go raibh maith agat, a Cheann Comhairle. At the third session of the United Nations Human Rights Council, Norwegian Ambassador Wegger Strommen, speaking on behalf of 54 states including 18 members of the Human Rights Council, said:

"At its recent session, the Human Rights Council received extensive evidence of human rights violations based on sexual orientation and gender identity, including deprivation of the rights to life, freedom from violence and torture ... We express deep concern at these ongoing human rights violations."

Ireland and Britain were two of the states that signed that communiqué.

I welcome the fact that the House is having a debate on sexual orientation, but it is the wrong debate. Ian Paisley and Martin McGuinness as First Minister and Deputy First Minister designate, and Arlene and I as human rights and equality spokespersons, should be sitting together to work out a comprehensive programme for the gay, lesbian, bisexual and transgender community. We should be talking about how to protect people who suffer as a result of homophobic attacks. There has been an increase of 175% in reported attacks — how many do not get reported? We should be talking about how to resource the organisations that work for the welfare of the gay, lesbian and bisexual community. We should be talking

about how to link human rights and the equality sector to bring about change. Everybody should have the same rights and legal protections — there is no halfway house. You cannot have equality for some.

Ba chóir go mbeadh na cearta céanna agus an chosaint dhlíthiúil chéanna ag gach duine. Ba chóir comhionannas a bheith ann do chách — ní féidir idirdhealú a dhéanamh.

Despite what Jeffrey Donaldson said, the DUP is using homophobia for political gain. It is attempting to whip up homophobic sentiments that lead to discrimination and violence. It is setting the context for gay bashing and the human rights violations that the United Nations referred to in its communiqué.

This motion comes from a party that has a track record on gay and lesbian rights. In 2004, DUP councillor Arthur Templeton was found guilty of harassment and fined after making homophobic taunts against a council candidate. In November 2005, another DUP councillor, Maurice Mills, shared other pearls of wisdom when he described hurricane Katrina as having been sent by God to punish gay and lesbian people. Ian Óg, probably not wanting to be outdone, said in relation to the gay marriage of former UUP adviser Steven King:

“Most people in Northern Ireland find homosexual relationships offensive and indeed obnoxious and I say that from the position of research I have done.”

That is serious stuff. Although members of the DUP wring their hands and say: “Of course we are for law and order”, and “We abhor any crime against anyone” and “People should go to the police”, they fail to take responsibility for actions that may arise from their words. By failing to provide leadership, they are part of setting the context for an attack on a young man in a club or a park. Martin Luther King said:

“Injustice anywhere is a threat to justice everywhere.”

Madam Speaker: Order. I remind Members of my earlier statement about criticising Members of other legislatures, or councillors, who are not in this House to defend themselves. I also ask Members to exercise caution so that they do not misrepresent other Members’ comments. I draw the attention of the House to the rulings recorded in the ‘Northern Ireland Assembly Companion — Rulings, Convention and Practice’, pages 81-82:

“no Member may make an interpretation of what another Member said ... To quote a Member as having said something that he or she did not say is unparliamentary.”

That applies not just to Ms Ruane, but to whoever speaks in future. Members should be careful about how they interpret each other’s remarks.

Mr Paisley Jnr: On a point of order, Madam Speaker. Will you confirm that some of the DUP members that the Member indicted have been expelled

for actions of a criminal nature? Will you also confirm that comments, supposedly attributed —

Madam Speaker: That is not a point of order, Mr Paisley. You have made your point, which will be recorded in Hansard, but it is not a point of order. Mr Hussey is not in the Chamber otherwise he could help me. I remind Members that, when they raise a point of order, they must cite the relevant Standing Order. A point of order, or a point of information, that does not relate to a Standing Order will not be accepted.

I apologise, Ms Ruane. You will be compensated for the loss of time.

Mr Maskey: Could you perhaps get a bit of order, Madam Speaker?

Madam Speaker: Are you challenging my ruling, Mr Maskey? I try to give all Members an opportunity to speak. In every parliamentary institution, there will always be talk across the Benches. That constitutes good debate. I will stop anything that impedes good debate practice, as I have done up to now.

Ms Ruane: It is a smokescreen to say that it would be better for the regulations to be passed in this House rather than Westminster. The real issue is that there should be no delay in bringing forward legislation. The gay, lesbian, bisexual and transgendered community is protected in the South of Ireland, and these regulations will provide protection in the North of Ireland. That is to be welcomed, and there should be no delay.

What are the effects of gay bashing? What are the effects of delaying the implementation of rights?

Mr Donaldson: What about the rights of Christians?

Madam Speaker: You should address your remarks through the Chair, Mr Donaldson, but please let the Member speak.

Ms Ruane: The findings of all reputable research into the effects of homophobia show that the gay community is disproportionately affected by suicide and self-harm. Ireland — North and South — has one of the highest suicide rates in Europe. It is a poor excuse for politicians to say that they are defending the rights of Christians to discriminate. Many Christians support the legislation and do not believe in discrimination.

There is much hysteria and misinformation about this legislation. Opponents claim that primary schools will be forced to actively promote civil partnerships to the same extent that they teach about the importance of marriage. They also claim that a printing shop run by a Christian will be forced to print flyers promoting gay sex. They claim that it will force a family-run bed-and-breakfast establishment to let a double room to a transsexual couple, even if the family think it in the

best interests of their children to refuse to allow that couple into their home.

Let us debunk some of those myths. Printers will not be forced to print flyers promoting gay sex — or any other form of sex. They will, however, not be allowed to hang up a sign saying: “No gays served here”. Regulation 9 simply prohibits educational establishments from refusing to accept students on the grounds of sexual orientation.

Regulation 7(2)(a) provides that anyone providing accommodation —

Madam Speaker: I must interrupt you once again, Ms Ruane. If Members wish to ask another Member to give way, please do so. However, this loud barracking must stop.

Mr P Robinson: On a point of order, Madam Speaker. Is it possible for you to extend your previous ruling on the misrepresentation of what Members say to include the misrepresentation of the regulations?

Madam Speaker: Not at this stage, Mr Robinson.

Mr Maskey: On a point of order, Madam Speaker. You correctly reminded Members about the context in which they should cite the previous remarks of other Members. Could you advise the House under which Standing Order you have ruled that Members may interrupt willy-nilly when they feel like it without challenge? You have challenged Members only twice so far.

Madam Speaker: The Speaker’s ruling in all matters is, as the Member has probably gathered, final.

Mr Maskey: On a point of order, Madam Speaker. I accept that entirely. However, some Members are continually interrupting. You expressed a view to me privately that that is how Members from that party participate in debates. However, I do not accept that this is the proper way for a sitting to be chaired.

11.00 am

Madam Speaker: As I said before, Mr Maskey, when you commented about order in the Chamber, all parliamentary institutions have cross-Chamber comments. I will stop loud comments that interrupt the Member who has the Floor.

I do my best to keep order. The fact that this Chamber is smaller than those in comparable institutions has a bearing on that. However, I ask Members to allow whoever has the Floor to have his or her say. Members can ask the Member who is speaking to give way. I ask Members not to conduct loud conversations that prevent me from hearing what is being said by the Member who has the Floor.

Mr Maskey: I would like to receive a written ruling from Madam Speaker on the matter, showing the basis on which the ruling is being made. I am hearing an

invitation for Members to have a free-for-all as long as they keep it below a certain level.

Madam Speaker: I thank the Member and I appreciate his concern. However, my ruling is final. If the Member wants to challenge my ruling, there are other ways to do that.

Ms Ruane: I will just have to get a louder voice and speak over the interruptions. *[Interruption.]*

Are you finished, George? I wish to pay tribute to the gay and lesbian community for its courage and bravery in standing up for its rights, and to the other groups that are supporting it. I call on all groups who are fighting for rights to stand alongside them because they should not stand alone.

The motion is part of yesterday’s agenda — part of the bad old days of the past. Members should move on and show leadership. The days of second-class citizenship and hiding our identities are gone. How does the motion fit in with our equality briefs?

The DUP talks a lot about law and order and respect for the law. I hope that it is going to uphold section 75 of the Northern Ireland Act 1998 and these regulations when they come into effect in January 2007. Is the DUP’s support for law and order selective; does it only support its idea of law and order? Let us move from the dark ages to the light of the twenty-first century. There is no room for discrimination in this century, and where it happens Sinn Féin will challenge it. No one should stand alone and suffer discrimination — the people who should stand alone are the discriminators.

Members should read the results of the recent Mori poll, which asked 1,100 people if they believed it was right for businesses to discriminate against gay, lesbian and bisexual people. An overwhelming 88% said no, showing that attitudes among young people are the most progressive on gay and lesbian rights. Gay bashing is not even a vote winner. The DUP should stop digging a hole for itself and join the rest of us to support anti-discrimination legislation that protects everyone. One never knows when it might be needed. Go raibh maith agat.

Mr Nesbitt: Madam Speaker, I shall endeavour to help you by keeping to the motion, which is primarily procedural. It asks where authority resides in the decision-making process with respect to Northern Ireland legislation. That authority should be in the Northern Ireland Assembly and not in a process that is taking legislation through Westminster for January 2007. The primary element in the motion is legislative; however, I recognise that the regulations will have an impact on communities in Northern Ireland.

Let me deal with those two points. I heard Ms Ruane from Sinn Féin talking on the radio this morning about the importance of respecting

international law. I am conscious that Sinn Féin at almost every turn refers to the rights and equality of the people in, as it says, the “North of Ireland”. I am also conscious that the Government, at every turn, refers to rights and equality. Indeed, the Government, in their latest commentary on Northern Ireland, the St Andrews Agreement on 13 October 2006, made reference to rights on the first page of the document:

“equality and human rights at the heart of the new dispensation in Northern Ireland”.

The Ulster Unionist party asks for rights and equality.

I am a citizen of the United Kingdom, and I expect the same rights that are afforded to its other citizens — I expect parity of esteem with them. The United Kingdom Government must remember that, through the Council of Europe, they have signed up to and ratified a convention that dictates that political discourse of this nature is to be applied equally throughout the United Kingdom.

The Government have also signed up to and ratified measures to the effect that we, as a region of the United Kingdom, should have effective participation in the decision-making process. However, not one of those standards that the Government have ratified, and which they are supposed to endorse, is being applied in their actions with regard to The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006. Mr Donaldson dealt with that matter fulsomely, so I need not go into that in any great detail.

The rest of the United Kingdom was given three months in which to respond to the consultation on the regulations, but Northern Ireland was allowed two months. Why was the rest of the United Kingdom given a longer time in which to consult on the regulations? That does not represent equality and parity of esteem in the political process that the Government have signed up to.

By their own volition, and by the decisions that they have made in introducing the legislation, the Government are denying all Members the same rights that others will have. The Government need not say, as they have, that they will change the Order-in-Council system to make it a legislative process. That will not give us true, effective participation.

Therefore the Government have failed on the process, which represents the substantive part of the motion. The Government have failed to live up to the standard that they announced; they have failed to uphold what they signed up to through the Council of Europe. Therefore, they have failed the citizens of Northern Ireland by the manner in which they have adopted The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006.

Madam Speaker, you said that Members should be brief in their contributions so that every Member who

wished to speak would have time to do so. I will endeavour to do that.

The second element of substance is not inconsequential. Sinn Féin has spoken of homophobia, and has said that the motion is gay bashing. Mr Donaldson has said that that is not so. I concur that it is not gay bashing, as does the Ulster Unionist Party. We respect the law, which permits gay and lesbian relationships, and civil partnerships.

Mr Campbell: Will the Member go further and agree that the House should condemn any attacks on anyone, and that that condemnation should be unequivocal? Does he agree that if every political party in Northern Ireland did that, we would be much better off?

Mr Nesbitt: It goes without saying that we condemn any attack from wherever it comes and regardless of its motive. People should operate, at all times, within the law and subscribe to it.

The issue of rights is central to the debate. The law states that the gay and lesbian community has rights, and we subscribe to those rights. Christian denominations also have rights. Certain questions must be addressed, and I am not fully satisfied that that has been done. Mr Donaldson went into those questions in detail, and I will remind the Chamber of a couple of them. If a Christian organisation wishes to found an adoption society, it can do so, and if it wishes that those for whom they will furnish a child are in a male-female relationship, it may say so. Should the gay and lesbian community be allowed to challenge that wish, and thus ensure that its rights are allowed to infringe the rights of the Christian community? There are two rights competing in that example, and they must be addressed.

Caitríona Ruane said that printers would not be forced to print flyers that advocate gay practices. If a Christian bookshop has books of a Christian ethos including Christian principles — Members know what they are, so I need not repeat them — and a gay or lesbian person comes into the shop, picks up a book and disagrees with what it says, does that person feel harassed, and will that bookshop, therefore, from 1 January 2007, be breaking the law? Those are fundamental questions.

This afternoon, the Northern Ireland Human Rights Consortium is holding a seminar to celebrate Human Rights Day. The date of 10 December is a hallmark day for the International Society for Human Rights; it was the date in 1948 when the Universal Declaration of Human Rights was agreed by the General Assembly of the United Nations. Sinn Féin mentioned the UN in its address this morning.

It is worth examining the fundamental freedoms that were agreed on 10 December 1948, which, along with two other covenants, formed the International Bill of

Human Rights. Article 16 of that declaration is interesting. The words that it uses are important:

“Men and women ... have the right to marry and to found a family ... The family is the natural and fundamental group unit of society and is entitled to protection by society and the State.”

I quote from the UN, not from Ulster Unionist Party policy.

I am not saying that a declaration that was written in 1948 is sacrosanct today, because there have been changes in the law since then. The law changes in order to reflect changes in society. Members often quote from Hansard; remember that Mr Hansard went to jail because he took information from Parliament. Imagine if today people were put in jail for taking documentation out of the Chamber. As society changes, the law changes.

Nonetheless, Madam Speaker, certain fundamental issues must be addressed. The process by which the Government are putting the regulations through not only denies the proper process of equality in the treatment of the law throughout the United Kingdom, it denies the rights of people who duly feel concerned and are mindful of what the UN's Universal Declaration on Human Rights says about the importance of the family: the family must be protected.

Ms Lewsley: I oppose the motion. Let us be clear about what the regulations do: they protect people from discrimination. They ensure that gay, lesbian and transgender people have the same basic rights as the rest of us. Just as it is illegal to refuse to serve someone in a bar because of their religion, it will be illegal to refuse to serve someone because of their sexual orientation; just as it is illegal to deny people access to accommodation on the grounds of their race and nationality, it will be illegal to do so because of their sexual orientation. All that the regulations do is afford gay and lesbian people the same protection that is enjoyed by women, the disabled and ethnic minorities, for example.

The same protection has existed in the South for the past six years under the Equal Status Act 2000. If we would not accept, “No Dogs, No Irish”, why should we allow, “No Dogs, No Gays”? If we demand equality for some, should we not extend it to all? Let us be clear about the terrible extent of the poisonous effects of tolerating discrimination and harassment. One of the key areas covered by the regulations is education. A 2002 Department of Education survey of young people who identified themselves as gay, lesbian or transgender in Northern Ireland found that 44% were bullied at school because of their sexuality, 29% had attempted suicide, and 26% had self-harmed.

In those circumstances, can anyone seriously argue against a prohibition on discrimination and harassment at school? It is only by getting serious about tackling harassment that we can change those appalling figures.

11.15 am

Mr Donaldson: Surely the introduction of these regulations will create the possibility that teachers in schools, and others, can be harassed because of their religious beliefs? Surely two wrongs do not make a right. If it is right to introduce the regulations, why does the hon Lady think that the Minister in Great Britain is delaying their implementation?

Ms Lewsley: I take on board the Member's points. The Member has said that the regulations will prevent teachers from teaching against homosexuality in school. That is untrue — all that the regulations will prevent is discrimination and harassment, not the teaching of religious doctrine. Harassment occurs only if there is unwanted conduct that has the purpose or effect of violating dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment.

In opposing these regulations, the DUP is showing itself to be the “Discriminating as Usual Party”. The DUP wants to deny gay and lesbian people equal rights. That is just wrong, especially when we consider the profound effect of intolerance on young people.

There has been much misrepresentation on the part of the DUP in its attempt to justify its stance. The DUP claims that the regulations attack freedom of religious belief. That is just not true. Nothing in the regulations means that religious doctrine cannot be taught in schools, nor will the regulations cover properties such as church halls or retreat houses, the main purpose of which is not commercial. The proof is that the South has had similar laws for the last six years, which have not created any bother or surprises. Provided that clear and sensible guidance is issued, the SDLP does not see why there should be problems in the North. However, should any such problems arise, it would be a simple matter to review the regulations.

For those reasons, the SDLP opposes the DUP's motion. Equality is a basic human right and the regulations vindicate that principle. The regulations have been laid before Parliament and should become law. I therefore oppose the motion.

Mr Ford: The Alliance Party supports the regulations, and it commented in favour of them during the consultation process. It is essential that there should be equality of opportunity, equality of access, equality of treatment and equality under the law for every citizen in this society, regardless of any groups to which they may or may not belong, or of their sexual orientation.

Mr Donaldson's principal complaint this morning was that the regulations have been held back in Great Britain, but are proceeding in Northern Ireland. He also complained about the length of the consultation process. I note that even he admits that there were 673 responses during the consultation period. The consultation process was undoubtedly shorter than the

ideal, but it covered all of the main religious groupings in Northern Ireland and all of the key groups that have an interest in the area of sexual orientation discrimination. I am not sure that the response would have been any different had there been another four weeks — or 14 weeks — of consultation. To simply suggest that the timescale was the major problem does not seem to be going very far.

If the regulations are ready to go forward in Northern Ireland, the Alliance Party believes that they should go forward — bureaucratic engagement in Great Britain is no excuse for doing otherwise here.

Mr Poots: Does the Member support the views of the judge in the case taken against the Secretary of State by the General Consumer Council for Northern Ireland about the length of the consultation on water charges?

Mr Ford: I thought that the Member's intervention would be more relevant than that, Madam Speaker. Discrimination, homophobic bullying and violence exist today, and they must be dealt with today. If the Member cannot see that that is rather more significant than the timescale for the water charging consultations, I am afraid that he is in the wrong debate.

If the implementation of the regulations were left to a Northern Ireland Assembly, the attitude of the DUP suggests that it would do all that it could to block these, or similar, regulations. In the wider community, those who oppose the regulations are the same people who opposed the decriminalisation of homosexual acts a few years ago; they are merely fighting another battle further down the line. That is why, whatever their motivation, or whatever they claim their feelings to be, they are seen as being merely homophobic. This Assembly should not support a stance that can be interpreted in such a way.

Existing laws cover elements of discrimination against people on grounds of sexual orientation, but currently they fall far short of the provisions that apply for other categories of discrimination where offering goods and services is concerned. There are many cases in which it is legal to discriminate on the grounds of sexuality but not, for example, on the grounds of race and religion. The legislation that is being discussed this morning is a way to deal with that. I find it sad that exaggerated fears are being whipped up to suggest that the regulations go much further than any rational reading of them would reveal.

Although many people, particularly those who are members of religious groupings and denominations, are concerned about their position and the rights that are necessary for them to maintain their formal stance, they have all said that they oppose discrimination. It is perverse to whip up those fears and to suggest that discrimination is being applied in a reverse way.

Mr Donaldson: Will the Member give way?

Mr Ford: No. I have given way already for a fairly inconsequential intervention.

Madam Speaker, clear examples have been given that have been disproved by the fact that exemptions for churches and religious practice in Northern Ireland are actually wider — not narrower, as has been suggested — than those that are being proposed for Great Britain. Indeed, it will still be possible to discriminate in some areas against gays in a way that will not be possible in other areas.

Mr Donaldson's dismissal of concerns about harassment worried me. If he opposes the introduction of legislation against harassment, he could be interpreted as supporting harassment. That is a serious point, so I shall give him a few seconds to answer it.

Mr Donaldson: On that point, Madam Speaker, may I quote from the Secretary of State's letter to my right hon Friend Dr Paisley? On the issue of harassment, specifically in relation to Christian bookshops, which was an issue that we raised, the Secretary of State said:

"Whether or not an environment is 'hostile, degrading, humiliating, insulting or offensive' is a matter for the court. In this untested area it is impossible to predict whether a hypothetical book or poster could be considered 'hostile' etc. by a 'reasonable man' in all the circumstances, which is the basic test."

In other words, this has not yet been tested. The hon Member may find that, when it comes to the courts, I am right and he is wrong.

Mr Ford: Madam Speaker, it may have to come to the courts to test that.

However, the suggestion that displaying Christian books in a Christian bookshop amounts to harassment is far beyond any example from any other area. When Mr Donaldson uses phrases such as "homosexuality is a sin", he is actually suggesting that discrimination against the sinners is justifiable. That is the danger in the civil society in which we live.

Madam Speaker: Mr Ford, I remind you of my comments regarding misrepresentation of other Members' comments. Thank you.

Mr Ford: I am sorry, Madam Speaker; I thought that that was a direct quotation.

The sorts of examples that were given earlier that suggested that a minister explaining his church's position in a charitable and counselling way could be interpreted as harassment stretches the interpretation of instances of harassment way beyond anything that is credible under normal understanding of the common law. Harassment requires abuse and malice. An honest explanation of a theological position, given in love, cannot conceivably be regarded as such. To whip up fears that suggest that that would be the case seems to be taking an entirely unreasonable attitude to the

regulations. Similarly, a number of Members have referred to adoption regulations.

Mr Nesbitt: May I ask a quick question? Madam Speaker, with respect to sexual harassment, the perception of the offended, not the person who commits the harassment, will cause problems. Therefore it is not what the bookshop might or might not do; rather, it is whether a person perceives harassment to have occurred. The Member has not addressed that fundamental point.

Mr Ford: The Member said that he would be quick.

Mr Nesbitt: I have raised a fundamental aspect of this matter that Mr Ford has not addressed.

Mr Ford: No. Weight may be given to perception, but interpretation is not solely based on perception; there must be an interpretation that goes beyond a simple perception. That perception must also be honest and reasonable. Those matters may need to be decided in the courts, but to suggest that there should be a blanket allowance for anything to be done — lest a matter be tested in the courts and turn out not to be to the liking of unionist Members — is surely not where we want the law to be.

Reference has been made to adoption regulations as though, somehow, there are large numbers of children about to be shipped off to be adopted by gay partners. The reality, as anyone with my background in social work knows, is that very small numbers of children are adopted, and the principle in adoption is that the needs of the child come first. To suggest that adoption is being treated in the way that has been suggested in this Chamber this morning is an utterly unreasonable perception of what is happening.

Mr Donaldson said that this Assembly should have the right to decide. Of course, this Assembly has no rights to decide anything — this is the Transitional Assembly. However, it seems that, if there is to be devolution and if this Assembly will have to take decisions in areas such as this, the comments made so far by Mr Donaldson, and the sedentary comments of some of his friends, suggest that there are real reasons for concern. Given their opposition to the regulations, I really wonder what guarantee society as a whole would have that members of the DUP, given power, would live up to their obligations on equality and a shared future in respect of all of our citizens.

Mr Shannon: I support the motion standing in the name of my colleague Jeffrey Donaldson. On Friday 24 November — a epic day in more than one sense, as we all remember — not only was much happening in the halls of Parliament Buildings, but the halls of Westminster were not silent either. While the eyes of our elected representatives were focusing on securing a future for our Province, The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006 were being forced through.

I am sure that all Members are fully aware of the implications for the people of Northern Ireland of that piece of legislation being pushed through behind closed doors. It is the clearest sign that those behind that underhanded manoeuvre were aware that the legislation was something that our constituents on, I believe, both sides of the divide, would not wish to be made law in this Province.

The matter should have been left until April 2007, when legislation is to be introduced in the rest of the United Kingdom, after the careful consideration period of nine months. At that time, the Members of this Assembly who are willing to follow through on their obligations will be deciding on the issues that directly impact upon Northern Ireland. Would it not have been better to do it then?

Northern Ireland has been cited as a test-bed region for laws that the Government feel are controversial for the mainland — the rates evaluation procedures are a perfect example. The push to implement the legislation here, with, subsequently, a lesser chance of adverse publicity, was a clear boon for those who have the agenda of promoting this form of positive discrimination, which is not wanted, or even needed, in the huge majority of cases in Northern Ireland.

Indeed, the consultation process in Northern Ireland showed overwhelmingly that these regulations were not wanted as they stand, never mind with the addition of the amendments concerning the illegality of so-called harassment that appeared in the final document. The document that was released for consultation expressly stated that there would be no law on harassment. However, a mere six weeks later, that had been added to the regulations and approved, dramatically expanding the ambit of the law.

The regulations make it illegal to harass someone on the basis of their sexual orientation. That seems to be fair enough on the surface, but one does not have to scratch too deeply to find that the reality is not so shiny as the surface implies. There is no clear-cut definition of what exactly constitutes harassment. Harassment is entirely based on the perception of the person who feels that they are the recipient of that harassment, which is defined as a violation of dignity, a hostile or insulting environment, and degrading or humiliating treatment. Surely, that is all in the eye of the beholder and, were that beholder to possess a prejudice against a member of the community with values opposed to their own, surely a hostile environment or an insult to dignity could be found in many situations. Is that equality?

11.30 am

One of Ruth Kelly's aides has said:

“Peter [Hain] is doing what is right for Northern Ireland, where there is a different history and system. We will do what is right for Great Britain.”

There is one thing that is undoubtedly true about that statement: we do have a different history and system in Northern Ireland. There is a decidedly stronger Christian influence in the Province; it is the Bible Belt of the UK. To try to enforce this legislation on us without consultation or the consent of elected representatives — without even an opportunity to debate or amend it, as is proper and right in a democracy — is a disgusting act of dictatorship. No thought or consideration has been given to the owners of businesses, who have always proclaimed their right to refuse admission.

We are assured that Churches will be protected and allowed to retain the freedom to preach their own morals. However, let me outline the consequences of this law should it be passed as it stands now. A man may hear in church the Bible clearly outlined, telling him to stand for what is right. At work the next morning, he may be asked by a group to illustrate the cover of a book of dubious nature, which goes against the beliefs he holds dear and the make-up of the person that he is. He will no longer be allowed to refuse politely, for fear that it may lead to a claim under the new legislation. Should he go against the person that he is, or follow the rigours of a law that clearly discriminates against his belief system? This new law protects a person's beliefs on Sunday but discriminates against them on other days of the week. Should he have to face a choice between his job and his integrity? There is plenty of freedom in the market, so why should those who will lose revenue from their businesses be further persecuted by the spectre of a fine?

Christianity is not merely a one-day wonder; it is a way of life. This legislation goes against freedom of religion and the right to form one's own beliefs that is secured in the Human Rights Act 1998, which Labour and Peter Hain have been so anxious to promote. Surely there is a right to protect the biblical foundations that established this nation. Queen Victoria, when asked the secret behind the greatness of England, lifted her Bible and replied that God was great and that she believed that he was the foundation of England. Were she to be asked that question today, she would need to be sure that it was a Sunday and that she was in church, on the off chance that someone might find that she was supporting biblical principles.

There is a factor missing from the calculation of this legislation: Christians do not want to discriminate against homosexuals. I would not refuse to sell to someone because of his or her sexuality, race, creed or colour, and I would not withhold constituency support from anyone for those reasons. However, that does not mean that I should actively encourage and promote

homosexuality in my home or in my children's school education, or by hiring out my church hall for a rally or by putting advertising in my window. To be forced to promote that impacts adversely on my freedom, and it is unacceptable. It is also unacceptable to the people who support the DUP.

There are 7.3 million evangelistic Christians in England. That does not take into account the five million Roman Catholics, as well as Jews, Muslims and mainstream church-goers, who are opposed to this regulation in its very definition. That number far outweighs the number of those in favour, including the 6% of the population who make up the gay community.

There has been some talk of surveys this morning. In an independent survey in England, 70% of the 10,000 adults questioned stated that they believed that any law requiring people to promote homosexual practice should be applied selectively, in order to ensure that people with strong religious beliefs are not forced to act against their conscience. Furthermore, 66% stated that the law should not discriminate against religious groups in order to promote gay rights. Clearly, a large proportion of the population is opposed to this legislation.

The majority of people interviewed agreed that the Government should do more to promote traditional family and marriage values and less to promote gay and lesbian lifestyles. This was not a survey of church-goers but of people on the street. If that was the finding in England, how much greater would be the response in Northern Ireland? Yet this view was never taken into consideration. The only view that was considered was that of the loud minority who are goaded on by Labour, whose agenda seems to be to devalue the family and to break the Church.

The vast majority of people in the Province have no desire to withhold a cup of coffee in a café from someone who is homosexual; they just do not want to be forced to actively promote homosexuality, whether in the workplace, in their own businesses or in the education of their children. As a parent, I want my boys to learn about and value the importance of individuals in society and to respect all people.

However, that individual respect is not to be confused with condoning something that is contrary to God's law. My boys need to learn that; they do not need to be taught that anything and everything goes, when it does not.

I am no man's judge; I can be responsible only for my own actions and for my own conscience. My conscience does not allow me to remain silent and permit the implementation of these unfair and discriminatory regulations to proceed unchallenged.

Dr McCrea: Is it not already clear from the debate that the Secretary of State is forcing the regulations

through because parties in this Assembly have made representations to stop any future Assembly from making that decision? That is the reason that the Government are forcing them through now.

Mr Shannon: I thank the Member for his intervention, and I endorse his point.

Those who seek to implement the regulations in Northern Ireland have done so in a distinctly underhand way while at the same time proclaiming that they are being introduced in the hope of finding equality. Where is the real equality? A chief executive of the gay lobby group Stonewall has been appointed as a commissioner to the new Commission of Equality and Human Rights (CEHR). A gay printer can refuse to print Christian literature, but a Christian printer can no longer refuse the tender of a gay magazine. Where is the equality in that?

Peter Hain talks about equality, and Colin Hart from the Christian Institute said that he should:

“read his own regulations, which elevate gay rights above all other rights for religious people ... It is a preferential status which will drive a coach and horses through religious liberty.”

I support the motion, which calls for the withdrawal of the regulations, thus leaving the issue to be determined by a Northern Ireland Assembly. The voices of the hundreds of people who have already registered their condemnation of the rushed way in which the legislation has proceeded, and its subsequent repercussions, warrant proper consideration. We need to ensure that the Secretary of State listens and does not continue to ride roughshod over the firmly held beliefs of the majority of people in Northern Ireland. Every business owner should retain the right to politely refuse business for whatever reason, and it is none of anybody else's concern why they do so, as long as there is a free and open market that will provide goods and services.

I do not intend to discriminate against any faction of society; I wish only to ensure that there is no positive discrimination, which is just as unsavoury, unnecessary and every bit as unacceptable.

Mr Maskey: Go raibh maith agat, a Cheann Comhairle. I oppose the motion. I take up Dermot Nesbitt's point about the position that the UN adopted in 1948. I remind him that, as of 1 December 2006, which was less than two weeks ago, a statement on behalf of 54 countries called for the UN to integrate modern thinking on discrimination. That thinking prevents discrimination on the grounds of sexual orientation. I remind the Member that Ireland and Britain were signatories to that statement.

The motion argues that the introduction of the legislation be deferred on the grounds that the process behind it has been flawed. Those who support the motion have argued that the regulations are being introduced in advance of the introduction of their

equivalent in Britain. They also argue that they support rights for all in our society, including those of the lesbian, gay, bisexual and transgendered communities. They talk about the rights of those whose religious beliefs the regulations would offend.

Several Members who have already spoken have indicated their personal opposition to the substance of the regulations. I accept that, under party discipline, and in recent times, disciplinary action has been taken against some DUP members. However, it is fair to say that, for many of us, the history of the DUP — and perhaps, even more so, that of the Free Presbyterian Church — will lead many of us to believe that a strong homophobic strain runs through that strand of our society. Many of us believe that, and our belief is based on the experience of seeing many years of strong campaigns that were headed by the leader of the DUP, who is sitting on the Benches opposite. It is his public right and privilege to be able to do that.

We could defer the legislation on the basis of a flawed process, given that people say that they oppose the process behind the legislation. However, they actually oppose the substance of the regulations. Deferring the legislation to an Assembly would worry people such as ourselves because we know in our hearts — and this is the key thing for many of us — that many of those who want this matter to be deferred want it to be so in order that they can oppose the substance of the regulations in the future.

I can understand that people believe that the introduction of these regulations may invite harassment claims or lawsuits against people in certain professions. However, I do not believe that that will be the case. As has already been spelt out, the regulations provide a number of exemptions — people are entitled to preach and to promote their own arguments, religious or otherwise. People are not allowed, however, to discriminate on grounds of sexual orientation against people who wish to access goods or services. That important point must be made.

It is also very wrong to say that, because the introduction of the regulations could hypothetically lead to a harassment claim being made against a person, no change should be made to the law. In fact, my party and I believe that the burden of ensuring that people who have no rights must outweigh the burden of protecting people who may be subject to future harassment cases. Ultimately, those in whose name the motion stands have put forward hypotheses as arguments.

We are dealing with people from the lesbian, gay, bisexual and transgender community, who are suffering from physical attacks, verbal harassment, actual discrimination and other forms of abuse day and daily. Many of those people in our community are living in fear of their lives every day —

Madam Speaker: Order. I ask that there be less conversation while the Member is speaking.

Mr Maskey: They certainly live in fear of being discriminated against on a practical basis every day of the week. Their health —

Madam Speaker: Order. Just a moment, Mr Maskey. Did Members not hear what I said? Obviously not everyone did, because certain Members were still talking among themselves. Members, please desist from carrying on conversations when a Member is on his or her feet.

Mr Maskey: Thank you, Madam Speaker. On my party's behalf, I oppose the motion. To defer the introduction of the regulations because the process is considered to have been flawed is a false perspective. In fact, many of those Members who are opposed to the introduction of this legislation are opposed to its substance. We would have no confidence in putting the rights and entitlements of people from the lesbian, gay, bisexual and transgender community into the hands of people who are avowedly opposed to that community having those rights.

I want to underline what is the very important issue: the hypothesis that an individual, group, Church or teacher, or whoever or whatever else, may face harassment charges in future is far outweighed by the need to protect under the law people right across our society, today, tomorrow and from here on in. At present, those people are being discriminated against and are the ones who have been suffering violent attacks. There is no hypothesis to be made there — those people are suffering directly daily. We want to support legislation that comes into operation sooner rather than later, in order to ensure that those people have the same rights and entitlements as everybody in this Chamber wants for themselves, their friends, their families, and those whom they represent.

Dr Birnie: Whatever one thinks of the outcome of this piece of legislation, it is pretty clear that there have been substantial defects in the process that resulted in the regulations. I submit that those defects should be sufficient for Members from a range of parties, regardless of their views on the substance of the sexual orientation regulations, to vote for the motion. The defects in the process have already been quite adequately rehearsed, but, in brief, they are threefold.

First, the consultation period was much shorter than normal Cabinet Office guidelines would recommend. Secondly, there were only about two months between the closing of that consultation and the drafting of the regulations. That strongly suggests that the Westminster Government had begun to write this piece of legislation before they had done the Northern Ireland public the courtesy of reading and analysing their thoughts on the

questions in the consultation. Thirdly, I make the obvious point that similar regulations have been delayed until at least April 2007 in England and Wales, whereas they are to come into operation on 1 January here.

In short, therefore, the Government are rushing ahead with legislation in Northern Ireland but holding back in England and Wales. That prompts the question: why? Why are we being treated differently? Is Northern Ireland becoming a test bed? Have the Government cynically determined that, if they can pass this type of legislation in Northern Ireland, they will subsequently try the same trick in England and Wales?

11.45 am

There is also the question of why — and the report in 'The Independent' last week has been mentioned — the Secretary of State, Mr Hain, has come into conflict with the Cabinet's equality Minister, Ruth Kelly, and has simply decided to overrule her. We can only speculate on whether that all plays into the contest for the deputy leadership of the Labour Party.

Our unhappiness at the manner in which this piece of legislation has been processed increases as one considers the complexity of the matters that the regulations concern. In general, and my colleagues accept this, the question is one of rights. I submit that the issue in the regulations is that the rights of one group — those who practise or advocate a homosexual lifestyle — are being privileged over another group — those who object to such a lifestyle choice on moral grounds.

That brings in the question of the religious exemption — it is there, but it is certainly narrow. In practice, religious exemption is being qualified in two crucial ways. It will not apply to any church or religious body that is in a contractual relationship with the state, hence the example of adoption agencies, which were mentioned earlier. There is also the qualification that any such body could fall foul of the harassment provision.

My fellow Members and I are not advocating harassment, but the regulations have been drafted very broadly as far as a so-called offensive environment is concerned — and here I quarrel with the hon Member for Lagan Valley Ms Lewsley. As my colleague Mr Nesbitt said, the definition is subjective. Regulation 52 states that the burden of proof rests with the accused, and that is a dangerous precedent.

Madam Speaker: Before I call the next Member to speak, I think that we have all been treated equally today — we are all cold. I have checked and I hope that the Chamber will be heated soon — in addition to the hot air. I call Mr Pat Ramsey. I hope that you will be all right, Mr Ramsey.

Mr P Ramsey: I hope so too.

This debate is hugely important. The SDLP understands the sensitivities around some of the principled points made by those from the Church sectors. However, the SDLP is committed to the promotion of human rights and equality, which is why we fought to make equality a key part of the Good Friday Agreement. We need to ensure that the agreement's promise on equality and human rights is there for all. That is why the SDLP is opposing the motion.

Good debates were held last week on the review of public administration and how certain sections of the community — whether Protestant or Catholic — feel about marginalisation, alienation and ensuring that people are not discriminated against. We are aiming, as best we can, to ensure that everyone in our society is part of the shared future that is so important to the Government.

Some of the objections to the regulations, such as those made by Jim Shannon, mentioned the forcing of churches to open up parish halls to gay groups. That is misleading. Regulation 16 clearly exempts organisations based on religion or belief from a charge of discrimination provided that they are solely religious, and not commercial, organisations. Therefore, the objection has already been covered.

Discrimination of any type should be outlawed. These regulations go some way towards ensuring that people are not discriminated against on grounds of sexual orientation in respect of the allocation of goods, services, accommodation, education, and availability and access to public authorities.

Why should any person be treated less favourably because he or she has, or is perceived to have, a particular sexual orientation? That is unfair and unjust, and it should not be allowed to continue. Passing this legislation will ensure that — just as it is illegal to refuse to serve someone on the grounds of religion or gender — it will be illegal to refuse to serve someone on the grounds of sexual orientation. This is about equality for all.

The current situation that permits injustice on the grounds of sexual orientation is unacceptable and damaging not only to lesbian, gay and bisexual people, but to the whole of society.

To quote Dr Martin Luther King when he was in Birmingham jail in 1963:

“Injustice anywhere is a threat to justice everywhere.”

I have heard people criticise the legislation, stating that it will violate freedoms. That is not true. Contrary to what has been claimed, regulation 16, which is comprehensive and detailed, provides certain specific exemptions on the grounds of religious beliefs.

The legislation will enshrine in law the principle of equality for everyone, regardless of sexual orientation.

It will provide safeguards for everyone, including everyone in this Chamber, against that type of discrimination, and it will provide a legal remedy for anyone who has been treated less favourably on the grounds of sexual orientation. The regulations cannot make people respect homosexuals or cherish them as part of our society, but they can prohibit discrimination against them.

Equality either exists or it does not — there is no halfway house. A situation in which discrimination against a fellow human being continues to be lawful does not make it right. Nor does it make for a fair and equitable society.

Why should we hold up this important piece of legislation any further just because it is being introduced in advance of equivalent legislation in Great Britain? The matter needs no further delay. The current situation that permits injustice on the grounds of sexual orientation is unacceptable and damaging not only to homosexuals, but to society as a whole.

The legislation should be allowed to come into force to guarantee that everyone is subject to equal treatment, regardless of sexual orientation.

Mr N Dodds: Is there not a fundamental issue at stake for parties such as the SDLP and others that advocate devolution? We are told that we should have devolution so that local parties and local politicians can make the decisions. However, in this one area, because they do not like the particular outcome that may arise, they demand that the Government go ahead and ram this legislation through the House of Commons. There is a fundamental dichotomy in all of this that is surely embarrassing for the hon Gentleman. Does he feel no embarrassment about that at all?

Mr P Ramsey: I do not, and I am sure that the hon Member will have every opportunity to make his own speech and address some of the matters that have been raised, such as the objections to the owners of bed-and-breakfast accommodation being able to refuse entry to gays. No one in a commercial operation should refuse entry to anyone. We used to see signs saying: “No Irish need apply” or “No British need apply”. We do not want a situation in which gays are totally discriminated against.

A point was made about a prohibition on teaching against homosexuality in schools. That is untrue. The regulations are to prevent discrimination and harassment — not the teachings of religious doctrines.

I spoke to the Rainbow Group, an organisation that promotes and advocates the rights of gays across Northern Ireland. Homophobia is a serious problem across Northern Ireland and in my constituency. The PSNI, along with most parties in the city, brought forward protocols aimed at addressing and reducing the level of homophobia. Those measures were

successful, and all political parties contributed to that. A recent study among lesbians and gays revealed that harassment and violence are serious problems.

In total, 82% of respondents have experienced harassment, and 55% have been subject to homophobic violence. It is expected of us as civic leaders to try to ensure that we are creating a society in which everyone is equal; no one is marginalized; no one is alienated; and all people can participate in the shared future that we all agreed upon.

Mr Ervine: Madam Speaker, I rise to oppose the motion. Equality is equality is equality. If we refuse any human being the entitlement to equality, we deny ourselves proper equality. It is either for everyone or for no one. The Democratic Unionist Party has made great play of the fact that the Secretary of State is determining that the Assembly should have this legislation stuffed down its throat. He may well be doing us a favour.

In fact, he may also have done us favours in the past, and I have not heard too many raucous comments from Members of that party about them. For instance, he just declared that there would be an election, having previously said that one would not take place until 2008. I did not hear any raucous complaint about that.

Mr Donaldson: We asked for it.

Mr Ervine: I know that you did — so you do not mind an Order in Council when it suits you — *[Interruption.]*

Madam Speaker: Members will please address their comments through the Chair.

Mr Donaldson: Will the hon Member give way?

Mr Ervine: No, I will not.

We have the option to live in a modern, decent society, and if we choose to have equality, it must be for everyone. This is a nice country with a great opportunity, but it is a bit like the beautiful girl who goes to a beauty salon and comes out with warts on her nose.

There are jobs at hand. It is not just about Catholics and Protestants; our ethnic minorities are having nightmarish experiences, and we must have some sense of leadership that creates a condition in which the circumstances that happen on the ground are perceived to be absolutely intolerable. I certainly perceive that young people do silly things because it is on behalf of the DUP. That is the mindset that is out there. We must have leadership that guarantees the circumstances in which everyone is equal and equally protected under the law.

I was not fast enough to my feet earlier to respond to a couple of DUP Members. They said that it would be better if every human being were free from violence and harassment. However, no one told Daphne Trimble

that. No one told Ken Maginness that when he was being kicked. In other words, the DUP can have a sweet and wholesome view on harassment, but in effect, when its members are in a massed gang in a car park in Portadown, they do not behave in quite the same way — *[Interruption.]*

Mr Donaldson: What about John Allen in Ballyclare? And the Quinn children? And Raymond McCord?

Madam Speaker: Order.

Mr Ervine: It seems that any defence mechanism is to be used to cover up one thing. Not only is the DUP not split on this issue; it is not split from the Catholic Church on it either — *[Interruption.]*

A Member: That is correct.

Mr Ervine: I know. The DUP makes interesting bedfellows when it suits.

[Laughter.]

Madam Speaker: Order.

Mr Ervine: There are a number of factors at play, which we might address instead of playing the DUP's game. What is so harrowing is that the DUP operates a process of clairvoyance — and it is never good news. As the saying goes, every Prodigy knows the future but it is never good news. There is legislation coming and it cannot be bad enough. It will be terrible. The DUP is over-egging the pudding.

In reality, there are human beings who struggle to come through life with the realisation that they are different. It is a horrific condition for a young man or woman to realise that they are out of step with the rest of society. It brings immense pressure.

Let me give you some examples of things we could be talking about. Northern Ireland has the highest teenage suicide rate; one of the highest teenage pregnancy rates; the highest rate of heart defect; and the lowest levels of educational achievement in Europe.

Yet here we are, talking about ensuring that we guarantee that those ogres in the gay and lesbian community do not get equality.

Mrs Foster: That is rubbish.

12.00 noon

Mr Ervine: That is effectively what you are doing.

Let us be realistic: in terms of how a person sleeps, eats, does a day's work or functions as a human being, treating a gay or lesbian person as an equal will do them absolutely no harm and will not, in any way, diminish them as a human being.

I worry about the concept of homophobia. I know that we are pressed for time, Madam Speaker, and I appreciate being called to speak. I will not take up that

much of your time. However, it is worth highlighting research that was done in the United States. Overtly homophobic people were wired up to electrodes and shown heterosexual images and then homosexual images. This is a true story, Madam Speaker. Lo and behold, you will never guess what inspired them most. I do not mean that personally against any human being here.

People who are confirmed in their own sexual orientation are probably less frightened than those who are not. It seems that some people display an over-the-top reaction to those who are different. Many young working-class men will express it through a sense of superiority, whether it is over an ethnic community or those whom they perceive as abnormal.

The sentiments and attitudes of people such as those in the DUP — and the DUP is surely not alone — is that it is OK to treat those people as inferior. They are not inferior; they are equal, and they should be equal in all aspects of life as far as it is earthly possible for us to deliver. Northern Ireland has the opportunity to deliver that equality. The Secretary of State is doing us a favour by passing these regulations because, if such a circumstance were to come before this Assembly, we would end up with a horrible gridlock. The Secretary of State has done things before. I do not mean to be too unreasonable, but some people say that staying out of a devolved Assembly for long enough would allow the Secretary of State to get all the nightmare stuff in place so that we do not have to do it.

For those Members who are absolutely serious about the upset that these regulations will cause in the odd bookshop — never mind that porn can be bought from any newsagent's top shelf — the reality is that, had they taken the responsibility that was offered to them, they could have made all kinds of changes. They could have had the opportunity in the Assembly to pass these regulations.

When this motion is defeated, or goes nowhere, perhaps those Members' constituents, for whom they fight great battles, will realise that, had those Members taken the opportunity in the first place, they could well have had a voice in what society would be like. The jury is out on how they would reform equality, certainly for those people who have suffered indignity, hurt and horror for many years.

Mrs Foster: I sometimes wonder whether Members take the time to read the motion on the Order Paper before entering the Chamber. The Member who has just spoken did not do so; otherwise he would not be talking about equality for homosexual people. Nobody is saying anything about that in respect of this motion.

The motion concerns two things: the role of law in addressing issues in society and the manner in which the regulations are being introduced. Do not let the truth get in the way of a good story, David Ervine.

Fundamentally, I am not opposed to equality, but these regulations are. When did anyone expect Sinn Féin to call for a matter to be decided at the Westminster Parliament — out of the control of the Irish people, as that party would see it? The headlines from this issue can be summarised thus: "Hain does not trust local politicians to take decisions", and: "Republicans support British rule". That is a slightly bizarre situation, I think you will agree, Madam Speaker.

Colleagues have spoken about democratic deficits, and my friend George Dawson will touch on that when he winds up the debate. I want to consider the proper role of the law in dealing with such matters as social change. Parliament should be very careful when legislating in such an area. Rather than producing the kind of liberal, tolerant society that we all want, the regulations are in danger of stoking up grievances and making life more difficult for those whom they seek to help.

I am concerned that lawyers will be the only people who will benefit from these regulations — and I say that, given that I have a vested interest. The problem of using the law to change society is that it is necessarily a blunt instrument that will create many unintended and undesirable consequences. Given the timescale, there is not even an adequate opportunity to consider such matters in detail.

There is a saying in the law that ignorance of the law is no defence. I hope that my friends will read the Protection from Harassment (Northern Ireland) Order 1997; if they do, they will have no defence for what they have said today. The 1997 Order says that:

"a person shall not pursue a course of conduct —

- (a) which amounts to harassment of another; and
- (b) which he knows or ought to know amounts to harassment of the other."

Harassment legislation already exists, ladies and gentlemen. Article 3 of the new regulations defines a new offence of harassment on the grounds of sexual orientation, which, as Mr Nesbitt pointed out, is tested subjectively, not objectively. That provides an extra protection for the gay and lesbian community above that which is given to the rest of us. People do not realise that legislation for protection from harassment already exists. It protects us all; if we want equality, that is the way that it should be.

Much has been said about homophobic attacks, especially by Sinn Féin's human rights spokesman — if there is such a thing. If she supported the PSNI and the Policing Board, she would do much more to deal with all hate crimes, be they homophobic, sectarian or racist. Of course, her party chooses not to join the PSNI or to support the rule of law. Sinn Féin should not lecture us about the rule of law when it cannot itself support the rule of law. I wonder whether Sinn Féin will expel any of its members who are found

guilty of criminal offences, as my party has done in the past in relation to homophobic attacks.

Mrs Long: I believe that freedom of speech —
[*Interruption.*]

Madam Speaker: Order.

Mrs Long: Freedom of speech and freedom of religion are important and fundamental freedoms, and I am sure that all Members want to see them protected. The right to express my faith and beliefs openly and honestly in a temperate fashion is one that I value immensely and want to see defended for all people. However, those are not the only freedoms and protections that are important in society. Those of us who enjoy those particular rights, protections and safeguards should be those who most wish to see them extended to all people.

We should surely want to see the freedom to live free of harassment and intimidation and to receive equal treatment under the law in matters of the extension of goods and services to all people. Equality and human rights are not fixed quantities. Extending them to others does not diminish one's own; in fact, creating a more equal, open, honest and fair society actually strengthens all our positions and rights.

The motion raises a number of issues, most notably, the differential between our situation and that in England and Wales, the reasons for any deferral and the effectiveness of the consultation. It is my understanding, having researched the issue and spoken to those who were involved in the decision to defer the legislation in England and Wales, that it was simply impossible for the 3,000-odd consultation responses that they received to be processed in advance of the November deadline. I also understand that there is a long-standing agreement between Government and business that legislation that affects businesses will be advanced only at two times of the year — November and April. On those grounds, these regulations could not have been brought forward in advance of the April deadline. No one to whom I have spoken has the sense that the Government have gone cold on the legislation in England and Wales.

Furthermore, in relation to the effectiveness of the consultation, I accept Jeffrey Donaldson's point that the consultation period was short and perhaps not as well timed as it ought to have been.

However, it is clear from the number of detailed responses received that all the substantive issues have been raised with the Department. Furthermore, the fact that exemptions granted to religious bodies have been strengthened during the process means that the consultation has affected the legislation. Therefore consultation has been effective in taking account of representations made during the process; many

consultations in Northern Ireland do not result in changes to legislation. That must be recognised.

The legislation contains grey areas, which will be tested in court, as happens with all legislation. On the basis of common sense, a judge will decide whether those grey areas can be sorted out properly. It is not possible to legislate for each individual situation; that is a fact with all legislation.

The Member for Strangford Mr Jim Shannon — and I hope that I am not misrepresenting him — argued that a businessman should retain the right to refuse business politely from a gay person. If the hon Member for Strangford had suggested that it would be acceptable for a businessman to refuse business, politely or otherwise, from someone with a disability, a Muslim, a Jew, a Chinese person, a black person, a woman or a Christian, it would have been a complete affront to the House. We must be very careful about saying that people should have the right to refuse business simply on the basis of people's beliefs, lifestyles, or who they are. That is not acceptable, and it does little to convince people that the motion is not driven by prejudice.

Some Members have suggested that the legislation would impose a duty to promote homosexuality: nowhere in the legislation is there a demand to promote a homosexual lifestyle. That claim has been made in the House this morning; Members can read it in Hansard. The legislation contains no duty to promote or defend a homosexual lifestyle: the duty is to treat people with respect.

Mr Donaldson: Will the Member give way?

Mrs Long: No, I will not give way at this point.

I have discussed these issues with people who have lobbied strongly to find protections for those with Christian principles. It is my understanding that there is not an issue with regard to bed-and-breakfast accommodation, homes for the elderly, and so forth. The legislation does not preclude Christian owners of guest houses or old people's homes from applying their Christian principles against all people who are in sexual relationships outside marriage and saying that they will accept only people who are single or married. The legislation simply states that a person cannot accept an unmarried heterosexual couple but refuse an unmarried homosexual couple. That is quite right. If this concern stems from genuine Christian principle rather than prejudice, the law provides protection for people to take those decisions.

It has been suggested that simply stating one's belief that homosexuality is a sin could lead to a charge of harassment, but there is no evidence that that is the case. Repeated and intemperate remarks targeted maliciously at an individual would constitute harassment. I question whether any Christian would

wish to target his or her views repeatedly at an individual in an intemperate manner, because I would question whether that person is a good witness.

12.15 pm

On a personal note, it grieves me, as a Christian, that those of us who profess a personal Christian faith are so often seen to be in the heel-dragging section of the population when it comes to issues of human rights and equality. We ought to be at the forefront of the movement to extend to everyone the same rights that we enjoy. We should extend protections and safeguards under the law to all people, thereby reflecting the inherent dignity, worth and value of every human being, as it is my belief that we are all created in the image of God.

[Interruption.]

Madam Speaker: Order, order.

Mr Dawson: I have no hesitation in saying that I approach these and other regulations and laws from the standpoint of Christian morality. That is my world view. It is my right to have, defend and express that world view. It is my right to allow that world view to influence my decisions, my life and my actions. I share that view with many hundreds of thousands of people across Northern Ireland.

The DUP's approach to the regulations is not simply based on the fact that it does not like them — although it does not. The regulations are a direct attack on the right to hold, express and manifest a religious belief. They are an attack on freedom: on freedom of speech and freedom of religion.

Mr Poots: Has such an attack not already taken place in the Chamber this morning? Mr Maskey attacked both the DUP and the Free Presbyterian Church. Perhaps Members are aware of Cardinal Ratzinger's statement that homosexuality is:

"a more or less strong tendency ordered to an intrinsic moral evil, and thus the inclination itself must be seen as an objective disorder".

Madam Speaker: Mr Poots, I draw your attention to what I said at the start of the debate. You must be careful not to misrepresent the remarks of other Members.

Mr Poots: I do not think that I have misrepresented anyone thus far.

Madam Speaker: Are you taking part in the debate, Mr Poots?

Mr Dawson: I had given way to Mr Poots.

Madam Speaker: You have given way for quite some time, Mr Dawson, which eats into the time that you have to speak.

Mr Dawson: The interventions from Sinn Féin Members today have convinced the DUP, yet again,

that they have no commitment to the principles of democracy.

I too am aware of the current Pope's comments on homosexuality, as quoted by Mr Poots. I am sure that the Members from both the SDLP and Sinn Féin will brand the current Pope as homophobic for making those remarks.

The regulations fly in the face of opposition from both Protestants and Roman Catholics and are being implemented for the benefit of a tiny, vociferous minority. They are a charter for the persecution of anyone with a moral conscience. Anyone who reads the national newspapers will have seen page after page of comment and criticism from the Churches. The Roman Catholic Archbishop of Birmingham, the Most Rev Vincent Nichols, has accused the Government of an:

"aggressive reshaping of our moral framework".

The Catholic Church in England and Wales has warned of a rebellion in schools and charities. Those people are not foot-draggers — they have a clear moral conscience. The Bishop of Rochester, the Rt Rev Michael Nazir-Ali, warned the Government that the regulations:

"will certainly affect a great deal of charitable work done by the churches and others. It is the poor and disadvantaged who will be the losers."

It is hard to see how the equality agenda will be advanced when the poor and the disadvantaged are the ones that suffer. In recent meetings with my party leader, both the Catholic Archbishop of Armagh and the Church of Ireland Archbishop of Armagh have raised these issues. That demonstrates the concern about the regulations felt by the religious community in Northern Ireland. The Presbyterian Church has described the regulations as a:

"worrying intrusion of legislation into the affairs of faith."

I have spoken to the clerk of the general assembly about the matter and am aware of his concerns about the regulations.

This is bad law. It will result in the harassment of Christian people.

However, to summarise the main points; first, there has been inadequate consultation on the regulations. The facts are as follows: eight weeks' consultation time was given, with four weeks of that time being in the holiday season, in contrast to the Government's own recommendation of 12 weeks. Six weeks of consideration was given to the local responses, while in the rest of the United Kingdom the responses are still being considered. Are we to believe that the issues raised here are of less importance than those raised in the United Kingdom, or are we to believe that the Secretary of State and the Northern Ireland Office are of a higher intelligence, so that they can deal with the issues in a better way than the rest of their GB colleagues?

The Government published the consultation responses after the proposals were laid in Parliament. Perhaps it was because consideration of the proposals had not been completed until the additional three weeks had elapsed. Going further than that, however, the consultation misled the public. In paragraph 4.15 of the consultation document, it specifically states that:

“On the basis of the complex arguments put forward we are minded to accept that it is not appropriate to legislate for harassment within these regulations.”

Yet there is a harassment provision in the regulations. The Government, while stating that they were not going to include such a provision, have gone back on what they said, and there has not been adequate consultation on the harassment provisions.

Mrs Foster: Is the Member aware that the jurisprudence on the term “harassment”, under the Protection from Harassment (Northern Ireland) Order 1997, is given the widest possible meaning when it comes before the courts, because that is what happens?

Mr Dawson: I thank the Member for her intervention. There has been quite a number of barrack-room lawyers in the House today, but none of them has been accurate in what they have said. However, I appreciate the comments from a lawyer.

Mrs Foster: Legal aided. [*Laughter.*]

Mr Dawson: Not only has there been inadequate consultation on the matter, the regulations create inequality rather than equality. The European Convention on Human Rights states that the right to hold religious belief is absolute. Consequently, the Government cannot penalise those who for religious reasons hold that homosexuality is wrong or sinful. The Government, and Members opposite, may not like that view, but we have the right to hold it and not to be persecuted for holding it.

As my hon Friend, Mr Donaldson, has said, the six major world religions are opposed to homosexual practice. Judaism, Islam and Christianity all teach that homosexual practice is sinful. Bible teaching affirms that the only legitimate context for sexual relations is within a monogamous, heterosexual marriage. Furthermore, the exemptions in the regulations do not provide adequate protection for religious people, and that is particularly true of the harassment section that my hon Friend has already referred to.

Regulations 9 to 11, for example, lay down blanket anti-discrimination and harassment laws for education. There are no exemptions in relation to education. It will, therefore, be argued by some people that the regulations should apply in the content of the curriculum. A gay rights activist, for example, could say that a school that uses novels in relation to heterosexual love must also use novels with a theme of homosexual love. A similar argument could be used to justify equal treatment of

homosexual and heterosexual sex in sex education lessons.

That is not, as some have said, scaremongering. The gay and lesbian lobby has already targeted schools in Canada, forcing books onto the curriculum against the views of teachers and parents in that jurisdiction. In 2002, the Chamberlain case in the Canadian Supreme Court struck down the decision of a British Columbian school board to refuse approval for three kindergarten schools to promote homosexual views in the classroom. That is not scaremongering; that is what is happening, and what happens across the Atlantic today will happen in Northern Ireland tomorrow.

These regulations violate the consciences of Christian children and their parents, and those of people in other religions as well. The regulations go further than any protection that there is for religion in Northern Ireland. The Fair Employment and Treatment (Northern Ireland) Order 1998 provided broad exemptions for schools, but these regulations do not.

One can therefore sue in order to put homosexuality onto the curriculum in Northern Ireland, but one cannot sue to remove it from the curriculum or to protect children against the teaching of homosexuality. That is what these regulations will do. The ‘Getting Equal’ consultation stated that that would not be the case. On page 2, it states that the regulations’ express aim is:

“to bring protection from sexual orientation discrimination into line with existing legislation that prohibits discrimination on the grounds of ... religious belief”.

However, the regulations on sexual orientation go much further than those that protect religious belief in Northern Ireland.

Madam Speaker, I am coming to the end of my speech. In the history of this island there were laws that were known as the penal laws.

Madam Speaker: You have gone over your time, Mr Dawson.

Mr Dawson: I require just two seconds Madam Speaker; grant me some latitude for the winding-up speech.

Madam Speaker: That is fine.

Mr Dawson: The penal laws excluded non-Anglicans from positions of authority in business and politics. The sexual orientation regulations have the potential to exclude from business life and other aspects of society those who hold Christian moral views. That new secular ascendancy will penalise and exclude all those —

Madam Speaker: Thank you, Mr Dawson.

Question put.

The Assembly divided: Ayes 39; Noes 39.

AYES

Billy Armstrong, Norah Beare, Roy Beggs, Billy Bell, Paul Berry, Esmond Birnie, Thomas Buchanan, Gregory Campbell, Wilson Clyde, Robert Coulter, Leslie Cree, George Dawson, Diane Dodds, Nigel Dodds, Jeffrey Donaldson, Reg Empey, George Ennis, Arlene Foster, Samuel Gardiner, Paul Girvan, William Hay, David Hilditch, Danny Kennedy, Nelson McCausland, William McCrea, David McNarry, Stephen Moutray, Dermot Nesbitt, Robin Newton, Ian Paisley Jnr, Ian R K Paisley, Edwin Poots, George Robinson, Peter Robinson, Jim Shannon, David Simpson, Mervyn Storey, Peter Weir, Jim Wilson.

Tellers for the Ayes: Jeffrey Donaldson and Edwin Poots.

NOES

Gerry Adams, Alex Attwood, Dominic Bradley, Mary Bradley, Francis Brolly, Willie Clarke, John Dallat, Pat Doherty, David Ervine, Seán Farren, David Ford, Tommy Gallagher, Carmel Hanna, Davy Hyland, Dolores Kelly, Gerry Kelly, Patricia Lewsley, Naomi Long, Alban Maginness, Alex Maskey, Fra McCann, Kieran McCarthy, Raymond McCartney, Alasdair McDonnell, Barry McElduff, Philip McGuigan, Mitchel McLaughlin, Eugene McMenamin, Francie Molloy, Conor Murphy, John O'Dowd, Pat O'Rawe, Tom O'Reilly, Pat Ramsey, Sue Ramsey, Margaret Ritchie, Caitríona Ruane, Kathy Stanton.

Vote on vacancy in Membership [Michael Ferguson (deceased)]: Gerry Adams.

Tellers for the Noes: Eugene McMenamin and Sue Ramsey.

Question accordingly negatived.

Madam Speaker: Order. I remind Members that, under Standing Order 18(f), if the votes in a Division are equal, the amendment or motion shall not be carried. Therefore the motion is not carried.

The sitting was suspended at 12.43 pm.

On resuming (Madam Speaker in the Chair) —

2.00 pm

Fire and Rescue Service Draft Integrated Risk Management Plan

Madam Speaker: The Business Committee has allowed two hours for the debate. The proposer of the motion will have 15 minutes to speak, and all other Members will have 10 minutes.

Mr McGuigan: I beg to move

That this Assembly notes the 'Draft Integrated Risk Management Plan consultation document 2007/08' prepared by the Fire and Rescue Service and calls for any conclusions and recommendations to ensure that present standards are maintained and that the safety of our citizens is paramount over any other consideration.

A Cheann Comhairle, I have an engagement simultaneous to this debate. I will have to make my contribution and then leave, for which I apologise. However, I will be back before the debate is finished.

I acknowledge and welcome the amendment proposed by Mervyn Storey and Peter Weir of the DUP. The sentiments expressed in the amendment are implicit in the motion, so I have no difficulty in supporting the amendment. This is an important debate, and it should not be constrained by party lines. It involves social and safety issues.

The Fire and Rescue Service published its draft integrated risk management plan (IRMP) for 2007-08 on 1 November 2006. The consultation period will end on 31 January 2007. I urge all Members to ensure that they participate fully in the consultation process.

The Fire and Rescue Service integrated risk management plan for 2006-07 states that:

"A fast response to incidents can make the difference between life and death. The Fire Service Emergency Cover (FSEC) process therefore concentrates on the effect of attendance times as the primary driver for reducing risk to life by operational means.

It is also important that the correct number of firefighters attend each incident to enable firefighting operations to be conducted in a safe and effective manner. Collectively this response is known as the 'speed and weight of attack'."

I do not think that any Member will find any difficulty in supporting that assertion. However, we now face the difficulty that, contained in the new draft integrated risk management plan, there are proposals that counter that statement. There is a proposal to cut the number of fire engines from two to one in 12 towns across the North, including two towns — Ballymoney and Ballycastle — in my constituency.

Integrated risk management planning is the technology used by the Fire and Rescue Service in the strategic deployment of resources within a brigade area. There have been three previous integrated risk management

plans in the North; the subject of today's debate is the fourth. The consultation document contains a lot of technical jargon. However, for the ordinary layman or laywoman, it would be a straightforward assumption that response times for fire engines reaching the scene of a fire are crucial in saving lives.

The new figures for response times introduced by the Fire and Rescue Service to high-, medium- and low-risk call outs reflect that fact. For example, in a medium-risk call out, the first appliance should arrive within 12 minutes of the call being made. In all call outs, the second appliance should arrive within three minutes of the first appliance's arrival. It should be remembered that, in many house fires, a second appliance is critical to ensure safety. Indeed, in the case of a call out where a person is reported trapped in a house, the Fire and Rescue Service currently sends three fire engines.

Those attendance times are the core of the argument that the Fire and Rescue Service is wrong to even consider the removal of 12 engines from the 12 towns in the North. The three-minute time lag is crucial to the safety of firefighters and the public. Statistics show that, of all fire incidents, house fires still claim the lives of most people or cause the most injuries.

I quoted earlier from last year's integrated risk management plan:

"A fast response to incidents can make the difference between life and death."

Is that quote not as true today as it was last year?

The quote goes on:

"It is also important that the correct number of firefighters attend each incident to enable firefighting operations to be conducted in a safe and effective manner."

A Cheann Comhairle, these points were accurate on 1 April 2006; they remain accurate now, and they will be accurate in the future. If any fire engines are removed from those 12 towns and their surrounds, the Fire and Rescue Service will not make its own response times, and lives will be put at risk. In Ballycastle in my constituency for example, if the second engine were removed, a second fire engine would not be in attendance within the required 15-minute timescale; and the three-minute time lag between the first and second engines arriving, so crucial in circumstances of serious house fires, could be massively exceeded. Typically, distance times will be 20 to 25 minutes and greater.

The bottom line, a Cheann Comhairle, is that no matter where people live, they have the right to equal access to essential services. Current standards must be maintained, and the safety of citizens and firefighters must be paramount. The proposals contained in the draft IRMP consultation document jeopardise those standards and must be removed.

Go raibh maith agat.

Madam Speaker: I have received one amendment to the motion, which is published on the Marshalled List of Amendments.

Mr Storey: I beg to move the following amendment: Leave out "notes" and insert "condemns the proposals contained in", and leave out all after "Service" and insert

"to remove the second fire appliances from twelve towns in Northern Ireland, thus endangering the safety of both firefighters and the public."

The process of consultation has already come in for some criticism in this House — and rightly so. The IRMP consultation over the past three years could not be described as widespread or well informed. If the imperative is to have a public consultation process, an equal imperative is that that process be transparent and accountable. The Fire Brigades Union describes the process to date as a sham, used to endorse strategic decisions that have been taken in advance of consultation by senior Northern Ireland Fire and Rescue Service (NIFRS) managers. If that is the case, it is to be regretted, and it is something that this House should not endorse.

As a former member of the Fire Authority for Northern Ireland, I can say that we should be proud of the local Fire and Rescue Service. Too often it is the Cinderella of the emergency services and fails to get the recognition and resources that it deserves.

This issue should not be used as a political football. It is an issue that should unite all the parties in this House, because the Northern Ireland Fire and Rescue Service has, throughout the difficulties that the Province has faced, been at the forefront of ensuring the safety of residents. I wish to place on record our appreciation of the work of the Northern Ireland Fire and Rescue Service through 35 years of terrorism wreaked upon the Province and supported by some Members in the House. We welcome the fact that, belatedly, those Members are coming to support it.

The proposals in the draft IRMP will lead to fire cover by postcode. The costs are, as yet, unquantified and the proposals are unwarranted and unsafe, not only for firefighters, but for the public of Northern Ireland.

The Member for North Antrim referred to the Fire Authority for Northern Ireland's acceptance of the emergency response standards. Those standards set out the requirement for the attendance of fire appliances and, in particular, for the attendance of a second fire appliance.

I remind Members of the fire stations at risk: Ballycastle, Ballyclare, Ballymoney, Castlederg, Clogher, Holywood, Kilkeel, Lisnaskea, Maghera, Newtownhamilton, Portstewart and Rathfriland.

Members should also remember that not only are the stations listed in the draft IRMP for 2007-08 at risk; it is also proposed to review cover for the city of Belfast. Members cannot suppose that stations in their constituencies are not under threat, simply because they are not mentioned.

I trust that the proposal is not a cynical attempt by the board of the Fire and Rescue Service to change the provision of service delivery. If so, it should declare that openly and transparently. It should put the precise proposals about those stations on the table.

Computer software — the Fire Service emergency cover system — is used to analyse historical incidents, and census data is used to identify risks in the Fire and Rescue Service area in order to determine the appropriate response standard. That methodology indicates that in Northern Ireland — as in the rest of the United Kingdom — most fires, fatalities and injuries arise from fires in homes. When standards are met, fire crews are able to function within safety systems and in the knowledge that they can ensure people's safety. In all risk categories, there is a maximum of a three-minute time-lapse between the arrival of the first and the second appliance. That is to ensure that the response time and the weight of attack are adequate for the risk in all circumstances. That three-minute time-lapse is at the core of the contention.

The IRMP proposals are flawed and dangerous. If the proposals to remove the second appliance from the 12 designated locations are realised, it will not be possible to have a second appliance in attendance within the stipulated time in those areas that have been targeted for cuts. Ballycastle has been mentioned; to that I add Ballymoney, in my own constituency. If those towns have to depend on a second appliance coming from Coleraine, it will take more than the time stipulated in the approved emergency response standards.

In Northern Ireland, all stations reach that response time on 75% of occasions. Those stations that currently lag behind and that fail to meet response times on 25% of occasions will now have those 12 stations added to their number. Instead of an enhanced service providing improved delivery, these proposals will have a detrimental effect on the Fire Service. The IRMP proposals undermine the dwelling-fire-risk assessment that underpins the response standards published and approved by the Fire Authority for Northern Ireland in April 2006. It is not true to say that there are fewer call outs. In certain circumstances, there are fewer mobilisations of fire appliances because of the authority's decision to reduce attendance to automatic fire alarms. However, it is disingenuous to assert that there are fewer fires. In the light of the ongoing threat from dissident organisations — if there is such a thing as dissident republicans — we must ensure that fire cover and response times are adequate.

The proposals are not costed, and no figure has been put on any saving. All Members are in favour of efficiency, but that should not be achieved at the expense of the safety of firefighters or citizens.

2.15 pm

Any savings will be minimal. The focus of the IRMP should be to enhance the safety of our community. We all, at some time, have had to depend on the Fire Service; I doubt whether there is one Member who has not had to call out the Fire Service. It would be a terrible tragedy if any of us in the Assembly or any of the citizens of Northern Ireland had need of the Fire Service and found it inadequate or incapable of delivering. I commend the amendment to the House and ask each party to support it and the Northern Ireland Fire and Rescue Service.

Mr Cree: Colleagues get many consultation documents; some relate to change in operation and others to improvement in services, whereas some are not interested in improving services but are more concerned with reducing costs and the number of employees. Studying the Northern Ireland Fire and Rescue Service's draft integrated risk management plan, I find that it does not address any of the foregoing points. Rather, it attacks the service's capacity to meet its own standards for response times. At first glance, the document appears innocuous; however, on closer examination, its proposals appear fundamentally flawed.

Throughout my comments, I wish to refer to the fire station in Holywood, but they apply equally to the other 11 stations. There are two front-line appliances based in north Down, in the station in Holywood. Under this plan, one of them would be removed and the station downgraded. No savings are contemplated. The recent investment there of £40,000 in the training of 10 new firefighters would have been totally wasted. That is ironic, as Holywood is one of three centres of excellence in Northern Ireland, and it provides NVQ learning standards to new recruits. Holywood station covers a wide area, from the Knocknagoney Road to the Devil's Elbow, including a development at Kinegar Exchange that will include the new IKEA store. It is also part of the emergency response plan for the George Best Belfast City Airport. Moreover, it services huge depots in the harbour estate, Palace Barracks and significant fuel storage at Kinegar.

The consultation document is based on a review of the usage of second appliances and does not appear to consider actual demand. For example, at the time of this review, Holywood's manning levels were 50% of its intended establishment, due to staff shortages. This seriously compromised Holywood's ability to mobilise its two appliances in 2005, and therefore the figures in the document do not represent reality. In the document tables, Members will see that in the years before 2005, Holywood's response was exactly three times the ideal figure.

The proposals from the service's consultation document envisage replacing the second front-line appliance with a small fire safety unit, whatever that may be. That would seriously compromise the service's ability to provide adequate cover. It is difficult to see how the Fire Service could guarantee us predetermined response times. The second Holywood appliance has been in use for many years and has probably been fully depreciated. All the staff work part-time, and the volunteers represent no standby cost at all. Why dispense with such an economic and valuable service?

In summary, Madam Speaker, the loss of a second appliance would be a waste of staff resources in the light of the recent recruitment in Holywood, and it may compromise response times as laid down in the 'Northern Ireland Emergency Response Standards and Integrated Risk Management Action Plan 2006/07', which was published in April 2006. That loss will also cause considerable concern and criticism in the public arena, as has already been evident.

Mr Kennedy: Will the Member confirm that his concerns are for all the stations mentioned — including Holywood — but, particularly, for Newtownhamilton in Newry and Armagh?

Mr Cree: I thank the Member for his intervention. I am concerned about Newtownhamilton, and all of the others on the list.

The small fires unit would represent an additional cost — not a saving — to the Fire Service, and it would restrict current operational resilience. The current manpower level at the Holywood fire station offers a flexible pay-as-you-go resilience for its surrounding areas in times of seasonal and political demands, and its strategic location and manning levels offer a cost-effective opportunity for extra resources in the greater Belfast area. I support the amendment.

Mrs Hanna: Public safety is paramount, and it is essential that fire and rescue services are maintained to excellent standards. The SDLP will be making a comprehensive response to the draft consultation on the integrated risk management plan. We are aware of the vital role that the Fire Service has played over many years and through the Troubles, when there were often added risks beyond those associated with rescuing people and extinguishing fires — and I in no way wish to oversimplify the role of the fire officer. The ongoing attacks on the emergency services and on Health Service personnel must also be proactively addressed and removed.

The draft consultation document is part of a regular exercise, and it is useful in anticipating long-term development. However, I fully understand local concerns about each fire station in the ongoing consideration. Public safety must be uppermost in our minds, and integrated planning for all of the emergency services

to come together effectively and efficiently is crucial in all situations from the smallest kitchen fire to a major incident. Many of those services come under the umbrella of the Department of Health, Social Services and Public Safety.

Some of the arguments are, naturally, local, and my SDLP colleagues will provide an all-over view, from the local to the big picture. Some arguments are concerned with the question of what is local and what is regional, and with what measures are required to get the most efficient and effective system and the best value for money. Those requirements must be looked at in conjunction with what is best for the wider community, as would be done in a regional Assembly.

I would have preferred the draft consultation document to have contained a lot more information. It would have been helpful to have seen the annual report of the chief inspector of the Fire Service referenced to proposals in the draft, and I also would have liked to have seen more details on training and the planning of the geographic workload. The document should also have recommended that the Fire and Rescue Service have the ability to exercise more local control and a greater flexibility of staff and resources. Additional details on costing, risk assessments and analysis would also be of benefit; they are very important. If the Fire and Rescue Service is considering the removal of pumping, a risk analysis must be carried out, and the public must have more information on the risks to them if that happens.

There also needs to be a greater explanation for the reduced number of call outs. Is that due to better education on how to reduce the risks of fires — be it through carelessness with a cigarette or a chip pan? Or, might it be related to the end of the Troubles — as we know it — and reflective of a more tranquil society? We need more information before we can make an adequate response.

Mr McCarthy: I want to take this opportunity to praise the courage, dedication and hard work of all the staff of the Northern Ireland Fire and Rescue Service in ensuring the safety of people throughout Northern Ireland. For years, Fire Service personnel have put their lives on the line daily to save others. That must be recognised.

I am pleased that the Fire and Rescue Service's draft integrated risk management plan includes a proposal to conduct risk assessments of buildings that were not included in the 2005-06 plan. I welcome that initiative and hope that it will help to raise safety standards and save lives. With regard to proposal 3 — the location of fire stations and resources in Belfast — I understand the need for a review of facilities in the light of changes in demographics. However, the review must enhance the service and ensure better protection for the

people of Belfast. I hope that, given the increase in population in the city, the Fire Service will consider providing additional appliances in order to save life and property.

Mr Storey: We must be under no illusion that this is about the provision of additional locations for fire stations. Page 12 of the draft proposals clearly identifies current resources and names the stations in the city of Belfast. There is no provision for that to be expanded. Members must be sure that they understand clearly what is being proposed.

Mr McCarthy: I thank my colleague for his intervention. I understand exactly what is being proposed.

Proposal 4 of the draft document looks at the viability of second appliances in many towns in Northern Ireland. Removing second appliances could place the safety of local people at risk. We must do all in our power to prevent their removal. There must be no cost- or corner-cutting measures where people's lives are involved.

I want to raise a massive problem that faces local firefighters. In recent years, there have been many attacks on Fire Service staff trying to go about their work. It beggars belief that misguided young people — usually children — should launch attacks on firefighters, who are often trying to save the lives and property of people in their own areas. I appeal to parents and guardians to ensure that their children are not engaged in that shameful and reckless activity. I welcome the recent advertising campaign aimed at stopping such behaviour. Those who are caught attacking local firefighters must be dealt with severely by the police and the courts, as they endanger the safety not only of firefighters but, indeed, of the wider community. The issue must be tackled head on. Fire Service staff should not have to run the gauntlet of hatred when they are trying to save lives and property.

I strongly condemn the proposed removal of second appliances from 12 towns across Northern Ireland, including Holywood and Newtownhamilton, which were of concern to another Member. I suggest that, rather than decreasing the number of appliances, we must maintain whatever is required in order to provide the best Fire and Rescue Service for everyone in Northern Ireland. I am happy to support the motion and the amendment.

Mr Hay: I am glad that, as a public representative, I have the opportunity to speak about such an important issue on behalf of the wider community. I always worry when I see consultation documents, from wherever they may come. They are always concerned with reducing resources in Northern Ireland. I believe that the risk management document goes a long way towards doing that.

My town of Londonderry was not one of the towns that were named in the document. However, the important point is that at some time in the future, it could be. My hon Friend from North Antrim Mervyn Storey has already described a situation that could occur in Belfast. Therefore we all should be careful, because these recommendations could have a snowball effect across Northern Ireland.

2.30 pm

As many Members have already mentioned, it is important that we recognise the service that all our emergency services have provided, especially through the difficult years here. Many members of those services have made the supreme sacrifice — none more so than those from the Northern Ireland Fire and Rescue Service. It would be wrong if the House did not recognise the great sacrifices that have been made.

It is tragic that all our emergency services, especially the Fire Service, have experienced difficult times. We can all recall that, a few years ago, members of the Fire Service had to stand on picket lines to try to get a reasonable salary for the difficult job that they do. Everyone in the House at the time supported their actions and what they were trying to do. That action was about getting recognition for what they provide for all citizens in Northern Ireland from the Government and from the Fire Service.

The bottom line is that any reduction in resources to the Fire Service must be condemned. I am glad that the Member who proposed the motion has accepted the amendment, which makes the motion a lot stronger. It goes a long way towards sending a clear message to the Government and to the Fire Service that they must keep their hands off the Fire Service and make absolutely sure that there is no reduction in the resources that it needs to do its job. That clear message must be sent today.

Mr Storey: Does the Member agree that there is an urgent need for the Northern Ireland Fire and Rescue Service to establish the training facility that has been on the long finger since I was a member of the Fire Authority for Northern Ireland? I understand that an imminent announcement may be made about the location of that facility. However, a number of fire stations across the country still require new premises. In particular, there has been an attempt over the past three or four years to find a suitable location for the fire station in my constituency of Ballymena.

Does the Member also agree that it is contradictory that the draft plan contains a proposal for a reduction in the number of second appliances when, in January, the Northern Ireland Fire and Rescue Service will look for additional recruits, even in those locations from which it proposes to remove a second appliance?

Mr Hay: I certainly agree with those comments. As I said, my greatest fear is that this is the start of a process that could lead to total and absolute disaster for the Fire Service in Northern Ireland.

I also agree with the hon Member that quite a number of the Province's fire stations do not meet the standards that they should. Many fire stations also need to be relocated, and that has created difficulties.

This House must send a loud and clear message to those who want to tamper with any of our emergency services: it cannot and should not happen.

We should be building on our emergency services, especially our fire services and resources, which are very much needed. I support the amendment.

Madam Speaker: Before I call the next speaker, I wish to bring to the attention of Members that this will be the first occasion that the Assembly will hear from Mr Willie Clarke, when he will be making what can be described as his maiden speech. As Members know, the convention is that such a speech is made without interruption.

Mr Clarke: Go raibh maith agat, a Cheann Comhairle. In supporting the amendment I wish to stress the vital importance of ensuring that there is adequate emergency fire cover, particularly in isolated rural areas. It is clear from the response that Sinn Féin has been receiving across the Six Counties that there is widespread opposition to the proposals contained in the annual integrated risk management plan.

The board of the Fire and Rescue Service has recently reiterated the message that the safety of the general public and firefighters across the North remains its number one priority. Those are worthy sentiments, which, sadly, have little or no basis in fact. There is growing concern about how the review will impact on towns and villages across the North.

In my constituency of South Down, the recommendations outlined in the review will result in the removal of one fire appliance from each of the fire stations in Kilkeel and Rathfriland. That will mean that there will be insufficient cover to provide the minimum level of protection that all communities should be entitled to when an emergency occurs.

The review mentions that specialised fire units will replace existing fire units, without specifying in any detail what exactly those units are, or how they are going to provide cover for local communities or indeed the wider population. There will also be specialised appliances housed in Rathfriland but kept on standby to be sent to calls all over the North, meaning the pool of the available staff in Rathfriland will be significantly reduced and less able to deal with local emergency call outs, such as house fires.

The existing large firefighting units can attend both small and large fires and will therefore provide the necessary flexibility that allows them to deal with a wide range of incidents. The smaller units are designed primarily to deal with small fires, but there is no mention of their capacity to deal with large fires or any other type of emergency call such as car accidents. Therefore, the proposals represent a reduction in the levels of equipment available to deal with all but the most minor of incidents.

The Fire and Rescue Service is in the process of creating full-time crews and fire stations in places such as Portadown and Newtownards. Contrast that with what has happened in rural areas such as Kilkeel, Rathfriland and Newtownhamilton and, just as importantly, the surrounding hinterland — the logical conclusion is that those rural areas are being downgraded significantly in order to pay for the upgrade in larger towns.

Given the areas in which the improved cover is being proposed, one might be forgiven for thinking that the people making the decisions are being highly selective about where they are improving facilities. I strongly believe that certain geographical areas are going to lose out as a result of the review. The view in my own constituency is that rural areas across South Down are being penalised and placed at risk in order to ensure a first-class service elsewhere.

How do the changes tally with the board's claims that it would not compromise the safety of the public and firefighters, nor the ability of firefighters to deal with emergencies? In reality, the Fire and Rescue Service is peddling empty rhetoric in an attempt to put a positive spin on what are unacceptable cuts to our emergency services. Having a second fire appliance is of vital importance and is needed in order to meet the standard required to deal with house fires. Will a householder, whose home is engulfed by fire, be expected to wait in the hope that a tender will make it in time as it travels from a major town many miles away, presuming, of course, it is available at the time of the emergency?

My constituency has one of the worst road infrastructures in the North. In Down district there is not one millimetre of dual carriageway. The Fire and Rescue Service is distorting and minimising the level of risk in places such as Kilkeel and Rathfriland in order to justify cuts to the fire stations in both towns.

Allowing for an arrival time of 21 minutes, instead of the existing 12-minute call out time, would place people at unacceptable risk. Local firefighters, who provide a wonderful service, and constantly put their lives at risk serving the community, may be placed in the position where they are forced to act against legal

guidance, if, for example, they attack a house fire without waiting until a second appliance arrives.

Will those firefighters be placed in the impossible position of having to ignore the pleas of families, friends and neighbours to tackle the fire because they need a back-up crew to protect them in case the fire spreads and they risk their lives unnecessarily? Will the senior persons responsible for reducing the numbers of machines simply blame the local crews and say that they should have known the risk or should have waited?

The local provision of machines and people should provide a reasonable safety net for the local community. This reduction in large firefighting machines will significantly undermine the safety of communities. If the number of calls is to be the only yardstick used when making these decisions, the safety of the community will be compromised. People will be penalised and left with less protection. On the occasions when something unforeseen happens, the Fire and Rescue Service argues that the number of calls attended to is not the only factor on which its policy is based. However, it has yet to mention any other criteria, such as risk.

This is not just a question of pounds and pence; the bottom line is that the Fire and Rescue Service must be able to provide an effective response to all local emergencies. In rural areas there is a very real concern that communities will be left exposed to unacceptable risk. No matter where people live, they have an absolute entitlement to equal access to services. We have given assurances that Sinn Féin will not back any proposals that will result in the withdrawal of fire appliances and endanger people's lives. Firefighters on the ground — and I have spoken to those in my constituency of South Down — are clearly opposed to any withdrawal of appliances. I urge the Assembly to support the amendment. Go raibh maith agat.

Mr Elliott: Madam Speaker, I have been told that the sound is extremely bad in this corner of the Chamber. I suggest that there is some sort of organised situation to prevent the Ulster Unionist Party from being heard. I just want to clarify that that is not the case. *[Interruption.]*

Perhaps some Members are interested but do not want to hear what I have to say. That is fine.

Emergency services — the Fire and Rescue Service, the Ambulance Service and even the Police Service — are coming under increasing attack from the public. That is not acceptable in this community, and I want to make that absolutely clear from the outset.

All of this appears to be rural apartheid. Most of the towns that have been targeted serve isolated rural areas. That is the case in my constituency of Fermanagh and South Tyrone. I am concerned about the continued centralisation of services, which is a worry to my constituents, who feel increasingly

isolated. We have seen in recent weeks that fire, whether deliberate or accidental, has the potential to kill and seriously injure and to damage property. It can happen within seconds and minutes. Those seconds and minutes are vital; services need to be at the scene quickly.

In particular, I want to cite Lisnaskea in County Fermanagh. If the first appliance is already attending an incident and a call comes in about an emergency in Rosslea, for example, the nearest appliance will be 26 miles away in Enniskillen. That is, at minimum, a 45-minute journey. In that time a property could be devastated, and it could mean life or death for people in or near that property. If there were a serious accident, people could die before the Fire and Rescue Service reached them. That is one of the biggest concerns for me and for my constituents.

In a house fire, noxious fumes and smoke can overcome the occupants before they have time to raise the alarm. An arson attack on retail premises can cause millions of pounds' worth of damage in a very short time — almost instantly. That is why it is vital that these services remain close at hand.

Mrs I Robinson: Does the Member agree that this Government have told us ad nauseam that less is better? We have seen the absolutely disastrous effect of that: less policing has meant more crime; fewer beds have meant longer waiting lists; and now fewer fire and rescue services will mean greater potential for loss of life and increased waiting times for fire appliances to arrive at the scene of road accidents, at which their equipment is needed to cut victims from vehicles.

2.45 pm

Costs cannot be the driving force for our emergency services. We must all support the amendment if we are to send a clear message to Government that less is bad.

Mr Elliott: I thank the Member for her intervention. I certainly cannot disagree with her comments, sentiments and interpretation of what the Government believe. That is the point that I have been trying to make.

I am aware that the Government are also having an internal review of ambulance services, which are equally critical to this community. In recent discussions on the location of health services, various stakeholders widely used the notion of the "golden hour" to attempt to justify where accident and emergency services should be sited. When the Fire and Rescue Service attends fires or other emergencies, seconds and minutes are important.

Therefore cost-cutting for the sake of cost-cutting is not desirable in this community or in any other community, whether here or on the mainland. It is a false economy on the Government's part.

Like the Fire Brigades Union (FBU), I am concerned by the proposal to remove the second fire

appliance from the 12 designated locations. I fear that to do so will negatively impact on the entire community and on the safety of many, not only in isolated rural areas, which obviously I am more prone to support, but in areas such as Ballymoney and Holywood, which are in key locations. Their removal will compromise firefighters, who have a significant job to do in this community. They will be hampered in doing their job successfully if the draft IRMP is implemented.

I do not want the public, or firefighters themselves, to be put at risk for the sake of money. Financial costing is required in every organisation, but there is a tipping point at which safety becomes the overriding issue. That may have to be achieved, even though I do not accept that it should be achieved for financial reasons.

The arrival of a fire appliance in the first few minutes of a fire, road traffic accident or other emergency is vital to minimising the damage to life or property. I note with interest that the FBU, in its briefing paper, has reservations about the way in which the previous three IRMP consultations were carried out. The FBU has raised an issue that other Members and I regularly raise: even when we respond to consultations, and experts respond to consultations, our responses are often not listened to. The Government think that they know better than the experts, but the Government are often wrong.

Ms Lewsley: I also wish to add my words of thanks to our firefighters in Northern Ireland for the courage and bravery that they have shown, and I extend that thanks to the rest of the emergency services. It is important to point out that the Assembly gave the first special Assembly award to our firefighters. That is a true reflection of our recognition of all their hard work.

It is important that we note that this is the fourth integrated risk management plan consultation that the Northern Ireland Fire and Rescue Service has conducted. Each consultation is followed by an action plan, which, in theory, is informed by the responses that have been received. The three previous consultations were not widely responded to; for example, only six written responses were received to last year's consultation.

Mr Weir: There have been concerns at times at the way in which the responses have been counted. There has been a slightly dubious quality to the way in which that has been done. I know of at least one occasion when perhaps hundreds of responses from serving firefighters that were received were counted as one response because they contained a similar point of view and used similar language.

I would take some of the figures that appeared in the responses to the consultation with a small pinch of salt.

Ms Lewsley: I thank the Member for that intervention.

It is often said that we in Northern Ireland are subject to consultation overload, which has already been mentioned. However, this is one consultation that we must not ignore, because there is a real danger that untested, untried and un-costed cuts in fire cover will be the result.

To understand the problem with the Fire and Rescue Service board's draft IRMP, we must understand the present standards stated in the motion. Evidence confirms what many firefighters already know: most fire-related fatalities occur in the home. Only last April, the NIFRS announced its emergency response standards; in other words, the number of fire engines and firefighters to be mobilised to any type of incident. The Fire and Rescue Service has set itself the target of meeting those response standards on 75% of occasions.

That methodology is accepted as the appropriate means of determining standards across the UK. In fact, the process has identified that, because of growing traffic congestion, the Fire and Rescue Service has difficulties in meeting attendance-time targets, particularly in Poleglass and Lagmore in my constituency. However, measures are being considered by the Fire and Rescue Service to address this failure. In the short term, the Fire and Rescue Service will have a fire engine on standby in Dunmurry. In the longer term, there will be a new fire station with the sole purpose of ensuring that attendance times can be met. There can be no doubt that the appropriate attendance in respect of "weight of response" and "speed of attack" must be seriously considered if lives are to be saved in dwelling fires.

The 12 fire stations highlighted for review during the consultation have been designated as being in medium-risk areas. The Fire and Rescue Service's standards state that, for a house fire, the first engine must attend within 12 minutes and the second within 15 minutes. Many Members have highlighted those times during the debate.

The nub of the issue is that, if the Fire and Rescue Service board's review of usage of second engines in those locations results in any decision to remove or replace them with another type of fire appliance, it will no longer be possible for fire crews to meet the attendance times for dwelling fires, simply because the second engine will have to be mobilised from a neighbouring town and will be unable to attend the incident within the stipulated 15 minutes.

For well-founded safety reasons, firefighters operate within rigid standard operating procedures. Firefighting must be organised and disciplined, otherwise people get hurt. The Fire and Rescue Service's standard operating procedures require that the range of incidents that it deals with be approached in a methodical manner.

Imagine a house on fire with a family trapped on an upper floor. The first fire engine arrives, and the firefighters have a number of questions to answer instantly. Do people need immediate rescue? How many water jets will be required to extinguish the fire and stop it from spreading to adjacent premises? Is a water supply available? Will firefighters need to enter the burning building wearing breathing apparatus? Will it be necessary to put a ladder up to the upper floor? Do any casualties require immediate first aid? Those are just some of the immediate decisions that firefighters are faced with in a life-threatening situation.

There will be five firefighters on that first fire engine. They, and the unfortunate people who are trapped by the fire and smoke, depend on the second fire engine arriving within the next three minutes. Any delay will have a significant impact on a fire and rescue officer's decision-making process in the critical initial stage of an incident and on whether there will be a successful outcome. If the draft IRMP goes through unchallenged, that second fire engine will be more than three minutes away, and the consequence will be that lives that could have been saved will be lost.

There are three key points that Members must grasp. The first is that the Fire and Rescue Service is proposing to consider whether an alternative specialist appliance would be more appropriate at the 12 locations.

Members must not be duped into believing that any specialist appliance will be an adequate replacement for a traditional fire engine.

The term "specialist appliance" refers to aerial platforms, command and control vehicles, and rescue tenders for dealing with road traffic collisions. They are designed, and intended, for specific purposes, and do not carry either the crew or the equipment to deal with house fires. Therefore, whether the Fire and Rescue Service decides that it might be appropriate to locate a turntable ladder in Kilkeel or a rescue tender in Ballymoney, the need still remains for a traditional fire engine and crew to deal with dwelling fires in those areas within the emergency response standards attendance time.

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

The second point is that the Fire and Rescue Service has set a target of meeting its emergency response standards on 75% of occasions; that target is arbitrary. Other fire and rescue services in the UK have set targets higher than 75%. That constitutes fire cover by postcode lottery, and our community deserves better.

The third point is that the proposal to replace the designated fire engines has not been costed. The Fire and Rescue Service does not intend to reduce attendance at dwelling fires. The problem is that the attendance of the second fire engine will be slower and less effective. The same costs will still be involved: the fire engines

have already been paid for, and the firefighters are already employed. The proposal will result only in later attendance times, and that will be past the point when they could have had any positive impact in a life-threatening situation.

The question must be asked: what does the proposal achieve? A cynic might deduce that the proposal is someone's bid for the post of Chief Fire Officer, by impressing figures in the sponsoring Department. The proposal is certainly not in the interests of the Fire and Rescue Service's effectiveness and efficiency, and it is most certainly not in the interests of safety.

Mr Deputy Speaker, it is the duty of elected representatives to oppose any cuts in the Fire and Rescue Service that will increase the risk to our community. The Fire Brigades Union is encouraging all parties to respond in writing to the consultation, highlighting the dangers. As Carmel Hanna has already said, the SDLP will be doing that, and I encourage other Members to do the same. I support the amendment.

Mr Shannon: I am glad to see that we are all on the same wavelength on this issue.

We are told that the proposal for up to 12 fire stations to lose their second appliance is an attempt to streamline the Fire and Rescue Service. A table of usage has been published, which I presume is meant to illustrate how usage of those appliances has decreased in those 12 locations. However, there are some problems with the table; one is immediately apparent to me, as I am sure it is to other Members.

I want to use the example of Holywood, which my colleague the Member for North Down Mr Cree has already mentioned, because it is close to my constituency. Holywood may lose its second appliance because of a decrease in its usage. However, the second appliance in Holywood is used more often than the first appliance in Castlederg; I know that my colleague Mr Buchanan will have something to say about Castlederg. There is a similar situation in places such as Newtownhamilton and Rathfriland, where usage is slightly down. If Holywood is taken as an indicator of intent, Castlederg may not only be in danger of losing its second appliance but also its first appliance. That is the logic of that table.

How does that achieve the aim of the integrated risk management action plan? The aim is stated as:

"working towards ... community safety ... to reduce injuries and deaths across a wide range of life threatening emergencies".

The proposed action plan does not make sense in fulfilling that objective. In 2005, Holywood's second appliance was used in 57 life-threatening situations. In 2004, the figure was almost treble that, at 147 life-threatening situations. We cannot look at one year's reduction, one year's victory, and place the lives of the people under the remit of that brigade in danger by jumping the gun and taking away a vital service

provision. We cannot cut corners. Anyone who has had the misfortune to be a victim of a fire, or even to have witnessed a fire, and experienced the speedy response and life-saving actions of crews working in tandem knows that the removal of that option lessens the chance of survival. Not only is there a danger to the general public but there is a danger to the brave men and women of our Fire and Rescue Service, who rely on one another for their very lives and the lives of others.

They move as a very well-oiled team. To take away a section of the team is to disrupt the system, piling too much pressure on one team, and leading to a higher chance of a tragic outcome. This is not scaremongering: fewer firefighters equals greater risk. I fully comprehend the need for streamlining and increased efficiency, but this attempt to cut back in these circumstances is incomprehensible. If the Fire and Rescue Service is to gain control of fires and to save lives and properties, it must do so at full strength.

3.00 pm

I do not wish to be facetious. However, if it were suggested that the oxygen tanks carried on firefighters' backs should only be half-filled in an attempt to save money, on the premise that, on average, a full tank of air is not used each time, people would be up in arms. They would be exasperated at the idiocy of the suggestion, yet they are faced with a lifesaving resource being shunted to save money. That is unacceptable.

I am not advocating that two teams should always be in the fire station on the off chance that there might be a fire. However, it was invaluable to have the engine and back-up available to respond to the 57 situations that required assistance in Holywood. I could understand a cutback if the vehicle had never been used, but as it has been used once every two and a half days in recent years, and once a week last year, the proposal seems nonsensical. I cannot fathom the rationale behind these plans. Try telling the 57 victims of the fires attended by the back-up team working alongside the first engine that that back-up was unnecessary, despite it having saved their livelihoods — even their lives. If the Fire and Rescue Service is to provide the required response, it must do so with every conceivable aid at its disposal. To attempt to cut down on that cannot be sensible and should not be supported.

Northern Ireland has many fire stations with a large number of staff at the full-time stations and a large number of full-time and retained staff at the other stations. There is also a voluntary station. Those teams are responsible for 660,000 homes. Statistically, 2.5 people live in each home, and it is the job of firefighters to ensure that their lives will be saved should the unthinkable occur.

We must also consider the possibility of a factory fire similar to the one that an English fireworks company suffered recently, in which two fire officers lost their lives. If several brigades were to respond at once to such a fire, they might leave the constituents of the Fire and Rescue Service's home remit unprotected in the event of a fire or a road traffic accident. That is where the added security of a second appliance is priceless. Although Holywood would suffer the initial loss of a back-up team, Ards, Bangor, Castlereagh and neighbouring towns, which have relied upon that back-up and have been secure in the knowledge that it was there, could also feel the effect of its loss.

Decisions such as this affect not only one station or brigade; they can have a ripple effect. Like a stone thrown into a pond, the ripples can be far-reaching depending on the weight of the stones thrown. This document suggests that the stone is a weighty one indeed.

Therefore I support the amendment to the motion. I urge that the recommendation to remove these 12 appliances be taken no further and that the consultation process and our full support be pledged to the sustenance of these much-used and essential pieces of equipment and team members. To do other than that is to endanger the lives of the men, women and children of the Province and to heap potentially even more danger and destruction on the men and women of the Fire and Rescue Service, who sacrificially serve us.

The bottom line is that if funding is needed to support this, it must be found. Funding can always be found for abstract, less worthy and less essential causes, and it must be found in this case. Money is the driving force behind these absurd regulations. I can think of no other reason to attempt to cut back the number of appliances.

It is not up to the Fire and Rescue Service to choose between saving lives and saving money. In fact, that should never register as a choice. Fire and rescue services should not be diminished or decreased; on the contrary, they should be enhanced and expanded. To make that happen, all Members must support the amendment.

Mr Berry: I support the motion and the amendment. The amendment, in Mr Storey's name, strengthens and enhances the motion. I do not say that from a political perspective, but because an important, clear and concise message must be sent to the Minister, the Chief Fire Officer and the chairman of the Fire Authority for Northern Ireland.

I served on the Health, Social Services and Public Safety Committee during the period of devolved government — I know that other Members in the Chamber today also served on that Committee — and we continually sent a clear message to the Department, the Minister, the Fire Authority for Northern Ireland and the Chief Fire Officer that services needed to be

maintained and strengthened, not reduced. Time after time, they came up with all of the concoctions of the day to reduce services, and the current IRMP document is another part of that agenda.

Some of those people are a law unto themselves. Everyone involved must receive a clear message from the Chamber today. Much that has been said in the debate has been helpful to the firefighters across Northern Ireland, and I place on record my gratitude to them for their tremendous work and dedication over the past 35 years or more.

It is a shame that we, as Assembly Members, have to plead with the Department and the Minister for present standards to be maintained. Shame on the Minister, the Department and all of their officials that Members have to make such a call today. As the motion states, and many Members have affirmed:

“the safety of our citizens is paramount”.

I, like other Members, condemn the proposed changes and the removal of second appliances from 12 towns across Northern Ireland. One of those towns, Newtownhamilton, which is in my constituency of Newry and Armagh, sits right on the border. It is a shame and a disgrace that the Department and the Fire Authority for Northern Ireland are even considering removing appliances from rural areas. The Chief Fire Officer must sit up and listen to what is being said.

Although Members mentioned individual fire stations, the bottom line is that regardless of whether one fire appliance is removed from one station, or each of the 12 stations loses a fire appliance, the loss of one is one too many. It is disgraceful that they are considering the removal of one fire appliance, never mind 12.

The proposed reduction in services is nothing more than a cost-cutting exercise. I commend the Fire Brigades Union, which has continually lobbied strongly, not for its own agenda, but for the firefighters and all citizens across the community. Members must ensure that they send a strong, clear message that any reduction in service is uncalled for and totally opposed and that any reduction to the current service is unacceptable. Time after time, in my experience, the Fire Service's senior officials have come up with plans on how to reduce services. The bottom line is that no party will accept the reduction of services in the Northern Ireland Fire and Rescue Service.

Again, I put on record my support for the motion and the amendment. The Minister, the Chief Fire Officer and the chairman of the Fire Authority for Northern Ireland must receive a clear and concise message today.

Some Members: Hear, hear.

Mr Buchanan: I too support a worthy motion that has been well debated in the Chamber today. The loss

of 10% of Northern Ireland's firefighting appliances, as proposed in the draft IRMP document, will undoubtedly have serious and detrimental consequences for communities across Northern Ireland. They expect and deserve a service that is fit for purpose and that can be called upon whenever an emergency arises. When a member of the community calls the Fire Service, it is because of a life-threatening emergency or the danger of property being destroyed.

There are two key factors in making safe and effective responses. The first is attendance time — the time it takes for a fire engine and crew to arrive at an emergency incident. The second factor is the number of fire appliances and firefighters needed to deal with the emergency in hand. However, the proposals in the draft IRMP document will undermine those key factors and will undoubtedly result in lives being lost.

In April 2006, new Northern Ireland emergency response times for the Northern Ireland Fire and Rescue Service were clearly highlighted in the IRMP document. However, those times cannot be met if there is to be any cut in appliances at the 12 threatened fire stations in Northern Ireland.

I want to refer specifically to Castlederg fire station, where there is a proposal to cut back from two engines to one. There is no doubt that that will pose a major threat to safety in that rural community. Castlederg is 20 miles from Omagh and 15 miles from Strabane. It would take up to 25 minutes for a second engine and fire crew to come from Omagh or Strabane to Castlederg. To go from Castlederg into the rural community, wherever in that community the emergency might be, could take up to another 10 minutes. That is far beyond the stipulated requirement laid down in the emergency response standards. A fire emergency or road traffic accident will result in certain death or destruction.

The threat posed to the already dwindling emergency services cover in rural west Tyrone, one of the largest rural areas in Northern Ireland and an area of high deprivation and poor roads infrastructure, is outrageous and creates a life-threatening situation. Such penny-pinching and money-saving proposals run contrary to the provision of sensible and effective fire cover. They are ill-judged, ill-timed and downright dangerous. Not only will the lives of the public be placed in greater danger, but so will the lives of the fire crews who so courageously deal with emergency incidents.

Rather than improving this invaluable emergency service, the proposals in the draft IRMP document, if carried through, will result in its destruction. I condemn any cuts in the Fire and Rescue Service throughout Northern Ireland. I support the amendment.

Mr D Bradley: Go raibh míle maith agat, a LeasCheann Comhairle. Tá mé iontach buíoch díot as an deis seo a thabhairt domh labhairt ar an leasú don

rún. Sa chéad dul síos, ba mhaith liom mo mheas ar na seirbhísí éigeandála a chur in iúl: an tseirbhís póilíneachta, an tseirbhís otharchairr, agus an tseirbhís dóiteáin.

I am grateful for the opportunity to speak, and I add my voice to those in favour of the amendment. First, I wish to place on record my admiration for the work of all the emergency services — the Police Service of Northern Ireland; the Northern Ireland Ambulance Service; and the Northern Ireland Fire and Rescue Service. Quite often they operate under very difficult circumstances and show incredible courage and bravery in the face of frequent life-threatening situations.

3.15 pm

I am sure that every Member of the House will join me in condemning those who attack members of the emergency services as they go about their important business of life-saving and protecting public safety.

Just as we expect the emergency services to come to our aid when the safety of the public is under threat, we have a duty to go to their aid and to support them when their safety and their ability to uphold public safety is threatened, as it is by these draft proposals. Some of the proposals in the draft IRMP document will threaten the safety of firefighters and the general public.

The document opens up the possibility of replacing the second fire engine in 12 towns throughout the North of Ireland, one of those being Newtownhamilton in my constituency.

Newtownhamilton is an isolated community that occupies a pivotal position in relation to Newry, Armagh, Keady and Crossmaglen. It is hilly country where the road system does not allow easy or speedy access. This is an area where there are frequent gorse fires during the summer and where a second fire engine is absolutely necessary. The Fire and Rescue Service tells us that in some cases second fire engines may be replaced by specialist vehicles.

However, specialist vehicles are by definition of limited use and in no way serve as an adequate replacement for a second fire engine. By its nature, fire requires a speedy response if life and property are to be protected. The removal of a second fire engine from those 12 stations will mean that response times in those areas could become longer, with the effect that the health and safety of the public will be placed at risk.

If the proposals are adopted, an outbreak of fire will require a second fire engine, and there will be an increased response time, which will put the public and the firefighters at risk. For this reason, it is clear that any proposal to remove second fire engines from the 12 stations will place the public and firefighters at risk. I call on all parties and members of the public to oppose the proposals. I commend the motion to you.

Mr Hussey: I apologise for my absence when the motion and the amendment were being moved during the earlier part of the debate. I understand that the amendment has been accepted, which I welcome. My constituency colleague, Mr Buchanan, has referred to one of the areas that is a particular concern of mine in my home town of Castlederg.

However, Members should remember that it is not that long since the Fire Service was renamed the Fire and Rescue Service. The rescue ability depends on what is described as the “speed and weight of attack” of the particular emergency that the service has to deal with.

Furthermore, there are other emergencies apart from fires. Fire appliances turn out frequently to road traffic accidents. It is totally irresponsible of the relevant authorities, whose prime responsibility should be safety, to put forward a proposal that will diminish the effectiveness of a public service.

The new proposal will put lives at risk. I am particularly concerned that it will endanger lives in my constituency. I am sure that other Members have highlighted their particular concerns.

We are talking about an integrated emergency service. The appliances were not located randomly; they were placed in those areas to serve the needs of the surrounding communities. To remove any of that cover now or in the future is totally irresponsible, and I welcome the motion and the amendment.

Standards of emergency response are based on the current distribution and logistical arrangements that the Fire Service operates under. The three-minute time lag, which is how long it takes for the second appliance to arrive after the arrival of the first, is based on the current layout of where our appliances actually are.

I referred earlier to the “speed and weight of attack” towards any incident that the Fire Service deals with.

That weight is based on the number of firefighters, as well appliances, who attend an incident. The safety of those who arrive on site with the first appliance would be compromised if they did not have the appropriate weight of attack — or weight of support — when they arrive at a situation, and the safety of crews must be considered.

When crews arrive on site, they are concerned about the safety of the public, and saving and maintaining the integrity of property and other assets. That cannot be compromised. I wholeheartedly support the motion and the amendment, as accepted. I hope that those responsible will remember what it is that we are talking about — a Fire and Rescue Service. Let us not compromise that.

Mr P J Bradley: I apologise for my non-attendance at the earlier part of the debate. I was at a meeting about a meeting about a meeting. *[Laughter.]*

I am confident that the Members who spoke before me were critical of any attempt to reduce the level of service provided by the local fire stations in the 12 towns referred to in the draft integrated risk management plan.

Coming from South Down, it is only natural that I am concerned about the proposed 50% reduction in services in Rathfriland and Kilkeel. I recently met with, and listened to the concerns of, representatives from the Rathfriland station. I wish to go on record in support of their opposition to the proposed reductions.

Kilkeel and Rathfriland fire stations cover an extensive rural area, a very large tract of which is mountain area with gorse, farmland and hill land. Indeed, when gorse fires break out, I have often witnessed through my window the apparatus coming out immediately from Rathfriland, sometimes backed up by those from Newry. That second appliance can be key to fighting a mountain or gorse fire, and any attempt to do away with that would defeat the whole purpose of firefighting.

I referred to my meeting with representatives from the Rathfriland station. Rathfriland is a two-pump station, with a firefighting team of 20 members: three teams of six and two reserves. I imagine that that is the picture at most of the other 11 stations designated for cutbacks. We must listen to and take our brief from the people that man the fire stations. They are the professionals, and any attempt to think differently from them would be wrong. Members need only look at the threats to services. Since the Assembly first met, threats to services have often been discussed in the Chamber: threats to the Health Service, education, the Planning Service, the Water Service and the Ambulance Service. It is now proposed that the Fire and Rescue Service — Mr Hussey reminded Members of its dual role — be added to that list.

The Assembly must go forward. I do not often say such words, but those listening to this debate must ensure that this service is not be allowed to come under threat — especially in rural areas. We must listen to the Fire and Rescue Service and to those on the ground who fight the fires, rather than Ministers who do not know the countryside in this part of the world.

Ms Ritchie: I apologise to you, Mr Deputy Speaker, and to Members of the House, for not being in the Chamber at the beginning of the debate. I was a party delegate at the Programme for Government Committee.

One of the fundamental requirements for any rural or urban community is a well-equipped, well-staffed and adequate integrated Fire and Rescue Service. The proposals in the draft plan will not provide that, and they will leave rural communities in danger and peril. A cursory examination of the published consultation document — the subject for discussion today — reveals that the real intention of the Fire and Rescue Service is to reduce the service to the community

through the proposed withdrawal of the second fire tender from 12 fire stations, many of which are located in extremely rural parts of Northern Ireland.

Questions immediately arise as to the rationale and purpose of such restrictive proposals. What is the real purpose of the consultation document?

Why does the Fire and Rescue Service propose to remove the second fire tender from those 12 stations, including two in South Down — one in Kilkeel and the other in Rathfriland? Why put the knife into rural communities? Why does it want to undermine services to rural communities and put the people there at risk and in grave jeopardy?

Is it not the case that the Fire and Rescue Service faces difficulties recruiting part-time firefighters in some areas? A campaign is to be launched in the new year for certain parts of the rural community. Would it not be better to adopt a more positive approach to the Fire and Rescue Service, rather than that of the knife and the proposed implementation of cuts? Where in this document does the Fire and Rescue Service express concern for isolated rural communities?

I encourage young people to join this worthy profession and continue the good work undertaken by their forefathers, who protected this community through some difficult and trying times and put their own lives in danger to afford safety to others. Their work should be applauded, and the best way to do that is for young people to be encouraged to join up and fight to protect rural communities. The recruitment of young part-time firefighters must be on a fair and equal basis. No restrictions must be placed on where full-time, part-time or senior officers reside — reports in previous years have indicated that that practice was promoted by the Fire Authority for Northern Ireland.

Mr Hussey: Surely, with regard to part-time retained officers in particular, where they actually live is important?

Ms Ritchie: I agree with the hon Member, but it has been the case that full-time senior fire officers have been dictated to as to where they reside. That is wrong, because their expertise could be required immediately in emergency situations, and my comments probably bear out what the Member previously said.

The Fire and Rescue Service must withdraw its plan to remove the second tender from the 12 fire stations. Looking at my own constituency, Kilkeel and Rathfriland are isolated rural communities, as Mr P J Bradley has already pointed out. Members probably know that themselves. The fire station in Kilkeel services a distinct mountainous rural community where speedy responses are vital in emergency situations. The needs of local communities, and the seasonal demands of the tourist and fishing industries, must be

taken into account to ensure that, in those cases, the second tender is retained.

3.30 pm

Accessibility, adequacy, availability and community requirements are the central criteria to measure any fire and rescue service. If the service does not match those requirements, then the Fire and Rescue Service must ensure that they are met through the retention of the second fire tender and the improvement of the service throughout Northern Ireland. We have fought long and hard for essential services for rural communities, and one of those essential services is a sound and equitable fire service. If necessary, this matter should be referred to the Programme for Government Committee for full and detailed discussions to ensure an adequate Fire and Rescue Service.

Mr Dallat: I am the seventeenth contributor to this debate, so most issues have been covered — or have they? Perhaps not. Each Member has spoken with great affection about his or her own area and the loss of the second pump, and I agree with that. However, it is only when one looks at this daft idea with a more holistic approach that one begins to realise how serious it is.

Mr Storey drew attention to the potential losses in his constituency of North Antrim. There are losses in east Derry as well and in Mid Ulster. In the tourist area of Ballycastle and Portstewart, where the population quadruples in the summer time, the loss is serious. Twenty miles inland, Maghera fire station services a large rural area where there is a lot of forestation. Parts of that area are also subject to flooding. Members referred earlier to road accidents; God knows there are enough of those. When one considers all these factors, the picture becomes even more serious. That area is also on the north Atlantic air route. No one wishes to predict another Lockerbie or Pan Am disaster, but emergency planning must take all factors into account. Had it not been for the work of the Scottish Fire Service after the Lockerbie disaster, many more would have lost their lives. That too is a consideration.

All this is about cost effectiveness. From my experience on the Public Accounts Committee, I can assure the House that financial problems relating to the Fire and Rescue Service's board and the Fire and Rescue Service have nothing to do with the brave men and women on the ground who fight fires. I have no wish to embarrass Mr Storey, but the problems are with the Fire and Rescue Service's board itself, its predecessor, and how it spent money. Mr Storey made reference to the Boucher Road training centre. What sensible fire agency would have bought land and spent millions of pounds on it, only to discover that fires could not be lit there? That is madness. Other matters, such as credit cards and so on, we can pass over.

After the debate, what will happen? There are some people listening in the Public Gallery, but I doubt whether any of them are members of the Fire and Rescue Service's board. If Members are sincere and genuinely concerned about the 12 fire stations threatened with the loss of a second fire appliance, they should redouble efforts to ensure that the Assembly continues. It must take responsibility for emergency services, ensuring that communities are not threatened by the bureaucrats and well-paid consultants who take millions of pounds out of the public purse every year but come up only with daft ideas over which the public have no influence. Thousands of people have already signed the petition against the proposals in this consultation document. Members can lend support to local communities by working together to ensure that the Assembly continues in order to stop the madness that has gone on, not only in the Fire and Rescue Service, but in every other aspect of life.

Mr Weir: I wind up in support of the amendment. I am glad that for once the Assembly speaks with one voice. The Member who moved the motion accepts the amendment, and all parties support the motion as amended.

Only a limited number of points need to be dealt with, but I wish to deal with them briefly before I move on to the substance of the amendment. Carmel Hanna pointed out a lack of clarity in the consultation document. I believe that to have been a deliberate attempt to obfuscate the need for adverse comment, to try to — forgive the pun — pour cold water over the report and try to ensure that the level of public concern is reduced. I agree with Kieran McCarthy and others who called for stiffer penalties for those who attack the emergency services.

I join with all of those Members who paid tribute to the emergency services, particularly the Fire and Rescue Service.

I take issue to some extent with the remarks of Willie Clarke and Tom Elliott — both of whom obviously have concerns about their own communities — who saw the report as a question of rural interests against centralising urban interests. It is a question of services being withdrawn across Northern Ireland. One has only to look at proposal 3, which implies a direct threat to the future cover of Belfast. That should be something that unites us: it is not just a threat to rural interests but to rural, urban and suburban interests. At risk are small towns across Northern Ireland, rural areas and inner-city areas. We must all speak with one voice.

Patricia Lewsley graphically indicated the practical ramifications of the recommendations. Like her, I question the motivation behind the report. Jim Shannon mentioned the "ripple effect"; that issue needs a strong focus. John Dallat highlighted the impact that seasons

have on a number of fire stations, but that point has not been considered. However, I disagree with him slightly about consultants. Unfortunately, and to its great shame, the report comes from within the Fire and Rescue Service itself, rather than, for once, being produced by outside consultants. That makes it more worthy of condemnation.

There are a great deal of weasel words and ambiguities in the report, and the purpose of the amendment is to deal with those. At no stage are reductions, job cuts, or increased threats to safety mentioned. The report uses euphemisms and talks about review of services, and on one occasion weasel words such as "review resource usage" are used. If that is not code for cutbacks, I do not know what is.

Therefore it is important that Members, by way of the amended motion, send out a clear signal to the Fire and Rescue Service that parties are united in their opposition to the proposals.

Mr Storey: Does the Member agree that there is a serious issue regarding the timing of the proposals? The report clearly states that after 31 January the Fire and Rescue Service:

"will review our proposals in light of all the comments received".

Those decisions will be made at a meeting of the board of the Northern Ireland Fire and Rescue Service in February 2007. The report does not refer to any further consultation on the final proposals that will emerge from this document.

Mr Weir: That highlights all our concerns as to how real the consultation should be. It is only by sending a clear signal from this Assembly that Members can put a spoke in the wheel of the process.

The previously mentioned principal proposals are based on the consultation document's fourth proposal, which deals with and names 12 towns throughout Northern Ireland. According to the document, the intention is to review, replace or reduce the number of fire appliances from two to one in each location and to replace them with small fire units.

The Fire and Rescue Service needs to be asked a range of pertinent questions about those small fire units. For example, will they be able to offer the same level of cover as the existing appliances? If they are replacements for current front-line appliances, will the Fire and Rescue Service guarantee appropriate cover from other areas within the agreed response times? If two major fires are reported at the same time in the same area, what will be the potential for those units to attend? Will they lead to a reduction in manpower? Will they offer the same opportunity for strategic cover as the existing appliances?

Leslie Cree highlighted a range of issues. The proposals run contrary to many of the actions that the

Fire and Rescue Service has already taken. Forty-thousand pounds were invested in recruitment in the past 18 months in Holywood fire station; however, that investment runs contrary to what actually happened in that station. That is not a unique case, however.

The response times of the second fire appliance will be the key issue. As indicated, where there is a house fire that does not threaten anyone's life, or no life is reported as being at risk, a minimum of two fire appliances are required to attend. Patricia Lewsley perhaps understated the situation in her example of people being trapped upstairs; when that type of information is known, three fire appliances should be present. With the best will in the world, and even if a fire appliance were being driven at breakneck speed, there is no way that any fire engine could be in Holywood within three minutes.

There is a particular problem with Holywood's reduced cover, as has already been stated. In these days when we are living under the threat of international terrorism — and when airports in particular tend to be targeted — it is a disgrace that the George Best Belfast City Airport is being left with inadequate cover.

Jim Shannon mentioned the ripple effect of such changes, and that has not been brought out sufficiently in the debate. Any action taken in the 12 stations will impact on their surrounding areas in two ways. I will take Holywood as an example, but it would apply equally to any of the other 11. If a fire in Holywood required a second appliance, one would immediately have to be brought in from Knock or Bangor. What would happen if there were a fire in Castlereagh or Bangor shortly after one of their appliances was brought in to provide extra cover in Holywood? Their local fire stations would be unable to respond effectively, because they had automatically lost one of their appliances to assist in Holywood. The people of Castlereagh and Bangor would be in danger. The effects will be felt not just in Holywood and Newtownards.

In the past, when there have been one or two fires in Bangor, for instance, Holywood fire station has provided cover, as Knock fire station has done for its surrounding areas. Firefighters might be unable to deal with a fire in Bangor because they cannot get support from Holywood. What is true of Holywood is also true of the other 11 stations at which cutbacks are being made. There is a clear knock-on effect.

The draft consultation document's recommendations will leave firefighters in one of two situations: they will be unable to cope with the fire and have to wait longer than what is acceptable for a second fire appliance — which will inevitably place lives at risk — or the response of the local fire station will be such that firefighters will disobey their health and safety regulations and go in to try their best to save lives

when they are understaffed due to the reduced cover. Firefighters will put their lives at risk. If the proposals are allowed to go through, people's lives will be put at risk.

In the Chamber, Members often talk about life-and-death decisions. Today, we are faced with a clear-cut example of such a decision: people will die if the recommendations are implemented. That is why Members must send a clear message that the proposals are unacceptable, and I want to hear a united voice in the Assembly saying no to the proposals. I commend the amendment to the House.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom mo thacaíocht don leasú a chur in iúl chomh maith. Is maith an rud go bhfuil gach duine sa Seomra ag caint d'aon ghuth ar son an leasaithe.

I support the amendment, and I commend my colleague Philip McGuigan, a Member for North Antrim, for tabling the motion. I am also happy to acknowledge that the amendment put forward by Mr Storey and Mr Weir added value to it. The key points have been addressed across the parties, and the motion has attracted widespread consensus and unanimity. There is, therefore, no need to engage in unnecessary repetition.

I want to be personally associated with the comments of my West Tyrone colleagues Derek Hussey, who spoke about his home town of Castlederg, and Tom Buchanan who supported him. I wish to be associated with their comments on this matter, although not perhaps on every matter.

Mr Weir: I think that the feeling is mutual.

Mr McElduff: Yes, I think so. Are you keeping well yourself, Peter? *[Laughter.]* All Members acknowledge that the proposals are driven by a cost-cutting agenda.

3.45 pm

The safety of our citizens is not being treated as the paramount consideration. As my colleague Peter Weir mentioned, the Assembly is speaking with one voice on the issue. When the Assembly speaks with one voice, as democratically elected representatives, its Members expect to be heard and responded to. Is anybody listening? They must listen. If the people's elected representatives speak with one voice, in a corporate sense, there is an onus on the Departments that are responsible for those issues to sit up and take notice.

I shall conclude by drawing attention to departmental guidelines on rural proofing. As other Members have pointed out, the proposals will have a disproportionate and negative impact on rural communities throughout the North. That begs the question of whether the rural proofing of departmental policies means anything. At lunchtime, I had a meeting with senior civil servants about the concept of rural

proofing. What is it? Does it apply? Does the Department of Health, Social Services and Public Safety have any interest in rural proofing? I understand that rural proofing is the process by which Government policies are examined carefully and objectively in order to ensure that they treat rural dwellers fairly and, in particular, to make sure that public services are accessible to people, on a fair basis, regardless of where they live in the North.

I ask the Department of Health, Social Services and Public Safety and the Fire and Rescue Service to pull back from the proposals. I also ask the Department of Agriculture and Rural Development to do its work and ensure that its sister Departments do not take decisions that will have an unduly negative impact on rural communities. Go raibh míle maith agat, a LeasCheann Comhairle.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly condemns the proposals contained in the 'Draft Integrated Risk Management Plan consultation document 2007/08' prepared by the Fire and Rescue Service to remove the second fire appliances from twelve towns in Northern Ireland, thus endangering the safety of both firefighters and the public.

Adjourned at 3.47 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 12 December 2006

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

Members observed two minutes' silence.

PRIVATE MEMBERS' BUSINESS

Introduction of the Offence of Corporate Manslaughter

Madam Speaker: The Business Committee has agreed to allow two hours for each of today's debates. The proposer of each motion will have 15 minutes to speak, and all other Members will have 10 minutes.

Mr Gardiner: I beg to move

That this Assembly calls upon the Government to introduce legislation introducing the offence of corporate manslaughter to Northern Ireland, where it could be proven that culpable negligence by a firm was a major contributory factor to the death of an employee or subcontracted worker; and further calls for the introduction of an additional offence of secondary liability for corporate manslaughter, where it could be shown that a company's failings were provably caused by the culpable negligence of one or more individuals within the firm.

The Corporate Manslaughter and Corporate Homicide Bill is currently in the House of Lords, having already passed through the House of Commons. The Bill applies to Northern Ireland as well as to England and Wales. In Scotland the offence of corporate manslaughter will be called corporate homicide. The Bill was introduced in the House of Commons on 20 July 2006. It passed Standing Committee B on 31 October 2006 and looks set to become law during 2007.

Therefore why, Madam Speaker, am I calling on the Government to extend the legislation to Northern Ireland? The clue is the second part of the motion.

There I call for an additional offence of secondary liability for corporate manslaughter, where it could be shown that the failings of a company, public body or organisation were caused by the negligence of one or more individuals in the firm or organisation involved. When I talk about organisations, I include councils, health boards and Departments.

The reason why I am calling for that extremely important addition to be made to the legislation is not

to seek retribution, even though retribution is a perfectly legitimate principle on which to base law. I seek that addition on the principle of effective deterrence.

An article on the Institute of Chartered Accountants in England and Wales's (ICAEW) website summarises the likely impact of the Corporate Manslaughter and Corporate Homicide Bill as follows:

"companies that comply with existing health and safety legislation have nothing to fear."

It continues:

"Companies found guilty of corporate manslaughter will face an unlimited fine, as well as a remedial order requiring the company to address the cause of the fatality".

The article concludes:

"As long as employers exercise due diligence in managing their health and safety risks, in the event of an accident, they are likely to have most of that duty of care discharged under the law".

The Government have confirmed that view. During the Bill's passage, Ministers have stressed that no new burdens will be placed on companies that already comply with health and safety legislation. In short, the new corporate manslaughter law will impose penalties no different in form or severity to existing health and safety legislation and manslaughter legislation. Under existing legislation, unlimited fines are already in place. Imprisonment is already an option under existing gross negligence manslaughter law.

Under that law, the Crown Prosecution Service (CPS) states that, where it can be proven that:

"There was a duty of care owed by the accused to the deceased",
that

"There was a breach of the duty of care by the accused",
that the

"Death of the deceased was caused by breach of the duty of care by the accused",

and that

"The breach of the duty of care by the accused was so great",

that can be described as gross negligence and is therefore a crime.

The problem with existing legislation has always been that, for a company to be prosecuted for gross negligence manslaughter, it is necessary to identify a "controlling mind", who is also personally guilty of that manslaughter. It is not possible under present law to add up the negligence of several individuals in order to show that the company or corporate body was grossly negligent. A specific individual must be identified as a "controlling mind" in order for corporate manslaughter to be proven. For that reason, a separate offence of corporate manslaughter had to be created.

At present, under the Health and Safety at Work etc. Act 1974, employers whose negligence leads to the

death of an employee or a member of the public can be convicted only where there is sufficient evidence to prove that individual members of the senior management team were guilty. Those individuals must be prosecuted before the company or corporate body can be prosecuted. To date, only seven small businesses have been found guilty of negligence. It was for that reason also that the new offence of corporate manslaughter had to be created.

When it becomes law, the Corporate Manslaughter and Corporate Homicide Bill will give the courts the power to decide whether the collective failings of a company's senior management team amount to a gross breach of the company's responsibility to protect the health and safety of its employees and the public.

The Government have stated that examples of such breaches will include failure to ensure that staff have adequate health and safety training and to check that equipment is in a safe condition, that lifts are maintained and adequate fire precautions have been taken.

Under the proposed legislation, an organisation will be guilty of the offence of corporate manslaughter if its activities are organised by senior managers in such a way as to cause a person's death and amount to a gross breach of a relevant duty of care that the organisation owed to the deceased.

To decide that question, any jury would have to consider whether the evidence showed that the organisation had failed to comply with the relevant health and safety legislation or guidance. The Bill also sets out a number of other factors for the jury to consider, such as whether senior managers sought to cause the organisation to profit from its health and safety failure. In other words, did the firm or corporation deliberately cut corners to reduce costs or boost profits?

Critics of the proposed legislation are already concerned that such additional factors will make it difficult to obtain a conviction. The overriding and most worrying aspect of this situation remains, however, that the new corporate manslaughter Bill lacks teeth. It has virtually no effective deterrent impact beyond that of existing legislation.

It is appropriate, Madam Speaker, to define what we are talking about in human terms. I began to call for corporate manslaughter legislation three years ago following the death of one of my young constituents in an accident during a motorway-upgrading and bridge-widening project near the junction of the M1 and Black's Road at Dunmurry. His death was a tragedy for his family. A young man's life; all the potential he has to offer — that is beyond price.

I felt that my young constituent's death had wider implications. I have lost two other constituents to industrial accidents in the past three years. The Royal Society for the Prevention of Accidents (RoSPA)

reported that there were 24 fatal accidents in Northern Ireland in 1998-99. There were 19 the following year; 16 the year after; 12 the year after that; and 21 in the year 2002-03.

More significantly, RoSPA reported that fatal accidents were at a rate of 2.17 per 100,000 employees in Northern Ireland in 1998-99, compared with just 0.8 in Great Britain. RoSPA summarised the situation as follows: there are about 20 fatal injuries each year; 70,000 cases of ill health are caused or aggravated by work activities each year; some 365,000 days are lost due to accidents at work each year; and the cost to employers is up to £370 million and to the Northern Ireland taxpayer over £500 million.

RoSPA further indicated that there are about 350 deaths of workers and members of the public in Great Britain every year due to reportable accidents at work. Taken on a pro rata basis, that means that Northern Ireland could expect to have about 10 deaths a year from accidents at work. Northern Ireland has 20 fatalities a year — twice the Great Britain average. Workers are twice as likely to be killed at work in Northern Ireland as they are in Great Britain. That is why we in Northern Ireland need to take the problem more seriously.

For those reasons alone, quite apart from the human tragedy, Northern Ireland must act. I am concerned that deterrent factors in the proposed UK corporate manslaughter Bill are inadequate. Those problems could be best addressed by the introduction of a new offence of secondary liability for corporate manslaughter. Juries could be asked to establish whether management failure had caused or contributed to a death. On the basis of such a finding, the Director of the Public Prosecution Service (PPS) would then determine whether an individual within a company should be prosecuted for manslaughter.

Only individual responsibility for the death of a worker — beyond the issue of overall company negligence — will make individual managers take this issue seriously and give sufficient priority to worker safety.

Many feel that big organisations such as building firms have broad backs and that if an organisation is blamed it will simply be subject to financial penalties. That is not enough to change attitudes in the construction industry. If the death of workers on site is to be taken seriously, people will have to feel that they, individually, will face a manslaughter charge if they have been negligent. That is the sort of sharp focus that we need.

10.45 am

The duty of care underpins the operation of a civilised society. Therefore the deterrent factor must loom large in the corporate manslaughter legislation,

and individual accountability must not be lost sight of. The additional offence of secondary liability for manslaughter must become an integral part of the new legislation.

Madam Speaker: I have received one amendment to the motion, which is published on the Marshalled List of Amendments.

Mr McLaughlin: Go raibh maith agat, a Cheann Comhairle.

I beg to move the following amendment: At end insert:

“; furthermore this legislation should apply to all employers, including government agencies and, in keeping with this principle, this Assembly calls for the removal of Crown immunity from prosecution.”

I welcome the debate, although I regret that, once again, we are discussing an important issue on which the Assembly is powerless to act. This matter, along with water charges, health, education, rates and so on, would be better addressed by locally accountable Ministers in our own Assembly. I believe that all those issues will eventually be addressed by an Assembly because the political will clearly exists. I welcome the fact that across all the Benches there are those who recognise the need for a locally accountable Executive to respond to those important issues. I hope that between us we will resolve, through direct dialogue, the few remaining issues so that an Executive can function in future.

I propose the amendment, as it supports and strengthens the motion. I strongly identify with and appreciate Mr Gardiner's motion and the arguments that he made in support of it. However, the amendment addresses some of the deficiencies in the Westminster Bill, which is substandard in important respects, as Mr Gardiner mentioned. It fails to address comprehensively work-related deaths in many circumstances.

My amendment addresses the anomaly of Crown immunity from prosecution. In the interests of justice and equality, as well as of workplace safety, this must be abolished. An employee of Government agencies, or his or her dependants, should be afforded the same duty of care as any other employee in any other sector of the economy. Therefore we would best serve those whom we represent by working on solutions that would remove the privileges and anomalies in the system and deliver equality of protection to all workers.

In the 12-month period to March 2005, 88 people lost their lives in work-related accidents in Ireland; 73 in the South and 15 in the North. Since most of those deaths and injuries occurred in the construction industry, and given the numbers of construction workers who travel to sites throughout the island, this issue must be addressed on an all-island basis. A

definition of work-related deaths and injuries should be developed that takes that into account.

Another important issue arises from the methods of calculating the statistics of work-related fatalities and injuries. The Services, Industrial, Professional and Technical Union (SIPTU) has warned that the number of work-related fatalities could be 10 times higher than is reported. For example, SIPTU has pointed out that occupational fatality statistics do not include the deaths of employees who are killed in road traffic accidents while driving as part of their normal employment. However, statistics tell us that up to one third of all road accidents are work-related.

Likewise, illnesses contracted at work that can lead to fatalities outside the workplace are not included in work-related statistics. For example, workplace-related cancers such as asbestosis, instances of which are particularly high in the North, are not recorded. In addition, non-fatal work-related illnesses and injuries can cause serious deterioration in the quality of life, including, in some cases, disruption of ability to participate in the workforce, or reduced life expectancy. The absence of statistics on such illnesses and injuries shows that they are not being treated with the seriousness that they deserve.

A Cheann Comhairle, the important point to make is that nearly all such work-related illnesses, injuries and deaths are preventable, provided that proper safety regimes are in place and are implemented with due diligence. Employers stand to benefit from measures that reduce workplace injuries, illness and stress, so it is hard to understand why employers' organisations continue to resist measures that would improve health and safety. Such benefits would include improved productivity due to lower rates of sickness, absenteeism and staff turnover, and improved recruitment and retention of trained staff.

Sinn Féin does not believe that there is any acceptable excuse when employers fail to meet worker health and safety standards and obligations under the law. My party wants the establishment of a universal, all-island commission on health, welfare and safety at work, which is centrally involved with the Health and Safety Authority (HSA) in the South and the Health and Safety Executive (HSE) in the North. We want the initiation of an all-island workplace health strategy to reduce and remove all aspects of ill health that arise from unsafe work practices. We want immediate steps to be taken in order to tackle the shortage of health and safety inspectors, as that has been identified as a major factor that hinders the authorities' ability to carry out inspection and enforcement functions. That would obviously require the injection of additional resources to enable the HSE to fulfil its responsibilities under strengthened workplace health and safety legislation.

The provision of Government grant aid for sectoral trade-union safety training would be another progressive step. Sinn Féin wants there to be a legal obligation for employers to agree a programme of general health and safety training with the HSE that would meet specific requirements, depending on the substances and processes used in the workplace. The introduction of mandatory safety training, which new employees could take on full pay, would also contribute significantly to improving health and safety statistics.

The introduction of legislation that obliges employers to notify the HSE of any events that occur at their place of work, including exposure to noxious substances that result in workers' absence for more than three consecutive days, is comparable to existing legislation and to regulations in other European economies. Such legislation would provide greater accountability and reassurance that such issues would be dealt with. Finally, I ask for support for the conclusion of an international convention against asbestos production and use.

Let us make no mistake: work-related death through lack of proper safety measures or employer negligence is a crime. There is widespread support across the political spectrum for many of the changes that have been proposed in the legislation on the accountability of companies. However, there would be further support for those changes if sufficient thought and attention were given to the accountability of company owners and directors. Furthermore, even if those issues were comprehensively addressed, it is not proposed that they would be applied in the North of Ireland. Why not? Do workers here not deserve the same entitlement to protection? The motion allows the Assembly to state clearly that it believes that they do.

The Westminster Bill's proposed changes, which provide Crown agencies with immunity from prosecution for the offence of corporate killing, should form no part of any legislation that applies to workers' rights legislation here. All bodies, Government or corporate, should be liable to prosecution if culpability or neglect can be proven. The proposer of the motion has highlighted that. Corporate manslaughter legislation is already in place in many economies and in many countries. It has proved to be a key tool in the battle to reduce workplace accidents and fatalities.

I ask Members to support the amendment. Go raibh míle maith agat.

Mr Storey: I support the motion, but not the amendment. The proposer of the amendment has raised a few issues that must be corrected for the sake of the record. He said that the Assembly is powerless to act on this important issue, but it seems as though the lack of power and will is coming from the Member's party, not the Assembly. His party has failed abysmally to do

anything in the past few weeks or months — years, even — to convince my community and the people of Northern Ireland that it is in any way interested in having a peaceful, stable and prosperous Northern Ireland. The proposals and actions of that party are always minimalist.

The proposer of the amendment said that he wants the amendment to be accepted in the interests of justice and equality. He also said that negligence is a crime. Does he accept that —

Mr O'Dowd: On a point of order, Madam Speaker. Will you rule on the relevance of the Member's comments to the motion and the amendment?

Madam Speaker: Thank you, Mr O'Dowd. I will allow Mr Storey to continue, but I will listen to how he develops his remarks.

Mr Storey: Thank you, Madam Speaker.

The proposer of the amendment said that negligence is a crime. I take issue with that. Does he accept that the murder of Jean McConville was also a crime, as it was quite clear that —

Madam Speaker: Order. Mr Storey, those comments are not relevant to the motion. Please keep to the motion. Corporate manslaughter is a serious subject, and I would be grateful if you would confine your remarks to the motion.

Mr Storey: Madam Speaker, my comments relating to the contribution of the proposer of the amendment are also serious, and they will be recorded as such.

I support the motion. As one who worked for almost 20 years in industry before becoming involved in politics full-time, I saw at first hand the unfortunate situation where employers take a cavalier attitude towards their responsibilities. Anyone who has responsibility for employees owes them the most common and acceptable protection possible, so that the utmost protection is provided in all circumstances.

The statistics quoted by the hon Member Mr Gardiner are regrettable. The Assembly would be doing a disservice to the people of Northern Ireland if Members somehow allowed the debating of this issue to be seen as an opportunity for them to merely salve their consciences and show their concern, rather than as an opportunity to make appropriate responses to the issues that are prevalent in society.

Look at the statistics that the hon Member quoted. There is a concern that we all bear responsibility. As Mr Gardiner proposes, there should be an offence of corporate manslaughter where it can be proven that culpable negligence by a firm is a major contributory factor in the death of an employee. That is a key element of the motion.

All Members should come to the Assembly with a sense of duty and responsibility. If Members are serious in their concern for the proposal, they will support the motion and impress their concerns upon the Government — a Government who appear to be cavalier in their attitudes towards the safety of their citizens with regard to security and the roads infrastructure.

11.00 am

The proposal to reduce the finance for our roads by 40% or 50% will undoubtedly lead to a continual decline in, and deterioration of, the roads infrastructure. That results in accidents and deaths on the roads for which the authorities take no responsibility. I support the motion.

Mr Attwood: I welcome the motion, the amendment, and the thoughtful speeches from their proposers. First, we must put the problem into context: it is estimated that businesses, commercial enterprises or companies may have had some culpability in between 250 and 300 deaths since 1999. However, only five people and five businesses have been found guilty of any criminal act. As Samuel Gardiner pointed out, there are, on a pro rata basis, some 20 deaths a year in the North, and that is a significant problem.

Today, we should be trying to work out a legislative approach that deals with those 250 deaths in which there is corporate responsibility. I cite the incident at Zeebrugge, which was a very public example of corporate failure; the issues around the death of Victoria Climbié; the death of Jean Charles de Menezes; and the deaths at Deepcut Barracks. Legislation must deal with cases of great public concern when a corporate enterprise, a business or public body has failed in its standard of care to the individual. We need to work out a law that will address the problems that were identified in the cases of Victoria Climbié, Jean Charles de Menezes and others, including deaths in the North over the past 30 years in which there was corporate failure by public bodies.

The problem with the legislation resides in two areas. As Mr Gardiner pointed out, if a prosecution for corporate failure is to succeed, the standards of proof applied to businesses must be properly established. Mr McLaughlin identified the second problem: how far does Crown immunity extend in the legislation? It extends far beyond what the Assembly, the House of Commons or the House of Lords should accept.

If there were another killing like that of Victoria Climbié, the question arises whether a public body that had contributed to that person's death could be prosecuted under this legislation. The argument is uncertain, because, as Mr Gardiner pointed out, a successful prosecution could not be brought in that case, or high-profile cases in this jurisdiction, because the standards of proof are too high.

The standard of proof should be stated as “beyond reasonable doubt” or “in the balance of probabilities”, or another standard that is close to either of those, but not the standard of falling:

“far below what can be reasonably expected”.

To prove a case against a public body or business, the plaintiff must demonstrate a failure to comply with health and welfare requirements or, as Mr Gardiner pointed out, that the manager sought to profit from a failure to uphold appropriate standards or that there had been a gross breach of the relevant duty of care.

When a case is brought to the PPS in the North, or before the courts in any jurisdiction in these islands, trying to meet those standards in a difficult case will be so demanding as to inevitably lead to failure. The second part of Mr Gardiner's motion is important because it aims to moderate those very exacting standards of proof in a way that creates some possibility whereby a public body or private enterprise may become vulnerable to prosecution.

The standards set by the Bill, if it becomes law, are so exacting and demanding that prospects of a prosecution in many — or even a few — of the 250 deaths that will arise over the next four or five years, is slim to the point of being negligible. Great public debate will arise around cases of public concern following the failure to successfully prosecute those who should be responsible before the law.

The second issue with which there are major problems is highlighted in the amendment proposed by Mitchel McLaughlin, which concerns the question of where Crown immunity begins and ends. Although the original draft of the Bill addressed Crown immunity and provided that persons in the Police Service of Northern Ireland or in other public bodies that are involved in the administration of law and justice might be subject to a corporate charge, the Bill has subsequently been amended by the British Government in a damaging and fatal way.

I shall provide three examples. There are additional draft exemptions in the legislation proposed by the British Government that provide a blanket exemption for deaths of civilians caused by the gross negligence of the police or others — such as the intelligence services and MI5 — in the performance of policing or law enforcement activities.

Moreover, there will be an exemption for the killing of members of the public that occurs in situations of terror, civil unrest or serious public disorder in which the police come under attack or face the threat of attack or violent resistance.

I ask Members to apply those circumstances to some of the tragic cases in the North's history. Apply them even in cases in which the police have come

under attack, and subjected to threat and terrible violence, but where, nevertheless, a police officer or commander committed a grave error that led to the death of an individual. Those exemptions would allow that police officer, in criminal terms — or the police service, in corporate terms — to walk away. All Members know of cases involving use of force by the police or the military, or cases with MI5 involvement, that gave rise to public concern. All of those matters will, in all likelihood, be exempted under the proposed legislation. That is the importance of the amendment proposed by Mitchel McLaughlin.

I know that it will be difficult to reach cross-party consensus on such an issue. However, Members should try to do that today. During sittings of the Committee on the Preparation for Government dealing with law-and-order issues this summer, a significant event happened. On 23 August 2006, all of the parties that were represented on that Committee, including the Alliance Party, agreed the following motion:

“This Committee calls on the Government to review policy on the publication of reasons where there has been a failure to prosecute and the collapse of prosecutions.”

Two or three years ago, that would not have happened, because there was then a sense that the prosecutors and the state knew best. There was a sense that, if a case collapsed or did not proceed, there must have been a good reason.

The situation changed because of concern within unionist parties about the collapse of the Stormontgate case and because of the subsequent failure of the Attorney-General and the PPS to give adequate reasons for the collapse. The public concern that arose from the failure to explain why that case collapsed led to all parties agreeing to communicate to the British Government that the issue was one of cross-party concern.

Members should accept the Sinn Féin amendment, not because it will lead to open season on the state and its agencies, but because it will limit the power of the state to walk away from issues of public concern that involve lethal force.

Madam Speaker: I now call Francie Brolly. This will be the first occasion on which the Assembly will hear from Mr Brolly, who will be making what can be described as his maiden speech. As Members know, it is the convention that such a speech be heard without interruption.

Mr Brolly: Go raibh míle maith agat, a Cheann Comhairle. My father was a strong nationalist and a significant member of the old Nationalist Party. As a young child, I got to know all the nationalist luminaries of the time, who were regular visitors to our house in Limavady — a house that at times served as a party office as much as it did a home. My father was a tireless political activist; his bedtime reading was the

electoral registers and the minutes, motions and agendas of Limavady Rural District Council and Derry County Council, on both of which he was a long-serving member.

When we moved to our native Dungiven, he became the secretary of the local GAA club. Concerned about the level of unemployment in Dungiven, he initiated a drive for the building of what was then called an advance factory. He went on to persuade Desmonds textile manufacturers to set up in the village. As people around our way say: “He was in everything but the crib.”

In 1970, he was a foreman on a housing scheme in Lettershandoney. I was teaching in Dungiven at the time. On the morning of 23 February, the local curate came to my classroom door and motioned me out. “Your father has had an accident at work”, he said. “Bad?” I asked, “Bad”, he said. And it was very bad — my father was dead. He had gone down into a 15-ft-deep unshored trench to organise pipe-laying. The trench collapsed, and he was buried alive.

A radio broadcast that evening said that a worker had died as a result of an accident on a building site. “A worker” — as if a man is no more than his job description.

When jobs were scarce, work was paramount. Workmen were plentiful, exploitable and expendable. My mother was pitifully compensated, and the company was told not to let it happen again. Nothing much has changed. People still die at their places of work, and employers still escape any fitting and proportionate sanction. In 2005, only 40 employers in the Twenty-six Counties were prosecuted for breaches of health and safety regulations. The average fine was approximately £8,000.

My mother’s compensation was £7,000. I suppose the assessors thought that £7,000 was a lot of money for her in 1970.

11.15 am

A mere six employers were penalised in the Six Counties in 2004-05. The largest fine imposed was £100,000 against Farrans (Construction) Ltd, following the death of a 20-year-old who was electrocuted. Was £100,000 a lot of money for Farrans (Construction) Ltd in 2004?

No Irish employer has served a day in prison for criminal negligence resulting in the death of an employee. That prompts me to recommend the establishment of an Irish commission on health, welfare and safety at work, especially at this time when there is such a high level of employee mobility throughout the Thirty-two Counties, particularly in the construction industry.

Although I support the substantive motion strongly and absolutely, I am concerned about the title

“corporate manslaughter” and, therefore, about the concept of corporate guilt. As long as company directors are not made personally amenable to the law, but can shelter under the umbrella of corporate culpability, we will not have the issue of safety at work tackled with the urgency and the thorough commitment that would be the desired outcome of the motion and amendment. A few months in jail would concentrate the mind of a careless employer.

To finish, I will digress a little and make a plea to all Members here. Thousands of people genuinely sympathised with me on the death of my father. However, some whom I knew bore a grudge against members of his employer’s family and would have used my father’s tragedy as a stick to beat them with. My personal experience would not allow me to use any victim of any tragedy to make cheap political points. Let us, in the spirit of the motion, look after our living in the home, on the streets and in the workplace, and let the dead rest in peace.

Go raibh maith agat, a Cheann Comhairle.

Madam Speaker: The next Member to speak, Mr Davy Hyland, will make the winding-up speech on the amendment. This is the first occasion on which he will have addressed the Assembly, so he will be making his maiden speech.

Mr Hyland: Go raibh maith agat, a Cheann Comhairle.

Last week P J Bradley referred to his cold. Today I have a cold and a sore back, and I hope that it is not due to the arctic conditions that we endured yesterday in the Assembly. Perhaps Members saved some taxpayers’ money by cutting down the fuel bills. However, it is more likely that old age is setting in, as I have to use my reading glasses.

Christmas is traditionally a time of celebration, family reunions and giving and receiving presents — a holiday time when one can overindulge in food and drink and not feel too guilty about it. However, it is also a time of reflection when the previous 12 months can be reviewed — the highs and lows, the good times and the bad.

For some people, Christmas can be a sad period when they remember their loved ones who are no longer with them. It is a particularly difficult time for families who have lost loved ones because of unnecessary accidents at home, on the roads, or in the workplace. Sinn Féin supports the motion because too many people have been injured or have lost their lives through work-related accidents.

Yesterday, a delegation of firemen sat in the Gallery. On seeing them, I remembered the two firemen who lost their lives tragically last week while dealing with an explosion in a fireworks factory in England.

In 2005, 73 people lost their lives in work-related incidents in the Twenty-six Counties, which was a 30% increase on the previous year. There were 15 work-related deaths in the Six Counties in the 12-month period to March 2005 — a total of 88 in the whole country.

The construction industry remains the most dangerous industry for employees. In the Twenty-six Counties, 23 construction workers died in 2005. Thirty years ago, after finishing university, I took a job as a brickie’s labourer on a building site in Newry. The foreman was called Dominic Craven. Unfortunately, there are parallels with Francie Brolly’s case; we were working on a new Housing Executive development in Newry that necessitated the building of trenches. Dominic was a man who was not afraid to get his hands dirty and work in the trenches, yet one collapsed and he was killed instantly. Afterwards, I wondered why no public inquiry was held into his unnecessary death, or, indeed, why there was no public apology from the firm. Perhaps an apology would have implied guilt on the firm’s part. I wondered also whether his wife was compensated adequately for her suffering and loss.

Illnesses contracted at work can also lead to work-related fatalities outside the workplace. Work-related cancers caused by working conditions in the linen and shipbuilding industries in the North have always been particularly high.

The important point to recognise is that many such work-related illnesses, injuries and deaths are preventable, provided that the employer exercises due diligence. Indeed, the HSE estimates that up to 70% of deaths in the workplace are the result of serious management failures.

Ultimately, companies are not responsible for killing workers; it is people. Fatalities in the workplace are avoidable and are often caused by fundamental safety shortcomings throughout an organisation, the blame for which can be properly laid at the door of the chairman, chief executive and board of directors as appropriate.

Many employers who are responsible for dangerous working conditions are never held accountable, nor made to change their practices. As with other laws relating to workers rights in Ireland, health and safety legislation is rarely enforced, and penalties for violations are not strong enough. As Francie Brolly pointed out, no Irish employer has ever served a prison sentence following the death of a worker.

Sinn Féin welcomes the Safety, Health and Welfare at Work Act 2005 in the Twenty-six Counties, which contains significant increases in fines and penalties to deter non-compliant employers. However, fines are not enough when an act of negligence leads to a worker’s death. Corporate killing is a crime, and corporate manslaughter legislation exists in other jurisdictions.

For example, in Canada, Bill C-45, better known as the Westray Bill, provides for the crime of corporate killing. It was enacted following agitation in response to the Westray explosion in Nova Scotia, which killed 26 miners.

On a more positive note, Sinn Féin feels that an all-Ireland commission on health, welfare and safety at work, should involve both the HSA and the HSE. A 10-year, all-Ireland workplace health strategy to reduce and remove all aspects of ill health arising from unsafe work practices would be beneficial. We should tackle the shortage of health and safety inspectors in the Six Counties and Twenty-six Counties immediately, as that shortage has been identified as a factor hindering the ability of the authorities to carry out their inspection and enforcement functions.

Furthermore, sufficient resources must be injected into both the HSA and the HSE to enable them to fulfil all their responsibilities under existing worker health and safety legislation.

We also support grant-aided safety training for trade unions on a sectoral basis.

Yesterday, Peter Hain — sorry, that was a Freudian slip — Peter Weir talked about the importance of cross-party support in opposition to the closure of fire stations in the North. I welcome the fact that all parties in the Assembly are today united to defend the rights of ordinary men and women in their workplace. It is right to highlight the offence of corporate manslaughter and the need for legislation to be introduced in the North of Ireland.

Culpability is a difficult subject. No one would like to be accused of responsibility for another person's death, but companies and firms are ultimately answerable for the safety and well-being of their workforces. That must be the clear message from this Assembly.

Mr K Robinson: Today's debate has been important, not simply because worker protection is an important matter in itself but because this Assembly can be seen to be debating a bread-and-butter issue that affects the everyday life of working people rather than simply occupying itself with what has been described in other quarters as a high-wire act. It is important that the electorate perceive that the Assembly works in their interests and on their behalf.

Seeking to put legislation in place that secures higher standards of safety in the workplace is an appropriate and important matter for us to consider. As the Member for Upper Bann Mr Gardiner said, legislation to create the offence of corporate manslaughter, which will apply to Northern Ireland as well as other parts of the United Kingdom, is already making progress through the House of Commons.

Though some industries are taking the improvement of safety standards seriously, and with a degree of success, more remains to be done to reduce the current levels of workplace injuries and fatalities. It is to be hoped that today's debate will inform the legislators in Westminster and get them to reconsider the issue of secondary liability for corporate manslaughter, which we believe — and as has been illustrated in today's debate — will create the deterrent factor necessary to focus minds on the need to ensure close adherence to health and safety considerations in the workplace.

That that deterrent factor is necessary is all too obvious, and we have heard some graphic illustrations of the impact on families from Members who have spoken today. Mr Gardiner drew attention to the fact that the rate of fatalities from industrial accidents in Northern Ireland is twice what we could expect on a pro rata comparison with GB. That points to the need for a more robust culture of industrial and worker safety than currently prevails in Northern Ireland.

The essential building block and foundation for that new culture has to be a corporate manslaughter Bill — one that has teeth. If the Bill's deterrent factor is inadequate, the whole exercise will be a waste of time. The drafters of the legislation at Westminster have had grave difficulty in producing a Bill that incorporates the wide range of concerns expressed in the Chamber today.

In some ways, the new legislation will lead to the abandonment of the current legislative position. At present, the prosecution of individuals has to take place before action against a corporation or employer is even possible. The proposed new legislation enables the prosecution of the corporation or employer immediately, subject to decision by the Director of the Public Prosecution Service. In some ways, the baby has been thrown out with the bath water.

In its anxiety to make the prosecution of corporations easier, Parliament has ignored the aspect of individual accountability that is involved in any industrial fatality. I concur with Mr Gardiner that the culpability of individuals within corporations, companies, and Government Departments and agencies is important.

The matter of Crown immunity has been referred to in the proposed amendment. There is now a step forward and a recognition in the legislation currently before Parliament that Crown immunity, as a principle, is being breached. I appeal to the proposer of the amendment to recognise that, so that the House can unite around the original proposal in order to show the public, the employers and the Westminster Government that we are serious about the matter. We recognise that they have at least breached the principle of Crown immunity in this first instance. Perhaps we can deal with the remaining issues at a later stage.

11.30 am

Government agencies can now be made individually and personally accountable in some way, and the issue of industrial safety will now be taken seriously. Clause 16 of the Corporate Manslaughter and Corporate Homicide Bill currently proposes that any individual working for a corporation, Government Department, agency or body be expressly excluded from the Bill's operation. Clause 16(1) states:

"An individual cannot be guilty of aiding, abetting, counselling or procuring the commission of an offence of corporate manslaughter."

Clause 16(2) states:

"An individual cannot be guilty of aiding, abetting, counselling or procuring, or being art and part in, the commission of an offence of corporate homicide."

The Assembly must speak out about that serious flaw in the Bill currently going through Parliament. In particular, I ask those MLAs who are also Members of the Westminster Parliament to take that message back to the House of Commons. Members must do so on behalf of the families of the 20 or more people who die each year from industrial injuries.

Members have heard highly personal descriptions of such cases. The descriptions went beyond the fact that a worker had been killed in an industrial incident as broadcast on radio, to the impact on the family left behind. The hurt and the pain for that family do not end with the broadcast: they continue, perhaps for generations.

The only way in which to reintroduce personal accountability is to introduce a related and dependent offence of secondary liability for corporate manslaughter. In practice, the UUP envisages that that would work by requiring juries to establish whether management failure had caused, or contributed to, the death in question. On the basis of that finding, the DPP would determine whether individuals in a company should be prosecuted for the manslaughter, in addition to the prosecution of the company, corporation or agency involved. That would give the new corporate manslaughter legislation a necessary cutting edge and would underpin it with a deterrent impact — both of which are currently lacking.

There is no question that the corporate manslaughter deterrent effect is necessary. Year after year, the construction industry is one of the worst offenders in relation to industrial injuries and fatalities. I will not bore the House with the figures now, but in Northern Ireland injury rates remain stubbornly high, whereas in GB they have consistently dropped over the last four or five years. It is possible, therefore, to make inroads into those figures, providing everyone accepts that the safety measure of a corporate manslaughter deterrent must be introduced.

Between January and October this year, as many people were killed in the construction industry as there were in the whole of 2000: there has hardly been great progress. The fact that the record for industrial deaths in Northern Ireland is markedly poorer than that in GB must be a cause for concern and for action.

Let us anchor that in the report of a tragedy that was reported by the media in the past week. It was reported that the Water Service in Northern Ireland had been held responsible for the death of a contractor who was killed in an explosion at a treatment works last year. A Crown censure hearing was held following a HSE investigation. The Water Service accepted the censure and presented to the hearing information on measures that it had put in place since the blast to prevent it happening again.

Crown censure is an administrative procedure followed by the HSE in circumstances in which a case cannot be taken to a court of law because of Crown immunity from prosecution. Under the proposed corporate manslaughter law, the Water Service would almost certainly have been brought to trial for that offence. Therefore, one positive aspect of the proposed legislation is that Crown immunity has been breached for the first time.

However, there is concern about industrial deaths and accidents across Europe. A study of comparative industrial death rates in Sweden and Denmark showed that the levels are much lower in Sweden. Perhaps that reflects the fact that there are lengthy periods of apprenticeship in Sweden, during which significant time is spent ensuring that health and safety issues are to the fore, whereas in Denmark much more is learned on the job and on site. Therefore, major issues of training and health and safety awareness must be addressed.

In 2000, a building contractor in Spain was sentenced to 18 months' imprisonment following an industrial accident that led to the death of a worker. The court ruled that that contractor had committed homicide by failing to fulfil health and safety obligations.

It is also worth pointing out that, as they were going through a building boom in Spain, the number of deaths and injuries on building sites increased dramatically. That is something that we need to bear in mind. We too are going through a building boom, so it is particularly important that we address these issues quickly.

I am running out of time, unfortunately. We can see that we are dealing with a western European problem. I had hoped to refer to several of the contributions made by Members, but time is against me. In general, there has been great support across the Chamber. I repeat my appeal to the Member who moved the amendment to look at it again so that we can move forward as a united body in support of the motion.

Question put, That the amendment be made.

The Assembly divided: Ayes 22; Noes 22.

AYES

Alex Attwood, Mary Bradley, Francis Brolly, Willie Clarke, Mark Durkan, Michelle Gildernew, Carmel Hanna, Davy Hyland, Dolores Kelly, Gerry Kelly, Patricia Lewsley, Raymond McCartney, Patsy McGlone, Philip McGuigan, Martin McGuinness, Mitchel McLaughlin, Francie Molloy, John O'Dowd, Pat Ramsey, Sue Ramsey, Caitriona Ruane, Kathy Stanton.

Tellers for the Ayes: Davy Hyland and Sue Ramsey.

NOES

Billy Bell, Paul Berry, Gregory Campbell, Wilson Clyde, Michael Copeland, Robert Coulter, Leslie Cree, Nigel Dodds, Reg Empey, Samuel Gardiner, William Hay, Danny Kennedy, David McClarty, Alan McFarland, Michael McGimpsey, Lord Morrow, Dermot Nesbitt, Ian Paisley Jnr, George Robinson, Ken Robinson, Peter Robinson, Mervyn Storey.

Tellers for the Noes: Wilson Clyde and Leslie Cree.

Question accordingly negatived.

Main Question put and agreed to.

Resolved:

That this Assembly calls upon the Government to introduce legislation introducing the offence of corporate manslaughter to Northern Ireland, where it could be proven that culpable negligence by a firm was a major contributory factor to the death of an employee or subcontracted worker; and further calls for the introduction of an additional offence of secondary liability for corporate manslaughter, where it could be shown that a company's failings were provably caused by the culpable negligence of one or more individuals within the firm.

Madam Speaker: Members will know that the Business Committee has arranged that the next debate will commence at — *[Interruption.]*

Order. I am on my feet, and I am speaking. It seems, however, that Members intend to leave the Chamber anyway.

Members will know that the Business Committee has arranged that the next debate will commence at 2.00 pm.

The sitting was suspended at 11.49 am.

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

2.00 pm

Police College

Mr Deputy Speaker: The Business Committee has allowed two hours for the debate. The Member who moves the motion will have 15 minutes to speak, and all the other Members will have 10 minutes.

Mr Campbell: I beg to move

That this Assembly calls upon the Government to provide the necessary funding to allow a new police college to be built in Northern Ireland.

The new £130 million facility will encompass a site of more than 200 acres. It was supposed to have been completed by next year, but it is now almost two years behind schedule. As well as the annual intake of new recruits, serving officers would also heavily use it. It could also be shared by other police services, not just in the British Isles, but further afield. Fire Service investigators, ambulance response teams, bank staff and domestic violence specialists could also avail themselves of the new facility.

The present college at Garnerville is completely unsatisfactory. Indeed, Deputy Chief Constable Paul Leighton admitted yesterday that trainees currently have little more than a telephone box around which to simulate incidents.

Everyone with the best interests of first class policing at heart wants a new purpose-built college that will provide a world-class training facility. Even Chris Patten, many of whose views my party does not endorse, said:

“The Northern Ireland police should have a new purpose-built police college and the funding for it should be found in the next public spending round.”

That, of course, was several years ago. That sentiment was further emphasised in a report from the Oversight Commissioner, who recognised that the training, education and development of police officers and civilian staff is crucial to the success of policing.

More and more people from Northern Ireland and beyond are choosing policing as a career. Setting aside, for the moment, the current disgraceful and discriminatory recruitment practices to the policing service, the PSNI is dedicated to serving the entire community and making life here safer for everyone. All existing staff who require ongoing training deserve the highest-quality training in the best possible environment. They also deserve the support of all the political representatives of all the political parties in Northern Ireland.

The new college will enable us to bring together police training in a single, purpose-built, world-class facility and allow us to build connections with other police services across the globe.

After the negative reputation that this country endured throughout the decades of terrorism here, we have an opportunity for Northern Ireland to become renowned internationally for something positive, but the Government are dithering. Resources were promised for this college, and a previous Northern Ireland Grand Committee, a body that has met just this afternoon in Belfast for the first time —

Some Members: Hear, hear.

Mr Campbell: Thank you. I have just left it in order to be here.

At a meeting of the Northern Ireland Grand Committee on 6 February 2003, the former Northern Ireland Minister, Jane Kennedy MP, said, and I quote:

“I can confirm that the delays to the project have been due primarily to difficulties associated with identifying a site, and that those difficulties are now being overcome. There is no problem regarding resources ... the availability of finances is not a problem; the development of the project has been the problem, and I hope that we can now bring this matter swiftly to a conclusion.”

When pressed further on the funding of the project, by my party leader, Dr Ian Paisley, Mrs Kennedy went on to say:

“I hope that the hon. Gentleman will accept my reassurance that on Patten’s recommendations regarding the policing college, resources are not the issue. The problem is getting the plan to its final stages and carrying it through to completion; and I hope to see that happen very rapidly.”

We are nearing the end of 2006, and building has not yet commenced. Therefore, we appear to be little further on.

In passing, I shall speak to the SDLP amendment. Cookstown may be the location for the college, and, if so, we should all support that. If not, obviously the Northern Ireland Policing Board will seek out the location that is the next most suitable. However, I am sure that other Members will campaign on behalf of their individual localities. For example, I contend strongly that the Army camp at Ballykelly, with its excellent topography, road links and proximity to an airport, is an excellent location. Nonetheless, I digress.

The key is to get the go-ahead and the resources to build the college. David Nairn of the Police College of Northern Ireland stated that the college should provide training and education of the highest quality for all police staff. He also said that:

“The unparalleled expertise we hold places us at the forefront of specialist operational training in the United Kingdom. We are undoubtedly best placed to offer our knowledge to both public and private sector organisations and police services across Great Britain and Republic of Ireland. Having accumulated a wealth of operational experience through policing in Northern Ireland, I believe our training provision is truly unique and pioneering.”

That is undoubtedly the case; however, we need the full resources in order to complete the job. An organisation that seeks to deliver a first-class service

needs first-class facilities. A state-of-the-art college will provide untold opportunities for Northern Ireland. Government must act immediately to unlock that potential.

Mr Deputy Speaker: I have received one amendment to the motion, which is published on the Marshalled List of Amendments.

Mr McGlone: I beg to move the following amendment: Leave out “Northern Ireland” and insert “Cookstown, Desertcreat site”.

A LeasCheann Comhairle, I appreciate that that specific detail about the location of the police college is the only difference between the amendment and the substantive motion. Mr Campbell has clarified his position on that point, and I thank him for doing so.

For that reason, I submit the following matters of fact for inclusion in the Official Report of this debate. Recommendation 131 of the Patten Report states:

“The Northern Ireland police should have a new purpose-built police college and the funding for it should be found in the next public spending round.”

Following detailed and open competition in the search for a site, the police college project board recommended that the new site for the college should be Desertcreat, outside Cookstown. The deputy chief constable chairs that board, which comprises other members of the PSNI, the Policing Board and representatives of the Northern Ireland Office (NIO). It is also supported by a team of external consultants. All sites that were submitted were fully evaluated and were visited prior to that recommendation being made to the entire Policing Board in February 2004. On the basis of the business case that was submitted in support of the Cookstown site, the decision of the board was, and remains, unanimous.

In July 2005, outline planning permission was granted for the site. The Chief Constable supported recently, publicly and fully the decision to progress with that site. The site has now been formally transferred from the ownership of the Department of Agriculture and Rural Development (DARD) to that of the Policing Board at, I am reliably informed, a relatively modest cost.

At a meeting with the Policing Board on 10 October 2006, the Secretary of State confirmed that Cookstown remains the site for the college, and he gave assurances about the Government’s continued commitment to the project.

From my correspondence with the Policing Board, I am aware that the site has further potential for the Fire and Rescue Service, which is currently also assessing its requirements for a firefighters’ training college.

It makes sense for the emergency services to share facilities at one location. Indeed, there would be further

opportunities for training for other emergency and police services on the island of Ireland, from Britain and from other countries. First, however, it is high time that the Government committed to proper resources for a new, state-of-the-art police college to provide the foundation for the new start to policing itself. Instead of dithering and allowing construction and related costs to rise, which they have already done, the Government should get on with the work and commit to this project.

Molaim an leasú. I commend the amendment to the House. Go raibh maith agat, a LeasCheann Comhairle.

Mr G Kelly: Go raibh maith agat, a LeasCheann Comhairle. Sinn Féin believes that police training is an indispensable part of changing the culture and ethos of policing. That change is essential in order to achieve the new beginning to policing that was enshrined in the Good Friday Agreement and for which our party and our community continue to strive.

The RUC was a paramilitary, sectarian force born out of the turmoil of partition, drawn, in the main, from the UVF of the time. It was a partisan, state, political police force. Thirty years of conflict reinforced that mindset and behaviour. The problem was highlighted in the Patten Report, which was published in 1999 — and I thank Gregory Campbell for quoting from the Patten recommendations — and which states in paragraph 4.5:

“Human rights training in the RUC also lags behind other police organizations we have spoken to. In the new curriculum (introduced only this year), of 700 sessions of training there are only 2 sessions dedicated to human rights, compared with 40 of drill and 63 of firearms training”.

That is why we need a new beginning to policing, and Sinn Féin has been and still is working hard to secure that.

We need a new beginning for many reasons, not least because there is still a gun culture in the PSNI. In the recent past, we have witnessed PSNI members shooting up tyres of articulated lorries on the Falls Road and driving on motorbikes and firing into vehicles that they believed to have been stolen. Worst of all, in 2003, Neil McConville was shot dead by the PSNI during a pre-planned operation.

The NIHRC, in the foreword to its report, ‘Human Rights in Police Training, Report Four: Course for All’, published in April 2004, states:

“Our evaluation concludes that although the course complied with the requirements of the Patten Report to a certain extent, it did contain some weaknesses from a human rights perspective. The Commission has therefore framed its recommendations to take account of the fact that the Course for All will not run again.”

The report found that, for example, participants displayed sexist, racist and sectarian attitudes and that,

generally, tutors did not intervene to explore or to challenge those attitudes.

Paragraph 2.2 of the report also states:

“Human rights and equality were not accorded a sufficiently central place in the course.”

We have some distance yet to go to achieve a new beginning to policing, and central to that, of course, is the transfer of powers at the earliest moment. I want a police training college where no one is trained in the use of plastic bullets and where the Irish national flag is given the same respect and prominence as any other national flag. I do not want a police training college where police learn to arrest people simply because they speak Irish but one where the new recruits are not coached in how to break down the front door of a family home at 5.00 am and maraud through it with semi-automatic weapons, while the occupants, including children, are verbally abused and terrorised.

If the proposer of this motion seeks a new police training college to expunge those human rights violations from policing, it is more than welcome. If an end to the practices that I have described is facilitated or helped by the creation of a new police training college, it cannot come quickly enough. If it helps to facilitate a new beginning to policing, which is enshrined in the Good Friday Agreement and which Sinn Féin is determined to deliver, bring it on. However, if this debate is about who gets to have a high-profile development in their backyard, the public will see through that.

We know from places such as Palace Barracks that it is not the building that has been the problem in the past but what went on inside the building. Indeed, it is rather like the problem of what used to go on inside this Building in the golden era of the old Stormont apartheid regime.

The British Government should release the funds to build a new police college, but, more importantly, the transfer of powers on policing and justice must take place within a reasonable time frame to ensure that any new college is part of building a truly new policing and justice dispensation and is not just another monument to more of the old agenda. Go raibh maith agat, a LeasCheann Comhairle.

2.15 pm

Mr Deputy Speaker: Members who serve on the Policing Board may wish to speak during the debate. It is important that those Members declare such an interest, as it is highly relevant to the debate.

Mr Kennedy: Mr Deputy Speaker, I shall immediately indicate that I have been a member of the Policing Board since April 2006, lest you take or authorise any enforcement action against me. *[Laughter.]*

My party and I strongly support the motion. This debate is a somewhat bizarre event. The previous contributor, Mr Kelly of Sinn Féin, has just said that a police training college is essential. I may have missed the news overnight or earlier today, but I have not yet heard details of the calling of the ardeomhairle meeting that will lead to the Ard-Fheis, resulting in Sinn Féin's signing up to policing. However, now Sinn Féin wants a college. Sinn Féin Members tell us that they want to train police recruits, yet they refuse to give support to the rule of law or to the policing institutions. That is an intolerable and unsustainable position.

My best advice to Mr Kelly and his party is to stop lecturing MLAs and the people of Northern Ireland on issues of policing, and to stop falsely denigrating, and making crude, outrageous and unfounded allegations against, the honourable members of the Royal Ulster Constabulary, who stood against anarchy on behalf of the decent people of this country while the republican movement attempted to wreak havoc. Mr Kelly would be better served proceeding immediately to ensure that his party does the right thing and signs up to policing without any further delay.

I indicated that I am a member of the current Policing Board. The first Policing Board started work on the college project as far back as 2002. Very commendably, the independent members and the elected representatives on the board approached this important matter in a mature fashion, and have agreed on how the project should proceed. That should be recognised as a unique feature of the Policing Board's work, and should be recognised particularly by the Secretary of State and the Government.

Throughout the history of the project, we have heard words of encouragement but have seen little action from NIO Ministers, some of whom were mentioned earlier. The commitments that Jane Kennedy gave were mentioned, and there were various meetings with Shaun Woodward — if anyone remembers him.

As a result of the processes that the Policing Board engaged in, outline planning approval has been granted to the site at Cookstown. Like the Member for East Londonderry Mr Campbell, I have no doubt that there are Members who would have preferred locations in their constituencies to have been chosen — as I do, he said modestly. *[Laughter.]*

Lord Morrow: Name them.

Mr Kennedy: There is plenty of ground around Armagh, and there is a lot of room at Bessbrook. However, we must accept that the Policing Board, having studied the matter in some detail, has now purchased and gained planning approval for the site at Cookstown, which appears to be the most likely candidate for the college. I have no doubt that other Members, including those who belong to my party,

will advocate alternatives, but we should concentrate on and recognise the work that the Policing Board has carried out on this matter.

Two outline business cases have been made, of which the latest gives a cost of at least £131 million. Once the Government heard those serious sums of money being bandied about, they started to get cold feet. The Policing Board has approved the business cases and has entered into long correspondence with the Government on them. It has met the current Minister with responsibility for security, Paul Goggins, and his immediate predecessor, Shaun Woodward. Representations have also been made to the Prime Minister, but, at this stage, the Government are offering only £90 million, which realistically would only serve to upgrade the existing police training centre at Garnerville.

What we want, what Northern Ireland wants and what the Policing Board wants is a modern, twenty-first-century centre of excellence at the designated site. The Policing Board met the Secretary of State immediately before the talks at St Andrews. The Secretary of State, keen to see progress, indicated that there was still a strong commitment to the new training centre, but he has not yet come up with the extra money. Indeed, in correspondence that the Policing Board has received, the NIO has confirmed that no money additional to the £90 million will be made available, and, further to that, it is not prepared to allow the Policing Board to borrow money to deal with the shortfall.

The Government response is very unsatisfactory indeed. It is the view of the Ulster Unionist Party that Her Majesty's Government alone should fund a new policing college — in full. It is not the business of the Government of a neighbouring jurisdiction to send money or to make donations towards the building of a centre that is the responsibility of this part of the United Kingdom. The new college should be state-of-the-art to maximise its potential as a world-class centre of excellence.

It is reasonably safe to predict that the Assembly will agree the motion, and therefore we hope that the Secretary of State will heed us rather than turn a deaf ear while playing pretend politics and ignoring the work of the Assembly and its Members. We say to the Secretary of State and to the Government: it is time to fund the new police college, and the sooner, the better.

Mr Hay: Like the Member who moved the motion, I have no problem with the amendment. We would be fools if we did not want such a project in our areas — a project that will probably cost, when finished and operational, about £150 million. .

I suppose that I digress a little when I say that I am a member of the Policing Board. It is important to declare that interest.

This project has been in the minds of members of the Policing Board from its establishment in November 2001. The new board had many issues to deal with, but we were all focused on how we might deliver a new police training college for Northern Ireland and where it might be sited. There were many discussions on its location.

As members of the Policing Board, some of us were certainly battling for our own areas; there is nothing whatsoever wrong with that. Since 2001, this project has been very difficult — although not from the point of view of the Policing Board, which has been united and clear about what needs to be done to deliver this huge project costing over £130 million. It will have huge economic spin-offs for whichever area is chosen as the location, and for Northern Ireland as a whole.

It is rather sad that Sinn Féin has turned this issue into a political football, but it does not surprise me. Every political party and every individual could unite on this motion, if politics could be left aside. This project will be worth £150 million when it is up and running. I do not know of any political party, or any individual representative, who would not want such a project in his or her area. It is sad that Sinn Féin has decided to bring politics into this. As with so many issues, Sinn Féin will agree to a number of things, but always with preconditions attached. That is the tragedy of Sinn Féin's politics across Northern Ireland, especially where policing and support for law and order are concerned. There should be no preconditions when it comes to policing and the rule of law in Northern Ireland.

The Policing Board has been dealing with this protracted issue for quite a while. Other Members have mentioned the board's meetings with the Secretary of State and Government Ministers. There have certainly been plenty of promises, but there has been no delivery. The Policing Board had a meeting with the Secretary of State before the St Andrews talks, and the board thought that he would write us a cheque for the shortfall, but that did not happen. Even more annoying for the board members was the fact that Government officials worked alongside the project team in developing the project, so they were aware of its cost at every turn — they were not suddenly hit with a bill for £130 million.

Mr Weir: Although I am only making an intervention, I should declare that I am a member of the Policing Board.

Does the Member agree that the Government's obfuscation on giving the green light to the funding for this police college will work not only to the detriment of policing in Northern Ireland, but to the detriment of

taxpayers in Northern Ireland? As anyone who has been involved in any large-scale capital project will know, the longer that a project is delayed, the more the costs go up. Thus, as a new police college will eventually be needed at some stage, the delay is simply adding to the final price tag.

Mr Hay: I certainly agree with the hon Member for North Down. The Policing Board's greatest fear is that if the project is delayed for another six months or another year, it will cost us even more. That is the greatest worry, and that is why the board has been trying to drive this project on. There is no doubt that there is total unity in the board's focus and in its plans to move the project on. The problem is that the Government have still not come up with the shortfall.

In the past few months, the Government have once again decided to carry out a scoping exercise, which is why other locations in Northern Ireland were considered. However, a decision has now been made, and I believe that if the shortfall can be found, work on the project will begin at Cookstown. I have no doubt about that whatsoever.

All the other sites that were considered presented several difficulties. It would be totally negative, for several reasons, for the project to be moved. For example, it has taken a long time for a second business plan to be developed. The Government carried out a scoping exercise. Good work was done by the Policing Board, which tried to move the obstacles from the door and assist the Government. However, as Danny Kennedy mentioned, the board does not seem to be able to convince the Government at the highest level, even by making representations to the Prime Minister. The board has not been able to move from the door the obstacles to obtaining short-term funding.

2.30 pm

In his most recent report, the Oversight Commissioner made it clear to the board and to the public that the facilities at Garnerville are of a Third World standard. I challenge any Member to go to Garnerville and dispute that its fixtures are of a Third World standard. In order to have an effective and efficient Police Service, there must be a new police training college. The House must send out that message. The Government knew all along what the project would cost: they worked with the Policing Board and its subcommittee; they worked out the business and economic plans for the project; and they knew what it would entail several months before the figure, which was then only £90 million, was announced. The House, and, in particular, those of us who are members of the Policing Board, cannot accept that.

The House calls on the Government to put their money where their mouth is. They clearly indicated that they would provide all the money that was needed

for the new college. The Policing Board should not have to go along with a begging bowl to any other Government looking for them to part-fund the college. That is wrong. There have been all sorts of rumours that the American Administration or the Dublin Administration might fund the college. In the past few weeks, the Dublin Administration have made clear that the new college is a British project in Northern Ireland so the British Government should pay for it. The American Administration have said the same. We must not fool ourselves. The House must say to the Government that we shall not seek funding elsewhere: they must pay for the new college.

Mr Deputy Speaker: The next Member to speak is Mr Raymond McCartney. This is the first time that Mr McCartney will address the House. It is, therefore, his maiden speech. Members are aware that it is convention that such a speech be heard without interruption.

Mr Raymond McCartney: Go raibh maith agat, a LeasCheann Comhairle. As it continues in its efforts to create a new beginning to policing, Sinn Féin contends that proper and supervised training is an indispensable part of changing the culture and ethos of policing in the North. Indeed, the whole concept of change is fundamental to any attempt to create a new beginning in policing as outlined under the terms of the Good Friday Agreement. Central to that change is the need to ensure that all those who want to police us are imbued with the highest standards of human rights training and are free from political control. No ifs, buts or maybes. Indeed, it was heartening to hear William Hay say that politics should be taken out of policing. That has been Sinn Féin's position for many years. I could not agree more with what he said.

Any proposed police training college should not be reduced to a debate about cost, who should pay for it and in whose townland it should be located. Although £120 million — some say £150 million — would buy an awful lot of bricks and cement, missing from the debate so far, to some extent, is any commentary about what training ethos should be promoted in the new building. One wonders how much has been spent on the building to date, despite not one brick having been laid.

As well as that, there is little or no recognition of what failed in the past or of what permitted Patten to say that the RUC training college was an abysmal failure by any standard, where the emphasis was more on military training and where the notion of civic policing was simply that — a notion for some distant place, but not here in the North.

The need for properly structured, delivered and received training was further highlighted in a recent Human Rights Commission report, 'Course for All', which states:

"Human rights and equality were not accorded a sufficiently central place in the course."

That is bad enough, but the following observation was made about those who were given the responsibility of acting as tutors to the new recruits;

"Certain tutors also made inappropriate remarks on occasion, compounding some of the difficulties involved in inculcating a culture of human rights in the organisation."

The Human Rights Commission found that the content of the training course materials appeared to understate the nature and depth of the difficulty faced by the police in gaining the trust of different sections of society. Material relating to such issues as sectarianism and past abuses of human rights did not feature, and the authors of the report concluded in paragraph 2.3:

"In ignoring the historical and current context, the course failed to lay a proper foundation for the lessons it wished to impart."

The Human Rights Commission is also critical that the training did not meet the requirements laid down by Patten to apprise officers of the other new institutions such as the Human Rights Consortium, the Equality Commission and the office of the Police Ombudsman. That finding has been endorsed by the Oversight Commissioner. In that context, how can one be surprised that the Police Federation holds the office of the Police Ombudsman in utter contempt?

Gerry Kelly envisages a training college where the Irish national flag can be displayed, and it will be an environment in which training will be enshrined in a human rights ethos, and with proper content, delivery and supervision. It does not need the ardcchomhairle to state that; it has been stated in the House today.

The British Government should release the funds to build a new policing college, but they should also deliver the transfer of powers on policing and justice and, therefore, offset the possibility of yet another damning report on police training by the Human Rights Commission. Let that day come soon. Go raibh maith agat.

Mr Armstrong: I have no problem in supporting the motion. I was a police constable from 1975 to 1989, so I know the importance of good training and the need to have a special building for that purpose. It is two years since the Policing Board announced its approval of the purchase of the 210-acre site at Desertcreat, close to Cookstown, for the new police college. Two years ago, the Policing Board took the first step in its agreement with the Independent Commission on Policing for Northern Ireland, which emphasised the importance of a new state-of-the-art police college to the long-term success of the training programme and the transform-ation of Northern Ireland's Police Service.

The police college is seen as the cornerstone for providing new recruits, as well as seasoned police and civilian personnel, with an environment conducive to

modern learning and development techniques. However, the funding for the college, which was to have been found in the next public spending round, has fallen short by £40 million. It is imperative that the Government fund that shortfall now.

The training facility at Garnerville was originally a temporary measure, and it was never of an adequate standard, but, unfortunately, it was the only option for too long. Northern Ireland's police force — formerly the RUC, and which is now known as the RUC George Cross — was renowned worldwide as a first-class force against the evils of society. Just think about what a new state-of-the-art academy would do for the PSNI and what possibilities it would open up for reaching out to police forces worldwide now and in the future.

It is a shame that, following the progress achieved in finding a suitable site and the establishment of a public-private partnership (PPP), sufficient funding is not available from the Government. Is that another case of the Westminster Government holding back funding from Northern Ireland as a threat to push the political parties together into political progress? The training and progress of the Police Service of Northern Ireland should not be held to ransom by the lack of political progress.

In the Northern Ireland Grand Committee in February 2003, Jane Kennedy told Lady Hermon that there was “no problem regarding resources”. This delay will surely incur further costs, bumping up the full and real cost of the police college. Despite assurances from Lord Rooker in the House of Lords on 12 July 2006 in a response to a question for written answer that the:

“consultancy work and the commencement of the construction of the college are on hold”,

until the final money is found, that setback will cost the Government more money in the long term.

It is imperative that the Government at Westminster incur the complete cost of the police college and find the funding shortfall. The Police Service of Northern Ireland is being developed and trained to guard and protect all the people of Northern Ireland, and therefore it is vital that the funding be found within the United Kingdom. The PSNI cannot afford to divide its loyalty with another country south of the border, should the Republic of Ireland Government be urged to fund the college. The Westminster Government must make up the remaining £40 million of the total cost of £143 million for this college.

We are at a critical stage — delays are creating doubts in the minds of the police, who are in need of a new training facility, and those businesses, schools and Mid Ulster communities that are looking forward to a state-of-the-art facility being established at Desertcreat, close to Cookstown. The building of the new college at Desertcreat will be a tremendous boost for Mid Ulster

and has the potential to inject much-needed finances into the local economy, acting as a catalyst for other ventures in the future.

The Desertcreat area is embedded in history. It is close to Tullyhogue Fort, where the kings of Ulster were crowned, and to Loughry where, in the 1930s, an agricultural college for ladies was sited, followed by agricultural colleges for both sexes and, more recently, the College of Agriculture, Food and Rural Enterprise (CAFRE). The area has always been a place where new ideas are developed and expanded. Today's Northern Ireland cattle herd originated from the Desertcreat farm where artificial insemination was first developed, again in the 1930s, putting Northern Ireland on the world map. *[Laughter.]*

It is no coincidence then that the Policing Board felt that Desertcreat would provide an excellent site for the future training and development of the PSNI. We do not need to debate that Desertcreat is the ideal site for the college: the Policing Board has made that decision, and it has been confirmed by the Secretary of State for Northern Ireland in the House of Commons. Cookstown is centrally positioned in Northern Ireland, only 50 miles from most places. It is easily accessible by the main A29 road that reaches from Coleraine to Armagh and is a short distance from both the M1 and M2.

The Cookstown area is becoming better known for its entrepreneurial businesses, with many large national companies setting up there. The people of Cookstown are anxious to see the cutting of the first sod on the site without delay. It is felt that the new police academy will bring additional investment to the area and promote development in the neighbouring towns and villages.

Madam Speaker — *[Laughter.]*

I am sorry, Mr Deputy Speaker. I conclude by saying that the new police college is vital for the future development of the PSNI; it cannot be delayed any further. To do so would have adverse consequences in many areas, including additional costs to the taxpayer, a continued lack of adequate facilities for the Police Service and a loss of confidence in the people of the Cookstown area. The Government must make up the extra money.

2.45 pm

Mrs D Kelly: I welcome the honest and frank debate and the unanimity expressed so far in the Assembly in support of a police college and, in particular, for the specification in the amendment of the Desertcreat site in Cookstown. However, I will not be lectured on human rights or human rights training by parties yet to call for the return of exiles, at least for Christmas.

The SDLP believes that everyone is equal before the law and that no one is above the law. We will expose cover-ups, whoever is responsible — be it the state in the Finucane case; Sinn Féin and the IRA in the

McCartney case; or loyalists in the McIlwaine case. We demand that all democratic political parties accept the rule of law and policing. In the twenty-first century, police officers and trainees deserve proper facilities. I hope that the Desertcreat site becomes a twenty-first-century facility and a centre of excellence.

I am concerned at the disingenuous nature of the comments of the hon Member Mr Gerry Kelly, who, when speaking this afternoon, failed to note recent progress on implementing the Patten Commission's recommendations. Some 87% of the 160 recommendations have been either fully or substantially implemented. In response to Members who commented about other facilities and opportunities in their constituencies — and I do not blame them for doing so — it was heartening to hear that the Secretary of State, at his meeting with the Policing Board on 10 October, noted that the Ministry of Defence had offered no sweeteners with any of those sites. Full land value would have to be paid for any one of them. It is appropriate that the Policing Board has pursued and obtained the 220-acre to 230-acre Desertcreat site and that in July 2005 outline planning approval was granted.

Surely provision of the police training college at that site shows a commitment to the Assembly's decision on decentralisation and the provision of facilities across the North of Ireland.

I support the amendment and hope that all Members will get behind the Policing Board in this debate, and I call on the Secretary of State to do likewise. I understand that Minister Goggins is to return to the Policing Board before the end of December, and I hope that within days he will make an announcement that will be satisfactory to us all.

Mr G Robinson: I am delighted to contribute to today's debate, albeit briefly, since I await in eager anticipation further contributions from the Members opposite — namely Sinn Féin — who, if rumours are correct, are preparing to embrace fully policing and all its structures, without the Irish tricolour. However, having heard the contributions of Gerry Kelly and Raymond McCartney, I think that we may be waiting a long time.

I support the motion wholeheartedly, not only because it was tabled by colleagues and Members representing East Londonderry and North Antrim respectively, but because two vital components of world-class policing are education and training and development. Those components are integral to the provision of a world-class Police Service. I am confident that those elements will be greatly enhanced by the college that is envisaged. However, that dream can only be realised as a result of a firm, unambiguous and resolute commitment from the Government that the required additional funding will be forthcoming

immediately. That funding must be made available as a matter of the utmost priority.

Although I, and most of those whom I represent, dearly wish to see any future police training college operate on the site of Ballykelly's historic Shackleton Barracks in my East Londonderry constituency, I will be content when the funding shortfall is overcome and a long-overdue twenty-first-century training academy is provided for the Province.

That facility will be in stark contrast to what is currently available at Garnerville. In response to a question for written answer tabled by my esteemed colleague Mr Gregory Campbell MP, Mr Paul Goggins MP wrote on 29 November 2006:

“Ministers have been exploring all avenues ... to ensure that the project provides value for money.”

The Minister with responsibility for security should be informed that the overriding importance of this project should not, solely, be one of value for money. Similar importance must be placed on delivering a facility that meets the needs, and enhances the effectiveness and efficiency, of the police and the community that they serve.

Mr McCarthy: I support the amendment and the motion.

The Alliance Party expresses its deep disappointment at the Government's delay in providing the up-to-date, state-of-the-art police college that they promised. That facility is part of the Patten Report on policing in Northern Ireland, and a suitable site has been identified in Desertcreat.

I am pleased that Members are using the name Desertcreat, which is a townland in County Tyrone. As an ardent supporter of the use of townland names, I believe that Members should keep that name in the forefront of our deliberations.

There was a glimpse on television yesterday evening of the inadequate and outdated facilities at Garnerville in east Belfast that have been mentioned on numerous occasions in the Chamber today. That establishment is long past its sell-by date, and the Government must be criticised for dragging their heels on the issue of a replacement. If money can be found for unwanted wars in Iraq and other places, surely money can be found to provide a quality police college that turns out quality policemen and policewomen to serve in Northern Ireland.

I welcome the assurance given by Mr Campbell that funding is available, although I remain sceptical. If the Irish Government wish to make use of the new training college — and there is no reason why they should not — I am sure that a financial contribution will be forthcoming, and it should be welcomed.

When the new police college is completed, I suggest that it be called the “Desertcreat Police College for Northern Ireland”.

Mr Hussey: I declare that I am a member of my local district policing partnership (DPP), which may be relevant.

The issue that we are considering is the provision of a world-class training and education facility for the Police Service. My late younger brother did his training in Enniskillen, County Fermanagh. Currently, provision is at Garnerville. My memories of Garnerville go back to my days at college in Belfast, when it was not a police training college. Members may recall the previous use of Garnerville. I support the motion in the context of what it is designed to achieve and what we all, I suspect, wish it to achieve — namely, world-class training and education.

Mr McGlone referred to the idea of the development of a joint blue-light college, and I support that. However, I do not fully support the amendment, and I am sure that the proposer of the amendment will understand that. I will come back to that point. In regard to the pedigree of the site mentioned in the amendment, I will address that issue in time.

Like other Members, I urge the Chancellor of the Exchequer, Mr Brown — who I understand may be seeking another job — to meet the financial requirements needed to start this project immediately. The Treasury holds the purse strings. Members have already said that the longer that this project is delayed, the larger the shortfall will be. It is imperative that the project be started as soon as possible. Funding could be made available after Christmas, as everything is more or less ready for work to begin on site, and that is what we should aim for.

I found it interesting that Mr Raymond McCartney, in his maiden speech, supported Mr Hay’s suggestion of taking policing out of politics. Why, if he wants to take policing out of politics, does he put so much emphasis on having policing devolved to politicians in Northern Ireland? I fail to follow his logic.

I now move on to fiscal pragmatism. If the funding is not forthcoming, Members must consider the alternatives. I proudly declare a further interest as a representative for West Tyrone. I trust that the party sitting at the top right-hand side of the Chamber will appreciate that I support the economic desires of its party colleague and MP for West Tyrone. I trust that that party and its MP appreciate that. We look towards joined-up government.

Planners tell us that we should utilise brownfield sites. The proposal is for a greenfield site. We have a site at Lisanelly — and I refer to the townland name. That site, combined with the Army base at St Lucia, would be equal in size to the site currently available. It

has the substructure, the surface infrastructure and the necessary security perimeter. It also has world-class third-level educational provision in the brand new college in Omagh adjacent to it. In such circumstances, £90 million would possibly enable a college to take recruits and personnel before the end of the next calendar year. If that is a fiscal requirement, and if that is being pragmatic, I am not ashamed of that. However, I urge the Government to fund the project as it stands. If they do not, I urge the Policing Board to consider the motion and to put in place the mechanism that will provide that college as soon as possible.

Mrs Foster: I declare that I am a member of the Policing Board and am very honoured and privileged to serve on it.

Members have heard about training for the RUC — now the PSNI, incorporating the RUC GC. However, we fail to hear about the cowardly campaign of terrorism against RUC personnel over the past 35 years. Police officers returning from work at night were shot in the back of the head, and officers were blown up by an under-car booby trap on their way to work in the morning. Sinn Féin’s memory is very selective — a bit like its attention to the rule of law.

I pay tribute to the officers of the RUC, and their families, who made the ultimate sacrifice for the entire community.

3.00 pm

I turn to the issue of the policing college. My colleagues have already said that it is an abdication of responsibility on the part of our Government to make available only £90 million for building the college, and to fail to provide the extra £40 million that is required. We may as well not get any money at all if the Government are not prepared to provide the required amount.

There is no doubt that Garnerville is a college from the dark ages and, as my hon Friends have said, it has facilities that one would expect to see in the Third World. Yesterday, I listened to Deputy Chief Constable Paul Leighton on the radio, describing the rooms in which student officers sleep and share bathroom facilities. I wondered why training was ever moved from the depot in Enniskillen. However, that was probably due to the threat of terrorism at that time from colleagues of those who sit opposite me in the Chamber.

If the Government are sincere about policing and justice as a central issue in Northern Ireland, they must divvy up the money for the new policing college. We cannot have a twenty-first-century police service with nineteenth-century facilities. The Government deliver good rhetoric on policing, but when it comes to delivering resources, it is quite a different matter.

I have brought a copy of today’s ‘Daily Telegraph’ to let the House see the headline that states that 900

police stations have shut up shop. That number relates to police stations in England and Wales over the past 14 years, where the vast majority of those that remain open are operating only during limited hours. Since the Patten Report, we in Northern Ireland, including my constituents, have seen the closure of a number of police stations. We are told that those closures are not about cutting resources, but about using them more effectively. My colleague William Hay, the Member for Foyle, is the chairman of the finance committee of the Northern Ireland Policing Board, and he tells me that policing is always faced with financial constraints. Therefore, if it is not about cutting resources, what is it about?

According to today's radio reports, there were five robberies of elderly people last night in one area. Phone-in radio shows demonstrate that the public are not satisfied with the level of resources that are put into policing in Northern Ireland. That is true whether it relates to manpower, human resources on the ground, or the new policing college. The message from this House to the Government is that they cannot police Northern Ireland or any other part of the United Kingdom on the cheap. They should make the money available for the new college immediately. I support the motion.

Mr McFarland: I had the experience — or perhaps the good fortune — to have served on the first Policing Board, but I am no longer a member after standing down in April.

Like our experience during the first Assembly mandate, the first Policing Board adopted a DIY approach in that it sought out the best policing practice from around the world. Since 2001, the PSNI has developed world-class expertise, particularly in community policing. The PSNI is a world model for human rights policing, with its code of ethics for each officer and its rigorous annual human rights inspection by two of the UK's foremost human rights lawyers, Keir Starmer and Jane Gordon. If Members have not read their reports, they should do so.

The expertise of our community police service is coupled with the background of the RUC as the best anti-terrorist police service in the world. Former RUC officers are currently stationed across the world in places such as Iraq, training people in state-of-the-art anti-terrorist techniques.

Thus, the PSNI is well placed to deliver world-class training for both its own recruits and those from overseas. It is in that context that the idea for the police college has been developed. I was involved in discussions with the NIO, and there were assurances that the full cost of the college would be covered. Indeed, we said that the Policing Board would probably not proceed with the project unless that undertaking was given.

What has gone wrong? Why are the Government procrastinating now? We have had agitation from some

in Londonderry to halt the project and to resite it there. There have been voices trying to steer the college to assorted former Army bases around the Province, and some have been demanding joint training with the Garda Síochána on the new site — hence the Irish Government's trying to offer money. I am not too sure that the gardai trainers at Templemore are too impressed with that idea.

My guess is that the delays represent the Government putting pressure on the PSNI and the Policing Board to cut back on its enormous £720 million budget. Could it be that the NIO has its eye on clawing back the 3,000 additional police officers that Patten proposed for Northern Ireland in order to move us out of conflict? Watch this space.

(Madam Speaker in the Chair)

Each month's delay increases the cost of the original ambitious concept — a world-class college, offering training that only the PSNI, with its expertise in both community and anti-terrorist policing, can provide. If that is to be met, the NIO must crack on and meet the obligations that it accepted in 2002.

Mr Shannon: I support the motion. There was a great cheer on the day that planning permission was sought. That was a major hurdle on the way to building a new police college. The funding seemed secure, as the college was recommendation 131 of the so-called Patten Report, which, as we all know, the Government have been keen to implement in full. As usual, however, once the Government's agenda had been fulfilled — namely, to get rid of the Royal Ulster Constabulary — the rest of the recommendations were pushed to the side.

It was recommended that the PSNI be provided with an infrastructure for development and training excellence, so the search began to find the facilities that could provide a state-of-the-art training college that would draw worldwide renown and hopefully attract much-needed positive attention to Northern Ireland and its policing policy. A site was found, a blueprint drawn up, and a community buoyed by the promise of a boost to their local economy. Here we stand, however, attempting to get the Government to live up to their promises on at least that one area.

There is no doubt that we are in great need of a facility that not only deals with the day-to-day service to the community that the Province needs but that has the capacity to train for the ever-more-possible threat of chemical or biological warfare. The 210-acre space provides room for a train carriage, plane fuselage and on-site bank to simulate hijackings and robberies, as well as purpose-built accommodation with 300 rooms, and a village built for public order training complete with decontamination units. The estimate of £80 million was a modest sum, especially when taking into account the sheer class of what was being timetabled.

To accept any less would be unthinkable when one looks at the amount of money that the Government have poured into futile exercises such as the Bloody Sunday Inquiry. Here is something that would not only benefit police training, and consequently the safety of the 440 policemen and policewomen recruited annually and the communities that they serve, but that has the potential to benefit other police services on the mainland.

When seeking to build a twenty-first-century facility for a twenty-first-century police service, one must pay twenty-first-century prices. It is possible that other services such as the Fire and Rescue Service and the Army bomb squad could use the facilities, which would go some measure towards offsetting the cost factor. The simple fact is that Garnerville does not come up to scratch and needs replaced. The old adage that if something is worth doing, it is worth doing right, fits this situation perfectly. Hugh Orde has said that the current facilities are limited, with no specialist information technology provision. Interview and courtroom-training facilities are poor, and the physical training suites are grossly inadequate.

There must be a drastic overhaul. Given the circumstances, there is no point in Members pushing for anything less than excellence. To do so would do a disservice to the future of Northern Ireland and to the PSNI in particular.

The Committee on the Preparation for Government's findings on the economy made it abundantly clear that, in a new period of stability, Northern Ireland has huge potential to thrive, if given the opportunity to do so. Investment is needed, and it is slightly surreal that the Government are quibbling over the relatively small sum of money that is required for the police college. If funding were to be sought for such frivolous nonsense as the Millennium Dome, the required money, and more, would be granted in the blink of an eye. However, it is not granted for a police college with the capacity to rejuvenate not only the town in which it is built but the entire Police Service. Northern Ireland's status as a twenty-first-century country is being shunted to the side.

The building of the police college must begin as soon as is practicable. There has been some talk of going ahead and getting a loan for the outstanding sum of £40 million, and I support the drive and determination of those who desire to see the full potential realised as soon as possible. If it is necessary to take out a loan, it must be done.

Undoubtedly, it is entirely up to the Government to find the funding needed for the police college. It is probable that the Government are merely chancing their arm by attempting to withhold what should be given freely. They do so in the hope that Members will throw up their heads, become frustrated at all the delays

and, anxious to move ahead, find another source of funding. After all their wavering and fickleness, the Government must move forward and provide the necessary funding immediately. Without further delay or postulating, the Government must fulfil their obligation to provide the best possible service to the people of the Province by building a purpose-made facility that will be an example to other services and a means to a safer, secure and stable Northern Ireland.

Mr Attwood: I acknowledge everyone who has contributed to a new beginning for policing, particularly the Police Ombudsman, the members of the DPPs and the Policing Board. The biggest single achievement of the Good Friday Agreement is that much of the best work done over the past number of years, and many of the best opportunities for our society created in that time, can be sourced in the work of all those who signed up to a new beginning for policing five or six years ago. That is why the British Government should now respond quickly and positively to the leadership of both the Policing Board and the PSNI by funding the new police college.

I listened intently to the debate, and I look forward to hearing what Ian Paisley Jnr has to say. However, during the course of the debate, quite a number of the speeches made from the unionist Benches moved closer to Patsy McGlone's amendment. I urge the unionist parties to support the SDLP's amendment. My primary reason for doing so is that Gregory Campbell quoted what Jane Kennedy said about a new police college when she was Security Minister, some time ago. He quoted her as having said that "resources are not the issue" and that she hoped that things would progress "very rapidly". At that time, her comments were unambiguous.

However, now, significantly later, there is still ambiguity about funding for the new police college.

Mr Poots: On a point of order, Madam Speaker. I have allowed Mr Attwood some time to declare an interest, but I note that he has not yet done so. As he is a member of the Policing Board, it is appropriate for him to declare that now.

Mr Attwood: I thank the Member for that prompt, and I so declare.

Since Jane Kennedy's comments, there has been ambiguity, delay and doubt about the funding of the policing college. There are elements in the British Government who, for whatever reason, want to cause further delays and create greater doubt about that funding. If the Assembly does not unanimously, or at least substantially, endorse the amendment, those elements will feel somewhat reassured.

Given that there are some indications that the Minister with responsibility for security, Paul Goggins, may be minded to make a decision about funding of

this matter in the very near future, and that he appears to be a man of good intentions, I urge all parties, even at this late hour, to accept the amendment. That is how the political leadership in the North can send out a message of certainty in the midst of the delay and doubt that have characterised the British Government's response over the past three or four years.

3.15 pm

A number of Members have commented on the prospect of the Dublin Government making a contribution to the police college. The SDLP negotiated a provision in the St Andrews Agreement for North/South funds, over and above any of the other institutions of the Good Friday Agreement that are now in place or that may develop in the future. I have heard nobody, in this Chamber or outside, oppose the Irish Government's making a contribution to the North through North/South funds. I have heard nobody declare that he or she does not want a new road built in some border area because it is to be part-funded by the Irish Government. No strategic, political or other reason has been offered to explain how the SDLP proposal with respect to North/South funds poses any political threat to any interest in the North.

The SDLP says that it is quite proper to extend that argument to a moderate contribution from the Irish Government towards the police college. We do not do that just for some narrow political reason, although some would portray it as such. We do it because of the Patten Report and because the relationship between the gardaí and the PSNI is such that having a facility in the North part-funded by the Irish Government and which the Irish Government and the gardaí, and perhaps other emergency services in the South, can use makes sense.

Jim Shannon made a very interesting point. He rightly identified many substantial reasons for needing a police college in Desertcreat, including the threat of international terror and chemical attack, with a consequent need for decontamination chambers and the like. The Patten Report said that there is a need for joint disaster planning and training. Any chemical attack in this part of the world will affect the people of this island equally. Why not have the Irish Government contribute a moderate sum to the police college in the North in order that they, through the gardaí, and ourselves, through the PSNI, can have joint training exercises in case that sort of disaster is inflicted on our people?

It makes sense in policing, practical, operational and community terms, and we should do it. For that reason, among others, we are not saying that we should go to Dublin with a begging bowl. If Dublin thought that it was giving money to the North, for any reason, to go in a begging bowl, it would quickly and rightly show us the door. There are strong imperatives for North/

South funding of various dimensions being extended to the police college.

I listened intently to the Sinn Féin speeches. In one way they demonstrated a misunderstanding, and in another way they were downright muddled. Gerry Kelly said that Sinn Féin wanted a new training college and that it should fly the Irish tricolour. He implied that the tricolour should fly equally with the Union flag. What Sinn Féin fails to recognise is that the only flag that currently flies over any police building is that of the PSNI, and that flies only at police headquarters. How can he argue that the Irish national flag should fly over police stations and the new police college when the Union flag has not flown over any police building for the past five or six years?

Sinn Féin twice referred in a disparaging way to high-profile police developments being in somebody's backyard, and said that the issue of the police college should not be reduced to whose townland it ends up in.

I beg to differ. One of the reasons that the Policing Board was attracted by the application for the college to be built at the Desertcreat site near Cookstown was, in my view, because it was a substantial investment in the west of this part of Ireland — a place that has historically and structurally suffered disadvantage and discrimination.

If I had the choice between a police college at the Maze site or one in the west or the north, on the grounds of discrimination and disadvantage, I know which location I would choose. Jim Shannon had the good sense to make that point, unlike the Sinn Féin representatives, who had the bad sense to oppose that approach.

The third reason that Sinn Féin was muddled and confused is that it quite rightly referred to a series of human rights commentaries about the police training college and its human rights provisions. However, those representatives failed to mention all the follow-up reports that were commissioned by the Policing Board and others in order to correct the deficiencies in human rights training to the point that, if they would only read the most recent report of the Policing Board's human rights advisers, Keir Starmer and Jane Gordon, they would see how far human rights culture and training have progressed. That work is not finished. However, the Patten Report said that the job of implementing the Patten reforms should fall to the Policing Board, and not through grandstanding outside the Policing Board, as Sinn Féin has done over the past number of years.

We need a police college in the North to demonstrate modern and progressive policing, to embed the Patten reforms and policing change and to drive forward the policing agenda. However, there is another reason. The SDLP is of the view that a police college should become an international centre of excellence, where

other societies that are emerging from conflict can come to this part of Ireland and be trained in best policing practice and policy. Over and above the domestic and national needs for a police college in Cookstown, there is, ironically, an international need, whereby Cookstown police college could become a symbol of best policing practice across the world.

Mr Paisley Jnr: At the outset of my speech, I declare that I am a member of the Northern Ireland Policing Board.

This debate is not about where a police college should be built, despite Members' obvious and clear entitlement to indicate where they would like the college to be built. The debate is about something else altogether — delivery. It is about the delivery of the necessary resource to build the police college and the delivery of the will to see the police college built.

We have cleared a hurdle in relation to where the college should be built, because the Policing Board, and all the political parties represented on it, has unanimously endorsed where the college should be. That is why the DUP has no problem with the proposed amendment to the motion.

As with so many issues in Northern Ireland, we discuss delivery. Delivery by Sinn Féin on the rule of law is an issue in this debate, just as that party's failure to deliver is an issue. It was made an issue by the contributions of Sinn Féin Members. There will be no confidence that there will be delivery on a justice and policing Minister within a certain given timescale until Sinn Féin signs up to and supports the rule of law, the Police Service of Northern Ireland, and the rule of law demonstrated by our courts — in total.

During his contribution, Mr Kelly begrudgingly made several comments about the police college. He said that the issue is not about the building but about what goes on inside the building. However, it was clear from Mr Kelly's comments that he does not have a clue about what goes on in that building and that he has not had a clue for some time. Mr Kelly now wants a police college, but he wants it without his supporting the PSNI and the rule of law. I say to him loudly and clearly that he must totally support the Police Service, he must totally support the rule of law and he must totally support the royal courts of justice. Then he will see a college working appropriately and properly.

He had the audacity to say, "Bring it on". One of the things that he wants is an end to training in the use of baton rounds.

Well, if they stopped rioting in north Belfast there would be no more need to have training in baton rounds. Bring it on: stop the rioting in north Belfast.

Mr Kelly said that he wanted to see the Irish national flag flying over the police training college. Mr

Attwood has quite rightly pointed out that if Mr Kelly wants the Irish national flag, he will also want the Union Jack. Therefore, this afternoon Sinn Féin is calling for the Union Jack to fly over police establishments in Northern Ireland. What a change we have seen in Sinn Féin today.

Of course, Mr Kelly does not want to see training in the use of water cannons. I know that from time to time he has had an annual wash-down from water cannons. Again, if they stopped the rioting in certain parts of Ulster, water cannons would no longer be used.

Madam Speaker: Mr Paisley, I remind you that we do not want personal comments.

Mr Paisley Jnr: Absolutely.

Sinn Féin should go and live in the real world.

Mrs D Kelly: I am sure that the Member would wish to include in his call for an end to rioting the rioting surrounding parades and at Whiterock. While I am on my feet, let it be noted that I am also a member of the Northern Ireland Policing Board.

Mr Paisley Jnr: In his contribution, Mr Kelly made some awful characterisations and slurs about the Police Service of Northern Ireland, and about the Royal Ulster Constabulary, which preceded it. He indicated that it was a partisan police service that derived from the Ulster Volunteer Force. That is a slur, and it does nothing to demonstrate that Sinn Féin has crossed the Rubicon in its little narrow mind that it must cross if we are going to see support for the police and the rule of law. Sinn Féin is giving no indication that it wants to change.

While we are talking about organisations, let us talk about the great Óglaigh na hÉireann — what has it morphed from? It has morphed from the psychopathic headbangers of Patrick Pearse into the drug-dealing, granny-beating, child-killers of Northern Ireland.

Madam Speaker: Mr Paisley — *[Interruption.]*

Order. Mr Paisley, please keep to the motion. I am sure that you are articulate enough to do that.

Mr Paisley Jnr: Thank you for that prompting, Madam Speaker.

We also heard a masterful contribution on policing from another Member of Sinn Féin — the one-time hunger striker who did not make it. Of course, his brother runs Community Restorative Justice Ireland (CRJI). If we look at the model advocated by that particular organisation —

Mr Raymond McCartney: On a point of order, Madam Speaker. That is not true. He does not run CRJI. The Member is wrong and he should withdraw his comment.

Madam Speaker: Thank you. I remind Members that they should be careful in how they talk about people who are not Members of the House. Mr Paisley, will you withdraw that remark?

Mr Paisley Jnr: Madam Speaker, I am going to defend the remark on this basis — it must have been his twin brother, or someone remarkably like him, who advocated community restorative justice to the Northern Ireland Policing Board.

Mr Raymond McCartney: There is a difference between advocating community restorative justice and the statement made by the Member. He made a very clear statement that the person concerned was running CRJI, and he is wrong.

Madam Speaker: I agree with you, Mr McCartney.

Mr Hussey: On a point of order, Madam Speaker. *[Interruption.]*

Madam Speaker: Order. Mr Paisley, would you repeat the comment that you made about Mr Raymond McCartney's brother?

Mr Paisley Jnr: He helps to run the CRJI, and he is a member of that organisation. Madam Speaker, if it would help to clarify the situation, I will say that he helps to run it. Let us deal with the issue. Mr McCartney said — *[Interruption.]*

Madam Speaker: Order. Do people not listen to what I say at every sitting? We must have order in the House. Can I also —

Mr Hussey: On a point of order, Madam Speaker.

Madam Speaker: Just a moment, Mr Hussey, I am on my feet.

I heard what you said, Mr Paisley. I took it that you felt that Mr McCartney's brother had helped to run CRJI. If that is not correct, I would ask you to withdraw the remark.

Mr Raymond McCartney: He said very clearly —

Madam Speaker: That is fine, Mr McCartney. Sit down. I will examine Hansard and I will come back to the issue.

Mr Raymond McCartney: Please do.

Madam Speaker: Thank you very much.

Mr Paisley Jnr: Madam Speaker, I am happy for you to examine Hansard.

Madam Speaker: Mr Hussey has a point of order.

Mr Hussey: I would like to raise a point of order under Standing Order 2(a). Madam Speaker, you said that if any Member rose to make a point of order, they were to name the relevant Standing Order. That constantly does not happen in the House. Thank you.

Madam Speaker: I certainly agree with your comments, Mr Hussey. That does not stop Members from doing so, however, and that is why I asked whether people ever listen to what I say.

Mr McLaughlin: On a point of order, Madam Speaker. Can we take it that, under Standing Order 2(a), we can treat Mr Paisley Jnr's earlier comments — in fact, his entire contribution — as having the same integrity as they had when he talked about community restorative justice?

3.30pm

Madam Speaker: As I am sure that Mr Hussey would point out, that is not a point of order. I assure Members — including Mr Paisley Jnr, who I know will agree — that I will look at Hansard and will come back to it.

Mr Paisley Jnr: Some Members are obviously reluctant to hear about community restorative justice. Why is that? Is it because community restorative justice groups' exercising of policing and the type of policing that they want exiles people from Belfast? Do they want people to withhold information from the police and the courts? Or is it because the head of training of one of those groups was convicted for the murders of Corporal Wood and Corporal Howes in Belfast? Is that the sort of police training that they want in Northern Ireland?

Madam Speaker: Mr Paisley, I ask once again whether that has anything to do with the police college. It does not, as far as I am concerned.

Mr Paisley Jnr: It does absolutely; my point is about training.

Mr Raymond McCartney indicated that he wants a new ethos in policing. If that ethos is the same as that of the CRJI network, that is not the ethos that people in Northern Ireland need, nor is it the ethos that the Protestant community wants. Indeed, I bet my bottom dollar that it is not the ethos that Roman Catholics want for their country either.

Mr Raymond McCartney: Will the Member give way?

Madam Speaker: In case you did not notice, Mr Paisley Jnr, a Member asked whether you would give way. However, it is up to you whether you do.

Mr Paisley Jnr: I am well aware of the Members who wish me to give way, but I will not do so.

The ethos of the police should be — and is — that they support democracy, that they support wholeheartedly the rule of law, that thou shalt not kill and that thou shall respect diversity. That ethos exists in the police training college, and has existed there for some time. However, the ethos of republicans has been to bomb, kill and murder police recruits.

In my constituency, I once saw republicans plant a pipe bomb underneath the car of a Roman Catholic man who had been recruited to the Police Service. That bomb had been planted by republicans, and that action was not condemned by the Provisional IRA or its spokespeople.

Quite rightly, many Members have taken the opportunity through the debate to say where they want a new police college to be built. However, in its past and current forms, the Policing Board has been selfless in ensuring that it gets the best site for Northern Ireland. Acquiring such a site should result in the building of a new police college. However, it is ironic that the failure to implement a proposal that has unanimous political support is being blocked by the NIO, the Treasury and the Government. It is perverse that the NIO is stumbling on and delaying the issue.

I ask Members to consider the contribution that our police officers make to police training across the world. Former RUC officers manage police training in Kosovo, and a former assistant chief constable manages similar training in Basra, yet Northern Ireland still lacks the state-of-the-art, world-class training centre that it deserves.

Some Members called for the location of the college to be changed. If the location is changed, costs will either increase or decrease. However, that is not the issue. The issue is whether we can build a college that has the unique selling point of a tactical training village such as that mentioned in the current police-college business strategy.

The current facilities in the police college at Garnerville are Third World. We recognise that a new college must be built; we will not settle for second best. It is therefore up to the British Government to give the money now to ensure that we have the first-class college that Ulster deserves for its police recruits.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly calls upon the Government to provide the necessary funding to allow a new police college to be built in Cookstown, Desertcreat site.

Adjourned at 3.35 pm.

THE TRANSITIONAL ASSEMBLY

Monday 18 December 2006

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Rev Dr Ian Paisley: On a point of order, Madam Speaker. When will you be able to explain the security regulations of the House to the Members of the Assembly? There seems to be an effort to remove members of our police force from parts of this House. I want to know what that is and why new rules, which did not operate before, have now come into force. Members need to know exactly where they stand. I hope that at some convenient time — not today — you will be able to make a full statement from the Chair, as happened in the House of Commons when it experienced similar trouble. Let us keep to the same rules.

Madam Speaker: Thank you, Dr Paisley. I have not heard of any such changes. As you know, I told the House that I was looking into the matter. The Assembly Commission has set up a special security review, involving its members and other invited personnel. At this stage — as I have already explained to you — there is an interim agreement with the PSNI for security in this Building on sitting days from 8.30 am until 6.30 pm. That arrangement will stay in place until full devolution, when it is hoped that we will have our own corps of PSNI people to look after us.

That is as far as I can go at the moment, because that is as far as the security review has gone. There is no change or diminution of security, especially on sitting days. I will be reporting back.

Mr P Robinson: Further to that point of order, Madam Speaker. There have indeed been further restrictions on members of the close protection unit (CPU); can the CPU be taken into consideration when the review is being carried out? Can you also look at the access being provided to the CPU as compared with that being provided to the non-police escorts of other members of the Assembly?

Madam Speaker: Thank you, Mr Robinson. I certainly will be looking into that. As all Members will appreciate, I cannot discuss security in any great detail

on the Floor of the House. I hope that Members, and everyone else who comes to or works in the Building, feel safe and looked after. Your and Dr Paisley's comments will be taken into account. That is as far as I can go on the Floor of the House. I hope that you appreciate that.

PRIVATE MEMBERS' BUSINESS

Water Charges

Madam Speaker: The Business Committee has agreed to allow two hours for each of today's debates. The proposer of each motion will have 15 minutes, and all other Members who wish to speak will have 10 minutes. Two amendments have been selected and published on the Marshalled List. The amendments will be proposed in the order in which they appear on the List. When the debate has concluded, I shall put the Question that the amendment be made for each amendment in turn. If amendment No 1 is made, I shall not put the Question on amendment No 2.

Mr Robert McCartney: On a point of order, Madam Speaker. On the Marshalled List of Amendments, amendment No 1 appears to be down in my name, unless there is another R McCartney. *[Interruption.]*

Oh, there is? Thank you very much. Madam Speaker, he must be travelling incognito, because I have never come across him in the Assembly.

Madam Speaker: I am sure that that is to his detriment. Mr Raymond McCartney is here, and unless you want us in future to call you Mr McCartney QC to make it clear —

Mr Robert McCartney: No, just call me Mr Robert McCartney and the other Mr Raymond McCartney; that would seem to be the proper way to do it.

Madam Speaker: As always, Mr McCartney, I will listen to what you have to say.

Mr Cree: I beg to move

That this Assembly notes the Government's unacceptable proposals and legislation for the introduction of separate water charges in Northern Ireland, and calls on the Minister for Regional Development to examine and review the provision of water and sewerage facilities so that an improved service may be provided and an acceptable funding arrangement be enacted to cover the costs involved.

This motion was drafted some time ago, during the summer. It would have been nice to have had the opportunity of discussing it before the legislation had been passed, but obviously the Secretary of State was not prepared to let us do that. Things have moved on since then and I am aware that there are two amendments, which is entirely fitting. The first one contains a lot of detail and merit. The second, which is the amendment from the hon Member for North Belfast Mr Maginness, also has quite a lot to commend it, and I would be prepared to take that one on board.

During the past three decades our water and sewerage infrastructure has suffered significant underinvestment by successive British Governments.

The Water Service now faces a £3 billion investment requirement to comply with EU directives on water quality, to respond to increasing demand for water and sewerage services and to replace ageing infrastructure.

In May 2002, the Chancellor announced the new borrowing power for the first Executive to finance infrastructure investment, subject to the debt being paid from additional local revenues.

Few people would object to paying more for an improved service, but the scheme devised by the Government does not have the support of consumers, any of the political parties or the trades unions. This is the first time that the Government have got all parties to agree on something. We were told that we would not have to pay towards the charges, but the Government have reluctantly had to agree that that is untrue.

In 1997, the comprehensive spending review (CSR) changed the system, but no reduction was made in the local rates. Prior to the privatisation of the Water Service in England and Wales, the Government paid a green dowry, and Northern Ireland was given a £50 million annual payment for the improvement of its water service. That money has not been ring-fenced — it has gone into the pot, or, should I say, a black hole.

While we might, therefore, share in the benefits of water reform, it will be at an unacceptable cost. The scheme is fundamentally flawed. Members know that a financial agreement was signed by the Treasury and the Secretary of State in 2005, but no one has seen that document. However, we know that it is central to the decision-making process, the financial model, the licence and the handling of assets. A letter of governance will give effect to the transfer of assets from the Department to Northern Ireland Water Ltd, the new company, and that letter will not be subject to scrutiny either.

I am also concerned about the disposal of surplus land. In reply to a parliamentary question, we were informed that the Water Service has 130 sites that it has deemed surplus to requirements and, therefore, suitable for selling. Some of the decisions on those sites go back 16 years, and nothing has happened yet. Under the Government's plans, we do not know how those disposals will be dealt with or who will get the proceeds from the sales in the first three years.

Lord Trimble: The Member is concerned about who will receive the proceeds from sales in the first three years. Under the legislation, disposals are subject to approval by the Department. However, during last Monday evening's debate in the House of Lords, Lord Rooker — speaking on behalf of the Government — said that the Department would be immediately issuing a general authorisation for disposals, and that from that point onwards there would be no Government or departmental regulation of disposals. On that point, Lord Glentoran, for the Conservative Party, believed

that he had received a concession from the Government whereby the regulator would have a regulatory function with regard to those disposals from 2007. Is the Member aware of what the position is on that issue, because there was doubt on Monday night as to whether Lord Glentoran had received anything of substance?

Mr Cree: I thank the hon Member for his intervention. Last week, the Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges; and Water Reform received evidence from a group of people, one of whom was the regulator. I am conveying the information that he supplied to the subgroup, so it may well be that the noble Lord has been sold a pup.

Members have not had access to the strategic business plan, but we know that the cost of capital will be 5·8%, and that is the highest in the UK. The debt provision has been set at 5%, which is low considering the experience across the water. One in four county court judgements in England and Wales are for non-payment of water bills. Last year, there was a 43% increase in legal action. Who will pick up the cost of non-payment of bills?

There is a major concern about the efficiency targets for the new company and who will pay for any failure to meet them? The Water Service's land and assets are valued at £5·6 billion. They will be written down to £1 billion, and that will become the capital value of the new company. A dividend of £58 million — 5·8% of £1 billion — will be paid to the Government. If the dividend is not paid in full each year, the Department for Regional Development will have to make up the difference. We are told that the capital figure was recommended by the consortium led by the Union Bank of Switzerland and was necessary to ensure that the business would continue to be financially sustainable.

Clearly, that arbitrary valuation is costly to consumers. If it were a third less than the £1 billion figure, consumers could save £20 million each year. Remember that ratepayers paid for a significant portion of those assets over the years, with taxpayers paying the rest.

10.45 am

During subgroups' evidence sessions, I was surprised to learn that access to the borrowing requirement depended on the introduction of water charges. Price protection must be extended until 2015, or until the new company breaks even. Of the £3 billion planned for investment, it has been estimated that approximately £1·4 billion relates to the capital backlog from the past. The Treasury should pay that to alleviate the capital problems of the company, whose arbitrary capital value is a significant cost to consumers. The strategic business plan must be available for public scrutiny before the Minister signs it off. The

asset management plan and the estate management plan must also be considered. Neither is available yet, although the water reform legislation has been approved.

Following strong representations from the Consumer Council and other bodies, the Government developed an affordability tariff for those households that are in receipt of benefits. Whilst it was welcome, there is no indication of what will happen to the tariff after 2010. Will the Government continue to fund it, or will other consumers have to pay more? Will other services be cut by the same amount? The affordability tariff will apply to 200,000 households, that is approximately one third of all households, a large and important section of the population. However, another large group of households, which is just above the lowest income group, will be dramatically affected by water charges and other increased costs that are in the pipeline. Those people are concerned about their financial situation, as many are retired and living on limited pensions. Government has not addressed the major problem that others may fall into the poverty trap.

There are many problems with the Government's proposals for water reform. They have pressed ahead and paid little attention for the concern expressed by political parties, the Consumer Council, the trades unions and everyone else, including the High Court. In the last few days, both the subgroup on economic issues and the subgroup on the comprehensive spending review, rates charges and water reform have taken evidence from the key players. Much useful information has come to light that reinforces our concern on how the Government have formed their view. It seems to be a mishmash of public spending rules and business practice without much common sense. We do not have the necessary information to enable us to form a detailed critique of the proposals. However, we know that what is being delivered is seriously flawed.

When the Act comes into effect in April 2007, a range of organisations will be involved in overseeing water and sewerage services. The Department for Regional Development (DRD) will have a general oversight role, and the Department of the Environment's (DOE) Environment and Heritage Service (EHS) will be an environmental regulator and overseer of private water matters. The Department of Culture, Arts and Leisure (DCAL), the Department of Agriculture and Rural Development (DARD), the regulator and the Consumer Council will also have a role to play.

Are the roles of those bodies clear? Are there adequate and workable relationships in place in order to ensure that co-ordination is effective? We regret that the Secretary of State refused to listen to the Programme for Government Committee's call for the deferment of water charges so that the Assembly could debate the matter. I contend that there is still time, and

that we must wait until the Programme for Government Committee has concluded its deliberations next month.

Mr Raymond McCartney: Go raibh maith agat, a Cheann Comhairle. Tairgim an leasú. I have always taken comfort that there are two McCartneys in the Assembly. I hope that Mr Robert McCartney also takes some comfort from there being another McCartney to join him.

Mr Robert McCartney: None at all.

Mr Raymond McCartney: No offence taken.
[Laughter.]

Mr Robert McCartney: It was given. [Laughter.]

Mr Raymond McCartney: I beg to move amendment No 1: Leave out all after “charges” and insert

“and further notes:

agreement within the Preparation for Government Economic Challenges sub-committee and the Programme for Government committee;

the work of the subgroup on Comprehensive Spending Review and Programme for Government; Rate Charges and Water Reform;

the ongoing work on an Economic Package for an incoming Executive;

and calls on the Secretary of State to make all necessary provisions to allow an incoming Executive to examine alternative models to deliver the public service that is the Water Service.”

I want to state my party's support for the motion; to offer the rationale for its amendment; and to seek support for it.

All parties in the Assembly have stated their opposition to water charges publicly. However, despite that united opposition, not only has the British direct rule system allowed the opposition to be ignored, it has permitted the Department for Regional Development to proceed in a way that has treated public opinion with utter contempt.

Even though legislation has now passed through the British parliamentary system, all parties in this Assembly should send a clear message that the incoming Assembly and Executive will seek ways to offset that legislation and its effects. Not to do so would only strengthen the view that it suited the parties in the Assembly to allow direct rule Ministers to introduce charges while we took cover through suspension. Let the issue serve as a timely reminder that we, as political representatives, have let down the people on whose behalf we have been mandated to legislate. The Assembly should be in the position to do what it was elected to do.

We must ensure that the Assembly and the Executive will not allow this unfair tax to remain on the statute book unchallenged. We will explore all alternatives. The Coalition Against Water Charges provided the Subgroup on the Comprehensive

Spending Review and Programme for Government; Rates Charges and Water Reform with a paper written by David Hall, which looks at more equitable alternatives — in particular, the payment of charges through the regional rates system.

Our message must be clear that the Assembly offers a way out of all this for those who will face an uncertain future because of water charges; those who are already in the cycle of poverty; those who will inevitably find themselves in that cycle in the not-too-distant future; and those whose jobs become more uncertain by the day as privatisation looms large in the background. By supporting the amendment, we will more than just reaffirm our opposition to water charges.

Last week the Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform took evidence from a number of concerned groups. The evidence provided by the Anti-Poverty Network and the trade union representing Water Service workers shows that this is a real and present problem. We have the power to do something about it, and Sinn Féin wants to do something about it.

The Assembly should learn the lesson that initiatives should not be rushed into without full appraisal of all possible outcomes — a lesson that was learnt from the reinvestment and reform initiative. The Department for Regional Development — like consecutive direct rule Ministers in the past — has used the reinvestment and reform initiative as the rationale for the need to levy charges for water usage.

Sinn Féin accepts that there is a need for investment in water and sewerage infrastructure and believes that the blame for the lack of proper investment in that infrastructure over the years lies squarely with the British Government. With that in mind, Sinn Féin has argued for the required investment to come from a peace dividend, and that remains high on the party's agenda in its discussions with the British Government. My amendment points to some practical steps that can take us away from the disastrous consequences of water reform.

I am also aware that Mr Maginness — and in case there is any confusion I mean Alban Maginness rather than Martin McGuinness, who is also a Member of the Assembly — has also tabled an amendment. Sinn Féin will withdraw its amendment and support his amendment.

Go raibh maith agat, a Cheann Comhairle.

Madam Speaker: I call Mr Alban Maginness to propose the second amendment published on the Marshalled List of Amendments.

Mr A Maginness: I beg to move amendment No 2: Leave out all after “Ireland” and insert

“, deplores the Secretary of State’s refusal to heed the Programme for Government Committee’s call for deferment of the Water and Sewerage Services Order, and believes that in the absence of a known Strategic Business Plan, Asset and Estate Management Plans, final licence details, adequate regulation or due consumer protection, the public can place no reliance on the figures which Ministers are indicating for future water charges and awaits a report from the Programme for Government Committee.”

I am grateful to Mr Cree and Mr Raymond McCartney for indicating that they will accept the amendment tabled in my name on behalf of the SDLP.

I hope that the House will reach the same broad consensus on the issue that has been reached in Committee. The Committee on the Preparation for Government and the Programme for Government Committee have made great progress in achieving political consensus on the issue.

The Government’s proposals, which Mr Cree ably outlined, are in effect a privateer’s charter. There is no doubt that the Government framed their proposals with a view to ultimately privatising the Water Service. With that privatisation will come a huge asset-stripping exercise by whoever buys or takes over the Water Service in whatever form it takes.

The assets at this moment are in the region of perhaps £5 billion. Those are rich pickings for anyone in the private sector who takes over the Water Service.

We have had the experience of Northern Ireland Electricity and the Northern Ireland International Airport being sold off. Will we ever come to our senses on selling off public assets, which are for the good of all of the community? They should not benefit private greed. They should be there to service the people, and if there are assets that are surplus to the requirements of the Water Service, or indeed any other public body, then they should be disposed of in a proper and transparent fashion, in the full interest of the people. The public interest must be served.

If Members look at the proposals that have been made, they can see the lack of transparency with, for example, the strategic business plan. There is no transparency with the licensing of the Go-co, the liabilities that that company may have, or the sustainability of that company when it goes into operation on 1 January 2007. There are disturbing reports of high levels of inefficiency in the Water Service. That inefficiency can create a situation in which the new company is unsustainable in the medium term. If it does become unsustainable in the medium term, what then happens to the company and the Water Service?

The Government’s lack of transparency has been deliberate and is to disguise their objective, which is ultimately to privatise the Water Service. We should be in the position of protecting the public ownership of the Water Service and the land and assets belonging to it.

Mr Robert McCartney: Will the Member give way?

Mr A Maginness: Yes.

Mr Robert McCartney: I am grateful to the Member for giving way. When the Member talks about sustainability in the short term, does he agree that it will always be sustainable, in so far as the public and the consumers will be used as a cash cow to ensure its sustainability?

Mr A Maginness: That is the very point that I would make to the House, and I am grateful to my learned Friend for raising it.

The reality is that the company itself is not going to be given the proper support that is necessary to ensure its sustainability. Despite the fact that successive British Governments have failed to invest in the Water Service, the Government have not presented the people of Northern Ireland with the necessary additional funding to invest in the Water Service. There has been no green dowry for the Water Service here. The present underinvestment is solely the responsibility of successive British Governments, and yet they are asking the people of Northern Ireland to pay for their neglect. That is the reality, and it is totally unacceptable to the people of Northern Ireland.

The Government’s contempt can be seen not just for the political consensus on this issue within this House and among the wider trade union movement, voluntary groups and the Consumer Council; their contempt for the legal process here could be seen when the Government Minister in the House of Commons rejected the recent ruling by Mr Justice Weatherup on the lack of consultation that the Government engaged in on these proposals.

Mr Justice Weatherup’s point was not a narrow technical one. It was based on good legal precedent — the Coghlin principles. Those principles demand that any public body should conscientiously enter into consultation with its consultees. In other words, one cannot just pretend to consult; there must be a conscious effort. The Government were in neglect of their heavy legal duty to do that. Mr Justice Weatherup made a point of legal substance, but the Government, in the House of Commons, rejected his findings. That is deplorable, but it is typical of this Government’s determination to treat the people of Northern Ireland with contempt. This issue is simply a further reflection of that contempt.

11.00 am

In the SDLP’s view, the utility regulator will not have sufficient power and the breadth that is necessary to regulate the water industry. Furthermore, the regulator will have no control over the disposal of assets, no matter what Lord Glentoran was assured of in the House of Lords. The reality is, as my Friend Mr Cree has said,

that he was probably sold a pup. Lord Glentoran was given an assurance, which he accepted, and for which he will rue the day, because there is no additional power going to the regulator in relation to that assurance.

It is disgraceful that the Government have put a time limit of three years on the affordability tariff. What will disadvantaged and vulnerable people in the community do after that date, when the tariff runs out? How are they going to deal with the increased costs and charges that the water company will be under pressure to impose? The Government have shown gross irresponsibility on this matter.

There are many other concerns that one could address in relation to this woeful piece of legislation.

Madam Speaker: Mr Maginness, your time is up.

Lord Morrow: I congratulate Mr Cree on bringing this motion before the Assembly. It is an important issue that has united all sections of the community and all political parties. However, the Government are, sadly, not prepared to pay any heed to what any of the parties has to say, or, indeed, what the people of Northern Ireland and the trades unions have been saying about water reform.

It has been correctly said that this is a classic example of the Government doing the wrong thing at the wrong time. Any justification for the Government's intentions must surely have been removed by the High Court declaration of 22 November; but, alas, according to Lord Rooker, who spoke on the matter in the House of Lords on 8 December, it is not to be that way. It seems that nothing can change this Government's attitude on this important issue.

None of the Ministers who have steamrolled this through and who will implement it will have to live with their decisions. They will demand that the people of Northern Ireland pay up, but they will be far away when the bills drop through the letter boxes.

It is clear, from the positions taken by the political parties, that there is widespread opposition to the Government's proposals. Indeed, the DUP won a substantial mandate in the 2005 Westminster election on the basis of a manifesto commitment to oppose Government proposals on water charging. Therefore, there is no support in the Province for the Government's plans. Time and time again, the Government must get the message that they are a Government of imposition and do not rule with consent. The Government intend to impose these swingeing water charges, but, of course, they will not have to pay.

In this parliamentary session, water charging is one of the most, if not the most, important issues to affect Northern Ireland. Due to the process by which Northern Ireland legislation is dealt with at Westminster, the Order will receive scant attention in a Committee,

with no possibility of amendment. For a Bill that has 308 clauses and 13 schedules, it is constitutionally outrageous that Government should give a mere hour to an hour and a half to debate something that will have such an impact on the people of Northern Ireland. The pre-legislative consultation process does not make up for that inadequacy.

Although there are significant accounting issues on whether water services in Northern Ireland should be self-financing, the evidence for, or detail of, water charges should, ultimately, be a matter for the people of Northern Ireland to determine. There are spending implications for Northern Ireland if we do not proceed with water charges, but those choices should be left to the people of Northern Ireland.

In addition to the general considerations that I have set out, there are several specific objections to the Government's proposals.

First, they do not take account of the contribution already made to the provision of water services. Although not specifically related to the detail of the Order, no account has been taken of the contribution that is already made towards the cost of water services through the regional rate. Inevitably, that will increase the average water charge and make the introduction of water charges more unaccountable than would otherwise have been the case. It is one thing to pay for water; it is quite another to pay for it twice.

Secondly, the Government were disingenuous with their justification for water charges. The Government have sought to justify water charges on the basis that they were addressing the Water Framework Directive. However, they then devised a system that did not meet the requirements of the directive.

Thirdly, the Government have used water charges as a mechanism, and as a cover, to increase massively the level of local taxation in Northern Ireland. At the same time, there has been a significant increase in the regional rate, and a new rating valuation system. Although there may be justification for a separate charging mechanism for water services, that does not mean that there must be a significant increase in the overall tax burden.

Fourthly, the Government have reneged on proposals in relation to the reinvestment and reform initiative (RRI). As originally proposed, water charges were to be regarded as qualifying revenue when considering the capacity to avail of the borrowing power under RRI. Since then, the Government have changed the rules, and, as a result, there is no advantage, in terms of borrowing, to water charges. When compared with the overall Northern Ireland budget, water charges make up a very small percentage of local spending. The significant additional burden of water charges on

the householder makes little difference to what can be done about spending.

The DUP continues to oppose the privatisation of the Water Service in Northern Ireland and believes that any future change to the status of the Water Service should come about only in circumstances where there is widespread support in Northern Ireland.

It is unreasonable to expect householders to pay the cost of road drainage. That should be met from other sources.

My party believes that the option of voluntary metering, with appropriate consideration given to infrastructure costs, should be available for all Northern Ireland consumers. We reject both the requirement for universal metering, as it is too costly, and no metering, as it is too unfair. The capital value of a home is too inaccurate a measure of the householder's ability to pay for it to be used as the only method of assessing water charges. The argument that only the better-off would opt for metering could be negated by setting the fixed cost element at an appropriate level. Ultimately, wider availability of water metering will promote greater conservation of water. In the Government's proposals metering is made available to certain groups, and we welcome that, but we do not believe that it should be limited to those groups. It is not clear that vulnerable groups will benefit from metering. Therefore, the alternative of metering, as presently proposed, may prove to be an empty gesture.

Over the past few decades, Northern Ireland has faced greater challenges than any other part of the United Kingdom, and Northern Ireland is less able to pay water charges than any other region. In those circumstances, my party believes that the average water charge in Northern Ireland should be no higher than the average paid in England and Wales, with a maximum charge fixed at that level. That should produce an appropriate balance: Northern Ireland's householders would be required to make a real contribution towards the cost of water, but not be punished for a lack of Government investment. The Government's proposal to protect vulnerable groups is one of the more welcome aspects of the package, but we believe that such protection should not be temporary. The DUP will continue to oppose water charges, and we support the motion.

Mr Neeson: I welcome the debate and thank Mr Cree for bringing the motion before the Assembly. The Alliance Party will support the amendment proposed by Mr Alban Maginness, which brings the motion up to date.

No issue has created more public concern in Northern Ireland than that of water charges, not only among the elderly, but among householders generally. The Government have misled the community by

claiming that we do not pay for water at present. We are paying water charges through the regional rate. If the Government introduce water charges next year, will the regional rate be reduced? That needs to be addressed.

We all know that there have been problems with the Water Service. In the twenty-first century, it is unacceptable that raw sewage is pumped into Belfast Lough at Blackhead. There are many other shortcomings in the service. Those must be addressed, and EU directives on water must be met. How has this situation arisen? The simple answer is underfunding by direct-rule Ministers over the years.

It is easy to point the finger at direct-rule Ministers, but Northern Ireland was coming through 35 years of turbulent Troubles, during which budgets had to be redirected away from the Department of the Environment and the Water Service. The legacy of the Troubles cannot be ignored. In the Subgroup on the Economic Challenges facing Northern Ireland, the so-called peace dividend was discussed. One of the issues put before the Chancellor of the Exchequer, Gordon Brown, when he met a delegation of Members, was the question of delaying implementation of the legislation until the Assembly was up and running.

There was a negative response from the Chancellor; he said that if we were prepared to sell off the assets of the Water Service, we could keep the money. His bottom line was that if we sold off the Bog Meadows, we could keep the money.

11.15 am

A lot of interest groups have voiced their opposition to the introduction of water charges. I congratulate the General Consumer Council for Northern Ireland for its work. That organisation went to court and got a ruling in relation to the haste with which the Government carried out its so-called consultation.

As other Members have said, there is a need for transparency and for the publication of the strategic business plan.

The legislation is deeply flawed. Once again, there is the issue of the people who will, unfortunately, get into debt because of water rates. A class society is being created — a society in which those less well off will have to pay their debts sooner than those who are better off. Many other issues also show that the legislation is deeply flawed.

We are witnessing the introduction of the privatisation of the Water Service through the back door. A few years ago, I wrote to Mr John Spellar — he became a Minister in the Northern Ireland Office — voicing my concerns about the possibility of water privatisation being introduced to Northern Ireland. Mr Spellar wrote back saying:

"I am fully aware of the very strong opposition to water privatization across the board in Northern Ireland."

He went on to say:

"Apart from privatization itself, I am also concerned at proposals to introduce legislation through the back door, particularly on water metering."

To the Members of the House I put the question: can we trust this Government? The answer is no.

Mr Robert McCartney: I would not buy a new car from them, let alone a second-hand one.

Mr Neeson: That is true.

I wish to express my disappointment with the stance taken by Lord Glentoran in the House of Lords last week. Normally, Robin would be very supportive of the interests of the people in Northern Ireland.

We have to put the water charging being proposed by the Government into perspective. It is not a utility tax; it is a property tax, because the charges are being based on the value of people's homes.

I must question the relevance of the debate in the House today and the other debates that have taken place. The people who should be dealing with this issue are those who were elected by the people in Northern Ireland. Sinn Féin and the DUP may bleat about the question of water charges, but the timetable for deliverance is there. The question is: can the DUP and Sinn Féin deliver within that timetable?

Mr Robert McCartney: I support the motion and the amendment in the name of Mr Maginness. There is no support for these proposals from the consumers, the unions or, indeed, the parties. Today, I have listened to speeches that would have done credit, both in material and presentation, to another place. However, I regret to say that those considerations, so ably put, have come rather late in the day. Although Members are concerned with the future, we must examine the past: it was a devolved Assembly that put forward the proposals, albeit in embryo form, for the hikes in the regional rate and the imposition of water charges that are being suffered.

In May and June 2002, the then Minister of Finance and Personnel, Seán Farren, talked in the Chamber about future financial provision and fresh streams of revenue. I questioned his use of such euphemisms to describe what he meant when clearly the only streams of revenue available to him were an increase in the regional rate and the imposition of water charges. All of that goes back to the failure of the parties who signed the Belfast Agreement to spend adequate time on the financial considerations of accepting devolution. According to the former Secretary of State, and effective political Minister in 1998, Paul Murphy, the parties spent exactly 15 minutes discussing those considerations. At that time, it was known that there

was a black hole of capital underinvestment of some £10 billion, to which I repeatedly drew attention in the House. In May 2002, again in November 2004, and most recently in July 2006, I wrote major articles for the 'Belfast Telegraph' outlining what was in prospect for the regional rate and water charges.

Why were the parties in the Assembly so tardy in responding to what would clearly be a fundamental issue? The reason is plain: the parties had, in large part, been responsible for what is now being imposed. The constant defence of Northern Ireland Office (NIO) Ministers, in relation both to the imposition of water charges and the hike in the regional rate, has been that they are merely putting into practice what the devolved Assembly contemplated and intended to do.

As Lord Morrow quite properly said, it is sad that the Government are not prepared to listen. Members must always remember that a devolved Assembly, if restored, can only do what is possible within the financial limitations that the British Treasury will always impose upon it. Minister Hanson made that point when he said that if devolution were restored and the Assembly decided not to impose water charges, it would have to find from other sources the £300 million that water charges would have raised.

The Secretary of State has pointed out that if there were any capping of regional rates or any other amelioration of the rates burden, the money to allow for that would have to be found from within the financial resources of Northern Ireland.

It is all very well to talk about what a devolved Assembly would do and how it would alleviate these problems, but it will be possible for it to do that only by extracting money from other sources. Whether the cake is divided up by a NIO Minister or by some resurrected Assembly, it is the same cake. The only function that the Assembly, if resurrected, will have is to make provision for different slices for different public needs. However, the amount of money in the pot will never increase. When Members talk about what can be done, what will be deferred, or how they will improve the lot of the consumer, they must bear in mind that there is no magic touchstone that will, if the Assembly is restored, provide a panacea for our economic ills.

I wish to comment on the parties who attended the St Andrews talks and variously signed up for a road map, a route map, a new agreement, or, as some people claim, a review of the Belfast Agreement. Whatever they signed up to, it appears — according to the Secretary of State in Parliament — that the UKUP, and myself in particular, are the only people who are not crying "hallelujah" about it.

What did those parties who were for the St Andrews Agreement bring back to address our economic

problems? Absolutely nothing, other than an airy-fairy promise of an economic package, which those two fraudsters outside No 11 Downing Street represented as £50 billion over the next 17 years. When that package was examined, it had not a single ha'penny of new money in it.

Absolutely nothing was brought back from St Andrews. The capping of rates was hailed as a triumph, but it will help only 3,000 households in Northern Ireland and will have absolutely no bearing on the vast bulk of the people who face huge rises in regional rates. Another claim is that something has been done about water charges. In fact, absolutely nothing has been done. The £300 million will still have to be found.

Will the Assembly cut back on education programmes? Will it cut back on money that is necessary for health, or for the environment? Where will the Assembly find the money to distribute largesse in the form of abolishing water charges? Where will it find the money to do something about the rates system? When the Assembly was in charge, until October 2002, it did not find any means within the limitations imposed on it by the British Treasury to do anything other than consider the imposition of water charges and carry out a fundamental review of rates on a capital-value basis. It is time for everyone to be realistic, and not simply to stand and protest, if that protest is to be a futile and meaningless one.

Whether Members belong to the DUP, Sinn Féin, the SDLP or the Ulster Unionists, they cannot continue to con the people that they will wave some type of magic wand and usher in a golden age when devolution is restored. They will still face the same problems that were faced by the Northern Ireland Assembly when it was up and running.

11.30 am

While it gives me no pleasure to point out the realities, it gives me an increased sense of well-being to realise, from the quality of the speeches that have been delivered, that there is a new awareness. It is an awful pity, therefore, that, in April 1998, Members did not possess such awareness when the terms of the restored, devolved Assembly were agreed.

Mr Shannon: At the beginning of the debate on this issue, a press release issued by the Department for Regional Development on behalf of David Cairns stated that:

“Legislation which will shortly go to Parliament will provide a framework to improve drinking water, better protect the environment, enhance the ability to sustain economic growth, improve essential services and introduce new protections for customers.”

That is exactly what Northern Ireland needs: the rest of the UK has enjoyed such services for years, while, because of the Troubles, we have been denied them.

David Cairns pointed out just what we have been missing out on in Northern Ireland. No one here will question that, except, perhaps, the point about drinking water: if we need improved drinking water, what quality of water have we been drinking for the past 30 years?

Undoubtedly, this inefficient and unstable system must be reformed. The problems that Members of the Assembly — and, indeed, the people of the Province — have are the manner in which the reform is being carried out and the question of who will foot the bill. In many cases, how will people be able to afford the hike on top of their rising rates, heating, fuel and food bills? David Cairns has issued assurances that over a quarter of customers will receive automatic assistance with their bills, but that begs the question: what will the remaining 75% be made to sacrifice to enable them to pay their water charges?

Not satisfied with the rates hike, which means that households will have to strain to pay more based on the capital value of their homes, the Government are further burdening families and small businesses with water charges, which are also unfairly distributed. An example of this unfair distribution would be a four-bedroom home, housing five children and their parents. Under the proposed system, the parents would pay a higher bill proportionate to the amount of drinking, washing and bathing water that they need. Ten years later, however, when the children have flown the nest, leaving their parents alone in the house, is it fair that they must continue to pay the inflated charge based on the number of taps in the house? Should those parents continue to face the high charge in spite of the fact that they will use no more water in their four-bedroom home than they would in a one-bedroom flat? Is that the fairness and equality that have been mentioned? Is it any wonder that my constituents are asking for meters to be installed to ensure that they do not pay extra for their water? This is simply unacceptable.

Another fact is that although a couple could have paid £80,000 for their house 15 years ago, that house could now be worth £200,000. That couple's income may not have risen at the same rate, yet they are being asked to pay a huge amount in charges. For how much longer will the middle classes who just “get by” have to foot the bills of the inadequacies and inefficiencies of Government practice?

As it stands, the strategic business plan for Northern Ireland Water Ltd does not set out a sustainable future. It seems that, for the objectives of the plan to be fulfilled, there will have to be further price hikes, more burdens placed on the average households and an endless accrual of mounting charges. That approach does not seem to pass the consumer-fairness test. The capital value of a person's property has no link to his or her ability to pay the proposed water

charges or to be able to keep up with those payments in the event of an illness or retirement. It is a grave mistake to assume that a large house means a large income, and the general public cannot be expected to underwrite that mistake.

As the findings of the judicial review initiated by the Consumer Council show, the legislation has been rushed through, with the result that we have been handed an unfair, messy, piecemeal effort that will need much clarification and tidying before it can go any further. Despite assurances from Government officials, it is clear that there is less accountability than there is with energy provision or other products. Why is this? Is this yet another attempt to push through unsatisfactory legislation that benefits no one but the Treasury and Government accountants? Is this another abuse of direct rule to punish us for not jumping through Labour hoops?

For three years, Northern Ireland consumers will have the cushion of the Government's pledge to pay the £30 million affordability tariff, but what will happen after that? Will consumers pay? If the Government want to ensure fairness and equality, confirming that the majority of consumers will not be forced to pay for the minority who cannot afford the charges, they should offer us a positive assurance that they will continue to provide the subsidy along with other alternatives.

As the Consumer Council has clearly and concisely stated, that can be achieved by making a bond to continue to pay the affordability tariff, by continuing price pegging beyond the current three-year promise and by requiring the Go-co to deliver a business plan that will ensure sustainability and guarantee protection and the best possible service provision to the people who foot the bill. Surely that is not too much to ask for — indeed, we are entitled to that.

The proposed system does nothing more than grab at money, with no thought given to the future and how those targets can be reached and sustained. Over the next 20 years, an additional £3 billion will be needed for the new system, which, on top of other bills, equates to some £10,000 per household. That does not take inflation in the housing market into account, which is another hidden burden, meaning that more families are on the breadline. That is no exaggeration, given that over 350,000 people are officially on the poverty line in Ulster, with 24% unable to pay for adequate heating. The majority of people have no savings and are, according to the Simon Community, only two pay cheques away from homelessness. The added burden of water charges can only push more people towards the poverty threshold. There are over 200,000 vulnerable households in the Province, and those who are just above this level cannot afford to maintain this load, and they should not be expected to.

There are worries not only about the costing and financing of the proposed legislation but about accountability, which I mentioned earlier. The £1 billion loss due to electricity privatisation and the Thames Water plc increase have been cited as clear examples of what happens when regulators are not accountable; something must be done about that. The question rightly arises: does the legislation provide the framework of accountability to stop tests that have been failed in the past from failing yet again? This rushed job has not provided that assurance. When will the assets totalling £5.6 billion be available to sell? Who will regulate the regulators? Most importantly, to whom will the regulators be held accountable? Those are issues that must be clarified; without that clarification, the legislation should not, and cannot, go forward.

I have highlighted only a couple issues, because I know, given that the legislation is a quagmire, that other Members will want to dwell on other areas. There are many other issues such as bad debt, price pegging and the capital backlog. However, even the few points that have been made are enough to illustrate how ill conceived this legislation is. Consequently, I support the motion for an immediate in-depth review of the legislation by the Minister with responsibility for regional development. David Cairns stated that, after the devolved Administration was put in place:

“It will then be for local ministers to decide how best the policy might be developed to provide protection for those who need it most.”

I believe that that is impossible. It not only indicates that the Minister is aware of the fact that Members of the Assembly should create a policy that benefits the people of Northern Ireland, but it clearly shows that the legislation, in its current form, does not protect the people of the Province and is being used as another prod in the direction of devolution at the cost of our constituents.

This cannot and will not be tolerated by members of the DUP or Members of the Assembly. We will not allow ourselves to be held over a barrel at the risk, and to the detriment, of Northern Ireland. We have long been neglected in this area, and the legislation does not include the necessary amendments; it cannot continue any further. If we wait until devolution to amend the legislation, that will be like shutting the gate after the horses have bolted. The legislation is useless, intolerable, unacceptable and seriously undemocratic.

Madam Speaker: Members, Ms Kathy Stanton will now make her maiden speech. As Members know, it is the convention that such a speech be made without interruption.

Ms Stanton: Go raibh míle maith agat, a Cheann Comhairle.

I support amendment No 2, proposed by Alban Maginness. Under these water reform proposals, water affordability will be out of the reach of many households in the North. This is not a green or an orange issue but an issue that unites all of us. If the legislation is not deferred, it will have drastic and long-term effects on all people, but especially on the 150,000 families that will be driven further into poverty and debt. Income will not be enough to meet the ever-increasing privatisation of public services. If the proposed legislation is adopted in its present form, an income at or above the relative income poverty line will not be enough.

The Northern Ireland Anti-Poverty Network (NIAPN) has estimated that roughly 37% of the average non-itemised rates bill goes towards water and sewerage provision. The Minister's proposed additional water charges will be based on the value of a person's house. That is deeply worrying for low-income households, as well as for those on benefits or in receipt of a pension. We have already been paying for our water, yet we are now being asked to foot the bill for the British Government's failure to invest in our infrastructure.

The value of people's homes has risen dramatically over the years. It has been quoted that house prices are rising £100 a day. People's incomes, however, have not increased in line with that rise in order to meet what the Government propose. On average in the North, where there is a higher cost of living, people earn 20% less than they do in Britain. Water charges will simply push people further into poverty and debt. We already have worse poverty figures than anywhere else in Britain or Ireland.

My constituency of North Belfast and that of West Belfast contain 17 of the 20 most deprived super-output areas (SOAs) in Belfast, yet those two constituencies receive a mere 8.3% of total inward-investment assistance between them. The groups and communities that are least able to pay will be affected most by the proposed charges. As I said earlier, the legislation will drive 150,000 families deeper into poverty and debt.

It is ironic that the British Secretary of State published an anti-poverty strategy last month, yet the Minister with responsibility for regional development is simultaneously proposing charges that will significantly increase poverty levels. Where is the logic in that? To introduce water charges contradicts the latest DRD report, which reaffirmed the Government's commitment to effective protection for those on low incomes.

The North of Ireland has experienced failed policies from England that have resulted in lower wage levels and in higher levels of family and child poverty, of inequality, of disability and of illness. Save the

Children estimates that one in three children in the North live in poverty. Fuel poverty is already a major issue, but the British Government's plans to introduce water charges could lead to many homes in socially deprived areas also having to come to terms with water poverty. NIAPN is on record as saying that to privatise water and sewerage services will, in effect, privatise all of the North's households. Tenants will face growing charges at a time when some private landlords are already bleeding their tenants dry.

Any private company's priority is to represent the interests of its shareholders in order to ensure that they get a return on their investment. The only way in which to guarantee that they get that return is to continue to increase charges. We only have to look at past mistakes — namely, the privatisation of NIE — to learn from them. The people actually pay the levy that NIE says that it contributes to deprived communities. The result is that the poorest in society pay the most, and even then they are only paying for basic needs.

The Transitional Assembly should ensure that people are put before profit, and we should not allow the British Government to blame the people for not having adequate incomes, for being unemployed or for having to live in poverty. It is the Government's responsibility to protect the rights of citizens, and water provision is one of the most basic rights. Statistical evidence has shown that unemployment has dropped yet poverty has increased. Inadequate social-welfare payments are much more a cause of poverty than unemployment.

Therefore, once again, we see with this latest piece of legislation the dominant theory prevailing — we have been set up to fail the people. Will the poor always be with us? Put simply, the answer is yes, but the numbers of poor will also be increasing. Brigid Reynolds, in her paper 'Mind the Gap between Rich and Poor', asked a conference that I attended last year how we can expect our economic and social infrastructure to catch up with that of the rest of Europe if we gather less taxation income than it takes to run the infrastructure that is already in place in most of those European countries.

We will never bridge the social and economic infrastructure gaps unless we invest a larger share of our income in building a fairer and more successful Ireland.

Sinn Féin supports the role of trades unions, Water Service employees, anti-poverty groups and the Consumer Council in their bid to ensure that the privatisation agenda is reversed.

11.45 am

Mr McGimpsey: I support the motion.

Like most Members, I believe that water is not an economic commodity to be charged for; it is a human right. The debate is not about how much water people use; it is about how much water they need. We have a water system for good reason: 100 years ago, diseases such as cholera and typhoid were rife in Belfast, and the solution was to ensure the proper disposal of waste through a sewerage system and to ensure the delivery of clean drinking water to each household.

Even in the halcyon days of free enterprise and business in Britain, it was recognised that water services could not be provided privately at a profit. Therefore, it was public expenditure that provided the sewerage system, built reservoirs to store water and provided a system to deliver clean drinking water to each house. That is the system that we inherited. It was reinvested in over the years religiously and, over the years, everybody in Northern Ireland paid for water through the regional rate. We continue to pay for our water to this day, so the assertion that we do not is simply untrue. There is, of course, a problem with crumbling infrastructure.

When the Executive took over in November 1999, they discovered that the infrastructural deficit in Northern Ireland was approximately £15 billion. That was no surprise. Over 30 years, the cost of the war was around £500 million each year. Although successive direct-rule Ministers said that the money was provided over and above normal revenue and would not affect normal provision of services; it did. In fact, that £500 million a year, which was used to pay for all the burned buildings and buses, for the agony and misery and for the Army and police, came from normal funding revenue. Funding for the Water Service was no different.

The Executive took over the need for massive investment in hospitals, roads and public transport, and some of the results of that investment can be seen today. The Water Service was an area under consideration. However, it is not true that the Executive intended to privatise water services or to start charging for water. Certainly, the then Minister, Peter Robinson, proposed some options, but that was as far as it got.

It is true to say that, historically, a green dowry was provided for water provision in Northern Ireland, as was also provided for England, Scotland and Wales. Central Government made massive investments in the water industries in England, Scotland and Wales in order to fatten them up for privatisation. Water services in England and Wales were privatised, but Scotland did not follow suit. However, no similar investment was made into Northern Ireland's green dowry. That is why there is such a huge problem now.

Mr Robert McCartney carefully analysed our problems, he did not analyse the solution so carefully. We are clearly facing a privatisation agenda. The steps

taken so far make sense only if they contribute to selling off the water industry. Therefore, a sustainable level of charges per household must be created. Alban Maginness talked about sustainability, which is one of the problems in the Water Service's business plan. Currently, each household pays around £130 per annum for water through regional rates; under charging, that figure will treble to around £400 per annum, and that is just the start. Those charges will create the cash flow and funding for the new company.

In the legislation, I notice that Peter Hain has christened the new company a "Go-co". That is an interesting name. As we know, the Go-co will have a captive market for providing our water. Water is an absolute essential — we cannot do without it. People will have to pay pretty much what the new company dictates. I have no confidence in regulators. I have seen how the electricity and gas regulator operates, and he does not do a particularly brilliant job for the consumer.

The water and sewerage service is a public asset; it has worked as a public asset for 100 years — there is no need to sell it. Instead, the need is for investment, which we must seek ways to secure. The last thing that we should do is to sell our water utilities. There is no need to sell that public asset, and members of the public do not want it to be sold. In every consultation that has been carried out on this matter, the public tell us not to sell water utilities, but that is being done, over their heads. That is pretty much what one gets under direct rule, and that demonstrates the need for devolution.

If we have a devolved Assembly, this issue certainly will not be any easier to address, and the situation may not be much better, but at least we will be managing the matter ourselves. At least we will deal with this matter with regard to the priorities that must be considered, rather than have the current situation whereby we go annually to London with a begging bowl for money.

Northern Ireland's financial situation — not least as a result of 30 years of war — leaves us with a gross Treasury spend of about £16 billion and a tax take of about £10 billion. There is a gap of about £6 billion, and the Treasury and the Government are now telling us that, with the war over, we must be treated in the same way as every other part of the United Kingdom and that we will have to pay a bit more. One of the key ways to address that problem is to increase our tax yield through more business activity, more enterprise, etc. That would allow us to manage our economy well and to pay our bills better. However, Northern Ireland is by no means the only region of the UK that is in the predicament of deficit funding.

The way forward is to manage those matters ourselves through devolution. There are ways and means of addressing the problems. For example, such has been the level of underinvestment that, currently, about 50% of all pumped water is wasted through leaks in pipes. That demonstrates how badly the water system has been maintained over the years. There has been a substantial number of new housing developments, all of which have new water systems installed. It will take years to do the necessary work to address the problems with the old systems that were originally installed.

The last thing that we should do is to sell up and follow the privatisation agenda. When Mo Mowlam was Secretary of State for Northern Ireland, she promised on behalf of the Labour Government that there would be no privatisation of the water industry. We must look hard at how we can force the British Government to honour at least one of their promises, and that promise in particular.

Ms Ritchie: Madam Speaker, I am afraid that I have a cold, so I apologise if my diction is not altogether clear. On behalf of the SDLP, I thank Mr Cree for his timely motion. I also thank the parties that have supported the amendment standing in the name of my colleague Mr Alban Maginness.

Successive British Governments have defied collective political and community opinion in Northern Ireland, which voiced clear opposition to new separate charges for water and sewerage. The current Government are no different and have defied the collective political will of this Assembly, the reasoned protestations of the Committee on the Preparation for Government for the deferment of the legislation, and the legal judgement of Mr Justice Weatherup, which clearly demonstrated that the Department for Regional Development had not carried out an adequate and proper consultation with the major stakeholders in respect of the draft legislation. All of that happened in spite of the fact that the Secretary of State and his coterie of Ministers insist that they listen to the collective will of this Assembly, take on board our views and opinions and take on board the views of the wider public, who have voiced opposition to such charges. However, none of that opposition was listened to.

Notwithstanding all of that opposition, water and sewerage charges will be introduced from 1 April 2007. Until we have restoration of our political institutions and a major change in Treasury policy on the management, allocation, and distribution of public finances, our ability to do much about that is gravely restricted.

However, we can lobby strenuously to ensure that the Go-co remains in public ownership; that the necessary regulatory and consumer-protection

safeguards are put in place; that the full implications of the draft licence for the operation of the company are made available; that the strategic business plan is made available; and that the privatisation of the public's assets is resisted at every turn and opportunity.

A cursory look at the Government's propaganda leaflet of a few weeks ago tells us why we need to pay for water and sewerage services. We all know that it costs money to make water safe to drink and to remove sewage and waste water from our homes, but the leaflet deliberately fails to mention that we already pay for the provision of those services. The Government did not take sufficient steps, over the long period of direct rule, to improve the infrastructure significantly, and now they want the people of Northern Ireland to pay for the infrastructure deficit that, through their serious neglect, they allowed to occur.

Water charges will affect all households, irrespective of income. We will all pay water charges. The Government have stubbornly refused to take on board the fact that incomes in Northern Ireland do not compare with those in many regions of Great Britain. We pay more for food, electricity, insurance, clothing and energy, yet we earn much less. The Government have obdurately failed to extend the affordability tariff beyond 2010. What will happen to those most in need and those who cannot afford to pay? Water, as has already been said, is essential to our very existence. Water poverty could become a reality for some individuals, like fuel poverty has become, so measures must be taken to address the issue.

Furthermore, the Government have failed to acknowledge that many people who live on or just above the breadline, or who are above the threshold for benefit eligibility, will be forced into poverty through having to pay new, separate water and sewerage charges, combined with a new rates valuation under the review of rating policy. We know that the Government, in their quest to set up a self-financing company, sought to use a billing and debt-recovery mechanism that would have stigmatised people — so much for egalitarian principles.

The draft legislation is now in place. It does not set out a system that is fair, affordable or sustainable. Consumers are expected to pick up the bill for past under-investment and to pay charges based on the capital value of their homes. Political solutions are required in order to address the situation, and we must provide the lead.

There are many questions that the Government should answer. Why did the direct-rule Administration exceed their duties as a temporary caretaker? Why are the Government usurping the role of a future Executive and tying that Executive's hands for decades to come? Why are there insufficient resources in health and

education? Where is the money that we are owed for years of underfunding of our roads, railways and water infrastructure? Where is the money that was specifically given for improvements in our water infrastructure? How much of that was diverted into security? Why are we being forced to pay for direct-rule neglect? Why did the Government recruit consultants, at a cost of over £18 million, to prepare for water reform or privatisation? That money could have been invested in the upgrading of the beleaguered infrastructure. Why did the Government insist on weak regulation in their legislation to govern the work of the regulator? What kind of Government classifies people as "rock bottom"? What an insulting remark to make about many vulnerable, disadvantaged people in Northern Ireland. The British Government should be ashamed of themselves.

Mr Dawson: Does the Member agree that another fundamental question that must be asked is why the Government increased the capital value of the company that is to become the Go-co so that water charges would be increased beyond what is necessary?

Ms Ritchie: I thank the Member for that information — I agree with him. It is all about preparing the Go-co for privatisation, when it will sell off the assets that belong to the people of Northern Ireland. My constituency of South Down supplies a large proportion of the water that the city of Belfast uses. There is no way that we will stand by and allow the public assets of Spelga Dam and the Silent Valley to be sold in order that the fat cats can earn money at our expense. That should not and will not happen. We must resist it.

12.00 noon

Much could be said in this debate. However, as a priority, questions must be asked about the legislation that has already been passed, and much must be done by the Programme for Government Committee. Basically, are the capital value and the standing charge the fairest premise for water charging; is the Treasury and Secretary of State's financial deal the best one for water customers; is the Go-co the best model; is self-financing the best system; and is the charge fair, affordable and sustainable?

The draft strategic, estate and management plans must be published. How on earth was legislation enacted before those plans were published and before there was any consultation on them? The reason is that people are trying to bring in privatisation by the back door.

The full impact of the governance and the licence must be revealed — what is in public ownership must remain in that domain. Full authorisation and enforcement must pass to the regulator next April, and there must be no exceptions. Concrete arrangements must be put in place to make it a duty for the Go-co to consult the Consumer Council on all matters that impact on

consumers. Above all, we need a first-class water and sewerage infrastructure, which should have been provided over a long period of time — the local community should not have been forced to pay for it. Notwithstanding that, we must ensure that rigorous and robust measures are put in place to protect the people whom we represent and all consumers in Northern Ireland.

Lest we forget, the majority of people in Northern Ireland have indicated their opposition to the imposition of new water and sewerage charges. We should not forget also that there will be two charges — a water charge and a sewerage charge — and that will particularly affect city and town dwellers.

Mr McCarthy: I support the proposal and amendment No 2. Members may recall that, a few years ago, the cross-channel Minister Lord Dubs told us that an increase of £70 per household per year would make up the necessary water and sewerage investment required for Northern Ireland for years to come. That amount was included in the regional rate at that time.

That same Labour Government are now ignoring that investment and are screwing householders in Northern Ireland with a new, separate, diabolical and disgusting charge for water and sewerage. I call it a tap tax. This is the biggest con perpetrated by any Government. It is deceitful and fraudulent. The Labour Government are being downright dishonest, and they should hang their heads in shame. Of course, the Government are not alone as regards this shameful new tap tax; some blame must be placed on the Executive in the previous Northern Ireland Assembly.

It all started when Tony Blair and Gordon Brown landed at Belfast City Airport with a bag full of money and were greeted by the then First Minister and Deputy First Minister. The Alliance Party was sceptical of that bag of goodies and said so. We knew that the money was not a gift and would have to be repaid by the people of Northern Ireland. The chickens have now come home to roost at a dreadful cost. I recall a Member of the same Executive coming out of a posh hotel in Belfast and telling us that if we wanted services we would have to pay for them.

I give credit to David Trimble, who was First Minister at the time, for his efforts in the House of Lords last week. After having given their commitment to support Mr Trimble, the Tory Lords, including some from Northern Ireland, stabbed him in the back.

As I said, tap taxes are only a front for handing control of the water and sewerage services to the highest bidder. That may not happen today, but it will happen in the days ahead. Every Member who has spoken in the debate has stated that that is a process of privatisation. That process is wrong.

Some local people are saying that this Assembly is being delayed deliberately from getting back to work so that the London Government can introduce all those iniquitous schemes that will cost our constituents dearly. At the same time, our local, new Executive can wash their hands of those schemes and absolve themselves of any blame for draining constituents of their hard-earned cash.

We have any God's amount of water in this country — some people say that we have far too much. Of course, nothing comes free; we all pay income tax, rates and so forth each week and month. The solution is to simply manage resources better. As I said earlier, we pay already for water and sewerage services through the regional rate. That point has been made repeatedly in the Chamber this morning. We should check out Lord Dubs's efforts a few years ago. Why have we been treated differently from people in Scotland? They got a green dowry to put their services in order, and the rate was increased slightly so that those who earn can pay their way, and, where necessary, other less-fortunate people get an allowance.

This new charge is nothing short of a tap tax. The Government have been deceitful, fraudulent and hypocritical in asking people to pay on the value of their homes. Conservation of water is not mentioned at all, despite the fact that the European directive was supposed to be about conserving water.

I refer to a conversation that Shaun Woodward had some time ago with a meeting of cross-party Assembly Members. In that meeting, he threw down the gauntlet and told them that they will have the powers to repeal those charges. I challenge those parties to make that an election pledge: as soon as a working Executive is established, their first priority should be the repeal of the iniquitous tap tax.

Mr A Maginness: I shall be brief. I want to thank Assembly colleagues for supporting the amendment. In particular, I thank Mr Cree for supporting it, and I also thank Sinn Féin's Raymond McCartney for his support.

The amendment reflects a general consensus that exists in the House. That consensus opposes the legislation, which has been passed in Westminster. It also supports in great measure the community's opposition to privatisation, and it also gives positive support to the disadvantaged, who will find that any water charging is a heavy burden. It is important that a strong and clear message goes from this House to the people of Northern Ireland and, particularly, to the British Government that a clear consensus across all the parties — and across the community — rejects the Government's proposals and legislation. That consensus also rejects the introduction in the near future of water charging.

Mr Raymond McCartney: Go raibh maith agat, a Cheann Comhairle.

When I spoke earlier, I said that our party would withdraw the amendment. Mr Cree's motion and Mr Maginness's amendment cover the points that we would have wished to make.

It is good to see cross-party support in total opposition to water charges. Members have made the point about the impact that those charges will have on poverty levels in the North of Ireland. We all realise that there is a great fear of privatisation. The Department for Regional Development's consultation process has been exposed — by the General Consumer Council, in particular. It is to be supported in its efforts to ensure that any future consultation process will be efficient and effective.

I beg to ask leave to withdraw the amendment. Go raibh maith agat.

Amendment No 1, by leave, withdrawn.

Mr Beggs: I am pleased that Leslie Cree has brought this motion to the Floor of the House today, and I thank Alban Maginness for his constructive amendment. It is also helpful that there is a degree of cross-community support gathering around the issue of water charges. If we speak as a united group, we have a much better chance of influencing change.

Under direct rule, our water services have suffered from 30 years of underinvestment. Northern Ireland Office Ministers frequently diverted funds towards security budgets. That was perhaps most evident with regard to in-year allocations. Instead of money being made available for water services, schools or the Health Service, it was moved to overextended security budgets. In England and Wales, the upgrade of water services was largely funded by the green dowry. Although Northern Ireland received £50 million a year for that purpose, that money disappeared into the block grant; it was not directed to the Water Service. Consequently, there has been a lack of investment, and it is unfair that Northern Ireland consumers should be expected to pick up the tab at this stage.

My colleague Leslie Cree mentioned a number of unsatisfactory issues with regard to the draft Water and Sewerage Services (Northern Ireland) Order 2006, in particular the lack of clarity and the governance arrangements, which makes the amendment in the name of Alban Maginness most appropriate. It refers to the absence of a strategic business plan, of asset and estate management plans, and of final licence details. Why have those been kept secret?

There is inadequate regulation, particularly in the first number of years. That is especially relevant with regard to the sale of any surplus assets that the new Go-co will determine. Of even greater concern is the

fact that Lord Rooker, in the course of the debate in the House of Lords, indicated that, in the first three years, there will be a general authorisation for those sales. Why has the regulator's role been limited during that period?

The General Consumer Council for Northern Ireland, which has campaigned actively on behalf of consumers, has highlighted that it does not agree with OFREG's assertion that it has the necessary consumer protection powers in law, particularly in the crucial three years leading up to 2010, when customers will be expected to take on the full cost of water and sewerage services.

Interestingly, in responding, I suspect, to that comment, the regulator, Mr Osborne, stated in an email that emerged during the course of the General Consumer Council's action in the High Court:

"If DRD think I am happy, they are deaf and stupid. Will step up the volume further next week. Perhaps they are not truthful."

There are a number of issues that give the public serious cause for concern in the light of comments from the General Consumer Council and from the regulator. I suspect that Mr Osborne would rather that some of those comments had not been made public. However, there is deep concern in the community about the Government's proposals.

There are two other aspects of the Go-co, which was opposed by the Ulster Unionist Party, that I wish to address. A Go-co is defined as a company that is initially publicly owned but destined to be privatised. In England and Wales, water companies have a commercial value, and that is demonstrated in the stock market. That is why they often change hands in takeovers.

12.15 pm

Initially, the stock market was not interested in such a proposal for Northern Ireland because of the huge holes in our infrastructure and the potential for fines falling on consumers. Essentially, its concerns were that suitable returns could not be achieved. Is the Government, by the back door, through limiting the role of the regulator, creating freedom and opportunity for private sector investment during that initial period? That is a matter of deep public concern.

During the legal action taken by the General Consumer Council for Northern Ireland, a senior civil servant was quoted as saying in a memorandum that the Treasury was pushing for a minority shareholding to be sold to the private sector, and that the Treasury wanted the new body to be sold off before 2008. He went on to say that there would be limited restrictions on sales of assets.

There is real and genuine concern in the community about this. Is this good for the public? I suspect not. Perhaps profit is being created to attract that private

sector minority shareholding interest within the next three years. That is not in the public interest and it is not in the interests of Northern Ireland consumers or ratepayers.

The new dividends demanded by Treasury are also causing concern. In Northern Ireland that dividend has been calculated at a value of 5.8% of the assets — initially, £58 million a year will be returned to the Treasury. Why is the dividend set at 5.1% in England and Wales, and, interestingly, at 4.1% in Scotland? Why are Northern Ireland consumers being asked to pay over the odds as regards the dividend to the Treasury? There are several areas of concern, and I urge Members to come together and support the motion as amended by Alban Maginness.

Question, That amendment No 2 be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes the Government's unacceptable proposals and legislation for the introduction of separate water charges in Northern Ireland, deplores the Secretary of State's refusal to heed the Programme for Government Committee's call for deferment of the Water and Sewerage Services Order, and believes that in the absence of a known Strategic Business Plan, Asset and Estate Management Plans, final licence details, adequate regulation or due consumer protection, the public can place no reliance on the figures which Ministers are indicating for future water charges and awaits a report from the Programme for Government Committee.

The sitting was suspended at 12.18 pm.

*On resuming (Madam Speaker in the Chair) —
2.00 pm*

Implementation of Bamford Review

Madam Speaker: The Business Committee has agreed to allow two hours for the debate, with the Member who moves the motion having 15 minutes to speak and all other Members who speak having 10 minutes. Two amendments have been selected and published on the Marshalled List. The amendments will be proposed in the order on which they appear on the list. When the debate has concluded, I shall put the Question that each amendment be made in turn. If amendment No 1 is made, I shall not put the question on amendment No 2. If that is clear, I shall proceed.

Mr McCarthy: I beg to move

That this Assembly accepts the findings of the Bamford Review of Mental Health and Learning Disability (Northern Ireland) and calls on the Ministers responsible for all appropriate departments to take immediate steps to implement its recommendations.

I declare a real interest in the contents of the Bamford Review in that we have a 37-year-old daughter with profound learning difficulties, and my family and I know about all the problems surrounding mental health, as do hundreds of other families throughout Northern Ireland.

We want the best services available, be it in health, education, housing, respite care or whatever. For too long, mental health, well-being and learning disabilities have been the Cinderella of all statutory agencies. That must stop now. Everyone in society is entitled to equality and life, and if the Assembly supports my motion today, we will have played our part in bringing a better quality of life to a great many people.

I also serve on a cross-party group on mental health, and I put on record my sincere thanks to the other Assembly Members who work closely together to get the best for their constituents. I offer thanks to the Northern Ireland Association of Mental Health, to Alan Ferguson, Graham Logan and everyone in University Street for their help and co-operation on every level.

In October 2002, the Health Department initiated a major wide-ranging and independent review of the law, policy and provision affecting people with mental health needs or a learning disability in Northern Ireland. Four years of hard work have now largely been completed, and I sincerely thank those involved for their dedication.

The Bamford Review of Mental Health and Learning Disability is the most significant and comprehensive review of mental health services and learning disabilities ever undertaken in Northern Ireland. The review has been overseen by a steering committee comprising representatives from professional and other interest groups in the mental health and learning disability

fields. Much of the review's work has been carried forward through 10 expert working committees, which have presented their reports with recommendations for the modernisation of mental health services in Northern Ireland. There is a paper, not a report, on autism spectrum disorder.

It is vital that the recommendations stemming from the review are implemented to the fullest extent. The review was under the chairmanship of Prof David Bamford of the University of Ulster until his untimely death in January 2006. It would be remiss of me if I did not refer to the debt that the review owes to David Bamford. He was an excellent leader and a real professional in his work.

The subsequent and vital impact on services would be a fitting tribute to his life and work. It was in recognition of Prof Bamford's contribution to the work of the review that the then Minister of Health, Shaun Woodward, agreed to the request from Prof Roy McClelland and his colleagues that the review be recognised formally as the Bamford Review of Mental Health and Learning Disability (Northern Ireland). Prof Roy McClelland took over the reins of leadership at that time, and I sincerely thank him and his team for their continuing work.

The review took into account recent policies and other developments here and in the rest of the EU. It sought to address how best to provide services to people with special mental health needs or learning disabilities, in accordance with the statutory equality obligations of the Northern Ireland Act 1998 and the Human Rights Act 1998, while considering how to promote their social inclusion.

The review also sought to address how to promote positive mental health in society by analysing the relevance of key concepts such as community education and promoting mental health awareness. It undertook research to facilitate its work, and it has set out examples of best practice that are available regionally, nationally and internationally.

The review has come to fruition with most of the reports now complete. It has been a mammoth task, and the steering committee and expert working groups involved deserve great credit for what they have accomplished.

'Equal Lives: Review of Policy and Services for People with a Learning Disability in Northern Ireland' is a report that deals primarily with people with learning disabilities. The needs of that group are different to those who have mental health problems. It is vital that the recommendations contained in the report are considered on their own merits.

There are more people with a learning disability in Northern Ireland than there are in any other region in these islands, and the numbers are likely to increase by

around 20% in the next 15 years. Investment in new styles of services has not kept pace with changing needs and aspirations. There are more people living in long-stay hospitals and residential homes, and those accommodations provide poor value for money. We have many fewer places in supported accommodation, hence families have to continue caring for longer. Almost one third of family carers in Northern Ireland are single parents, and they are mainly widows aged 65 years or over.

People with a learning disability do not have the same opportunities as their peers as regards further education, vocational training and paid work. The 'Equal Lives' document contains 74 recommendations to take forward its vision for the future. To maximise the impact of change, it will be essential to progress each of the objectives in parallel. Although some recommendations will not require funding, they will require considerable investment of planning time from staff and will also have to be introduced incrementally.

The 'Equal Lives' document sets out an ambitious programme for change, with a clear policy direction for people with a learning disability. The values and objectives of that review should form the benchmarks by which future policy and service developments should be measured. It is incumbent on Government Departments to move without delay towards establishing the implementation arrangements necessary to underpin the new vision for improving the life chances of all people with a learning disability, and the lives of their families.

On 31 October 2006, the Bamford Review formally closed at the 'Making it Happen' conference in the Stormont Hotel in Belfast. Prof Roy McClelland, chairman of the review, declared that the baton for the reform and modernisation of mental services must be handed over to the politicians.

The onus is on the Government to ensure that the Bamford Review's recommendations are implemented. I call on the Government and the Members here to think mental health and to think learning disabilities. It will be our responsibility to make it happen in what will be, I hope, a devolved Assembly on 26 March 2007. It is a major responsibility. The mental health of our citizens and future citizens depends on the implementation of the recommendations, and on us.

There is an inherent danger that the Government will do nothing more than pay lip-service to the review and leave it on the shelf to gather dust.

We must not allow that to happen. I call on my fellow Members to agree that mental health and the implications of the Bamford Review be afforded the highest importance in a newly devolved Assembly, and that a major priority for the Assembly be the implementation of the review's recommendations. The

review has done its job. The future mental health of all our citizens is in the hands of their elected representatives in the Assembly. It is up to the Assembly to grasp that opportunity and ensure that the Government take action on the set of recommendations with which they have been presented. *[Interruption.]*

Madam Speaker: Order.

Mr McCarthy: How will the recommendations be implemented? The review goes one step further and provides a briefing paper titled 'Reform and Modernisation of Mental Health Services and Learning Disability'.

There is a need for a new vision, prioritisation of the mental health of the people of Northern Ireland and a refocusing on the needs of those with mental ill health and learning disability. The strategic priorities road map identifies several key issues, which include the promotion of positive mental health and the prevention of mental ill health as a priority for the entire community; reform and modernisation of mental health services; and the need for a person-centred approach that values people with a learning disability as citizens, and that enables them to use mainstream services and be included fully in the life of the community. Anything less is totally unacceptable.

The recommendations demand a multi-sectoral approach. The danger of siloing them into the health portfolio must be avoided. There are clear and important implications for all Departments, including the Department of Education, the Department for Employment and Learning and the Department for Social Development. The implementation of the Bamford Review's recommendations necessitates adequate resources. The review recommends doubling the present spend on mental health services and learning disability from approximately £300 million to £600 million over 15 to 20 years. I call on my fellow Members to agree that a percentage of the peace dividend moneys should be soundly ring-fenced for the implementation of the Bamford Review.

Mr S Wilson: Given that, to date, the peace dividend money has amounted to nothing, a percentage of nothing will not help the situation.

Mr McCarthy: I suspect that the Member, when he is negotiating with Tony Blair and Gordon Brown, is in a position to squeeze as much as he can out of them.

The Government must draw up a comprehensive post-Bamford action plan to oversee the necessary step change. At the Bamford Review's 'Making it Happen' conference on 31 October 2006, Minister Paul Goggins highlighted the important role of a new champion for mental health. He said:

"I want mental health and learning disability to move to the top table of the health service."

Members will agree with that 100%.

Minister Goggins continued:

"We need someone to champion its cause, and fight for the new services that people need. I am pleased to announce that the new post of Director for Mental Health and Learning Disability has been advertised today. This person will be crucial in taking forward the Government's response to the Bamford review."

The Minister also highlighted the fact that the Government would have to take action as a result of the review when he said:

"Many of the review's recommendations impact not only on health and social care, but on all public services in Northern Ireland, including education, employment, training, housing and social security benefits. I have decided, therefore to establish an Inter-Departmental Task Force to oversee the whole Government response to the review."

At least Paul Goggins is committed. Those are encouraging words from him. However, there must also be action. It is up to the Assembly to ensure that the Government adhere to the strategic priorities for the implementation of the report. I call on the Assembly to think mental health, to think learning disability, and to give the motion the support that it deserves.

Dr McCrea: Although it is true that the Minister has said some fine words, and has made an announcement about appointing a champion for mental health, without providing the finances that are needed to back up those fine words, all the words of the day will not solve the problem. Does the Member agree?

2.15 pm

Mr McCarthy: I absolutely agree. The major disappointment of the conference in the Stormont Hotel was that although the Minister said many fine words, he did not say that there would be any extra funding. It is up to us, as Members of the Northern Ireland Assembly, to fight for that, and I am sure that we will. Every Member knows people who have mental health problems or learning disabilities. For too long the mental health services have been the Cinderella services of Northern Ireland, so I ask Members to give their full support to the motion.

Mr S Wilson: Will the Member give way?

Mr McCarthy: Yes.

Madam Speaker: I am sorry, Mr Wilson, but Mr McCarthy has finished.

Mr S Wilson: But he gave way.

Madam Speaker: According to our clocks, he was in his last minute of speaking time.

Please be quick, Mr Wilson.

Mr S Wilson: The Member raised a lot of issues and mentioned that the necessary finance is not available to address all the issues. To which of the

priorities identified in the Bamford Review does he think that the Assembly should give priority?

Mr McCarthy: As I said at the start, I have personal experience of learning disabilities, as my 37-year-old daughter has learning difficulties, so I would certainly choose that issue. However, mental health covers suicide, self-harm and other issues, and we all want a fair share of the money that is available.

Mr McElduff: On a point of order, Madam Speaker. Can you make a ruling on the use or non-use of mobile phones during debates in the Chamber?

Madam Speaker: Mr McElduff, I do not need to make a ruling. It is convention that a Member should not have a mobile phone on — especially if the Member is a Chief Whip.

Mr Adams: Maith thú, a Cheann Comhairle.

I beg to move amendment No 1: At end insert

"; calls on the Programme for Government Committee to ensure that the required extra financial investment in services as identified by the Bamford Review is included in the discussions for a financial package for a new Executive; and further calls for the full resourcing and immediate implementation of all the recommendations of the Bamford Review in relation to suicide and self harm."

I think that we will get support from the Benches opposite for this amendment, because it deals with some of the issues that our Friends have raised.

Ba mhaith liom a rá go n-aontaím le Kieran McCarthy, nó is ceist an-tábhachtach í an cheist seo, go háirithe ceist an fhéinmharaithe.

I want to deal specifically with the issue of suicide and how the Bamford Review recommends that we should begin to deal with this dreadful scourge. Our colleague John O'Dowd will deal with the background, breadth, undertakings and implications of the Bamford Review.

Suicide is the biggest killer of our young people, and although young men are statistically at the highest risk of suicide, the problem transcends gender, age, class, ethnic background and religion. The suicide rate in my constituency of West Belfast is over twice the regional average — and the rate in North Belfast follows closely. The Bamford Review quite rightly points out that the challenge that we face in addressing the issue of mental health promotion requires action at personal, public and political levels. It recognises that suicide prevention is an integral part of mental health promotion and further recommends that suicide prevention be made a public health priority.

In the last year, a suicide strategy, 'Protect Life: A Shared Vision', has been launched for the Six Counties. The development of this strategy is in no small measure attributable to the campaign of the families and friends of those bereaved through suicide.

I mo cheantar féin tá barraíocht daoine — fir agus mná óga go háirithe — ag cur láimhe ina mbás féin. Is fadhb ollmhór í, agus caithfidh muid a bheith soiléir faoi sin ag gach leibhéal sa chomhphobal.

As MP for West Belfast, I am honoured and humbled to be in a position to work with many families from West Belfast, the Shankill, North Belfast and beyond in their campaign to achieve the aims of this strategy. This Assembly and the Executive must make tackling suicide and self-harm a priority.

I would be surprised if there were Members in the Chamber who have not been touched by the scourge of suicide within their broader family circles. One only has to talk to any of the families, friends, parents, partners, or siblings who have lost a loved one through suicide to understand the devastating impact that it has on our communities. When we talk to families, we also realise just how inadequate our society and our health services are in dealing with suicide and its impact. As political representatives, we must rectify that. That includes rising to the challenges set by the Bamford Review.

Bhuail mé le daoine ó theaghlaigh atá fágtha i ndiaidh duine féinmharú a dhéanamh, agus caithfidh mé a rá go raibh mé an-tógtha faoina ndóigh. Caithfidh muid a bheith cinnte go ndéanfaidh muid ár seacht ndícheall le cuidiú leo i gcibé dóigh ar féidir linn.

All of us must play our part in the destigmatisation of mental health problems. We must challenge the so-called macho culture that exists in our society, and which leaves many of our young people feeling that the only option they have left in the world is to end their own lives. However, challenging that culture is not enough. We must ensure that when people seek help, the services exist to help them. Services must be there 24 hours a day, seven days a week, 365 days a year, because the problems that cause a sense of hopelessness do not end at 5.00 pm or take the weekend off. Services must be tailored to suit the needs of our people.

I and other Members have heard many families express total disbelief at how their loved ones sought help from the statutory services only to be denied treatment, put on a waiting list, or — worse still — ignored by some uncaring, or perhaps overworked, service providers. That cannot be allowed to happen again.

The Bamford Review rightly states that we need more community-based services, more psychiatric nurses, more psychiatrists and more psychologists. All of that requires funding, planning and the political will to implement the report. Sinn Féin is doing its best to secure the increased funding that is required to provide the type of services envisaged by the Bamford Review.

I am committed to doing all that I can to ensure that the issue of suicide prevention is addressed in a strategic manner. I appeal for all-party support for

families who have been bereaved through suicide. We owe a huge debt of thanks to those bereaved families who have made a real difference in raising awareness, as well as in securing more resources. We must also acknowledge the very hard work of the healthcare professionals who, with poor resources, have also done their best. They too deserve our gratitude. They and the affected families need this issue to be given the proper political priority. They need Members to ensure that the proper resources, funding, training and staff are available.

Both of the elected Chambers of this island must act together. Suicide is a problem throughout Ireland. In 2003-04, there were 577 deaths by suicide. Official records for 2005-06 show that the number of such deaths has risen — a total of 645 people across Ireland ended their lives through suicide during that period. Those figures do not take into account those who have tried to take their own lives and failed, or those cases that were not reported.

The number of deaths by suicide exceeds the number of road deaths. This is a national disaster and it requires a national disaster plan. That is why Sinn Féin has called for suicide prevention strategies North and South to be integrated into an island-wide programme, and for this issue to be given governmental priority by the North/South Ministerial Council.

Tá mé cinnte — agus tá daoine eile anseo cinnte fosta — go mbeadh Rialtas na Breataine ag déanamh i bhfad níos mó dá mbeadh an líon céanna daoine ag fáil bháis sa Bhreatain.

If that many people in Britain were losing their lives through suicide, the British Government would take more action than it has here thus far.

The Government in London do not have the political will to implement and fund the recommendations of the Bamford Review, so it is up to us, the representatives in this Chamber, to do that job.

Tá Sinn Féin ag obair le grúpaí ar fud an oileáin seo agus ar fud na sé chontae, nó is fadhb í an féinmharú in achan áit in Éirinn. Tá cúpla focal scoir agam i dtaca leis an ábhar.

Sinn Féin's 2006 health policy document, 'Healthcare in an Ireland of Equals', identified suicide as a distinct priority area, requiring concentrated co-operation between the Governments, the health services, the voluntary sector and the communities — in other words, a multi-agency approach. We continue to lobby for and support those affected by suicide to ensure that that becomes a reality.

Go raibh maith agat, a Cheann Comhairle.

We all have to co-operate. We have to work together no matter what our differences are. The current rate of suicide is a national crisis, which needs a national,

united, joined-up approach. The communities that we represent, especially our young people, deserve nothing less. Go raibh maith agaibh.

Mrs D Kelly: I beg to move amendment No 2: At end insert

“supported by adequate financial and other resources.”

I thank Mr McCarthy for moving the motion. The reason for our amendment is to ensure that additional finances and resources will be provided and that the Minister is left with no doubt about what is required. I acknowledge that there is little difference between our amendment and the one tabled by Sinn Féin.

The SDLP welcomes the findings of the Bamford Review and congratulates all those who participated in it. The review represents a comprehensive analysis of current mental health and learning disability services and provides a vision for future service delivery. It has long been recognised that both of these services suffer from chronic underfunding, and the Bamford Review continually refers to that deficit.

I attended the ministerial launch of the review a few weeks ago, and, like practically all of the attendees, I was astounded that the Minister failed to acknowledge that the implementation of the review would require additional financial investment and other resources. No new moneys are available for mental health and learning disability, yet the Civil Service practice of employing consultants continues unabated.

We heard this morning that over £18 million was spent by the Water Service on consultancy fees alone — money that could and should have been spent on service delivery, whether in health, education or housing. Finances, and other resources such as staff, are already overstretched. My colleague, the Member for South Belfast Mrs Hanna, will speak comprehensively to the motion. I shall deal primarily with the recommendations in relation to child and adolescent mental health services.

According to the 2001 census, 451,514 people in Northern Ireland — 27% of a population of 1.7 million people — are under 18 years of age, and 398,056 people — 23% of the population — are under 16 years of age. Those figures were published by OFMDFM in 2004, yet the Bamford Review found that there has been no comprehensive study of child mental health. Instead, we have to rely on research conducted in England and elsewhere.

In Great Britain, it has been shown that 30% to 40% of young people may at some time experience a mental health problem, while up to 20% will have been diagnosed with a mental health disorder. As Members know, however, Northern Ireland has higher levels of socio-economic deprivation. We are also emerging from conflict and continue, sadly, to be a deeply divided

society. Children and young people are inevitably affected and influenced by community tension and can be directly caught up in violence.

Furthermore, we are all acutely aware of the alarming rise in the number of young people who are becoming alcohol-dependent. It is not uncommon to hear of children as young as 12 years of age consuming alcohol. Substance abuse is also increasing. What does this say about how our society protects its young? It is important to note that Northern Ireland has a higher overall prevalence of mental illness of a magnitude estimated at 25% higher than that in England.

2.30 pm

Although that refers to rates in the adult population, it can be assumed that rates in children are similarly higher than in England. The Bamford Review noted that, at its lowest estimate, approximately 45,000 children and young people aged between five and 15 years will have a moderate to severe mental health disorder and require intervention from specialist child mental health services, while 340 children and young people will require inpatient services.

No specialist residential facility exists for those 340 children and young people: shame on the Minister, and shame on the Department. Meanwhile, young people with learning disabilities, and their carers, find it harder to avail of appropriate therapeutic interventions and environments than adult sufferers.

Physiotherapy graduates cannot find employment in Northern Ireland. Currently, many must go to the US, Australia and New Zealand to practice. I must declare an interest, as a former occupational therapist. According to the Bamford Review, there are no occupational therapists in the Child and Adolescent Mental Health Services (CAMHS), yet the waiting lists for these therapies remain unacceptably long — in my constituency, it takes over 18 months to get a first appointment — at a time when personal development is of the utmost import.

Suicide levels and instances of self-harm continue to be a huge concern. I welcome the establishment of a Regional Suicide Task Force. However, that is only part of an overall series of recommendations.

The Bamford Review clearly and correctly acknowledged the need to integrate health, social and educational services for children and young people in particular, but also for wider society.

The Minister must ensure that the actions set out in the report are followed as swiftly as possible, and provide adequate financial and staffing resources to do so. The Bamford Review recognises that staffing levels are inadequate to meet even present requirements. Failure to implement the review will condemn thousands of

the young, and their carers, to a bleak future, and will represent a high cost to society. I support the amendment.

Mrs I Robinson: There is a lot of work to be done to lift mental health higher up the Northern Ireland political agenda, and as various Members have stressed, there is good reason to pursue that course. A Member asked which area of mental health should be prioritised. In my view, there is no area that could be singled out for priority. All areas in this sector are crucial and are crying out for help.

According to the World Health Organization, more than 19% of the total burden of disease in Western European countries is attributable to mental illness, compared with 17% for cardiovascular disease, and 16% for cancer. It found no other health condition responsible for more than 8% of disease.

Statistics show that the prevalence of mental health problems in Northern Ireland is 25% higher than in England, yet the share of the health and personal social services budget that is spent on mental health in England is 11.8%, compared to 9.3% in Northern Ireland. Based on the 2003 figures, to match the English share, spending on mental health in Northern Ireland would have to be increased by 26%, or £60 million.

It is now possible to estimate the cost of not promoting mental health. The Sainsbury Centre for Mental Health, in conjunction with the Northern Ireland Association for Mental Health (NIAMH), estimated that the total cost of mental health to the Northern Ireland economy was £3 billion for 2002-03. Their research applies and adapts analysis methods used by the Sainsbury centre that are now accepted and quoted by Ministers.

Effective mental health promotion is essential. Better services are required for people with mental health problems and learning disabilities, within a clear framework to promote positive mental health and to reduce stigma. We must invest more in mental health promotion. Northern Ireland must have a comprehensive and sustained mental health promotion campaign. That was highlighted in the Bamford Review, and in particular in the report of its Mental Health Promotion Committee entitled, 'Mental Health Improvement and Well-Being — A Personal, Public & Political Issue'.

I quote from the review:

"Promoting positive mental health and the prevention of mental ill health is a priority for the entire community."

It found that, central to the success of mental health improvement and well-being, was a recognition at all levels that mental health is everyone's responsibility. It further states:

"mental well-being underpins all aspects of health and well-being; and mental health, like physical health, is a resource to be promoted and protected."

To achieve this, the report concludes that what is needed is:

"increased cross-sectoral, collaborative work among key agencies and central government departments — partnerships between health and social services and education agencies hold particular potential".

The Minister with responsibility for health, social services and public safety, Paul Goggins, has announced the establishment of a mental health directorate early in 2007. That is welcome; however, it will require commitment to a cross-sectoral, interdepartmental approach to mental health promotion.

There is a danger of mental health promotion being "siloe'd" into the health portfolio. We must ensure that all Government Departments are signed up to mental health improvements and well-being. When cutting the first sod of Craigavon Area Hospital's new mental health unit, Paul Goggins said:

"The future of mental health service provision will require a multi-agency and a multi-disciplinary approach."

The 'Mental Health Improvement and Well-being — a Personal, Public and Political Issue,' report expresses the view that to realise the vision for mental health promotion there is a need for a focused, resourced, centrally driven, cross-sectoral, cross-departmental and prioritised approach. None of us can quibble with that.

The review recommended the establishment of a regional mental health promotion directorate, with a regional director at the heart of Government. That recommendation was designed to ensure that mental health promotion should be a policy priority across the whole of the public sector and provide a sustainable regional strategic focus for mental health promotion. The creation, instead, of a new post, of director of mental health and learning disability who:

"can work across government and act as a chief advocate for the improvement of the mental health of Northern Ireland population"

is undoubtedly welcome, as I have indicated.

However, the report on mental health improvement and well-being expresses the view that:

"If this post negates the creation of a Regional Director for Mental Health Promotion, then the Review considers it essential that as part of this post's wider responsibilities there must also be a priority for the provision of a regional strategic focus for mental health improvement and well-being."

I concur with the view expressed in the report that :

"Mental health promotion must take place in a range of settings, for all stages of the life cycle and at various delivery levels".

It states that it must occur in places such as schools, primary care, the workplace, further and higher education rural areas and communities, including marginalised groups and faith communities.

Mental health promotion must be delivered and be accessible at all stages of life, particularly for children and adolescents, older people and people in receipt of statutory mental health services. There must also be various levels of action to ensure an effective mental health promotion strategy. Those should range from regional, down through local communities to families and to individuals.

The building at regional level of a capacity to deliver mental health promotion in all these sectors and settings is essential, and it requires a focus on training, guidance and research. I will use one example. Mental health promotion in the school setting is an obvious opportunity for cross-sectoral working. The report made clear reference to the fact that schools have a significant influence on behaviour, attitudes and development of young people.

I know from experience in my constituency of the importance of good understanding of mental health issues in the classroom. Just last week I saw a girl of 12 who is suffering severe bullying at school. She came into my office with her parents. She was crying because her life was not worth living, because bullying was reaching beyond the school into her home, and, through her mobile phone, to the places she would go for leisure. That girl wants to die. She and her family are at their wits' end. What can seem a relatively trivial matter to some may have massive repercussions for others. There are well-documented examples where bullying has led to young people committing suicide.

Reduced self-esteem in young people can have a marked impact on their development. Members need only look at the number of young women with eating disorders for whom self-esteem is a contributing factor. It is good that we are going to have improved hospital facilities for children and young people with mental health needs. However, a lot more needs to be done for those with eating disorders. People in Northern Ireland cannot afford to continue to rely on travelling to England for the best services.

The Bamford Review report 'A Vision of a Comprehensive Child and Adolescent Mental Health Service' states:

"Mental health promotion and prevention in the school setting should be developed across all schools to include Independent School's Counselling services, the health promoting schools, and pastoral care initiatives."

However, targets set in the 'Promoting Mental Health Strategy and Action Plan for 2003-2008' regarding education and mental health promotion have not even been addressed, let alone delivered. In that context, it is alarming that the funding for a post in the Health Promoting Schools Project has been discontinued. The post had been funded for three years yet neither the Department of Education nor the Department of

Health, Social Services and Public Safety has seen fit to fund it in the future. That is a disgrace.

I am aware that I am running out of time. There is a lot more to discuss on this subject, which is dear to my heart, having had a member of my family die with Alzheimer's Disease and another with mental health illness. I would love to have said a lot more about various points in relation to mental health. However, I support the motion.

Mr Kennedy: Thank you for the opportunity to contribute to this important debate. I congratulate Mr McCarthy for bringing the issue to the Assembly's attention, and I apologise on behalf of the Member for North Antrim, Rev Robert Coulter, who is unable to attend this afternoon. He strongly supports the recommendations contained in the Bamford Review, as does the Ulster Unionist Party.

The historical under-investment in our mental health services in comparison with the rest of the UK — and the higher levels of ill health here — together with the impact of mental health on families, communities and business all point to the very pressing need for the Bamford Review's recommendations to be implemented.

Northern Ireland needs modern mental health services that respect the fundamental dignity of service users and which are oriented towards recovery.

Children and young people must have access to mental health services that far surpass the present provision. The promotion of mental health is crucial to our economic health and well-being and it must become a key concern for the Government. Through the Bamford Review, the next Executive has a roadmap for delivering the mental health and learning resources that Northern Ireland needs urgently. If we are going to move to a fair and more decent society the Bamford Review must be heeded and its recommendations implemented.

Last year, 200 children in Northern Ireland were placed in adult mental health units: that is a shameful fact. If our society is serious about the obligation we have to all our children then it is essential that we implement the Bamford Review's recommendations.

The report, 'A Vision of a Comprehensive Child and Adolescent Mental Health Service', states:

"Mental health disorders in young people impact significantly on the lives of those affected and the quality of life of those around them."

Wider society pays a high price for the failure to tackle those problems effectively. Collectively, the cost is reflected in social disruption through educational attainment, mental ill health, antisocial behaviour and the financial costs related to each of those. I wish to take the opportunity to congratulate the hon Lady for Lagan Valley Ms Lewsley on her appointment as

Northern Ireland Commissioner for Children and Young People. The Children's Commissioner, Barney McNeany, in August described the services as "clearly not good enough", and said that:

"the Government must now act with increasing urgency to improve services."

2.45 pm

Our society's children and young people, some of whom are extremely vulnerable, deserve better than overstretched and under-resourced mental health services. The impoverished state of those services results in the need for more costly interventions after childhood and mars the lives of individuals and families, robbing them of opportunity, stability and normality. It is essential to implement the Bamford Review's recommendations to create social justice and a fair and more decent society for our children.

The Bamford Review challenges everyone: the general public, health professionals, all Government Departments and elected representatives to commit themselves to promoting mental health and well-being. It states that "social cohesion", economic competitiveness and the "quality of life" in our society are all dependent on mental well-being.

I strongly endorse the Bamford Review's call for a regional directorate for mental health promotion to be created at the heart of government in Northern Ireland to drive forward a mental health promotion strategy. The high personal, social and financial costs of Northern Ireland's poor mental health require the promotion of positive mental health to be a priority for the Government, as it is for the Scottish Executive. Scotland's National Programme for Improving Mental Health and Well-being demonstrates the potential for devolution, whereby locally elected representatives and local Ministers can drive forward practical strategies for a fair and decent society.

The Bamford Review provides a roadmap and a comprehensive strategy for Northern Ireland. It offers the hope of a society in which the mental health and well-being of every person is promoted. I support the motion.

Mr Storey: I support the motion. There is a growing body of research on the effectiveness of mental health promotion and robust evidence based on specific interventions. However, much of the research focuses on mental illness as opposed to good mental health. Promoting positive mental health is necessary at all stages of life. Early intervention for children and adolescents has been proven to enhance their resilience to mental health problems. Older people, an ever-growing population group within society, also have specific needs. There is strong evidence to show that good mental health can be promoted in a range of settings,

such as schools, the workplace and further education colleges. It is crucial to pay attention to rural areas too.

Mrs Foster: The Member for North Antrim and I represent rural constituencies. Would he agree that rurality is often an additional stress faced by those who need to access mental health services?

Mr Storey: I thank the Member for her intervention and concur with her comments. Members who represent rural constituencies will have no difficulty in agreeing with her comments.

The effective delivery of mental health promotion in all sectors and settings in Northern Ireland will depend on building knowledge, expertise and capacity. That process should include training, provision of information, guidance and further research.

There is an extra dimension to the causes of mental ill health in Northern Ireland. The fabric of many communities has been destroyed by the legacy of over three decades of terrorism. It is a matter of some regret that, in the House today, the party opposite seemingly displayed a conscience about deaths — given the fact that it supported mass slaughter of the innocents in Northern Ireland.

Communities need to grow and develop. In so doing, they will enhance the levels of trust, sense of belonging and the potential for participation to promote emotional well-being. Although some progress has been made towards that vision, much still needs to be done. Spending on mental health services has mushroomed in recent years. In 2003, the health trusts in Northern Ireland spent £150 million, which was an increase of more than 31% on the figure four years before.

That comprised £85.5 million for hospital services; £25.5 million for community health services; and almost £40 million for personal social services. That figure does not include the £34 million cost of GP consultations on mental health, or £44 million for psychiatric drugs. Moreover, the costs to our economy of lost output, informal care by family members, and the impact on individual quality of life, have not been considered.

Much good work has been done recently in the Province on suicide, particularly through the task force led by Colm Donaghy. The establishment of that task force was triggered by the large occurrence of suicides in the Province, particularly among young people. After heart disease and cancer, suicide is the greatest cause of lives cut short in the Province.

Greater community and voluntary sector involvement is needed. More resources must be invested, including extra training for health professionals. Improved co-ordination among schools, youth organisations and health bodies could also help.

With the increasing popularity of television and the internet, people lead more solitary lives. The sense of community has been diluted; individuals have less contact with their families and their neighbours and, as a result, they have fewer people to confide in. Bereaved families describe little available support when dealing with the aftermath of suicides. That is a crucial deficiency to address. Often, family members can feel personally guilty after a suicide.

Much more must be done to tackle the stigma of mental illness and increase public awareness about mental ill health and the risk of suicide. That will require substantial funding. The increasing prevalence of suicide among young men is not confined to Northern Ireland; the same pattern is reported across the United Kingdom and in many other countries.

A large majority of those who commit suicide were suffering from mental disorders at the time of death. Chronic ill health can be a contributory factor, and many suicidal individuals have a history of alcohol or drug misuse. Unfortunately, binge-drinking is increasingly common in society, and suicide can also result from transient mood swings associated with alcohol consumption.

The role of the media must also be considered. Reports in 1999 showed that suicide rates increased after television programmes about suicide. Other reports in 1986 and in 1990 showed that the means and timing of suicides were influenced by earlier suicides that attracted attention in local communities or that had received widespread publicity in the media.

Mental health services have always suffered in terms of funding compared to specialities, treatments and conditions that are deemed to be more acute. However, access to mental health services for children and adolescents is a particular area of concern. Despite a higher number of suicides among teenagers, children and young people, they have had to wait for up to four years for an initial psychiatric assessment in the Province. In my constituency of North Antrim, the chief executive of Causeway Health and Social Services Trust confirmed that the waiting time for children who needed to see an occupational therapist was some 44 months. That is unacceptable in the twenty-first century.

Social and cultural factors have led to more young people requiring assessment. Drugs, sexual abuse and difficult domestic environments are also contributory factors. Many more behavioural conditions and autistic-spectrum disorders are now being diagnosed, and those numbers will continue to rise.

Planning for future resources must take into consideration the changing demands of this specialist field. We need to invest in more psychiatry staff — not only consultants, but junior medical staff, nurses,

social workers, occupational therapists, psychologists and physiotherapists — for work with children and adolescents. Current resources are already overstretched.

I conclude by drawing to the attention of the House the impact that inadequate funding would have on some services. In my constituency, there is an excellent organisation, the Compass Advocacy Network, which is a self-help organisation for people with learning disabilities. Some time ago, I received correspondence from that organisation that underlies and underpins the importance of ensuring that there are adequate resources for such organisations. Unfortunately, such organisations face severe funding problems. If the Compass Advocacy Network did not exist, that would have an adverse impact in my constituency and, in particular, in Ballymoney. We raised that issue with Paul Goggins, the Minister with responsibility for health, social services and public safety, when he visited the organisation a few weeks ago. The correspondence states:

“Over 30 individuals would lose the opportunity to avail themselves of training opportunities/meaningful work placements within the Compass facilities;

These individuals would be forced to return to the generic provision of day care which is already over-stretched and bottlenecked and inappropriate for most individuals’ needs;

Over 240 group members would be unable to access an impartial advocacy service and would lose the social, recreational, support, confidence and empowerment benefits of being part of an independent group. They would also lose the information service”

— provided by organisations such as the Compass Advocacy Network —

“in relation to signposting, benefit information and family/carer support”.

That is only the beginning of the awful impact that losing the Compass Advocacy Network would have.

Madam Speaker, I support the motion.

Ms S Ramsey: Go raibh maith agat, a Cheann Comhairle.

Like other Members, I want to thank Kieran McCarthy for tabling today’s motion. I hope that he takes on board the amendment proposed by my colleagues. All Members who have already made a contribution to the debate have referred to, and highlighted, the issues of suicide and self-harm, so the amendment strengthens the motion.

In late 2002, the then Minister of Health, Social Services and Public Safety, Bairbre de Brún, launched a major review of mental health policy and, more importantly, mental health legislation. All the proper policies may be in place, but Departments will carry out their statutory duties only when legislation is enacted. Like other Members who have already spoken, in 2002 I was a member of the Committee on Health, Social Services and Public Safety. The

Committee welcomed the Bamford Review, because members dealt with mental health issues all the time. The Committee went further and called for additional moneys to be made available immediately, in the interim, in order to deal with those issues.

People often talk about mental health provision and children's services as being the Cinderella services of the Health Service. The Committee asked for moneys to be ring-fenced for those services, because, depending on the prevailing Health Service crises, money could have been taken away from mental health provision and children's services to be spent elsewhere. I agree with Iris Robinson that much work remains to be done to ensure that mental health issues stay at the top of the agenda. The Bamford Review has achieved that and has even gone somewhat further.

I want to commend members of the Bamford Review team for the reports. Much work, time and energy was expended on the review, and we all have a duty to ensure that Professor Bamford's legacy lives on by implementing all the recommendations as quickly as possible.

It is not possible to build good mental health simply by focusing on areas where there are problems and responding to them. Good mental health for our children and young people requires energy and investment in promoting mental health from birth. Just as good nutrition from birth helps to reduce rates of disease, that timescale applies to mental health. We must begin by ensuring that parents are informed and supported to allow them to give their children the best chance of enjoying good mental health throughout their lives. That must not be overshadowed by the need for further investment at the sharp end of mental health services.

3.00 pm

To properly implement the recommendations of the Bamford Review and to address mental health issues, emotional well-being must be promoted from birth onwards. To support that, we must ensure the provision of accessible, community-based services with expertise in promoting mental health. The infrastructure for delivering such services is already in place in many communities, and we should not lose sight of that. Many local community groups are doing positive work. That work can be developed further through the extended schools programme. However, as I said earlier, funding must be put in place to allow adequate staffing and training resources to be made available.

Many Members mentioned children's and young people's services. Children and young people, and their families, must be able to access the therapeutic services that they need within their local communities without experiencing long delays. My colleague Mervyn Storey highlighted some of the delays that people face. Waiting 44 months for an appointment is, in my view,

unbelievable and should not happen in this day and age. We need also to balance statutory services with the role of the community and voluntary sectors in delivering early intervention and prevention services. In recognising the role that those sectors play, we must ensure that those services are funded from the outset.

As has been highlighted, many children who are referred to child and adolescent mental health services can wait from between 18 months to two years for an initial appointment. If some of those children could access community-based services quickly, they might not need psychiatric services and their difficulties would not worsen while they wait. If someone were to wait for four years for an appointment to see a dentist, his or her tooth would eventually need to come out.

Funding for level-one services should be a priority and must be the first strand in an overall funding strategy for mental health services. However, it is also crucial that further funding be made available for services at levels two, three and four. Long waiting times and the failure to provide the services required must be addressed as a matter of urgency. Simultaneous investment across all levels of services, both community and acute, is required if there is to be any impact on addressing current levels of mental health, as well as promoting emotional well-being.

I want to focus on those children who have learning difficulties. Assessing the type of mental health services that those young people need is often difficult. Experience tells us that the mental health of young people with learning difficulties is overlooked. For example, a young person with learning difficulties, who is also suffering from depression, will often have their depression overlooked as simply being an aspect of their overall condition. However, recognising depression as a specific condition for which a young person with a learning difficulty needs treatment can make a huge difference to his or her quality of life and ability to reach his or her full potential.

It is crucial that there is a clear recognition of mental health issues among young people with learning difficulties. It is vital that a mental health professional be included in multi-disciplinary teams to work with children and young people with learning difficulties.

All Members have mentioned the issues of suicide and self-harm. We are all aware of the tragic suicide rates, particularly in my constituency of West Belfast and in the North Belfast constituency. The fact that all Members have highlighted the problem of suicide shows that we need to take that issue on board. Indeed, that is why my colleagues tabled an amendment to the motion to ensure that, in the interim, we can tackle some of the issues that the Bamford Review raised.

The review was a huge undertaking and has made many recommendations to take forward mental health

issues. It is crucial that a mechanism be established to monitor the outcomes of the recommendations. All too often, the best recommendations are made, but the real problem is in their monitoring and implementation and whether they prove to be effective in addressing mental health needs across the community. I support the amendment to the motion.

Mr McFarland: I commend Professors Bamford and McClelland, and their colleagues, on their report. Mental health has always been a Cinderella service throughout the United Kingdom, but, in Northern Ireland, it is an enormous ticking time bomb. The legacy of 30 years of conflict is beginning to show.

I am familiar with the work of Combat Stress, which is the Army's mental health organisation. Each year sees former members of the regular Army, the UDR and the Royal Irish Regiment experience increased mental health problems due to their service in the Province. From my time on the Policing Board I know that former RUC members have similar difficulties. Post-traumatic stress and mental problems affect family life and can manifest themselves in alcohol abuse and in an inability to lead a normal, balanced life.

There is little new about this. All conflicts produce mental casualties. Shell shock was first observed during the First World War. In some cases it was considered to be a form of cowardice, until the might of medical opinion changed that. In the Second World War there were some who dealt with all of this more easily than others. It can increase with age; as you get older you have time to examine what you have gone through, and sometimes older people have much more difficulty as they start to dwell on the things that they have done in their lives.

I have spoken to both loyalists and republicans who were involved in the conflict. Both sides have similar problems with some of their activists. Whichever side you were on in the conflict, the medical services in Northern Ireland are going to have to pick up the tab for the last 30 years.

The Bamford Review proposals for improved medical care must be properly funded and put in place if we are to be ready for the coming increase in mental casualties of the Troubles. I commend the motion to the House.

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

Mr P Ramsey: I support the motion and the amendment.

This motion affects every constituency in the North. The Bamford Review is long overdue, and we should not delay in implementing its recommendations. There is now recognition on the part of the Government that we need to improve the standard of delivery of all our mental health services.

In my constituency, Foyle, we have one treatment facility for people with mental health difficulties. Gransha Hospital is an old-fashioned building with out-of-date wards and no special provision for young adults. It is not designed to treat people with complex mental health difficulties, and it is not meeting the needs of the people in the constituency. While funding has been announced for a new mental health crisis service at Gransha, we do not know the time frame for its delivery. The current crisis service is only for adults; yet again we have gaps in the service, with no provision for children and young people.

We have no provision for out-of-hours services between 1.00 am and 8.00 am for people with mental health difficulties and no support mechanisms for those with relatives threatening suicide or in need of specialist treatment. That should not be happening in our society. We should not be sending people who need advice, support and treatment home to wait for a community psychiatric nurse to come on duty in the morning.

Some months ago my child had to go to the health centre. There I met a friend who had taught me at the local technical college. He was in tears because his 21-year-old son could not get any support on a Sunday afternoon. The locums did not understand the situation. He had to wait until Monday, literally sitting on his son to prevent him from committing suicide.

We need the Government to devise an action plan for the implementation of the Bamford Review's recommendations. We need specific dates for each action, and appropriate funding must be made available. It is time that the Government compensated for the years of underfunding of our mental health services and made a firm commitment to improving them. We cannot delay in implementing these recommendations. The current service provision in my constituency is appalling and cannot continue.

At this time of year the support that those suffering from depression and mental illness desperately require should be available. I dread to think about the availability of psychiatric nurses and out-of-hours services over the Christmas holidays. Christmas should be a time of rest and relaxation. This time last year, a neighbour of mine, who had been struggling, went into the River Foyle. We have difficulties in Derry with people jumping into the river for whatever reason. It took a month for that man's body to be found.

Today, another family waits for news of a son. He went into the river two weeks ago, but his body has still not been recovered. Suicide brings a legacy of trauma to families.

For some families this time of year will be filled with worry and stress. Those families may have to support someone who has mental health difficulties,

and they may have to do so without the help of statutory agencies. Let this Christmas be the last that those people with mental health difficulties have to rely on their families and friends. I demand that the Government step up and meet the challenge of reforming our mental health services.

Members have spoken passionately about mental health difficulties and compassionately about those who suffer as a result. Sometimes when we are preparing for these debates, we wonder whether permanent secretaries will take note of them, or whether the Secretary of State will, by right, direct Departments to take appropriate action. Judging from the comments of Members in this debate, it is clear that politicians in Northern Ireland are saying that enough is enough. I sincerely hope that the Secretary of State will properly recognise that, particularly where this subject is concerned.

Dr McCrea: I congratulate Mr McCarthy on tabling the motion. He has performed an excellent service in allowing this matter to be brought before the House.

I also have considerable sympathy with the wording of the second amendment. "Adequate financial and other resources" are essential ingredients that the House should consider seriously, and those words are appropriate additions to the motion.

I come to this debate with no specialist knowledge. I have no experience in those professional fields — such as psychology — with which the motion deals. However, I speak to the motion from a pastoral position, having experienced the solemn and sad realities of what it is like for those plagued with the tragedy of mental health difficulties. I have often said to people that if they have never experienced the pain of mental health problems, they ought to get down on their knees and thank God. Other sicknesses can be understood, and although people give easy solutions such as, "Pull yourself together", they may as well drive a dagger into the hearts of those who suffer. Had it been possible, those people would have pulled themselves together already. They feel that they are consumed by an illness that they cannot understand. If a person has a gash or a broken leg, the doctor will prescribe the medication or treatment that is necessary to cure it. In the same way, people with mental health problems can understand the healing process, but they cannot understand the depths of what is happening to them. Their lives are changed completely.

Some Members have talked about suicide without embarrassment and without apparent consciousness of what causes it. As far as this House is concerned, the terrorism of the past 35 years drove many of our people to suicide. That has left a tragic mark on society that will take years to heal.

A great deal of emphasis has been put on mental health problems. I want to deal, however, with those aspects of the Bamford Review that deal with learning disabilities. The Member for South Belfast Carmel Hanna will remember that when she was Minister for Employment and Learning, I led a delegation of concerned parents from across the community in Northern Ireland to discuss with her the important issue of learning disabilities. Since then, we have kept the group together and extended it. We have met regularly with Mr McClelland and with others, and we have also met with the departmental group that the Member for South Belfast set up. We have met on numerous occasions, and we continue to meet because, five years later, we are not much further down the road.

3.15 pm

It is absolutely necessary to tackle moderate and severe learning disabilities. I was first faced with the reality of this situation when I met two mothers and a father. They were concerned about where their severely disabled children would be placed when they reached 19 years of age and were put out of what is the best provision for children with special needs in Northern Ireland — special schools where they receive excellent, A1 provision. Those facilities, whether in Magherafelt, Antrim, Newtownabbey or other parts of the Province, give provision that is second to none. Parents tell me constantly that their children receive the best possible help, education and assistance up to the age of 19. However, when the children reach that magical age there is nothing available for them.

Mrs D Kelly: I thank the Member for giving way. Does he agree that although the best provision is still available, there is a chronic underfunding of therapeutic services and that many children in special schools are denied that service because of lengthy waiting lists?

Dr McCrea: I accept the Member's point. Children receive that service until they are 18. However, once they reach their nineteenth birthday, even though their mental capacity and learning ability may remain that of a five-, six- or seven-year-old, they are told that their education is finished. It is a crime and it is inhumane. My heart goes out to their parents. They are told that their children — if they can get a place — will be put into an adult centre along with 60-year-olds. Those young people will sit in a corner and fossilise — if they are fortunate.

I met the Member for South Belfast, who was in the Executive at the time, and brought a group of people who had been told that there were no places for their children. Those children had received provision until they were 19, and then they were told that there was nothing available for them — even in an adult centre, which would have been totally inappropriate. I salute the adult centres; they provide appropriate provision

for the appropriate age. However, they do not provide for a young person of 19 years of age with a mental capacity of a seven-year-old.

I brought those parents to see the then Minister because they were at wits' end corner. They had been told that their children had received provision until they were 19 and that they might be offered a place in an adult centre. However, they were told that no places were available and that their children would have to sit at home until some provision could be found. The mother of one of the children was a single parent trying to hold down a job to give as much as she could to her child. She was at wits' end corner. An official from the Department asked her whose child she wanted to put out of the adult centre so that her child could have a place. The mother did not want to put any person out; she simply wanted some provision for her child — as any mother would.

There is not only inadequate provision for 19-year-old children: there is no provision. This society had better realise that the human rights of those young people are being completely denied, and if Government do not do something about it, those people should have recourse to the courts to establish their rights.

What other child of seven would be told that their education is finished? Not one. Society says that there should be lifelong learning. There was, and is, a weakness in the former Department of the Member for South Belfast. Its emphasis is not on learning: it is on employment. Many of those young people will never be employed, as they have severe physical and learning difficulties. If people are unemployable, they are cast onto the heap and no provision is made for them.

It is an absolutely scandalous disgrace that any Government in the twenty-first century regards it as progress to tell a child who has the mental capacity of a seven-year-old that their education has finished and that no more is available for them.

Given that special schools cater for people up to the ages of 18 and 19, such schools ought to exist for older people. If a child who goes through primary education reaches 11 years of age, they naturally progress into the next stage of education, and into the next and so on — that is what is called lifelong learning. However, children with learning disabilities are not given that opportunity.

We must change our mindset about the matter. That is why I support the second amendment, which states that the review has to be:

“supported by adequate financial and other resources.”

I ask the Assembly to support our young people and those who cannot speak for themselves. I reject the first amendment because it puts the matter on the long

finger. The Government must take its responsibilities seriously by starting the job right now.

Mr Shannon: Given today's speeches, there is no doubt that everyone is passionate about the issue and that everyone can give an example of someone whom they know who needs help. The Bamford Review has been long overdue, and its findings are in no way surprising. Its recommendations range from dealing with those who suffer in the community as a result of mental illness, to those who suffer in hospitals, to those serving custodial sentences, and to those who are institutionalised.

Paul Goggins said that the system needs major modernisation, and he has announced the creation of the post of director for mental health and learning disability. The creation of that post is one of the report's recommendations. Although that innovation is welcome, it reflects the necessity to have a driving force that will lend a degree of permanence.

Mr Adams: On a point of order. The Member who spoke previously said that the first amendment put those measures on the long finger. However, the first amendment actually says that:

“extra financial investment in services as identified by the Bamford Review”

should be:

“included in the discussions for a financial package for a new Executive”.

The amendment also calls for the “immediate implementation” —

Mr Deputy Speaker: Order. That is not a point of order. However, Members will vote on the amendment later.

Mr Shannon: There is a clear need for increased cross-sector collaboration and partnership between different Departments, especially the Department of Health, Social Services and Public Safety and the Department of Education.

Mental health statistics for Northern Ireland are shockingly frightening, and everyone has mentioned them today. One in four people in the Province is affected by a mental illness at some stage of their lives. Of those who claim incapacity benefit, a third do so under the heading of mental illness, and the number of adults who suffer as a result of mental illness is 20% higher than on the mainland. Indeed, my colleague Dr McCrea has commented on that point.

There is also the noteworthy fact that those who suffer as a result of mental illness have the lowest employment rate among all disabled people. In 2003, over £44 million was spent on psychiatric drugs, in comparison with the £25.4 million that was spent on community health services. That shows a clear over-dependence on suppressing the effects of mental

illness rather than curing the problem. That is not to say that I wish to see medication halted or decreased; rather, I support the recommendations to promote positive intervention and positive mental health needs.

Mental health professionals and charitable institutions alike have called for the funding that is allocated to mental health services in the Province to be doubled. Currently, £100 million is spent on those services. The time has come to move towards a more responsive care-and-treatment package in which GPs and community teams work in tandem to give effective counselling and personal support in an attempt to reduce dependency on medication.

To achieve that, more psychiatrists, psychologists and mental health workers need to work together. They must be dedicated to integrating their patients back into society. That will lessen the burden on carers and families and will enable sufferers of mental ill health to work and have a positive influence on our society.

The appointment of more trained anorexia or bulimia professionals is one area that should be considered. There is anger and helplessness when we recall the story of the 17-year-old girl who was starving herself to death in the Ulster Hospital because she was held firmly in the grip of anorexia, which is a mental illness. Nothing could be done to help her. Her family had attempted everything, including getting help from specialists who suggested that she should go to England, where she would be at the bottom of the waiting list for such help. That area has been overlooked, and it is time that we considered it.

Over 1,700 people in the Province are suffering from anorexia; many more suffer from bulimia, but there are no specialist centres here to deal with those conditions. That is a major issue to be addressed in the area of mental illness. The disorders can affect children as young as seven, and if the recommended positive and early intervention measures were implemented, it might mean that the scourge of eating disorders would be addressed rather than ignored and swept under the carpet.

The report cites the need for reform in the spheres of education, employment, training, housing and social security, and the Government Departments must begin to work together to promote good mental health and to do all in their power to re-integrate those who are ill into society instead of adopting the previous mantra of medicate and redesignate.

Mrs I Robinson: Does the Member agree that Daisy's Cafe at the Ards Hospital in the Strangford constituency is a model of employment — in fact, a centre of excellence — for people who have special needs and learning disabilities? There, young people over the age of 19 are trained in catering, and they enjoy employment in serving and cooking. Does the

Member agree that it is a wonderful role model that should be rolled out across the Province and one that people should visit with a view to emulating in their own areas?

Mr Shannon: I thank the Member for her intervention, and I certainly agree with her. It is a place that I attend regularly, and most Members from the Strangford area will also have done so. It helps young people and gives them an opportunity that, perhaps, they are not getting elsewhere.

The Bamford Review deserves full credit for its full and clear recommendations, but there are many areas in which it does not go far enough. Too often in my constituency — for which Iris Robinson is also a representative — I have not only seen how individuals are affected by having a learning difficulty or mental illness, but how their families are affected, and those effects are exacerbated by a lack of support for them.

One must not forget about the elderly people who have mental illnesses. The Bamford Review states that by 2018 there will be a 50% increase in the number of older people in society. If those numbers are applied to the area that my colleague Iris Robinson and I represent, they show that our constituency will require approximately 150 beds that we do not have. Help and support are required now. There are presently 14 people in my constituency who do not have accommodation. They are still in hospital, and they need to get out. That is another issue that must be addressed, and the Bamford Review clearly sets out other areas that need to be tackled.

The role of carers is taken for granted, and their needs are overlooked. That must also be examined. The responsibility borne by a carer often leads to depression and mental exhaustion, and that leads to illness. Statistics recorded by Mencap show that 50% of carers suffer from ill health, and, more worryingly, 80% of families feel close to breaking point. I have spoken to some of those families and carers, and there is obviously a problem with their situations that must be addressed.

That matter should fall firmly within the remit of the mental health and learning disabilities forum, and, as we seek to renovate the current system, it should be addressed. Cross-departmental co-operation will be a great aid in combating that problem. For instance, if the social worker of a child with autism were to notice that the mother was depressed, there should be a clear system to advocate the speedy provision of care and respite in an attempt to halt the progression of depression.

The more information on a patient that is communicated to relevant Departments, the more the patient's welfare will benefit. For instance, when a child with Down's syndrome finishes school, there should be an open door from the education system to

the next step in what should be a fully resourced and individually tailored training programme in the training network. It should be the aim of the training network to find work in which a young adult will be happy and in which he or she will benefit the community and his or her family.

That system may seem simple to many, but the practicalities of such a system require money, time and dedication, and it is hoped that the new post that has been created will go some distance in achieving that. The onus on achieving that lies with the newly appointed director and Ministers, and I call on them to speedily implement the findings of the Bamford Review and to take on board the wider mental health and learning disability issues that should be addressed.

The Bamford Review has clearly illustrated that the key to improved service lies within communication and individual assessment of needs. A much stronger support network must be made available, not only to the sufferer, but to the family, and those needs must be immediately attended to and not hindered by needless red tape and bureaucracy.

The co-operation of the planning department is required to ensure that beds are set aside for the elderly, mentally-infirm patients. It is wrong that the planning department can obstruct the provision of those beds when the opportunities for them to be provided do exist. A more flexible and sympathetic understanding from the department would enable those beds to be realised in other areas of my constituency. I support the motion.

Mr Deputy Speaker: I call Mrs Carmel Hanna to give her winding-up speech on the second amendment.

3.30 pm

Mrs Hanna: I also commend the initiative from the Member for Strangford Mr McCarthy in tabling the motion. I support both amendments. At the outset, I want to mention that Prof David Bamford, who was originally appointed to chair the review, sadly died before the work was complete. His deputy, Prof Roy McClelland, ably took forward the task. Both those men, and all the participants on the steering committee and members of the expert working committee, have shown great commitment and dedication.

A strength of the Bamford Review is its comprehensiveness. Its reports cover all aspects of mental health and learning disability, including human rights and equality, forensic services, child and adolescent mental health, mental health promotion, alcohol and substance misuse, 'Equal Lives' learning disability and adult mental health services. I hope that the two largest political parties can resolve their differences on the acceptance of power sharing and of signing up to a lawful society in order to enable the Assembly to get on with the real business for which it was elected — to

govern Northern Ireland and, indeed, to implement the strategies of the Bamford Review.

Nothing is more important than protecting the most vulnerable in society — those who are mentally ill and those who have learning disabilities. As a member of the Northern Ireland Association for Mental Health's all-party Assembly group, I have appreciated the opportunity to work with, and learn from, other elected representatives, service users and carers.

Just as we all have accepted the vision of a National Health Service that embraces the promotion of positive health rather than a service that treats ill health and picks up the pieces, mental well-being must be positively promoted, encouraged and protected. Mental and physical well-being are inseparable; there cannot be one without the other.

As a social democrat, the belief that everyone in society needs a helping hand sometimes is at the core of my political philosophy. Few of us get through life without a challenge. Mental ill health should not be treated differently to physical ill health. No stigma is attached to cancer. The vast majority of people face times in their lives when they cannot cope, so why should anyone be reluctant to acknowledge that?

The Bamford Review states that mental ill health affects one person in four and costs an estimated 3% to 4% of gross domestic product (GDP), yet that statistic is understated. Many people in our community are embarrassed about their situation and tough it out because of the fear of admitting to vulnerability. That is a very human and understandable trait. However, we must open the window and let the daylight in on that situation, so that openness towards mental health becomes as societally acceptable as it is for physical health. Next month, the mental health charity Rethink will launch a month-long campaign to try to unpick that stigma, and much more.

We live in a competitive society with unprecedented pressures, particularly on young people. The pressures of consumerism and the fixation on youth and appearance are all around us. Human beings are more than that, however: we are citizens. We must re-establish core values that respect the dignity, integrity and autonomy of the individual human being. Members are aware of the high incidence of suicide, especially among young men. The figures are horrifying, especially when one thinks about the young people and their families. A suicide prevention strategy is in place that works with bereaved relatives and community workers and, indeed, provides GP-awareness training. However, the challenge highlights the need for a joined-up service and more appropriately trained personnel.

The proposed resourcing of modernisation and reform has significant capital and revenue investment implications, which many Members have mentioned.

The health budget already accounts for 43% of Government spend. However, additional core funding is absolutely essential if the priorities listed in the Bamford Review are to be addressed.

It is well documented that taking positive action and applying resources as soon as a problem is identified can avoid a much greater spend later, and that applies particularly to health issues. Per head of population, funding for mental health services in Northern Ireland is far behind that in Great Britain. That shortfall is compounded by the well-documented fact that there is more mental health illness in Northern Ireland than in Great Britain. The motion rightly mentions cross-departmental responsibilities; the health budget cannot be expected to take all the strain.

I welcome the assurances that Paul Goggins, the Minister with responsibility for health, social services and public safety, gave in a letter to me. He said that strengthening mental health and learning disability services in response to the Bamford Review has been identified as the number one priority for the forthcoming comprehensive spending review. However, it is up to all of us to ensure that adequate resources accompany that prioritisation.

I also welcome the decision to appoint an independent chairman — a champion for mental health — to head a cross-sectoral, cross-departmental directorate.

The Bamford Review, and its various strands, is extraordinarily wide ranging. The Bamford Review's all-embracing nature, which makes it very exciting, innovative and life enhancing, also makes it a challenge to implement. We must remain focused on the vision and the big picture, but leadership and teamwork at provider level are also crucial. Modernisation and reform depend on changes to existing systems and practices, and new partnerships must be developed between the statutory and voluntary sectors. Appropriate cross-sector working must be cultivated.

Making social inclusion a reality requires those bodies with responsibility for education, housing, employment, leisure, and health and social services to be fully committed and involved. That would really be joined-up government with a vengeance. Given that our small, intimate society has a population of only 1.7 million and that, unlike in Great Britain, health and social services are already integrated in Northern Ireland, the review presents us with a real opportunity — provided the goodwill, commitment, positivity and energy are there to make it work.

It will involve a culture change across all disciplines. We must develop new ways of working and build on international best practice. We need to challenge traditional ways of doing things and think of imaginative and creative ways to involve support staff, volunteers, users and carers. Working in the mental health field is

challenging, and we must retain our excellent staff. Training opportunities must be maximised.

A more holistic approach is needed. For example, should a GP find that he or she has no community psychiatric nurse to whom to refer a patient, and that the consultant's list is at least a year long, he or she is most likely to prescribe drugs to the patient rather than take a more holistic approach.

In particular, people with a learning disability must be valued as citizens and be empowered to use mainstream services so that they can be fully included, as of right, in the life of the community. That can happen only if there is a genuine commitment on all our parts to work proactively at all levels of society to include the learning disabled as equals — in schools and in employment, and where housing issues are concerned. They must be able to participate actively in decisions that affect their lives. That requires families and carers to be supported to enable the learning disabled to take managed risks and to lead more independent lives.

There are 180,000 carers in Northern Ireland; 7% care for somebody with mental health needs, and a further 15% care for someone with mental and physical health needs. Carers and family members are usually the first, and sometimes the only, source of support for a person with mental health problems, especially in Northern Ireland.

We should help to build support networks to decrease the loneliness and isolation experienced by people with mental health problems and those who care for and support them. The National Health Service could not survive financially without carers.

Mr Deputy Speaker: Will the Member draw her remarks to a close?

Mrs Hanna: Much will revolve around how we imagine ourselves as a society. Large sections of our community have been brutalised by the past 30 years. We must build a civic and caring society and re-examine our values and our attitudes to alcohol and drugs. We need to recreate a sense of community.

Mr Deputy Speaker: The Member's time is up. I call Mr John O'Dowd to make the winding-up speech on the first amendment.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle.

I thank the proposer for tabling the motion. Kieran McCarthy and I have worked together on the Bamford Review and Action Mental Health in its monthly briefings and in lobbying Ministers on the review.

When Bairbre de Brún said in October 2002, a LeasCheann Comhairle, that there would be a major review of mental healthcare and learning disabilities in the North of Ireland, she made it clear that the review

would be carried out with a strong user focus, including user and carer representation on the main steering groups that would oversee the work. She announced that Prof David Bamford of the University of Ulster would chair the review.

The background against which the review was commissioned was one of historic and grossly inadequate psychiatric care, with treatment limited at times to drug therapy, often without any regard to diagnosis. There was a scarcity of acute and psychiatric beds, a lack of options of therapy, and there were Victorian facilities, one of which I visited. In my 10 years as an elected representative it was the most depressing place that I have ever been in. The facilities in which long-term mental healthcare patients were kept were disgraceful. The only good aspect was the determination and commitment of the staff to do all in their power for their patients.

Recently, I visited excellent facilities in our health system, but, unfortunately, they are the exception rather than the rule. The provision of mental health services to adults, children and adolescents throughout the island of Ireland has proven to be inadequate — one in every four Irish people is expected to suffer some form of mental illness. Psychiatric services for children and adolescents remain scandalously under-resourced and underprovided for in every part of Ireland. Many children are deprived of psychiatric treatment due to a lack of inpatient beds, while services for adolescents have been totally unsatisfactory.

In the intervening period since the then Minister de Brún announced the various expert working committees and task forces involved in the review of mental health and learning disability, including service users and carers, under the guidance and leadership of Prof Bamford, the professor set about a momentous task with diligence and professionalism. The work of the committees was extremely wide-ranging, as demonstrated by even the most cursory description that I can give here of the working groups' remit.

The learning disability working group reviewed policy and services for children and adults with learning disabilities; the adult mental health working group examined primary care provision, acute services, rehabilitation and community care for adults with mental health problems; the social justice and citizenship working group considered relative legislation and other requirements particularly related to human rights, discrimination and equality of opportunity; the legal issues group reviewed the Mental Health (Northern Ireland) Order 1986; and the Mental Health Commission and the Mental Health Review Tribunal examined issues relating to people who cannot look after their own property and affairs as a result of mental ill health. Added to these are the equally important working groups that examined mental health

promotion, child and adolescent mental health, dementia and the mental health issues of older people, alcohol and substance misuse and forensic services.

These working groups sought to address and correct the lack of proper service provision and the absence of much needed assistance and lack of access to professional healthcare when such help was initially needed. However, it had long been recognised that early interventions are especially important for people with mental health problems, particularly the young.

3.45 pm

Mental-health provision is a much-neglected area of the Health Service. In recent years, funding for mental-health provision has fallen behind other more media-friendly and politically popular health and education services such as the acute sector. Before the Bamford Review, no service framework was in place to deal with mental ill health, and no attempt had been made to implement a mental-health promotion strategy. Child and adolescent mental-health services were similarly underdeveloped.

The stigma that was wrongfully attached to the subject meant that service users with a mental-health difficulty or a learning disability and their carers were often not in a position to exercise their grievances in the same public manner as those, for example, who used accident and emergency (A&E) departments. In short, successive direct-rule Ministers believed that they could put the needs of those with mental health difficulties or learning disabilities on the back burner because not as many voices were shouting loudly enough.

Thanks to the work of Prof David Bamford, his colleagues, and all those service users and carers who participated in the review, that is no longer the case. Sadly, David Bamford, for whom my party and I had great respect, died before this work could be completed. Prof Roy McClelland ably took on the leadership of the review, but the publication of the various reports cannot be allowed to be the end of the review process. Instead, their publication must be viewed as an opportunity for a new beginning. For that new beginning to take root and to impact positively on people's lives, the question of resources must be addressed. That is why my party decided to table its amendment. The amendment has not been tabled in an attempt to usurp or undermine the motion but to strengthen and develop it further.

Prof Bamford recognised the need for additional resources to be provided, when, in December 2004, he wrote an open letter to direct-rule Minister Ian Pearson, specifically asking that money be ring-fenced to allow the review's recommendations to be implemented. David Bamford described how, despite the best efforts of staff, many current services were at, or near, crisis point. Pro rata by population, at least £50 million should have been allocated to specific mental-health

services in the North between 1999 and 2006. No such allocations were made, however, despite £1.25 billion being allocated in the same period to similar services in England, Scotland and Wales.

Lest anyone be mistaken, Sinn Féin believes that remedial action is needed to deal with the situation on an all-Ireland basis, North and South. My party has previously proposed that an all-Ireland implementation body be set up as a matter of urgency to deal with the appalling neglect of mental-health provision, which neither health Department, North or South, has succeeded in addressing. A new all-Ireland implementation body to deal with mental-health issues across the country would constitute one of the most progressive achievements for the new incoming power-sharing Executive and all-Ireland institutions. I accept, however, that that issue is not the one that we are debating, and it is not immediately related to the motion or to our amendment.

The harsh reality facing the Assembly today is that about 29% of households in the North are defined as being poor, with a further 21% considered to be vulnerable to poverty, owing to low income. Half of all those households include at least one family member with a long-term illness or disability. Those are the people who suffer most from the underfunding of mental-health or learning-disability provision. Those are the real people and families experiencing the sharp edge of health inequality.

The problems confronting the Health Service and general public health in the Six Counties are the legacy of years of underinvestment and neglect by successive British Governments. It will take a substantial effort to recover the situation, but that can be achieved if the political will is there. This Assembly can demonstrate the potential of that political will today by making our amendment.

Just as the Assembly called with one voice for the rejection of water charges and greater investment in our economy, it should speak with one voice today to call for greater investment in our mental-health and learning-disability services. The negative impact of the Northern Ireland budget on mental-health and learning-disability provision has had a profoundly adverse effect on the quality of life of a substantial section of our community. There is in the wider community, however, a recognition, which our direct-rule Ministers obviously do not share, of the need to provide access to mainstream health and social services provision and education for people with a mental-health difficulty or learning disability.

One of the Bamford Review's publicly stated goals was to anchor its recommendations in a broad financial and economic context. That is what our amendment is about. By making our amendment, this Assembly,

through the Committee on the Programme for Government, can show that all parties have the political will to ensure that the required extra financial investment in service provision, as identified by the Bamford Review, will be included in discussions for a financial package for a new Executive.

If we are to treat the work of the Bamford Review seriously, ensuring delivery of those resources in order to bring about an effective, all-encompassing service provision will be the touchstone of our collective political ability. Go raibh maith agat, a LeasCheann Comhairle.

Mr McCarthy: I thank all the Members who supported the motion. It is clear that mental health and learning disability issues affect every man, woman and child in Northern Ireland, and every Member who spoke today showed real concern about that.

The Bamford Review has been the most important and far-reaching inquiry into mental health and learning disabilities that Northern Ireland has ever seen, and it contains vital information and road maps for the way forward. Members wish to give their best for the people of Northern Ireland in relation to mental health and learning disability. I have no problem with the second amendment, although I do have some concerns about the first. At this time, there are Ministers who can take immediate action in relation to what Members have discussed, whereas the Programme for Government Committee is just that — a Programme for Government Committee, with no powers.

In relation to suicide and self-harm —

Mr O'Dowd: I wish to clarify that the Sinn Féin amendment in no way stops the Assembly from lobbying the Ministers who are in a position to act. The amendment is a continuation of that work, and ensures that the next Executive have the finance to work for it. Sinn Féin is not saying that the Minister should not be lobbied for those resources.

Mr McCarthy: Suicide and self-harm, which are referred to in amendment No 1, are vital and important, but it is not on. It would be wrong for me to speak against amendment No 1, because in the Portaferry and Kircubbin area of my constituency, we have suffered through suicide and self-harm, and I do not wish to oppose anything that might bring benefits to those people. I ask that we join together —

Mrs D Kelly: I thank my colleague from Upper Bann Mr O'Dowd for his clarity in relation to ongoing and present lobbying for resources. In our amendment, we were trying to say that it should be immediate. Given that understanding, I am happy to seek the leave of the House to withdraw my amendment in favour of the other amendment and the composite motion.

Amendment No 2, by leave, withdrawn.

Mr McCarthy: I am glad that we are all in agreement. This issue affects us all and transcends all boundaries, classes, colours and creeds. If the Assembly can agree on the way forward to provide for and implement the Bamford Review at the earliest possible moment, then it will have contributed enormously to the mental health and well-being of all the people in Northern Ireland.

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

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly accepts the findings of the Bamford Review of Mental Health and Learning Disability (Northern Ireland) and calls on the Ministers responsible for all appropriate departments to take immediate steps to implement its recommendations; calls on the Programme for Government Committee to ensure that the required extra financial investment in services as identified by the Bamford Review is included in the discussions for a financial package for a new Executive; and further calls for the full resourcing and immediate implementation of all the recommendations of the Bamford Review in relation to suicide and self harm.

Adjourned at 3.54 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 19 December 2006

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Rev Dr Ian Paisley: On a point of order, Madam Speaker. Will you make a statement on the security regulations in the House before we rise today? It is a matter that I have raised with you previously. When a similar circumstance arose in the British House of Commons, the Speaker made a full statement on what had happened. This House deserves the same.

Madam Speaker: Thank you, Dr Paisley. I agree with you. If you recall, when the House first sat after the incident, I made a statement giving some idea of what arrangements would be made in the interim. The Assembly Commission has commenced its review of security, two meetings of which I have attended. You and Mr Robinson kindly took time to speak to my officials yesterday, and we take on board all your information and advice.

I assure you that once the review has been completed, as much of it as can be revealed will be made available to the House. My officials have consulted the Westminster review of security, and our review is being conducted along the same lines. You are quite right: on the occasion of which you speak, the Speaker of the House of Commons made a full statement, such as I gave on the Monday after the incident. I will make a further statement. If Members wish to know any more, they should contact my office. I am sure that you agree with me that it would not be proper to reveal full details of the security review in the House. I hope that that is sufficient for now.

Rev Dr Ian Paisley: Thank you.

PRIVATE MEMBERS' BUSINESS

Protection for the Elderly

Madam Speaker: The Business Committee has agreed to allow two hours for each of today's debates. The proposer of each motion will have 15 minutes, and all other Members will have 10 minutes.

Mr Paisley Jnr: I beg to move

That this Assembly calls for the appointment of an Interim Commissioner for the Elderly to identify urgently a strategy to assist, protect and develop provision for the elderly in Northern Ireland.

The statement:

"How blind we are in the midst of so much enlightenment"

was made hundreds of years ago, and it could be made again today. In a time of so-called progress, supposed opportunity, and so much alleged freedom, we are still so blind to the need of those who require so much from us, especially the elderly.

Northern Ireland has an ageing community. How we decide to protect their interests today will determine the shape of our own tomorrows. This is a must-have debate and I am delighted that we are having it today, given the circumstances, especially those pertaining to older people in the community.

Today ought to be declared "Grey Power Day" in Northern Ireland. I hope that the people who have made Northern Ireland what it is today will thank their political representatives because they believe that those representatives care for them.

I notice that an amendment is being moved this morning. Division on the motion is not necessary, and I am concerned about how that division came about. I received an email from Help the Aged. That organisation did not go to other parties in order to get an amendment proposed; other parties contacted Help the Aged about an amendment to the DUP motion. That is unpalatable, because a political squabble is not necessary nor is it in the best interests of the elderly. That email tells its own story.

I say to those groups that might be exploited by a political squabble to look at the no-day-named motions that have been available since the Transitional Assembly started. Only one party has brought forward a motion on the issue; every other party had the chance to do so but did not. That says a lot about who really cares about bringing forward a motion on the issue. Those parties scurrying around looking for an amendment should back the motion.

What we need is not Members squabbling about how the law is implemented; we need the implementation of good law. Whether the law is implemented by a commissioner or by the current ministerial team is

irrelevant. We need good laws that are implemented effectively and efficiently. Many of those laws already exist but are not being implemented well.

A joined-up approach across the various Government Departments is needed to address this issue; and that could, and may, lead to the establishment of a commissioner. It could also lead to the effective implementation of existing laws by current and future ministerial teams.

The motion calls for an interim commissioner with a specific time-locked brief to scope and identify a strategy that will assist, protect and develop provisions for the elderly across all Departments. As I have said, that may result in a permanent post or the effective and efficient implementation of the law.

It is logical to have a commissioner, and we should take that step. It is important that society gets real and demonstrates that it really does care about people who are in need. Importantly, it also needs to show that it cares for the elderly, who are the most vulnerable.

Members have a duty to debate this issue effectively and efficiently today. My party and many others have demonstrated considerable commitment to the elderly. Apart from the obvious fact that my party is led by an octogenarian — and that is not a personal comment, Madam Speaker, and I hope you will not rule me out of order. No other party lives up to that standard.

The DUP campaigned for a policy —

Mr Kennedy: Yes, yes.

Mr Paisley Jnr: Mr Kennedy looks older than my party's leader, by the way.

[Laughter.]

The DUP campaigned for, and delivered, the provision for free travel, and I was glad that the Northern Ireland Assembly passed that legislation. The DUP also campaigned for, and delivered, through the effective Minister Dodds and Minister Morrow, the warm homes scheme for the elderly.

I am glad to have the opportunity to put some startling facts about the elderly in Northern Ireland on the record. Around 49% of people who are classed as elderly live on an income of less than £10,000 per annum. Fifty-four per cent of households that include people aged 60 or over are in fuel poverty. More than 80,000 elderly people in Northern Ireland live alone. Between 2000 and 2005, more than 2,000 people aged 65 and over died due to winter crisis problems.

Many of the 64% of people aged 65 and above have a long-standing illness and are entitled to claim benefits. However, they do not do so because of ignorance, pride or because they are daunted by the benefits system. In Northern Ireland, 19% of 50-year-

olds have mobility problems, which is almost 8% above the national average.

Those statistics reveal that although there is a plethora of Government policies for the elderly, most of them have failed. The Assembly must address that failure. Developing a strategy that urgently addresses the situation and sets in place a defined course of action to ensure the implementation of legislation, and joined-up government for the elderly is one way to ensure the efficient and effective delivery of the goods for the elderly population in Northern Ireland.

When the Assembly was fully operational, it supported winter fuel payments, which started in 2000 under Minister Dodds. One of the greatest indictments of the current Government and their policy is that, despite their pretence to care about the needs of our elderly community, they have not bothered to increase the winter fuel allowance since then. The oil companies have kindly increased the cost of winter fuel each year, and the gas companies have increased the cost of heating.

It is important to get grey power working. That should ensure that pensioner poverty is eradicated sooner rather than later. The Government have a strategy to eradicate pensioner poverty by 2010. The Assembly must help them in doing so and ensure that the Government are held to account.

As an aside to the debate, several years ago I had the opportunity to visit the United States of America on a visitor programme. During that visit, I met several trade union groups. The group that impressed me most was the American Association for Retired People (AARP). It was the most effective pressure group ever, and no politician in America dared to ignore its voice. When the AARP spoke on guns, welfare, or any political issue affecting America, the politician who ignored it did so at his or her peril.

Grey power in Northern Ireland should take a leaf out of the AARP's book. Politicians who ignore the voices of the elderly in Northern Ireland should do so at their peril. Effective campaigning for the elderly in Northern Ireland must be put in place.

I turn now to issues that have affected our community in recent weeks. Members have been reminded of the horrifying physical attacks that are being carried out on the elderly. Such deplorable attacks must be condemned unequivocally. Today, some Members will pose as defenders of the elderly and, indeed, will pay lip-service to the sentiments that I have expressed. However, as with every other important issue in Northern Ireland today, provision for the elderly comes down to one thing: the delivery of effective policy. We must ensure that we have delivery and not more process.

10.45 am

Members should call a spade a spade and see through a lot of the humbug. I use this platform today to call on those who have refused to support the police and refused to endorse the rule of law and our courts without qualification, to do so. Their failure to do so is not just a failure for everyone else in society; it is a major failure for the elderly people who are suffering because of lawlessness in our society. They should put up or shut up. There is no excuse not to support the effective enforcement of the law and its agencies.

The current spate of attacks on the elderly that has horrified us all has been aided and abetted by a general lawlessness and a lack of leadership from those — especially in Sinn Féin; let us call a spade a spade — who will not support the police. A significant section of the community is encouraged to ignore the rule of law, oppose policing and hate the courts, and we wonder why there are those who feel empowered and free to attack the most vulnerable in our society. The failure to support the rule of law has had hideous consequences for our society. Unfortunately, the people reaping those hideous consequences today are the elderly.

I am throwing down a challenge today. People want to be powerful for the elderly: if they want to support the elderly, they should not pay lip-service or give sentiment. We need support for the rule of law, the police, the courts and this society, so that we can go forward with strength as one. We can and must do that.

There are many public safety campaigns for the elderly that the House should support. The police in my constituency have piloted the 'Message in a Bottle' scheme, which provides the elderly with an identifiable message that they can put somewhere safe in their home. If their home is broken into, or if they fall ill, the emergency services are able to get immediate details of their medical needs — if they need tablets or other medication, they are able to get them. It is a very effective policy, and I encourage the police and the Government to roll the campaign out across the Province.

There are neighbourhood watch schemes in many areas; they should be developed and extended across the Province. Police resources should be allocated to allow more officers to serve the community on beat duty and targeted calling with the vulnerable. We need proactive intelligence-driven policing, not reactive guesswork after an elderly person has been attacked. Members have heard today that many problems have been associated with poor detective work and inefficiency; I hope that we can have more efficiency in the future.

The House should unite behind the motion. We need a step-by-step strategic approach, not a knee-jerk

approach. We need a real approach to effective delivery of the law to the elderly — that is what they want. In my constituency office, the over-65s tell me that they have problems with their pensions that need sorting out, and the under-60s have problems with benefit care. They want streamlined, effective and efficient delivery of services, and the House should ensure that that is what they get.

Mrs O'Rawe: Go raibh maith agat, a Cheann Comhairle.

I beg to move the following amendment: Leave out all after "an" and insert

"Independent Commissioner for Older People who would have the necessary powers to effectively promote, safeguard and protect the rights of older people."

This amendment is intended to strengthen the motion, not to take anything away from it. It has been worded by organisations that represent and work for older people.

By 2020, more than half of the population in Ireland will be over 60, yet, increasingly, older people are marginalised and their contribution is not fully recognised.

Older people are no longer willing to be marginalised or treated as less than equal citizens. They are on the move through organisations such as Help the Aged, Age Concern and Ageing Well, and I take the opportunity, a Cheann Comhairle, to commend those organisations for the work that they do. Campaigns by those organisations and others have taken the issues affecting older people from the periphery to the centre of political debate. They have recognised that the negative attitudes to ageing across the island have prevented the development of the policies and structures needed to address poverty, ill health, isolation and violent attacks.

A Cheann Comhairle, not a day goes by without news of some terrible attack on older people, yet the publication of a safety strategy has been met with more delay, which is totally unacceptable. What we and older people need as a society is a clear plan of action to reduce attacks and tackle offender behaviour, which will ensure that older people are safer and feel safer in their homes.

Earlier in the year, Sinn Féin outlined its agenda for older people when it published our 'Forget-me-not Charter for Older People'. That recommended a number of actions to ensure that the rights of older people were fully protected; it also recommended a commissioner for older people. Although there is no magic, quick-fix solution to either the cancerous attacks on older people or the wider barriers that older people face, it is clear that we need a proactive and centrally-driven response.

As regards the violence that is directed at older people, we need a joint approach that is grounded in

local communities and implemented where it can make a real difference to the lives of older people. Although we need more resources to improve security in the homes of older people and increase their sense of security, such measures will only deal with the symptoms. They are not the cure for the problem of attacks on older people.

A Cheann Comhairle, turning homes into fortresses is not a long-term solution to the problems of isolation, alienation or vulnerability. Resources and actions need to be targeted to support communities in challenging the violence of those who target older people. We need to support older people in realising their vital role in our communities.

Older people have made a lifetime contribution to society through their work, taxes, rates, National Insurance contributions and voluntary work, but the standard of living of many of our older people does not meet their needs or reflect their contributions.

It is an indictment of Government policies that so many older people die each year from cold-related illnesses, and thousands more suffer from the indifference of a cold society. It is vital therefore that mechanisms are developed to properly value, and recognise, the lifelong contribution of older people to society.

Our party believes that we need to support older people in realising their vital roles in their communities. We are the losers without their contribution. That means addressing issues such as low income, access to transport, health, education and housing, and ensuring that the voices of older people are heard. Older people should be consulted on decision-making at all levels of government. A commissioner for older people would provide an important mechanism for challenging and reviewing policy and decision-making, and would give a focused role in decision-making and in articulating the demands and rights of older people.

However, ministerial responsibility that specifically deals with the rights and entitlements of older people, that drives strategy and decision-making, and that can take action across all Departments, must put the rights of older people at the heart of Executive decision-making. It would also create a mechanism for direct democratic accountability. A cross-departmental working group could deal effectively with the many cross-cutting issues that affect older people.

Figures from the Northern Ireland Statistics and Research Agency (NISRA) for 2005 estimate that people over 60 make up 19% of our population; that is almost the same as the combined population of the Belfast and Antrim council areas. Many hard-hitting statistics demonstrate the disadvantaged circumstances and vulnerability of older people: 54% of householders in the North aged over 60 are living in fuel poverty;

over 80,000 older people live alone; and 2,020 winter deaths occurred among those aged 65 and over between 2000 and 2005.

The aim of a commissioner for older people would be to promote and safeguard the rights and best interests of older people. The commissioner would adopt the principles set out by the United Nations action plan on ageing, which sets challenges for Governments that address issues and opportunities associated with an ageing population.

A commissioner for older people should have powers of enforcement to enable the process of change that is needed to bring older people in from the cold. I ask Members to support the amendment. Go raibh maith agat, a Cheann Comhairle.

Mr Armstrong: Yesterday morning, the Black Santa began the annual sit-out at St Anne's Cathedral at which he raises funds for needy causes. This year, Rev Houston McKelvey and his team realise the needs of elderly people in society, and they are urging the public to think about that sector in particular as they make their donations this year.

Elderly people are among the most financially and personally vulnerable in society, and it is appropriate that resources be channelled towards making their latter years as comfortable as possible. Over 80,000 older people in Northern Ireland live alone, and 53% of those people say that loneliness is the major problem that they face. It is believed that 5% of older people are at risk of abuse at any time.

Northern Ireland is experiencing a demographic shift. About 16% of the population — over 275,000 people — are of pensionable age, and that is estimated to rise to 24% in 2013. Over 61,000 pensioners — 22.2% — live in poverty, with almost 1,200 suffering cold-related deaths in 2004 and 2005. Those statistics have not recently crept up on us. The Government have been trying to address those facts and figures, but a commissioner for the elderly would enable people to assess the changes that are necessary across the spectrum of legislation and concentrate on the needs of the elderly.

It is essential that Northern Ireland — like its neighbours in Scotland and Wales — appoint a commissioner for older people to promote an awareness and understanding of the rights and interests of older people and to review the current policies, laws and practices relating to that sector of our community. He or she should promote best practice on the part of those who provide services to older people, while also promoting the skills and experiences of older people. A commissioner for the elderly should also be charged with publishing research on matters relating to the rights and interests of older people.

Northern Ireland is primarily a rural region. Our population is scattered, and many people are isolated in rural areas. Isolation causes difficulties for those who are agile, but it greatly affects the lives of the elderly. There are 80,000 people living alone in Northern Ireland. The direct-rule Administration does not take account of Northern Ireland's rural make-up. The rural towns and villages are lifelines for those living in further isolation. Proposals to close rural hospitals and schools are ridiculous, and the thinking behind such ideas beggars belief. Are the Northern Ireland Ministers proposing to close the countryside and change the way of life in Northern Ireland? A huge number of our ageing population will not accept that, and their voices must be heard.

It is essential that a commissioner for the elderly be appointed urgently in order to ensure that older people are protected and their rights safeguarded. It is natural that we should want that to happen in anticipation of our own old age. However, it is imperative that we consider not only ourselves in old age, but those who are of pension age already, and make the necessary changes. I fully support Help the Aged's vision of a world where older people are free from disadvantage, poverty, isolation and neglect. We must celebrate the fact that we are living in a society in which people are living longer. We must banish the perception that an increase in the number of older people is a burden on society. The appointment of a commissioner for the elderly will work towards that.

11.00 am

Ms Ritchie: I rise in support of the elderly population. The issue must not become a political football. During the debate, there have been examples of political point-scoring. All elderly people have rights, irrespective of their political or religious differences. The needs of elderly people, rather than parties' political wants, must be the number-one subject of the debate.

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

With the number of elderly people in the population expected to rise over the next five to 10 years, according to figures from NISRA, it is imperative that a restored Executive and Assembly introduce and refine a range of strategies and policies that place the needs and requirements of older members of the population high up on any agenda. That includes the need to work alongside the law enforcement agencies in order to mitigate the influence and impact of crime, criminality and vandalism on elderly members of the population, and those incidents that prevent them from leaving their homes, making them feel like prisoners in their own surroundings. Anyone who feels like that must be protected and supported.

However, running in parallel with the range of policies and strategies is the need for a wide range of services encompassing statutory residential care, nursing provision and access to community care packages, all of which fall into the ambit of the provision of care and services for the elderly. I want to focus on that point. Help the Aged has undertaken a considerable body of research. It believes that older people have the right to live free from fear and harm. Disadvantaged older people must be freed from poverty, isolation and neglect. I agree with both of those viewpoints.

However, the Department of Health is acting contrary to the needs of older people through the implementation of the reform and modernisation agenda, which will result in the removal of statutory residential beds — one of the elderly population's primary needs. That is happening as we speak. We have seen the closure of long-established residential care homes and resource centres. This is happening at a time when not an awful lot of money is being invested in home help, community care programmes and occupational therapy services. What will happen to elderly residents in statutory care who do not have any family to care for them? What will happen to those who need constant care and attention and will not be catered for in supported housing, which, as you will be aware, Mr Deputy Speaker, seems to be the favoured option of some of the health trusts?

Current Government policies are Treasury-driven and do not reflect a pragmatic or practical approach to the urgent needs of the elderly, who require constant care and attention and who can take ill at any time without warning.

Mr Deputy Speaker, you and other Members will be aware that in my constituency the Down Lisburn Health and Social Services Trust has been forced, like other trusts in Northern Ireland, to reconfigure its services for the elderly. It has proposed the closure of two statutory residential homes, which will result in the removal of 80 beds. The two homes earmarked for closure are St John's House in Downpatrick and Seymour House in Dunmurry. People need care and protection from the cradle to the grave, and it is essential that elderly people are given that care and protection, whether in their own homes or in a care environment. It is our duty and responsibility to ensure that not only are champions appointed to make care of the elderly a priority, but that there is a compelling political imperative to make that happen in a restored Assembly and Executive.

Public consultation undertaken earlier this year clearly demonstrated a defined opposition to the closure of both those homes — a total of 6,081 responses were opposed to it. What was the trust made to do? It was forced to give an appraisal of the oldest

home, St John's House, using a scoring mechanism that had low marks for accessibility and functionality. The appraisal gave the impression that the home did not even have a roof, even though it is situated in the centre of Downpatrick, adjacent to the existing hospital.

Undoubtedly, the trust, guided and directed by the Department of Health, Social Services and Public Safety, has embarked on a consultation process having already made a decision to close the home, and it has made the scoring fit that premeditated decision. According to the list presented, St John's House was the oldest home. It is 10 years since it was last allocated expenditure, so one could say that it was perhaps a tidy choice for closure. That decision places at risk its current residents, potential residents and the elderly in the community.

There was no recognition of the glowing terms of reference that St John's House received, the high quality of care it offered, or of its contented residents, both long term and those for whom it provided daily respite care. The Department of Health, Social Services and Public Safety and its custodian, the trust, simply want to implement their predetermined agenda and the reform and modernisation agenda, which is simply about the demolition of elderly care and protection. Do not be fooled by what the Department says. Let us start afresh in the provision of care and protection of the elderly and in the safeguarding and promotion of their rights.

Elderly people must have care options, be that community or residential care. Mr Deputy Speaker, the proposed decision to close residential homes in our area is unacceptable, indefensible and unsatisfactory. Capital funding must be provided to upgrade and replace the home. Statutory residential provision must be made available in our area — that is the view of the local community, and it must be honoured.

We have heard much this morning about the need to protect the elderly in their own homes and the need to provide them with residential care or community care packages. However, we know that the Department has not adequately invested in community care, and those of us who have had direct experience of this issue will know that community care packages are only as good as the people and the trust providing the care. Thus, the elderly are totally reliant on people who already undertake a wide range of jobs in the community. A long-standing commitment to the issue is necessary, and I hope that a restored Assembly and Executive can make such a commitment possible.

We also need a champion — an independent commissioner — to identify the requirements of the elderly, some of which have already been implemented — for example, free travel. I hope that all-Ireland free travel will be introduced in April, which will allow

elderly people to travel the length and breadth of this island.

I am concerned about those members of our elderly population who can no longer enjoy the fruits of life and have to be protected in residential care. It is imperative that we ensure that the reform and modernisation initiative of the Department is removed from its strategy and agenda, because it does not serve the elderly well. Each one of us here must act as champions of the elderly. The reform and modernisation agenda must relinquish all thoughts of closing statutory residential provision or any form of residential provision. The Programme for Government Committee and the incoming Executive and Assembly must give priority to policies that reflect the needs and requirements of the elderly.

Mr McCarthy: I support the motion.

If this Assembly is to be of any use to the people of Northern Ireland, it must provide a fair deal to our senior citizens. Our senior citizens are a proud and independent people. They have served this country well and must be protected as they retire and hang up their working tools, at whatever age.

I had the pleasure, during the Northern Ireland Assembly, of chairing a cross-party group working on senior citizens' concerns and their problems. It was called the Age Sector Reference Group. That group regularly brought senior citizens from all corners of Northern Ireland to Parliament Buildings to discuss their needs and ways of overcoming their problems. I take this opportunity to thank those dedicated people. They are still campaigning, and it is obvious they have not solved all their problems. I hope that, when a new Assembly is fully working and operational, a similar group of people will carry on where they left off.

It annoys me enormously when I hear of senior citizens being denied millions of pounds in benefits, to which they are entitled, through no fault of their own. They go without just because the system is cumbersome, and the form-filling just puts people off. We must devise a method, through social security, where every senior citizen is made aware of his or her entitlements and, if necessary, given help to receive all that is due.

I wish to pay tribute to Age Concern, Help the Aged, Advice Northern Ireland and other groups for their assistance at this level. We, as a society, must never accept that an elderly person has to choose between eating and heating.

I am delighted that this motion has reached the Floor of the Assembly. It gives us all an opportunity to make plans to be carried out when we have the power through a devolved Assembly. In fact, I would support not only an interim commissioner but a full-time officer as well to deal solely with the issues that affect our elderly folk.

During the life of the Northern Ireland Assembly we introduced free travel for our over 65's. Ian Paisley takes credit for free travel, but we all played our part in that. I would like to take some credit for free travel on the Strangford ferry. After free travel was introduced on our roads I made enquiries of the Department about the ferry crossing. No one knew if we were going to get it free or not. After we had finished with the Department, we got it free. Every little helps.

We must now champion those female senior citizens who have reached the age of 60. As Margaret Ritchie has said, it is to be hoped that in April 2007 free public transport across the whole island will be in the pensioners' sights. However, it is not much fun for a 65-year old pensioner to go on a free jaunt when his wife, who has not reached the age of 65, has to sit at home. *[Laughter.]*

11.15 am

As usual, the principles of equality tell us that that is wrong. It is unfair and must be rectified.

We fought age discrimination and won. Our slogan — “never on the scrap heap” at 60 for women and 65 for men — is now history, I am glad to say. People now have a choice and can work for as long as they see fit. I applaud the Ulster Unionist Party's health spokesman, Rev Dr Robert Coulter, who is planning to continue his work in the next Assembly in March — and why not? If Robert, or anyone else, has the health and the desire to continue helping people, I say well done and keep going — even if the pressure not to do so is coming from within his own party. A proven record is preferable to an unknown quantity.

Senior citizens have been the target of robbers, muggers and gangsters. Everyone has a duty to support the police in catching these morons, who ought to be dealt with severely. A good stiff deterrent might give them reason to stop their activities. In a small, sheltered housing development in Ballywalter in my constituency, a co-ordinator was employed for more than 20 years to keep an eye on the 20 residents of that development and did an excellent job. That person has now decided to retire but will not be replaced. This has created fear and apprehension among the senior citizens living in that development. A new alarm system is being put in place, but it is not the same as having a person on the premises.

There are many ways to help our senior citizens. If we are to have a commissioner solely responsible for their welfare, this country can say that it looks after all its senior citizens well. There are many issues that affect our elderly population that would justify the appointment of a full-time commissioner. I support the motion.

Mr Deputy Speaker: The next Member to speak is Mrs Norah Beare. This the first occasion on which Mrs Beare will speak in the Assembly. She will be making

her maiden speech. Members will be aware that it is convention that during such a speech there are no interruptions.

Mrs Beare: It is a great privilege for me to address the House today. I congratulate my colleagues on tabling this timely motion. As others have done, I should declare an interest, in that I reached pensionable age not long ago. We are living in an age in which there has been a decline in traditional values in sections of our society, particularly the value of respect for one's elders.

I know that we should not be alarmist. The PSNI will tell us that there has been no marked increase in the number of attacks on the elderly. However, the majority of people cannot comprehend the mindset that would lead someone to attack a pensioner. Therefore every incident that has made the headlines over the past few years is deeply shocking. We have to send out the message that such behaviour is unacceptable and that our elderly are valued. We can effectively demonstrate that value in the way we treat pensioners across the entire spectrum of public policy. Only by the appointment of a dedicated commissioner can all those strands and competing interests be pulled together.

I shall take this opportunity to mention some of the priorities that a commissioner could include in a comprehensive strategy. After a lifetime, a decent standard of living is not too much to expect. Frankly, we do not prove that we value our older population when so many pensioners are living in poverty and struggling to meet the basic costs of living. Government's responsibility is not only to ensure decent incomes, but to minimise those costs. Making provision for the elderly in the new rating system should have been one of the first priorities of the policy process, rather than a point on which Government had to be pressed.

I am mindful of the difficulties that many pensioners face when battling winter colds with severely restricted budgets. I welcome the increases in the winter fuel allowance. However, the implementation of increases designed to keep pace with the rising cost of most home fuels has been delayed too long.

Our focus should not simply be on pensions, healthcare or any of the issues that are obviously linked to elderly people, important as those matters are. As members of the community, the majority of everyday issues affect older people, and the impact of every public policy on them should be considered.

Older members of society have a greater reliance on local services. For example, the changes and closures in the Post Office network have had a disproportionate impact on pensioners. Accessibility is a key consideration, and, consequently, pensioners depend significantly on public transport. The introduction, by the DUP, of free transport was a tremendous development, but the Assembly must ensure that the services are there to be

used. In many cases, elderly people have been disproportionately affected when certain services have been discontinued. When these decisions are taken, there must be more evidence that elderly people have been considered and that alternative arrangements have been examined.

A commissioner for elderly people will have the resources and impetus to give a concentrated view on policies that have the potential to affect the older population. It has been demonstrated that improvements can be made to the quality of life experienced by pensioners through policy changes — I have already mentioned free transport.

The recent introduction of age discrimination legislation is another positive move. For some time, firms such as B&Q and Sainsbury's have welcomed applicants from the older age group in recognition of the value that their experience can bring. I hope that one consequence of the new legislation will be that every firm will accept the fact that people are not ready for the scrap heap when they hit 50 years of age — or, in my case, 60 years of age — and that companies actively pursue the qualities that older employees can offer. In the same way that the energy and fresh perspective of a young person can offer specific benefits to a firm, so too can the more considered and experienced approach that is offered by an older person. A diverse mix of ages and qualities will make a difference to the standards and services of any firm, and such recruitment practices should be embraced.

A commissioner for older people should have a specific remit to cut through bureaucracy, not add to it. The position of the Commissioner for Children and Young People demonstrates the difference that an independent champion can make by evaluating the competing interests of Departments and agencies to formulate a cohesive and co-ordinated strategy. At a time when there is an ageing population, Members should send out a strong signal that they will be proactive when looking after the interests of people, regardless of their stage of life.

Mr Deputy Speaker: There will be several maiden speeches this morning, and Mr Fra McCann's speech is in that category. I remind Members that there should be no interruptions.

Mr McCann: Go raibh maith agat, a LeasCheann Comhairle.

As other Members have indicated, it would have been preferable if cross-party agreement on the amendment had been reached. That would have sent out a strong and positive message that we can put traditional political animosities to one side and find common ground in agreeing a mechanism that prioritises the needs of older people in society and protects and champions their rights. A political

squabble is not in the best interests of older people; agreement would move us forward.

Regardless of political opinion or background, Members can agree that older people are being sold short. Their lives are made harder by the barriers that they face — economic barriers, housing problems and difficulties in accessing the services that they require. Those problems and difficulties are numerous, and the solutions are long in coming.

I confess that I have not always been as up to date on these issues as I should have been, and it is only through the lobbying of many of the organisations that deal with the rights of elderly people that I am now more aware of the serious deficiencies in the way that elderly people are viewed.

Discrimination against older people in our society is to be deplored. If the Assembly were live, and if the institutions were working fully, we could — and would — find the political will to make the necessary legislative changes that would make all the difference to the lives of thousands of people.

I hope that, before long, we will be working with a commissioner and that we will be sitting in a working Assembly pushing through legislation that will make those all-important changes and working to ensure that such a commissioner will have the powers to promote, safeguard and protect the rights of older people.

Several years ago, I was shocked when someone from Help the Aged told me that, at the age of 50, I should class myself as elderly. It is a bigger shock to delve into the many pieces of literature available on the rights of elderly people. It is then that the extent of the problem, and how it has been ignored, can be understood.

As politicians, we have a duty to put right all practices that discriminate against any section of our community. It is our obligation to rectify those many wrongs. Had we been able to obtain unity today, we would have sent the all-important message that we will be the bringers of change when we have the opportunity to do so.

I work on behalf of many elderly people in my constituency, making representations to many statutory and non-statutory bodies on constituency issues. The same problems are echoed in many areas across the North. I understand the fear that elderly people feel when they receive a form from a Government agency and have no one to complete it for them. I understand the annoyance of a phone call or a visit from people with the label of authority, who have been abrupt, and who have left without fully explaining why they called in the first place.

Those are but two of the many issues that impact on the daily lives of elderly people. If some research were

carried out, or if time were spent reassuring people that help is available, things could be different. People could retain their dignity and not feel that they are a problem.

I am sure that many Members have received briefing material from Help the Aged and Age Concern; such material contains stark facts and figures. We hear about the need for lifelong learning, and the changes required to make that a reality; the need to extend free transport throughout the island of Ireland; the need for easier access to the Government-subsidised rural transport initiative; the right to a decent standard of living; an end to discrimination in healthcare; and many other issues faced by the elderly.

The issue that is currently to the fore is community safety; how we can make life safer for elderly people and how we can work together to tackle the blight of the growing number of attacks on older people over the past several years.

Housing for the elderly is also an issue. Sinn Féin believes that housing is a fundamental right. Elderly people are often isolated in areas where accommodation for the elderly is sited. Sinn Féin believes that the discriminatory practice of refusing to sell bungalows or apartment accommodation to the over-60s should cease.

The Housing Executive should extend the system of community wardens to all communities to help to deal with the problems faced by all people, but especially the elderly. Fully resourced residents associations would also encourage the representation of elderly people on committees, help to break down barriers and feelings of isolation, and ensure that the needs of older people in our communities are properly addressed.

A security review of all residential premises housing elderly people should be carried out. All new social housing should be designed to meet the needs of the ageing person. There should be recognition for elderly people in the housing selection scheme through the allocation of additional points — the scheme currently hampers the possibility of older people being housed in areas of high demand. More resources should be introduced to end the unnecessary delays in occupational therapist visits and completion of works. There should be a better mix in new housing developments and investment in sustainable communities.

There are many more issues in relation to housing and many other areas of life that make elderly people feel like second-class citizens. We are the people who can play a major role in making the type of changes required to make a difference. I support the amendment.

Mr Deputy Speaker: The next Member to speak is Mr Copeland. He, too, will be making his maiden speech, and I ask that Members listen to his speech without interruption.

11.30 am

Mr Copeland: I stand in the corner of the Chamber, where I have sat for many weeks. Mr Deputy Speaker, you used the word “maiden” to describe what I am about to say. That is a term that implies virtue and innocence — commodities that are rare enough outside the Chamber, rarer inside it and rarer still in a middle-aged former soldier.

Anyone who has ever spoken to me would be quick to admit that I have never been noted as being short of something to say, and that has occasioned some comment as to why I have sat in silence in the corner of the Chamber for so many weeks. The truth is that this is not the body to which I sought election — it is a follow-on, a territorial army — the TA — the Transitional Assembly. Before that, we had the Hain Assembly, and I have sat, watched and listened. I am painfully aware that the settled will of all 108 Members in the Chamber, were they all here, could not currently occasion the changing of a light bulb in a chandelier in the Great Hall.

This debate is interesting — some of it is eloquent, some of it is intelligent and some of it is well thought out, but all of it amounts to nothing other than hot air because this Assembly has reposed in it no ability to introduce, change or pass any piece of legislation that would be to the benefit of the people who sent us here.

I turn to the matter of elderly people. My grandmother was born on the last day of 1898. On the last day of this year, she will celebrate her one hundred and eighth birthday. She was 30 years of age before she was afforded a vote — 30 years of age. She went to school until she was 11 years of age but benefited from an education system that taught her to read, write and count properly — abilities that seem to evade pupils in today's schools at the age of 15 or 16. She moved to her current house in 1921 and has stayed there ever since, raising seven children. She is as mentally active as most people I know but she does suffer from the passage of time. She is lucky in that she has maintained her dignity to a greater degree than many of the elderly people who come to my constituency office six days and four nights a week.

My father is in his mid-80s. He was born not quite in the shadow of the gantries but in Coburg Street, off the Ravenhill Road, in a two-up-two-down house that he shared with his parents, brother and two sisters. He was born at a time when children were not condemned by a postcode at the date and time of their birth to poor education and poor employment prospects. He found and secured employment as an apprentice at Harland and Wolff shipbuilders. As a young man, my father looked up at the Castlereagh Hills and decided that he wanted to live there. Through work, advancement and

graft, he built his own home 55 years ago, where he has stayed ever since.

All the issues that we debate in this place can affect the people who sent us here. However, the truth is that, so far, everything that we have said, discussed, hypothesised about and put forth theories on is not worth the paper that it is written on unless the House has the ability to introduce relevant legislation for the benefit of the people who sent us here.

There are difficulties, and I appreciate them. Some Members to my left have difficulties with some Members to my right, who are deemed not fit for power. "Power" is a word that, in politics, terrifies me, because power cannot be divided; responsibility can be divided but power cannot.

I understand the difficulties. Members on the opposite Benches know about my background; I have spoken to them about it. I am a unionist, a Protestant and an orangeman. I am a former commissioned officer in the Ulster Defence Regiment. My wife is a unionist, a Protestant and an orangewoman. She is a former constable in the Royal Ulster Constabulary, who was shot once and blown up three times before she was 19 years of age. That is the reality of what is in our past and what is in our future.

I know where this place is going and so does everyone else, including the people outside the Chamber. This is a process and a journey. It is a railway journey in the fog; we cannot see where we are going, but everyone knows where we are going. The sooner we get there and own up to the responsibilities that we have to the people, the happier the people of Northern Ireland and I will be. We have a population of 1·7 million people, and we suffer the vagaries of life in this place in equal measure.

Do I support the motion? Yes, of course I do. Who would not? If I go through the Lobby or raise my hand or say "Aye", will that bring the actions called for in the motion closer to becoming a reality? Of course it will not, until we acknowledge and accept the responsibilities given to us by the people.

The aged are the people who gave us the chance to be what we are. It is incumbent on us to act not just for them, but for all sections of society, and not to go through a piece of theatre in this Chamber that does not change anything. As I said, the settled will of all of us could not change a light bulb.

Mr Dallat: It is very difficult to follow that.

This matter is, of course, worthy of debate. It presents an opportunity to discuss the very real issues that the elderly face across the spectrum. From the outset, the SDLP has favoured the appointment of a commissioner for older people. If anything, the justification has become more obvious as older people

face new forms of poverty, discrimination, intimidation and other types of physical and mental abuse. Any society that does not appreciate its elderly or work positively to enrich their lives is sadly lacking in its responsibilities and, therefore, the poorer for it. For that reason, I support strongly the sentiments expressed by Mr Copeland, although he comes from a quite different background.

The breakdown in family structures and cohesion has resulted in a serious weakening of close family ties, particularly between the first and third generations. That is unfortunate for many reasons, not least because the older generation — the grannies and grandads — are one of the most valuable learning resources for younger people. The appointment of an independent commissioner would provide an early opportunity to begin rebuilding the bond between younger and older people. It would permit the introduction of new and innovative schemes delivered through schools, clubs and societies and help to build the kind of relationship that has been eroded over the years because of our changing lifestyles.

Some time ago I had the privilege of welcoming to this House a group of students from St Paul's College, Kilrea. They were accompanied by grannies and grandads — not their own but adopted ones. That project was encouraged at the time by the Government and it was worthy of being rolled out across the region. The appointment of a commissioner would mean a new pair of hands to promote schemes such as that so that new and sustainable friendships are built for the mutual benefit of all generations. Protection for the elderly comes in many forms and cannot possibly be delivered in its entirety without a strategy and without a commissioner dedicated and committed to championing the rights of those so badly neglected. Indeed, if it were not for the sterling work of the voluntary organisations such as Help the Aged, the Society of St Vincent de Paul and the Salvation Army, the situation would be much worse.

Members will be aware of the outrageous attacks on older people, usually for money but sadly often for nothing more than to persecute older people through intimidation, vandalism and damage to property. A commissioner for older people would be expected, in my opinion, to recommend new legislation to this House to ensure that the courts send out a clear message that older people are a protected group of citizens who will be ring-fenced against unequal treatment in any form and by anyone.

Older people in nursing homes can have the best of times, but they can also have the worst of times, depending on the location. Their rights as citizens should not cease when they go into nursing care, but all too often that is what happens. That is a major issue for an independent commissioner on which to concentrate

his or her mind. There are of course many other issues affecting older people whereon the Government have failed miserably to bring forward the legislation necessary to protect their rights or have ignored serious issues that have emerged over time.

Although I accept that the Assembly has no power, we should hope that by the end of this debate we have done more than produce a party-political broadcast, given that some of those who thumped their chests in the Chamber today were far away when the elderly marched in Belfast to get a modest increase in their pensions. Come election time, the names of some of those elderly people will be on the list for a postal vote, sometimes without their approval.

Let us end the debate on a positive note. The image of the Assembly is, to use a common phrase, at rock bottom. A burst of sincerity and a commitment to put people before party, especially when those people are the most vulnerable, would be infinitely useful. Let us cut out the crap and get on with what we are paid to do. That is the real test, and some of the guff that Mr Paisley Jnr spoke earlier cuts no ice: it is as functional as an ashtray on his much-talked-about motorbike.

Mr Berry: As the youngest Member of this Assembly, I support the motion that stands in the names of Lord Morrow and Mr Paisley Jnr. I support the call to protect, assist and develop provisions for the elderly in Northern Ireland. I also support the motion's call to appoint an interim commissioner for the elderly. It is important that such a commissioner works closely with the two main advocates for the elderly, Help the Aged and Age Concern. Indeed, I want to put on record the tremendous work that those two groups carry out for elderly people: they are strong and effective voices for them.

How can the elderly be assisted? Although many issues have been raised already in the Chamber this morning, problems remain to be solved, such as ensuring that elderly people have easier access to necessary benefits. We must ensure that they claim the appropriate benefits. Last year, older people left over £4 million-worth of benefits unclaimed in the United Kingdom.

There must be greater awareness of the entitlements that are available under the warm homes scheme, which has already been mentioned. That was a very welcome scheme that the then Minister, Nigel Dodds MP, introduced. That strategy is still meeting the tremendous need that exists in the community, but it needs further promotion, given that 25,000 people aged over 65 died last year as a result of cold-related illnesses.

We also need to ensure that all the appropriate agencies, particularly the PSNI, work closely with local elderly residents to ensure that they receive the

free measures that are available to help them secure their homes.

Transport services in Northern Ireland are very poor, and they need to be more accessible to, and reliable for, the elderly. We can also consider developing for the elderly other provisions that are poorly served across the United Kingdom. We need to ensure that those provisions are strengthened, not removed or reduced.

An interim commissioner could examine the differences in health provision across the new boards and trusts. We must ensure that personal social services and mental health services for the elderly are improved and protected.

Lord Morrow will be aware that the Armagh and Dungannon Health and Social Services Trust introduced this month a new meals-on-wheels service for elderly residents in Dungannon. That service is soon to be expanded to Armagh. Were elderly people consulted about that new service? What impact could it have on home-help services, given that hours could be reduced? Many elderly people are thankful for the home-help workers who come into their homes each day. Sometimes they are the only people whom those elderly people see. Health and social services trusts and boards must be monitored, and the voices of the elderly must be heard to ensure that they get the proper services.

Elderly people need someone to protect provision for them, and help to enhance services.

11.45 am

Much has been said about the need for our elderly to be protected. All too often, we learn of cowardly and disgusting attacks on our elderly population across the country. Our stomachs churn when we see on the news, or read about, pensioners describing the dreadful ordeal that they have faced at the hands of thugs who have entered their homes. We hear reports of elderly people being tied to chairs as their homes have been ransacked, and reports of their being thrown to the ground, having hammers pushed into their faces and being told to shut up or else they will be killed. It is disgusting and frightening to think about.

Far too often, we witness pensioners in tears on television gripping hankies as a result of the previous night's attack. We look at bruised bodies and faces and at bloodshot eyes — all because our elderly people need further protection.

That shameful trend must stop, and the Government must implement the long-promised community safety strategy for older people. Both Help the Aged and Age Concern in Northern Ireland have worked tirelessly to impress on the Government the need to revive that long-awaited strategy. David Hanson MP must take

urgent action to work in partnership and deliver for the elderly people as he has promised.

Implementation of a strategy or the appointment of an interim commissioner certainly would not represent the waving of a magic wand. Strategies or commissioners will not solve all the problems on their own. However, it would represent a positive start if action were taken and resources provided to tackle those shameful attacks and trends.

The best scheme to help reduce and prevent crime would involve the Government, the PSNI, the wider community and — most importantly — the elderly people who are suffering. We were informed on 30 November 2006 that Age Concern, Help the Aged and the Northern Ireland Council for Voluntary Action (NICVA) had written to the NIO's community safety unit to request an update on the progress of the community safety strategy for older people. The question posed was: "What is happening with it and when?"

The community safety unit's response must be a positive one. I call on Minister Hanson to step up to the mark and deliver on the strategy. This Assembly must assist the voluntary bodies — namely, Age Concern and Help the Aged — with their demands on behalf of our elderly community.

If appointed, an interim commissioner for the elderly must work in partnership with the Government, the voluntary bodies, the PSNI and all other relevant agencies to deal with the issues facing our society. An interim commissioner would provide a welcome voice for all the elderly people who seek protection; would support delivery of local services; would assist the agencies to make a positive difference; and would be an effective link to the new patient and client council that is being set up under the review of public administration (RPA). We must work in partnership to help the elderly population feel safe again.

This Assembly must send out a clear and united message to all the relevant Ministers that an interim commissioner must be appointed to champion the needs of our elderly. The elderly need our support and that of the Government. They need access and choice, but, most of all, they need their dignity restored and protected.

Mr N Dodds: It is a pleasure to participate in this important debate. I am delighted to follow the hon Member for Newry and Armagh, who raised important points about the community safety strategy. Members on all sides have made important points about the need to appoint a commissioner for older people.

This is an important debate. Older people, and those who work with older people, recognise that, under the previous devolved arrangements, the Northern Ireland Assembly did important work to advance the interests

and causes of our senior citizens. It is right and proper that the Transitional Assembly should focus its attention on our older people's needs through this debate on the appointment of an older persons' commissioner.

While we can discuss whether a commissioner should be an interim appointment or have an independent role, we must concentrate on the need to reach agreement on all sides that such a post should be created. At the outset, it is important to agree that an office should be set up to focus on the rights, concerns and interests of elderly people, and to advance their interests across all aspects of government and the wider community.

That is not a new demand; it has been around for some time. Northern Ireland has made considerable advances by appointing commissioners for children and victims, and creating other important independent roles to monitor, supervise and advance the interests of a whole range of sectors. It is essential that such a large, diverse and important sector of our community, which has contributed so much to society and that continues to do so, should have a champion to speak on its behalf.

Of course, many older people are well able to speak for themselves. In our constituencies, we have all met senior citizens who are extremely vociferous, energetic and active in representing a range of issues and interests in the community. Many older people simply want the right, and the resources, to enable them to live independent lives, free from worries about poverty and social exclusion. To achieve that, the Government must ensure that they deliver, across a range of policies, the means by which older people can, if they are able and if they wish, live independent lives.

However, many people in society, particularly senior citizens, are unable to live the independent lives to which we all aspire and many need a great deal of assistance along the way. It is when we, as public representatives, interact with the elderly and the agencies dedicated to helping them that we see the needs of the elderly at first hand and realise in how many areas of public and social policy more could, and should, be done to assist senior citizens. We need to take that very seriously. Many Members across all parties already do so, and the debate illustrates that.

Mr McCann: Will the Member give way?

Mr N Dodds: I will not, as my time is limited, and I wish to pursue a number of points. However, I am sure that the hon Member will catch the eye of the Deputy Speaker in due course.

It is essential that a commissioner be appointed as soon as possible by any Government, whether devolved or direct rule. Such an appointment should not await a devolution settlement but should proceed

as quickly as possible. We must act in defence of older people; they need a champion across a range of issues.

Many Members have highlighted the issues of pension provision, benefits and fuel poverty. The concerns that older people raise with us, as constituency representatives, are access to the Health Service, hospital waiting lists and decent and suitable housing. Many elderly people benefit from the assistance of carers or, indeed, are carers themselves. Fuel poverty, crime, employment and transport also affect older folk, yet those are areas in which Government policy and delivery is often deficient. It is essential that those policy areas be tackled.

What could a commissioner actually do? In Wales, a commissioner for older people will be appointed next year, and it will be interesting to compare some of the work that is planned for the commissioner in that jurisdiction with what a Northern Ireland commissioner might do.

One of the main tasks for a commissioner for older people would be to influence policy and the legal regime that governs and affects older people. Such a commissioner would inform and support older people, be an advocate for their causes, safeguard their rights, be a point of contact in the investigation of complaints, promote awareness of their interests at Government level and encourage good practice. A commissioner's office could conduct research and develop policies for older people, ensuring that Northern Ireland complied with best practice. Northern Ireland should be at the cutting edge, not only in the United Kingdom but in Europe, in delivering services to older people.

(Madam Speaker in the Chair)

Many issues must be examined. We need a commissioner who can be a strong voice for senior citizens, and who can highlight and tackle issues such as age discrimination. Older people will be the first to say that they do not want an image being sent out of their being vulnerable, weak and unable to do things for themselves. We need a commissioner who will promote, encourage, support and facilitate a positive image of ageing and of older people. We are all getting older and, God willing, will be in the older people sector eventually. We must ensure that, as society gets older, all citizens, including young people, are given a positive image of older people. A commissioner for older people could help in that regard.

It is a difficult task. The appointment of a commissioner will not be a panacea for all problems for older folk. Policies will still need to be developed, and Government will still have to contend with competing departmental priorities and financial restrictions. As elected representatives of the people of Northern Ireland, we are sending out a positive message from the Assembly that, both now and in the

future, the concept of a commissioner for older people is important. We are reiterating our support for senior citizens in a wide array of areas and saying that the appointment of a commissioner for older people should be a priority for a devolved, or direct-rule, Government. The House will wish to be united on that issue.

I am sure that the entire House will join the Members who have already spoken about Age Concern and Help the Aged in congratulating those organisations for the work that they have done to promote the interests of older people in Northern Ireland. I wish them well in their continuing work.

Mr Hillis: I am pleased to have the opportunity to speak to the motion. It is encouraging that, before today's debate, the idea of, or aspiration for, a commissioner for older people received enthusiastic cross-party support. It is academic whether the commissioner is an interim or permanent position. It could be argued that we either have a commissioner or we do not have a commissioner. Do we really want a halfway house? We could send out a far better message if we were to unite on the motion rather than be divided on such a vital issue.

Traditionally, many other countries and cultures have had an entirely different outlook towards elderly people than we do. In China, for instance, elderly people are revered as repositories of wisdom.

Many African nations have the same commendable philosophy. It would therefore be fitting for this Assembly to place on record the support of all political parties for the appointment of a commissioner for the elderly, whether interim or permanent. That would be an important first step in acknowledging the need to promote awareness and understanding of the rights and interests of older people.

12.00 noon

As other Members have highlighted, we lag behind our colleagues in Wales and Scotland. The National Assembly for Wales is to be particularly commended, as it intends to appoint an independent commissioner for older people next year. An Independent Communications and Management (ICM) poll in Wales showed that nine out of 10 people support a strong, independent commissioner for older people. The Scottish Parliament is actively debating the creation of a similar post.

Older people in Northern Ireland must be watching those developments with much frustration, as the devolved Governments of Scotland and Wales are busy instigating policies that our older people equally deserve. It is to be hoped that, with the imminent return of a devolved Assembly, we can turn this aspirational motion into reality. We are all too well aware that, while Members can make all the speeches that they want and posture as much as they like, until

the Transitional Assembly becomes a real Assembly we are wasting our time.

The motion is vital to a large section of our community. Statistics on the number of older people in Northern Ireland vary greatly, but the figure is at least 200,000. That is set to rise to 24% of the population by 2013. Older people bring considerable assets to our country. They each bring a lifetime's experience, and they are hard-working when given the chance to show their talents and skills.

It is particularly sad that older people are frequently discriminated against during all stages of the employment process, from recruitment and training through to redundancy and retirement. I am especially pleased that the law is changing in Northern Ireland so that older members of the workforce who wish to continue in their jobs cannot be forced out simply because they have reached a certain birthday. Many older workers have much to offer, and many employers have told me how valuable their more senior employees are to their businesses.

Regrettably, many senior citizens do not enjoy good health. I am shocked that, according to overall UK figures, 25,000 people over the age of 65 died from preventable, cold-related illnesses last winter. In many cases, those deaths were a result of poverty and poor housing. Statistics show that, at any one time, 500,000 older people are believed to be abused in the United Kingdom. Shockingly, 46% of abuse directed towards elderly people is committed by family members — shame on them.

We are also told that one million elderly people will be spending this Christmas alone — nobody calling to say hello, just sitting by themselves over Christmas. This society should be ashamed of itself.

It seems that every news bulletin contains a report about the latest attack on an elderly person in their home. Older people are often seen as easy targets for burglars and muggers. Police statistics published recently by the BBC showed that there were 140 attacks on the over-50s in the four months up to last September. For the same period of this year, there were 204 attacks — a whopping 45% increase.

In reality, older people are less likely to be the victims of violent crime, but their fear is very real. This should be a priority issue for the police and for policy-makers.

Older people are to be ignored at our peril. They have major economic clout. Statistics show that older consumers — people aged over 50 — spend more than £170 billion each year. That is a lot of cash in anyone's language. Also, we are all aware that older voters are much more likely to exercise their franchise than the more junior members of the community. That is something always to be remembered, especially in the run-up to March 2007.

Madam Speaker: I apologise for calling Mr O'Dowd out of turn.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle.

I support the amendment. However, I also congratulate Ian Paisley Jnr and Mr Morrow for proposing the motion. The amendment is not about usurping the DUP's motion. When the other parties contacted the lobby groups for older people, it was not in conspiracy against the DUP. It is common practice for political parties to speak to non-governmental organisations (NGOs), trade unions, etc, when matters come before the House for debate. We want to ensure that the motions that we pass are as representative of the needs of the people as possible.

As Mr Hillis said, it is unfortunate that this is only a motion and will not become legislation. We need to get to the point where we are able to introduce legislation before the House, rather than motions.

The amendment would strengthen the motion. It would not dilute it or take away from it; it would strengthen it, and that is why my party supports the amendment, which was drafted after discussions with older people's groups.

The amendment calls for an independent commissioner. It is in that independence that power and strength will lie for anyone who is placed in this post. We must ensure that he or she is not under the governance either of direct-rule Ministers or of the next Executive. We have to ensure that the commissioner is prepared to stand up to politicians and NGOs alike — to all sectors of administration — to ensure that the needs of the people who he or she is appointed to represent are indeed represented. That is paramount. That is where the power of any commissioner will lie.

It was said earlier that the British Government want to eradicate poverty among older people by 2010. We are two weeks away from 2007, and many older people are living in poverty as we speak. My constituency of Upper Bann includes the Craigavon council area, which has one of the highest cold-related death rates in the winter months of any region in the North. When I saw the figures, I could not believe that so many people were dying from the cold in our society. The role of an independent commissioner — and of an incoming Executive — would be to ensure that we eradicate such things.

We know what is needed. There is no need for an interim commissioner to reinvestigate the needs of older people. The lobby groups, the NGOs and the older people themselves know. They are in and out of all of our constituency offices every day. We know the needs of older people. It is time for an independent commissioner to be appointed to ensure that those needs are met.

In relation to crimes against the elderly, it is unfortunate that politics has been brought into the debate and that Ian Paisley Jnr has used this debate to lambaste my party over policing. He used our serious concerns about the accountability measures in policing to suggest that somehow Sinn Féin's view on policing allows attacks on older people to take place.

Following the logic of that argument, there should be no attacks against the elderly in North Antrim, North Belfast or Upper Bann — but there are. Therefore, that is not a logical argument. Jail is the only place for people who attack and intimidate the elderly, and there is no hiding place for them in the nationalist and republican community. It is unfortunate that the Member chose to insult that community by saying that those hiding places exist: they do not.

It is important that we use today's debate to go forward with a united voice. Perhaps the amendment will not be made, but if we politicians, who are much-maligned in this part of the world, can send a message to direct-rule Ministers — and, indeed, to any incoming Executive — that it is time to make appointments and to publish and implement a safety strategy for elderly people, we will have done a good day's work.

Mrs M Bradley: Recent media and public attention has focused on sudden outbursts of attacks on the elderly, such as the rampage in south Antrim last week. However, the sad and disgraceful fact is that elderly people are robbed every day in Northern Ireland. Recent statistics tell us that there have been more than 560 such attacks since the beginning of the year — nearly two attacks each day. I am sure that many other attacks do not get reported and, therefore, are not counted in current statistics. If those crimes are to be stopped, we need to understand them better. More research is necessary. A targeted system of prevention to deter offenders is also necessary, and it must be supported by community action.

The full impact of those crimes can be understood only in the context of the isolation that many elderly people feel already. Not only are they being attacked physically and robbed of their possessions, they are often alone and helpless in dealing with the aftermath. My immediate fear is that those attacks will isolate elderly people further, compounding their fear and making it difficult for them to leave their homes, while making them more fearful of staying in their homes.

That is why we require a commissioner for the elderly who is charged with empowering them in all aspects of their lives, not least in helping them to prevent and cope with any crimes that may be committed against them. However, I feel strongly that, as a matter of urgency, a task force should be created that incorporates the manpower of all the statutory bodies that have that responsibility to all generations, particularly the elderly. As recent attacks illustrate,

elderly people are being preyed on by mindless thugs and individuals who see them as easy targets. Any proposed task force should be able to research and develop strategies to prevent such crimes and to provide assistance and resources to protect the older members of our communities.

Too many elderly people lead miserable and sad existences. Many live in one room of their homes, such as their fears of incurring huge electricity bills and using too much oil. Their meagre state pensions and miserly winter fuel allowances simply do not equate with the rising costs of maintaining a warm home.

Fuel poverty is an all-too-common plague in our society, and elderly people are one of the most vulnerable groups who suffer as a result of that. Fifty-four per cent of householders aged 60 and over currently live with the misery of fuel poverty. The all-too-common utility-bill hikes, combined with a non-index-linked pension, are enough to make elderly people worry about the cost of living without having the additional anxieties of feeling under threat within their own four walls.

I am sure that we all have older family members whom we are keen to protect. However, more than 80,000 older people live alone in Northern Ireland, and a substantial number of those are literally alone in their communities because they have no families at all. I urge society to stand up and be counted and to help identify and assist such people, who are perhaps afraid to ask for help, or, more likely, are afraid to leave their homes because they do not know whom they can trust.

12.15 pm

In recent years, horrific injustices have been inflicted upon the elderly. Women in their late 80s have not only had their houses burgled, they have been subjected to the humiliation of rape. Elderly men have been beaten almost to death for a few pounds. How long can we allow that to go on? It is not only a disgrace on those who carry out such attacks; it is a terrifying indication of where our society is heading.

As politicians, we have a responsibility to lead on the issue. We must not wait for the problem to get worse before taking practical and radical steps to secure the immediate prevention of crime against the elderly, proper means of support for them and the provision of the research and resources needed to make the lives of the elderly easier and safer. That is a necessity, not a luxury; indeed, feeling safe in one's home is a basic human right.

Such attacks occur not only in Antrim but throughout Northern Ireland. In my constituency of Foyle, there has been occasion to condemn attacks on those who care for the elderly as well as elderly people themselves. That is totally unacceptable in any society.

Older people want nothing more than to live in peace with dignity — they certainly deserve to. I ask the House to unite in support of the amendment, which was requested by Help the Aged, who represent the interests of the elderly. Members are all big enough, old enough and brave enough to stand together to support the most important people in Northern Ireland — the older generation.

Lord Morrow: I regret the attempt to divide the House on an issue around which Members should unite. It beggars belief that, on such an issue, and while paying so much lip-service to the elderly, two parties have united in an attempt to amend the motion. Why they cannot support the motion is beyond me; they gave not a single reason. Not one of their Members could find fault with it. They have been exposed as wanting to play politics with an issue that should be above politics.

As one goes through life one learns to judge people by what they do rather than by what they say. It is certainly better to judge political parties in that way. Let us examine what some parties do when they can help the aged. When my party drafted its manifesto, it took the matter so seriously that it drew up a 12-point commitment to senior citizens; others sat idly by and did nothing. Today, they pay lip-service to the elderly and claim to be very concerned.

Furthermore, when Nigel Dodds and I were Ministers we did more than pay lip-service to the elderly; we pioneered the winter fuel payment on their behalf. We also introduced an A to Z guide to help and assistance —

Mrs D Kelly: On a point of order, Madam Speaker. When Mark Durkan was Finance Minister, he prioritised fuel poverty and the then Minister refused —

Madam Speaker: That is not a point of order.

Mr Dallat: The Member brandishes his party manifesto. Is it not a rule of the House that exhibits should not be displayed?

Madam Speaker: I will look into that, although I understand that that is, by convention, permissible.

Mr Dallat: I was rebuked when I held up a book entitled 'Lost Lives'. If that book was not acceptable, a DUP manifesto is scarcely permissible.

Madam Speaker: I totally agree.

Lord Morrow: When you throw a stone into a pack of dogs, you always know the one that you have hit. *[Interruption.]*

If you have something to say, Mr Ervine, get up and say it. Normally you are not worth listening to.

Mr Berry spoke earlier and hit the nail on the head when he said that that we must say with a clear and united voice to everyone out there that we are serious

about this matter. The challenge to the House is whether Members are really serious — are we here to pay lip service to helping the elderly or do we really want to better their lot? Members will see in a few moments which is the case.

If the House unites with me on nothing else, it should unite with me in paying tribute to Help the Aged and Age Concern and acknowledging their superb work in helping that section of our community. Those organisations are very often a link to the outside world for many people, particularly those who live alone.

I wish to share some relevant and important statistics with the House. The population of Northern Ireland in 1999 was 1.7 million, of which 472,000 people were aged 50 or older. The proportion of the population aged 60 and over is 27.9%; the proportion aged 75 and over is 9.1%. Twenty-four per cent of households are headed by a person over 65. The proportion of older households who are owner-occupiers is 57%; 33% are in Housing Executive accommodation. Those figures speak for themselves. There is a direct challenge here for us as public representatives and as an Assembly, and a great responsibility lies upon us.

Mr Shannon: Two thirds of the acute beds in the Province are filled by the over-65s; there have been 600 burglaries, 350 violent crimes and 210 assaults carried out in six months against the elderly; £1 million pounds in benefits is unclaimed. Does the Member agree that it is urgent that an interim commissioner for the elderly be appointed right away?

Lord Morrow: I accept the point and thank Mr Shannon for bringing that to the attention of the Assembly.

I take issue with Mr McCarthy — and I am sorry that he is not in his place at the moment — in relation to his point on free travel. It was the DUP Ministers Peter Robinson and Gregory Campbell who introduced that. Mr McCarthy made the inaccurate comment that free travel does not include the Strangford ferry. I want to clarify that, because it was the same two Ministers who pioneered the free travel on the Strangford ferry. *[Interruption.]*

The Member can shake his head, but it is a fact. *[Interruption.]*

Rev Dr Ian Paisley: That wee man from Coleraine would not know.

Lord Morrow: He would not know; that is right.

'The Irish News' carried an article on 30 January about the work of Help the Aged. They brought to light the startling figure that one in every eight older people is subject to abuse of some shape or sort. That is a startling figure, and the Assembly has to say that this issue must be tackled.

I welcome Mr Dodds's comments. He outlined, in some detail, what he envisages the role of a new commissioner to be. However, he also struck an important note when he talked about the importance of not depicting the elderly as not fit for purpose. Take a look round the House today: many elderly people make a valuable and useful contribution, not only to the life of the Assembly, but to work outside it.

I do not regard the elderly as less articulate, less skilful or less able. Many are highly capable and should not be dumped as though they are the rubbish of society when they reach 50, 60, 70 or 80 years of age.

Some people, when they reach the twilight years of their lives, make a greater contribution to society than they did when they were younger. It is, therefore, important for the Assembly to unite in support of the motion proposed by my party colleague Mr Paisley Jnr.

Some Members: Hear, hear.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly calls for the appointment of an Independent Commissioner for Older People who would have the necessary powers to effectively promote, safeguard and protect the rights of older people.

ASSEMBLY BUSINESS

Resignation of Patricia Lewsley

Madam Speaker: I wish to advise the House that I have received a letter of resignation from Ms Patricia Lewsley. Her resignation takes immediate effect; therefore, the arrangements provided for in Standing Order 17(h) will apply. I remind Members that Mr Durkan, the nominating officer for the SDLP, may exercise the right to vote in respect of that vacancy.

Lord Morrow: On a point of order, Madam Speaker. Is that resignation effective from today, yesterday or now?

Madam Speaker: It takes immediate effect.

The sitting was suspended at 12.28 pm.

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

2.00 pm

PRIVATE MEMBERS' BUSINESS

Free Personal Care

Mr Deputy Speaker: The next item on the Order Paper is the motion on free personal care.

Mr Kennedy: On a point of order, Mr Deputy Speaker. I wish to raise a concern. The Speaker has, very helpfully, provided Members with a copy of correspondence from the Secretary of State detailing his response to the Assembly debate on the review of public administration (RPA). It appears that the Secretary of State is ignoring the wishes and representations made in that debate.

On behalf of the Ulster Unionist Party, I wish to register my great dissatisfaction that, in this Transitional Assembly created by the Secretary of State, he is not prepared to accept the democratic will of the Assembly and its view on the RPA. I would be grateful if, through the Speaker's Office, that view could be conveyed to the Secretary of State.

Mr Deputy Speaker: I will refer your concern to the Speaker, Mr Kennedy. However, it was not a point of order.

The Business Committee has agreed to allow two hours for this debate. The proposer of the motion will have 15 minutes to speak; all other Members will have 10 minutes.

Rev Dr Robert Coulter: I beg to move

That this Assembly calls on an incoming Executive to undertake an independent review to establish the cost, and resources required, of implementing free personal care for the elderly, taking note of the experience of the Scottish Executive and Scottish local authorities, and to provide a timetable for the introduction of such free personal care in Northern Ireland.

This motion concerns many people in our country: almost 30% of our population are aged over 50; and more than 16% are over retirement age, which is 65 years for men and 60 years for women. In some areas, pensioners number an even higher proportion of the population. In Belfast, for instance, pensioners account for almost 18% of the population. By anyone's standards, the pensioner population is therefore a very significant and — in my view, at least — undervalued segment of society.

Society is ageing. By 2025, for the first time, the number of people in Britain over the age of 60 will outnumber those under 25. That trend will accelerate

as the large post-war baby-boom generation enters retirement. In sheer population terms, therefore, public policy will need to focus significantly more on the older population than it does at present. Political establishments will also have to sit up and take notice of older people as the number of older voters increases. Even if politicians do not take policy decisions in the interests of older people on grounds of basic human decency, they will have a very good reason for doing so as the older persons' vote increases. Unlike twenty-somethings, older people actually cast their votes.

Free personal care for the elderly is an aspiration that we in the Assembly must work towards in the most practical and fiscally responsible way possible. That is why, through the motion, I advocate a proper, fiscally prudent and responsible way forward and why I advocate that the incoming Executive urgently commission an independent review to establish the cost and resources required to implement a programme of free personal care for the elderly in our Province.

That method of proceeding is important as a statement of the Assembly's maturity in its approach to framing legislation. Members owe it to the taxpayer to take a hard-headed practical approach on all aspects of public spending, no matter how sensitive or desirable that spending may be.

Anyone can demand a wish-list without the responsibility of having to pay for it. Indeed, those parties that have never been in Government can easily demand this or that policy aspiration, knowing full well that they are never going to have to exercise the fiscal discipline to actually define where the money to pay for this or that scheme has to come from. That fiscal discipline should apply to everything that the Assembly does.

No matter how worthwhile the measure is, the electorate will not thank us if we spend its money without due consideration of where that money comes from or what other service will suffer. We must put it in the overall range of public spending in a prioritised order.

There is a range of factors that an incoming Administration will have to consider and evaluate as part of an economic appraisal of a policy of free personal care for the elderly. I suggest that those should include demography and population projections for the 60-plus age group, based on census data and a healthy life expectancy. In Scotland, for instance, a 0.25% per year reduction was arrived at in the proportion of the older population that requires personal care services.

Again, consideration should be given to the level of informal care. In Scotland, they arrived at a figure of 12% based on some of the limited comparative information that was available from related research on the issue from America. Scottish experience has also

indicated that there has not been a significant reduction in informal care, despite the rolling-out of a policy of free personal care for the elderly in 2002. I also suggest that an assessment of the level of unmet need is required. In Scotland, that was estimated at an annual range of between £15 million and £25 million; by extension, I estimate that the Northern Irish pro-rata level is between £5 million and £8.5 million. Cost progression is also an important factor to be considered. In Scotland, a 2% year-on-year real increase in the costs of care over and above inflation was assumed.

Workforce availability and associated training factors; the impact of changing patterns of care and care practices; the impact of inflation on all forward projections; and predictions of realistic delivery costs must also be arrived at. We must also consider the policy's interaction with other financial support programmes, and the extent to which those might help to mitigate costs.

All the factors that I have listed are part of the complex evidential base on which to set the levels and the procedural base for rolling out a programme of free personal care for the elderly. That list is not exhaustive, and some areas are disputed, especially those associated with future growth costs.

Having said all that, and having set out the most effective way to proceed in the terms of both the motion and how a future Executive could handle the rolling-out of this programme, I am sure that free personal care for the elderly should be very high on the must-do list for the Assembly and its incoming Executive. Financial considerations aside, this policy is surely an acid test of any truly civilised society.

In two reports, as long ago as March 1999 and September 2003, the Royal Commission for the Long-Term Care of the Elderly recommended the introduction of free personal care, underwritten by general taxation, based on need rather than wealth.

It is true that some 70% of older people in long-term care get some state help with the costs. Many of those people will have had to use their not necessarily large capital, including the proceeds of selling their house, and so suffer the indignity of being reduced to penury before state support kicks in.

That is an unacceptable situation in any civilised society, and we must not allow it to continue. The issue must be tackled; elderly people have paid their dues to society throughout their lifetimes, and no one with any conscience believes that they should be reduced to penury before the state kicks in to help them.

As long ago as July 2002, the Scottish Executive introduced free personal care for the elderly — a move supported by all political parties in the Scottish Parliament. I hope that similar support will be shown in this Chamber. The debate on the future cost projections

for that policy is ongoing in Scotland. However, the Scottish Executive and the Royal Commission have stated that it is affordable.

The charity Alzheimer Scotland has also said that tomorrow's older people are more likely to be fit and active than those of previous generations, and will thus require fewer services. Had the Father of the House, my Friend Dr Paisley, been in the Chamber, I would have asked him to join me in bowing to the sentiment of that statement.

In 2005-06, free personal care cost a mere 1.73% of the Scottish health budget. According to evidence provided to the Assembly's Health Committee in May 2002, the cost of free personal care in Northern Ireland would be between £40 million and £50 million. That figure equates to a mere 1.85% of the £2.7 billion Northern Ireland health budget for 2004-05.

In 2003 and 2005, the Ulster Unionist Party made manifesto commitments to work for the introduction of free personal care, and we intend to work hard to honour those commitments. The Assembly decision in 2002 to introduce free nursing care — but not free personal care — was intended to be, as recognised by the Royal Commission, a transitional position in the context of establishing the cost of, and securing resources for, free personal care. That decision was made some four years ago, and enough time has elapsed for the Assembly to take action on the matter as a priority.

With regard to providing free personal care for the elderly, change is the only option before the House. The current position must be changed. A research paper commissioned by the Scottish Executive showed that, with an increasing proportion of Scots owning their homes and with the value of almost all homes exceeding the capital limits for means-tested contributions to elderly care, a failure to adopt a policy of free personal care would result in the balance of cost moving away from the state towards homeowners. That was considered to be a backward step, and one that would put social policy into reverse.

Northern Ireland faces the same issue. In 1971, 45.9% of Northern Ireland households were owner-occupied; in 2001, that figure had risen to 68.8%. The dramatic increase in home ownership in Northern Ireland will remove an increasing proportion of people from the existing publicly funded personal care safety net.

The Royal Commission's report from 1999 states that:

"The system at the moment helps people who are poor, demands that people of modest means make themselves poor before it will help, and affects people to a lesser degree the richer they are and better able to afford the sums required."

The Royal Commission has described free personal care for the elderly as:

"in the best tradition of social policy in this country",

which ensures welfare, security and dignity for those of modest means who have worked, paid their taxes, saved and who own their homes. To introduce free personal care for the elderly would, therefore, be intrinsic to the way that we develop social policy in this country. It would be entirely consistent with the principles underlying the concept of a National Health Service and the social services that are provided. The time for that requirement to be provided has not only come — it is long overdue. I therefore have pleasure in moving the motion.

2.15 pm

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

"notes the research previously carried out on the costs of free personal care in Northern Ireland, as well as the results of the introduction of free personal care in Scotland, and calls on any incoming Executive to introduce free personal care in Northern Ireland as a priority."

I disagree with little that the proposer of the motion said. However, Northern Ireland is awash with reviews, reports, consultations, etc, and we do not need to wait for any more research to be done on this subject. Before us is a 100-page report on free personal care in Northern Ireland, which was commissioned during the time of the Northern Ireland Assembly. It has been updated until 2005.

I am delighted that this important issue has been brought to the Floor of the House. It does not seem that long ago that I stood in the same place and moved amendments to the Health and Personal Social Services Bill 2002 in order to provide free personal care alongside free nursing care for the elderly. Sadly, the other parties in the Assembly rejected my amendments at that time. The proposed measures did not have to be introduced immediately, but at the Minister's discretion and when funding became available.

Had the amendments been included in the Bill, the Assembly would have been much further down the road towards accomplishing its goals. I am convinced that a golden opportunity to progress what has become an important subject in the meantime has been missed.

I am pleased that all Assembly parties showed their commitment to free personal care in their 2003 manifestos. The British Medical Association (BMA) also supports the provision of free personal and nursing care in Northern Ireland. The Alliance Party's position is that no time should be wasted in fully implementing the Royal Commission's recommendations as soon as a new Executive is in place.

Following agreement by the Assembly to accept the Royal Commission's recommendations on long-term care for the elderly in Northern Ireland, the Northern Ireland Assembly set up an interdepartmental group based on the Scottish Executive's care development group.

The reasons given by the Sinn Féin Minister of Health, Social Services and Public Safety and the SDLP Chairperson of the Health, Social Services and Public Safety Committee for rejecting my amendments to the Health and Personal Social Services Bill 2002 on 24 June 2002 were that the necessary funding was not in place and that the time was not right. Indeed, almost any excuse was given not to include the amendments, which, as I said, did not necessarily have to be implemented there and then.

The Executive received a report in July 2002, which, as I said, has been updated on a yearly basis ever since. However, that report was never made public because of the suspension of the Assembly in October 2002. I managed to get a copy of the original report and its updates. It shows that the background work on this important issue has been done and it includes all the questions raised by Rev Coulter.

Scotland introduced free personal care in 2002, and the Scottish Executive gave money to local authorities to implement the policy. We can learn lessons from the experience there. The 2003 update of the Royal Commission's report, the Sutherland Report, criticised the failure of Governments throughout the UK to implement the recommendations of its report and said that the state should exempt personal care from means-testing altogether. That is very important. Let us ensure that the next time the Royal Commission comments, it can add Northern Ireland to the list of the parts of the UK that have implemented the recommendations in full. Let the Assembly today end the scandal of older vulnerable people having to sell the roof over their heads — often the home in which they have lived for many years — to fund care for which they have already paid through the payment of taxes all their working lives.

The Alliance Party welcomes the change of heart on this issue, particularly the new commitment to free personal care from colleagues in the Ulster Unionist Party. I hope that they, and all the other parties in an incoming Executive, will turn their paper promises into a living reality —

Mr Kennedy: Hear, hear.

Mr McCarthy: — and not duck the challenge at the last minute as they did on 24 June 2002. We need action, not further reports or consultation documents.

Dr McCrea: I support the motion, and I welcome this opportunity to debate the issues that it raises.

As many Members will be aware, my party played a prominent role in the Northern Ireland Assembly in highlighting the need for free personal care for older people. Many, if not all, elderly people in the Province have paid taxes and National Insurance in the belief that when they were old and in need, perhaps due to disease or disability, the state would readily assist them.

Like the Royal Commission's 1999 report on long-term care for the elderly, we recognise that people can reasonably be expected to meet certain costs. The Royal Commission divided the care issue into a number of categories. It said that living and accommodation costs were the sort of costs to which people could reasonably be expected to contribute. However, it said that nursing and personal care costs should be met out of general taxation.

Our senior citizens deserve the right to retain their independence, pride and self-esteem and the right to be able to continue living in the area that they have made their home. As mentioned in the motion, the Scottish Executive introduced free personal care for the elderly. We can learn much from the Scottish experience, both positive and negative, and the bulk of my remarks will relate to the developments there and the lessons that we in Northern Ireland can learn from them.

In Scotland, England, Wales and Northern Ireland, projected growth patterns for the older population over the next 50 years are similar, with the population aged 85 and over growing most quickly. Variation in income, wealth and receipt of state benefits within the countries of the United Kingdom is greater than the variation between them. Thus, Scotland as a whole is broadly comparable with other parts of the United Kingdom in respect of its demographic characteristics and the average economic circumstances of older people. It provides a useful case study of the provision of free personal and nursing care, which has implications for other parts of the United Kingdom.

The Scottish Parliament's Health Committee said that the policy, which was introduced in 2003, had provided greater security and dignity to many older people, but that demand was outstripping available resources in many of the country's local authorities. The Committee said that the Scottish Executive should carry out a thorough review of resources required by councils to finance free personal care adequately.

In Scotland, local councils have this responsibility. Almost half of Scotland's 32 councils had waiting lists for free personal care. There was confusion over whether the policy covered meal preparation costs, which were being charged by some councils but not by others. In 2004-05, the total funding of £147 million left councils with a shortfall of £73 million to provide free personal care.

The Health Committee report also stated that the Executive should "remove the financial incentive" for councils to delay assessments for free personal care by introducing a mandatory deadline or by allowing claims for free personal care to be backdated from the point of eligibility rather than the point of assessment.

According to a recent independent assessment conducted by the Joseph Rowntree Foundation, free personal care — such as help with washing, dressing

and grooming — has alleviated money worries for older people in Scotland with modest means and has not led to a feared reduction in the informal support provided by relatives and friends. Initially, the Scottish Executive allocated £8 million for the increased provision of formal care to offset an expected reduction in informal care. There is no evidence, as yet, of any such switch. Indeed, free personal care at home has helped informal carers by giving them more time to do other less hands-on support tasks.

The independent report contains an economic analysis, which shows that the policy has cost more than expected. For example, in 2002-03, £127 million was spent compared with the £107 million planned. Similarly, in 2003-04, £143 million was spent rather than the expected £125 million. Nevertheless, that represents only 0.6% of the Scottish Executive's total budget of £25 billion, so it had only a relatively marginal impact on spending in other areas.

However, Scotland now has waiting lists to restrict elderly people's demands for free personal care. A statistical snapshot taken on a single day in February showed that 4,005 people were waiting to be assessed; an additional 709 people had been assessed but were still waiting to receive a service. The report anticipates that a major increase in the number of people aged 85 years or over might lead to a tripling of the public cost of personal care by 2053. However, a further shift towards the provision of more care services at home, combined with policies to promote a healthier life expectancy, can significantly reduce the projected bill.

Several wider lessons and conclusions can be drawn from the report. Free personal care can support clients' wishes for person-centred care that is sensitive to individual needs. By shifting the balance of care, costs can be moderated. It is important that projections of future trends do not simply reproduce existing models of balance of care. A new approach to the costing of care packages that avoids the problematic classification of tasks and their allocation to different budgets could address many difficulties, for individuals and for the delivery and cost of service provision. Free personal care can make provision for people of modest means, especially women and people with conditions such as Alzheimer's disease, more equitable. For that group, personal care payments are no longer a burden, particularly towards the end of their lives, when such care is vital. However, they can still face charges for some aspects of their care.

There is a need for balance between nationally agreed priorities and local authority autonomy. Free personal care promotes more joined-up approaches, reduces money worries and enables informal carers to continue caring. Thus it can improve clients' quality of life and support for their care choices.

2.30 pm

The costs of free personal and nursing care expressed as a share of national output depend on underlying demographic change; they are also sensitive to the balance of care provision, a shift to more care at home, older people staying healthier for longer, changes in the cost of care, the rate of economic growth, and changes in the proportion of the population funding their own care due to changing rates of home ownership.

The future costs of personal and nursing care are uncertain. Unless cost increases are restrained, demographic pressures will lead to substantial increases over the next 35 years. The rate of cost inflation in healthcare is several percentage points ahead of the general rate of inflation in the economy as a whole, and that should not be overlooked. In introducing free personal care in Northern Ireland, we would have much to consider. It may not prove as straightforward an undertaking as some imagine, but it is vital that we face the challenges and let our elderly population know that the Assembly and, possibly, a future Executive, would give a high priority to the senior citizens who have made this country as prosperous as it is.

Ms S Ramsey: Go raibh maith agat, Mr Deputy Speaker. Like other Members, I thank the Rev Coulter and Billy Bell for tabling this motion calling on an incoming Executive to undertake an independent review leading to the implementation of free personal care. I also want to touch on the reviews and consultations that Kieran McCarthy mentioned. With that in mind, my party will support the amendment. Some Members highlighted the stark statistics on free personal care, and all of us in the Chamber have been working to ensure that it is introduced.

In this morning's debate, in which calls were made for the appointment of a commissioner for the elderly, several Members spoke about the difficulties facing our senior citizens, ranging from brutal attacks to fuel poverty and ill health. It was interesting to note that it was yet another issue on which all the parties could agree and that they supported the motion and the amendment.

My party colleague Pat O'Rawe mentioned the fact that by 2020 more than half the population of Ireland will be over 60 years of age. It struck me that half the Members in the Chamber might reach that age next year or the year after. The Rev Coulter and the Rev McCrea both quoted some statistics, and I do not propose to go over them again. However, those statistics make it clear that the outlook is stark for those who gave so much to society and who, in many cases, moulded our communities into what they are today.

Society is judged by how we treat our young people and our elderly citizens alike. I would like to know how we would be judged. I also want to commend

organisations such as Age Concern and Help the Aged, which for years have highlighted issues that affect the elderly in our society. Those organisations and others from the community and voluntary sector have ensured that those issues have remained centre-stage.

I am proud to support the motion and the amendment. In the last Assembly I tabled a motion on the no-day-named list, calling on the Executive to make finances and resources available for the introduction of free personal care. Kieran McCarthy will agree with me that none of the parties has paid lip-service to the issues. We all worked towards free personal care and agreed on it in the House and in the Committee for Health, Social Services and Public Safety.

Kieran McCarthy is also aware that when the then Minister for Health, Social Services and Public Safety, Bairbre de Brún, introduced free nursing care in 2002, she made it clear that she was keen to introduce free personal care. However, at that time, the Executive had not identified the financial resources. That was an issue then, and, four years on, it is still an issue. I hope that we do not have to wait another four years; the quicker that an incoming Executive sort that out, the better.

In the 2003 Assembly elections, as several Members have mentioned, the five main parties had a commitment to free personal care written into their manifestos. Consequently, 105 MLAs are committed to the introduction of free personal care. Everyone is working towards that. People who are directly affected — healthcare professionals, carers, stakeholders, politicians and families — also support the introduction of free personal care.

In 2002 and 2004, the BBC conducted surveys, 'Your NHS: For Better or Worse'. In both surveys, viewers voted the issue of free long-term care for elderly people as the top NHS priority.

Discrimination in the provision of health services that are available to older people must be addressed. There must be an adequate level of nursing care and residential accommodation, as well as a wider review of services for people with head trauma, including strokes and resulting from accidents, the objective being to remove discrimination in the provision of services to those aged over 65.

The introduction of free personal care for all older people is essential. The refusal by the British Government to provide free personal care has serious implications. Rev McCrea gave the example of people who suffer from illnesses such as Alzheimer's disease. Dementia may not be classified as a health need, and that will lead to the denial of necessary services.

The needs of carers must be addressed. When I was a member of the Committee for Health, Social Services and Public Safety — Rev Coulter will be aware of this — we took evidence from people who were carers for 24 hours a day, seven days a week and

365 days a year. That presented a stark image of the issues that must be addressed. An appropriate package should be funded to ensure that day-care provision, respite care and so forth, are available.

In Scotland, what has free personal care meant? There are three key elements to the legislation: free personal care for elderly people; the regulation of care services for elderly people; and the take-up of direct payments. That legislation has provided greater security and dignity for elderly people; it has allowed for them to be cared for more readily at home, assisted their carers and reduced the number of delayed discharges, thus freeing up NHS resources; it has largely ended disputes about the care of elderly people between local authorities and health boards; it has led to fewer complaints about the care of elderly people being reported to the Public Services Ombudsman; and it has prompted consideration to be given to the development of an elderly person care policy.

However, there have been concerns about the implementation of free personal care for elderly people in Scotland. Some Members have referred to these problems, which include: questions about the funding formula put in place by the Scottish Executive; the operation of waiting lists for free personal care by local authorities; the failure by the Scottish Executive to enforce clear guidance on key aspects such as the preparation of meals; the level of free personal care funding that has not increased in line with inflation — an issue on which this Assembly should keep an eye; and a lack of clarity regarding the date from which payments are required to be made, which could create a financial incentive for local authorities to delay assessments. This Assembly must learn from those mistakes and ensure that they are not repeated here.

During yesterday's debate on the Bamford Review of Mental Health and Learning Disability, I said that it is all well and good to have the debate and produce recommendations, but it is the outcomes that must be carefully monitored. I take on board what Rev Coulter said, and Sinn Féin will support the motion and the amendment.

Mrs Hanna: I support the motion. I was a registered nurse, and I spent the seven years before I was elected to the Assembly assessing older people for domiciliary care. Therefore, on a daily basis, I was in contact with older people who needed care. That experience brought home to me the unfairness of the system, which created uncertainty about the future care of people who were at the stage when they should have been able to make the best of their lives. At times, people considered it necessary to sell their homes to pay for their care. Those people had paid taxes and had scrimped and saved for a home of their own in order to provide for their family. This is, understandably, a hugely emotive issue.

Let us ensure that the Assembly will be up and running in March so that we can implement free personal care in Northern Ireland. To that end, I hope that the two largest parties will step up to the mark by accepting power sharing and by signing up to the requirements of a lawful society. That will enable us to get on with the real business that we were elected to carry out, which is to govern Northern Ireland. To do otherwise will mean that all of these debates on issues that we feel strongly about may well be useful, but will constitute nothing more than the product of a talking shop.

The SDLP is in favour of the full implementation of the Royal Commission's recommendations on long-term care. It is impossible to separate the nursing and personal care elements of long-term care; they are not separated when elderly people are in hospital, so why should they be separated when they are at home or in residential care? I made that point in a statement on 1 January 2001, and I am sure that many Members supported me. It is long past time to give older people the dignity, equality and fairness in healthcare that they deserve. The complexity of separating the nursing and personal care elements is counterproductive.

I am disappointed that there has been point-scoring on this matter. Age Concern has given Members a list of the debates that have taken place in the Assembly, and no one here should be ashamed. Everyone has supported the principle of free personal care for the elderly. Members did not support Mr McCarthy's amendment to the Health and Personal Social Services Bill on 24 June 2002 because we were in the middle of an interdepartmental review. Shortly after that review was completed, the Assembly was suspended. It is very unfortunate that we have not achieved free personal care, but it is now time to get on with it.

I would like to go through the main recommendations of the Royal Commission's report, 'With Respect to Old Age: Long Term Care — Rights and Responsibilities'. First, it states that, where the need for long-term personal care has been established, it should be provided free of charge. Secondly, it states that care should be provided on the basis of need, rather than on whether it is being provided at home or in hospital. Thirdly, it states that the whole community should share the risk of care payments — a cost best met through general taxation. Fourthly, the report states that the cost to the nation as a whole is affordable; around two years ago, the cost to the UK was calculated at around £1 billion a year.

What is personal care, and why have we ended up with such a complex system in which it has been separated from nursing care? Personal care has best been defined as help that would not be carried out by a registered nurse, but might include: help with personal care; help with dressing; help with mobility, including getting in and out of bed; and help with meals. No one is going to exploit that type of care. People are entitled to it.

Long-term care services for older people are acutely under-resourced. Re-igniting the debate exposes the complexity of the current system. I firmly believe in the National Health Service and I believe that older people should receive high-quality care for ever. In short, the system has to be fair, but meeting needs is very important. Older people are entitled to dignity and peace of mind.

2.45 pm

I am a strong supporter of community care, and I firmly believe that the National Health Service should provide help and support for patients in community settings. Indeed, if we were better at doing that, we could use our acute hospital beds more appropriately.

Although it is not specific to today's debate, I believe that providing for older people's lesser needs — by ensuring that there were more podiatrists so that older people can stay on their feet, more physiotherapists and more occupational therapists — would be a real help. Through free travel and other measures, we can keep older people mentally and physically alert. As other Members said, some of us are getting closer to the point of free travel than others, so we all have a vested interest. It is also a fact that our older population is growing in size.

We cannot ignore the implications of funding for long-term strategic planning; we must develop an evidence-based approach to that. Whether older people are cared for at home or in care homes, it is essential that we have much more health-and-safety monitoring. I note the significant issues of cost and practicality that must be weighed when we consider those matters.

The motion in the name of the Rev Robert Coulter mentions the Scottish model. I have been following the Scottish experience with interest, but it is not without flaws, as other Members stated. It was estimated recently that 5,000 Scottish pensioners are waiting for personal care because many local councils, through which the funding is provided, do not have sufficient resources. Perhaps that system is not working out as had been hoped. That is all the more reason for watching that space carefully to see how Scotland manages its system. An impact assessment is being carried out, but we do not have the report yet.

Our dilemma has been compounded — as my colleague Margaret Ritchie mentioned during this morning's debate — by the fact that practically all our statutory homes have been closed. That was a big mistake that the Thatcher Government made some years ago. We support the independent sector, which, we realise, has concerns about making its homes a viable business, but we must look at the matter from a health-and-safety point of view. We no longer have statutory homes, so we have lost that benchmark.

Finally, I restate that personal care should be available without charge for everyone in Northern Ireland who needs it, whether at home, in a care home or in hospital, whether they have Alzheimer's disease or cancer. Such care is free for those with cancer, but it is not free for those with Alzheimer's disease, and that is grossly unfair. I hope that an operational Assembly will soon be in place so that we can consider urgently implementing the necessary policies.

Mrs Foster: I support the motion in the names of Billy Bell and the Rev Robert Coulter. We have reflected much this afternoon on the Scottish experience, where nursing and personal care in residential homes is state-funded at a flat rate of £65 a week for nursing care and £90 a week for personal care. It is important to note that domestic personal care is also free.

There has been much talk of the Royal Commission's 1999 report. Central Government implemented some of the commission's recommendations but rejected the key measure of free personal care.

The current system of means testing may, on the face of it, seem fair, but it has many hidden problems. It is degrading to older people, Mr Deputy Speaker — an intensely proud group, many of whom still do not take up benefits to which they are entitled because of that pride.

Many older people who are by no means wealthy but who have a small amount of savings and may own their own home are forced to deplete their savings and sell that home to fund their care. Those people have been thrifty throughout their working lives, and they have put a little bit aside and want to provide something for their children when they are gone. However, the Government have denied them that right.

The need for long-term care is, of course, very unpredictable — any of us could need it — but at present, older people are being punished for that unpredictable contingency. In the United Kingdom last year, about 70,000 people had to sell their homes to fund their care. It is shameful that such a thing should happen in this day and age.

I declare now that I am a practicing solicitor, and every month in that practice I come across older people who are worried — indeed, some of them are very distressed — about their future. What kind of country does that to its elderly citizens? Hardly anything makes me angrier in my professional life than seeing older people despair about their future. *[Interruption.]* That will be the phone.

Mr Deputy Speaker: I remind Members that they must switch off their mobile phones when they are in the Chamber.

Mrs Foster: In 2003, the Royal Commission updated its report. It noted that only 0.6% of the

Scottish Executive's £25 billion budget was spent on free personal care. Therefore the argument that free personal care would put an excessive burden on the block grant does not stand up to close scrutiny. Indeed, the Royal Commission concluded that the costs were a reasonable and proper claim on the public purse. I concur with that.

The introduction of free personal care will bring many ancillary benefits. Removing worry from our elderly people will be a huge relief to them. In addition, if people avail of free personal care in their own homes, hospital beds will be freed up. Indeed, Carmel Hanna referred to that. At present, many people remain in hospital for longer than is medically necessary. They must wait until a care package is arranged. That means that their stay in hospital is prolonged. If free personal care were available, they could be discharged earlier.

Recently in Fermanagh we had a very exciting presentation on the technological advances in telemedicine and how the most vulnerable in society can use those to enable them to remain in their own homes while being monitored at a distance by a healthcare professional. If we are considering introducing a free personal care policy — and I hope that we are — we should do so in the context of future technological advances.

Elderly people in County Fermanagh often tell me that, above all, they want to remain in their own homes for as long as possible. They do not want to have to go into a nursing or residential home. It would be wonderful if, as a result of the adoption of free personal care for the elderly, more of them could remain in their own homes. They would be happy in their place, and technological advances would mean that they would be free from fear.

The adoption of free personal care by the next Executive would empower the elderly community. That would be welcomed not only by elderly people but by their families, by their carers and by the public as a whole.

I support the motion, and I hope that the House will unite on this very important issue.

Ms Gildernew: Go raibh maith agat, a LeasCheann Comhairle. Like other Members, I want to thank Rev Robert Coulter and Mr Bell for tabling this motion, and I am glad to contribute to the debate.

I want to examine some of the social circumstances that show why we need a domiciliary and nursing care provision that meets the needs of the elderly and vulnerable in our society.

According to the anti-poverty and social inclusion strategy, 'Lifetime Opportunities', 54,000 pensioners now live in poverty. Life expectancy is now more than 70 years of age for males and females, and that figure is likely to rise. In fact, a girl born today in one of our

maternity hospitals has a life expectancy of 82.4 years, so people will be able to live much longer. That is partly down to our diet and how we look after ourselves, but advancements in medicine and technology also play a role. Many people who would previously have died from an illness can now enjoy longer lives.

We have an ageing population. Some have complex needs, and care for the elderly is becoming more difficult. As other Members have already said, many people want to continue to live in their homes, but they need support to enable them to do that, and it is becoming more difficult for elderly people to live with family members. We cannot ignore the fact that children of elderly people with complex needs and in need of long-term nursing care can find the situation hugely distressing. When care becomes a necessity, children experience guilt because they feel that they are letting their parents down. The heart-rending decision that those children face must be acknowledged. To add to their burden, the cost of nursing-home accommodation can be absolutely prohibitive.

I welcome the fact that, when she was Minister of Health, Social Services and Public Safety, Bairbre de Brún introduced free nursing care. Had the Executive not been suspended in October 2002, the ongoing work at the time, which my colleague Sue Ramsey outlined earlier, would have been completed by now.

Central Government's refusal to provide free personal care has serious implications, for example, for people who suffer from Alzheimer's disease. Dementia may not be classified as a health need, and that can lead to access to the care required being denied.

Carers' needs must be addressed, and funding must be made available to provide appropriate support, including day care, respite care and domestic care. My colleague Pat O'Rawe outlined Sinn Féin's agenda for older people when we published our 'Forget Me Not' charter. It recommended a number of actions to ensure that the older people's rights and entitlements were fully protected. One of its priorities was free personal care for all older people.

The debate on free personal care is highlighted in the report 'With Respect to Old Age: Long Term Care — Rights and Responsibilities', which the Royal Commission on Long Term Care presented to Westminster in 1999. One key recommendation said:

"In our judgement it is right for the state to exempt personal care from means-testing altogether."

The Scottish Executive implemented the Royal Commission's recommendations in full in 2002, and the commission's follow-up report in 2003 criticised the failure to implement the recommendations elsewhere. That exemption for personal care is an important issue not only for older people and their families, but for the wider public.

When we have an independent review, we must get it right. The Scottish Health Committee's tenth report, which was published in June 2006, recommended that five initiatives be undertaken to address the problems with personal care that Scotland had experienced since the implementation of 'With Respect to Old Age' in 2002. The report said:

"the Scottish Executive should undertake a thorough review (based on the experience of the last 3 years) of the resources required by local authorities, collectively and individually, to adequately finance free personal care. This may require an increase in funding, or more equitable distribution amongst local authorities."

The second recommendation was:

"loopholes that permit the use of mechanisms to effectively 'ration' free personal care should be closed, if necessary by changes to the legislation."

The report continued:

"the Scottish Executive should enforce the guidance on those aspects of eligibility which local authorities claim remain ambiguous. It should ensure that services such as assistance with meal preparation, where they are part of assessed need, are eligible for free personal care."

A further recommendation said:

"the Scottish Executive should also adopt a mechanism for determining the long-term level of financing of free personal care. They should decide whether to increase it in line with the rate of inflation or to use some other indicator as decided by themselves."

The final recommended initiative stated:

"the Scottish Executive should remove the financial incentive for local authorities to delay assessment by either: allowing claims for free personal care to be backdated from the point of eligibility rather than assessment; or introducing a mandatory deadline for assessments, e.g. within two weeks of application."

We must ensure that we look at the experiences of other places before we decide what model the incoming Executive should bring into being. When we implement free personal care for the elderly, it is important that we get it right.

3.00 pm

Therefore it is important that we look elsewhere in order to ensure that we get the best possible package. As has been stated, we are judged by how we treat our elderly, our children, and the vulnerable in our society. We have a long way to go before our elderly feel not only protected, but valued. I support the amendment. Go raibh míle maith agat.

Mrs M Bradley: I support the motion. It is right and proper that we call for an independent review into care for the elderly. As the Member who spoke previously said, it is important for the elderly that any such review gets it right. Families with two elderly parents living at home often suffer greatly from a lack of free personal care. A parent who has the misfortune of having to be placed in a care home full-time or to remain in hospital permanently is penalised for owning his or her home. However, the parent who is left at home often comes out worse: he or she endures the

stress and strain of having to find the money at the end of every month to pay for the other's personal care, not to mention money to keep the home warm, pay bills and buy food.

People need to know that personal care should mean personal care, without their having to give away everything that they own in order to pay for that care. That is the worry that our older people face.

Older people who do not want to go into hospital or a nursing home but who want to remain in their own home also find it difficult to afford to pay for the necessary care that will allow them to do that.

I missed some of the debate, Mr Deputy Speaker, for which I am sorry. I am sure that a great deal has been said on the subject. I would not delay any independent review. I would give it my support, provided that we conduct a proper investigation and get it right.

Mr Dallat: Free personal care is a basic service. It is a response to need and a recognition of the lifetime of service that tens of thousands of people have given in many ways to society. It is worth recalling that most of those people contributed to society during the past 35 years of horrendous difficulties. Many loved ones in both communities experienced poverty in one form or another. Poverty is not only about money; it is about loneliness, isolation and the lack of personal care.

The debate about cost is over. The issue is about implementing the service and ensuring that money is ring-fenced in order to sustain it. That will be the function of a new Assembly, and that is the challenge — nothing else.

Having spoken to families from eastern Europe over the years, I found that the one thing that they missed most after the fall of socialism was the protection that retired and elderly people were offered. Although I do not support a return to the past, it is important to point out that, even in countries where democracy had serious constitutional defects and money was scarce, there was an emphasis on caring for the elderly and infirm. How much more important is it, here in the Western World, where we figure among the richest, that we should be able to offer free personal care? It is not something that should be offered in the future; it should be offered now, or at least after the March elections.

Let us bring to an end the need for the elderly to march to Belfast city hall to demand basic rights, which often, as I have said, they have done without the support of some of those Members who have offered platitudes. The real world is much easier to live in than the one where promises are made but never delivered. Personal care is often on the cheap, provided by relatives who receive no pay, give up their social life, lose their friends and who will lose out on a pension

because they have not paid the necessary National Insurance contributions.

On occasions, personal care is left to good neighbours or even to strangers and voluntary organisations. Home helps make a massive contribution by working much longer hours than those for which they are paid.

They do not get a fair mileage allowance, as they rush from house to house to perform miracles in time limits that are outrageously short. Scrooges, masquerading as Government agencies, deliver personal care annually, and save something like £650 million because they do so on the cheap and at the expense of others.

Perhaps, for the first time, there is a sense of urgency about the issue. The practice of offering platitudes may be over; the human rights and dignity of the elderly seem at last to have become an election issue. If such is the case, and there is a clear commitment to the introduction of free personal care, Members can celebrate Christmas with a clearer conscience.

However, it remains the case that somewhere, perhaps not far away, there are older people who will have nothing to celebrate at Christmas: no friends, no visitors and no personal care.

I support the amendment. Let me make it clear that I have the highest regard for Rev Robert Coulter, who has displayed a lifetime of commitment to the care of the elderly. However, endless reports raise hopes but deliver nothing. The Good Friday Agreement promised equality for all, and that certainly included the elderly, who, as I said at the outset, worked through a lifetime of violence. They, more than most, are owed a peacetime of love and support. That has to include free personal care.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle.

I support the amendment. Today has been a good day for the Assembly. However, Members must constantly remind themselves that this is merely a Transitional Assembly and that it has no power. However many motions the Assembly agrees, it will remain powerless to do anything to implement them. Today's debates demonstrate the need for the Assembly to take control of its own destiny. If Members cannot implement the agreement reached this morning, or that which I hope will be reached this afternoon, we will have let down the elderly, who do not need further motions of support or declarations of intent — they need action.

Bairbre de Brún, as Minister of Health, Social Services and Public Safety, introduced free nursing care in 2002, but she was unable to secure finance from the Executive to pay for free personal care.

Mr Durkan: I will take this opportunity to advise the Member on two points. First, as Minister of Finance and Personnel, I — and the Executive as a

whole — budgeted for free nursing care. However, the money was not spent, because the Minister of Health, Social Services and Public Safety and her Department did not produce the necessary legislation. Secondly, there was commitment to provide money for free personal care when proposals came forward.

(Madam Speaker in the Chair)

Mr O'Dowd: I am grateful to the former Minister. He will be aware that a motion on free personal care was denied because the rest of the parties on the Business Committee would not agree to it.

With respect to legislation, the then Minister of Health, Social Services and Public Safety brought forward a raft of wide-ranging legislation. Had the Assembly been permitted to complete its term, I have no doubt — and I am sure that the Member has no doubt — that free personal care would have been included.

Mr Durkan: The budgeted money was already returned.

Mr O'Dowd: Thank you.

The motion sets out a mechanism for the way forward. That is important, since there are concerns that parties are entering another consultation process. Members are going to end up being politicians in power — they will no longer be politicians in opposition, shouting comments from the Back Benches. They will have to map out a realistic fiscal way forward.

Despite all Members agreeing, as do I, with the sentiment that free personal care should be introduced immediately, the incoming Executive will have to plan their finances, as will the Programme for Government Committee and its subgroups, which meet here regularly. It also brings into question other developments that are going on around us. The comprehensive spending review, which Margaret Thatcher used to refer to as cuts and which the Labour Party now refers to as a spending review, will impinge on an incoming Executive.

It highlights the need for any new Executive to have tax-raising or tax-varying powers. As Robert McCartney reminded the Assembly yesterday, our hands are tied, fiscally, by the British Exchequer. Despite the best intentions, and finances being made available or not, it will be difficult for any incoming Executive to introduce all the measures that they would like to. Members must examine seriously the matter of tax-raising powers and tax-varying powers.

As I said, a Cheann Comhairle, I support the motion and the amendment, which, I believe, the proposer of the motion is willing to adopt. In the near future, I hope that we will be in a position of power and able to implement the policies that have been the subject of today's debate. Go raibh maith agat.

Mr McCarthy: I am grateful to everyone who has contributed to the debate; it is an important and vital subject that has been on the agenda for too long. With regard to implementation, I hope that when March comes around and a new Executive is in place, there will be no more pussyfooting around. That is why I tabled the amendment. We have had reports, consultations, and debates until they are coming out of our ears. They have been updated in 2003, 2004 and 2005, and I am sure that they will be updated in 2006.

The information is there in great detail. There is no need to delay the implementation of free personal care for all our citizens who require it. The last time that we discussed the issue I said that if it is good enough for Scotland, it is good enough for Northern Ireland. There have been ups and downs in Scotland, but personal care is provided free, and that is what we want to achieve. The last thing that we want is for our senior citizens to have to sell their homes to find dignity and peace in their ageing years. I appeal to Members to support the amendment and to take action on this issue as soon as the Assembly comes into being in March.

Mr Elliott: I welcome the opportunity to make the winding-up speech in this debate. In case anyone feels that they are not seeing right, I am neither Rev Robert Coulter nor Billy Bell.

I wish to declare an interest in the issue of free personal care for the elderly. It may not affect me personally, but, as someone who lost his father in the middle of the summer after he had suffered for 20 years with advancing Parkinson's disease — and my mother-in-law has had severe Alzheimer's disease for a number of years — I am aware of the personal difficulties that many of our senior citizens in this Province face.

In the event of devolution, local politicians will have to make tough decisions that will impact on us all. Members heard Kieran McCarthy highlight some of the issues. The plight of the elderly and the care that they receive is one area where a functioning Northern Ireland Assembly has the potential to make a significant difference in the Province. As medicine advances, our life expectancy continues to rise. Many developed economies are struggling to cope with the modern demographics, which show an increase in the number of elderly people and a fall in birth rates — the problem that immigration is often cited as a tool to remedy.

3.15 pm

My colleague in Fermanagh and South Tyrone Arlene Foster spoke about new technology that may be installed in the homes of senior citizens in Fermanagh. Given all the technological advances, it is disgraceful that in this day and age, those living in the area served by the Sperrin Lakeland Health and Social Care Trust must wait two years and four months for an assessment

by an occupational therapist. Even those on the priority list must wait four months. In these days of modern technology, that should not be acceptable in the care of the elderly. A functioning Assembly could make a significant difference to such problems.

Several of my constituents who contacted me when on a waiting list, particularly the routine waiting list, passed away before an occupational therapist's report or assessment could be done — and I would be surprised if other Members had not had the same experience. The assessment may have been for something simple, such as the adaptation of a bathroom or bedroom at a cost of only £1,000. However, because those people did not have that kind of money, they could not go ahead with it. That is totally unacceptable.

According to Age Concern Northern Ireland, between 1996 and 2036 the percentage of the population in the Province aged 65 or over will almost double from 13% to 24%; and by 2020 one in four EU citizens will be aged 60 or over.

As the members of each generation move from the world of work to retirement, it is only right that they receive the required personal care from the state — they should not be forced to sell their homes to fund it. The older generation has contributed to building a prosperous nation from which everyone benefits. It is ironic that many of those who have worked positively for the Province and the nation must sell their homes to provide for themselves in their advancing years. In the modern age, that too should be unacceptable.

Members of the Assembly are lucky to have the opportunity to learn from Scotland's experience of the provision of free personal care. Perhaps Scotland did not get everything right, but at least, as other Members indicated, the Assembly can get it almost right. The system will never be perfect, but the Assembly can build on the progress made in Scotland. In June 2006, the Scottish Health Committee reported on the care legislation and concluded that the introduction of free personal care was broadly successful. The UUP wants it to be even more successful in Northern Ireland.

However, the report raised questions about the implementation of the policy. As expected, there is intense demand for free personal care, and the amount of money allocated to implementing the policy means that supply falls short of demand. The Committee also felt that funding should be index-linked, which is something that the Assembly must carefully consider before rushing headlong into the provision of personal care for the elderly.

In addition, there appears to be ambiguity about the eligibility criteria; about half of local authorities operate a waiting list, which has led the Committee to refer to a postcode lottery for care. Enough has been heard about postcode lotteries in Northern Ireland,

particularly in relation to education; the same should not apply to the provision of care.

In June 2006, the Scottish Minister for Finance and Public Service Reform, Tom McCabe, published a consultation document entitled 'Transforming Public Services'. I wonder whether the responses to that consultation will receive as little regard as those received on the RPA in Northern Ireland. Mr Hanson is tasked with overhauling the entire public sector: local government; health boards; enterprise companies; the Fire and Rescue Service; the police force; and various quangos.

Leaving aside the controversy over the seven-council model, the RPA will bring about major changes in the structure of the provision of health and social care in Northern Ireland. As Members go back to the drawing board to redesign public services, it is the opportune time to provide the type of personal care that our elderly people deserve.

We do not have an open chequebook, and this will, of course, require funding. However, as is the case for prescribing drugs for breast cancer, Alzheimer's disease or multiple sclerosis, committing the funds and tackling the problem early is beneficial to the patient, the family, the carer, and the NHS.

It is very difficult to get enough carers in the local community to look after people in their own homes. Many carers who work for various trusts and agencies are paid a pittance for the work that they do. Some are provided with no additional travelling time between visits and are run off their feet for very low wages.

Family carers also receive very poor recognition in Northern Ireland. Many people give up lucrative careers and good jobs to look after relatives, whether that involves looking after elderly people or those handicapped in some other way. They do not receive recognition and they are being used by the state. That is unacceptable and it must be addressed.

We must learn from the Scottish Executive and not just implement the policy as it was implemented in Scotland. We must build on their experiences.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes the research previously carried out on the costs of free personal care in Northern Ireland, as well as the results of the introduction of free personal care in Scotland, and calls on any incoming Executive to introduce free personal care in Northern Ireland as a priority.

Madam Speaker: Before I adjourn the Assembly, I want to take this opportunity to wish you all a very happy and peaceful Christmas and an extremely successful 2007.

Adjourned at 3.23 pm.

THE TRANSITIONAL ASSEMBLY

Monday 8 January 2007

The Assembly met at 12 noon (Madam Speaker in the Chair).

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Rev Dr Ian Paisley: On a point of order, Madam Speaker. Before the Assembly went into recess, you promised that you would make a statement about certain happenings that occurred in the House and their implications for the security of its Members. Can you tell the Assembly when you will make that statement? Will you do so today?

Madam Speaker: Thank you, Dr Paisley, for your point of order. I will not make such a statement today. My officials have been seeking meetings with the relevant people. I am grateful for your communication with my officials on the issue. However, I understand that arrangements are being made for a meeting to discuss these issues. I will make a statement in the Chamber at the earliest opportunity.

PRIVATE MEMBERS' BUSINESS

Agriculture

Madam Speaker: Before the debate starts, I want to inform Members that the Chief Whip of the Ulster Unionist Party has told me that there will be a smaller delegation than usual from that party at the debate because some of its members are attending a funeral.

The Business Committee has agreed to allow two and a half hours for each of today's debates. The proposer of each motion will be allocated 15 minutes to propose and a maximum of 15 minutes to make their winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Mr Ford: On a point of order, Madam Speaker. I notice that the Gallery is quite empty, even though I understand that a large number of visitors intend to listen to the debate. I wonder if there is a communication problem with those visitors.

Madam Speaker: Mr Ford, I am sure that that matter will be dealt with. However, as the Member is probably aware, Members should not refer to visitors in the Gallery.

Mr Ford: Or even the absence of people in the Gallery.

Madam Speaker: Mr Ford, you have made your point, but do remember that, in future, the Gallery should not be mentioned on the Floor of the House.

Mr Elliott: I beg to move

That this Assembly deplores the over-bureaucratic administration within the Northern Ireland agricultural industry and calls on the government to implement legislation / regulations with less gold-plating, and to put in place a review of current legislation and regulations with a view to reducing any unnecessary bureaucratic burden; and further calls on the government to implement the initiatives set out in the Ulster Farmers' Union document 'Five Steps to a Better Future'.

I declare an interest in the debate; I am a farmer in my constituency of Fermanagh and South Tyrone. I do not know whether it is absolutely necessary to declare that — it is sometimes more of a hindrance than a help.

The motion seeks to address issues that have a direct impact not only on myself but on many thousands of farm businesses, large and small, across the Province. I trust that we can unite on the issue and that it will have widespread support from all parties and local politicians — that point came across during last week's Business Committee meeting.

A few years ago, shortly after I became actively involved in politics, I met a person in a street in Enniskillen who told me that I must be mad to be involved in two of the most unpredictable professions

around — farming and politics. I will not go so far as to say which is the worst of the two professions.

The success and profitability of the agricultural sector reverberates throughout rural communities and the entire Northern Ireland economy. Nobody can deny that agriculture has suffered greatly in recent times as a result of BSE, foot-and-mouth disease, increased competition and changes in customer preference. Moreover, every so often there is mention of the possibility of an outbreak of diseases such as bird flu and blue tongue. Farm incomes have taken a battering, and many farmers have chosen — or have been forced — to leave the industry or to supplement their meagre farm incomes with external employment.

However, farmers are a very resilient breed. Many of them have stuck with the profession throughout the crises, which makes the prevalence of bureaucracy and form-filling all the more unbearable and undesirable. This is an area in which our own Government could take a stand and make a change. Instead, the rafts of complicated paperwork from the Department of Agriculture and Rural Development (DARD) and, increasingly, from the Department of the Environment (DOE), continue to plague businesses and stifle the changes that are necessary for survival in this highly competitive marketplace.

Some people would have us believe that farmers always have something to complain about. However, make no mistake; excessive paperwork is driving many professionals to despair, and not only those in the farming industry — police officers, teachers and health professionals also have to spend increasing periods of time preparing reports and filling out questionnaires and forms of one description or another. That places a significant burden on them and on the taxpayer because such activity takes time, and time is money.

The Confederation of British Industry (CBI) continually flags up the cost to UK plc of ratcheting up the amount of bureaucracy in business, and it is constantly exasperated that its pleas go unheard. After today, we hope that those pleas will not only be heard, but that Government officials, Departments and Ministers will do something about the problem and not simply pay lip-service to it. They have the power to do something about it.

At the most recent CBI conference, the Prime Minister, and, perhaps more importantly, the man who may succeed him, the Chancellor, both pledged yet again to cut red tape from business. Even more recently, Downing Street reiterated that promise. However, as we have seen in the past, those promises will not be honoured. We are well aware that that has been the case not only in the agricultural industry, but throughout politics in Northern Ireland.

It is time that promises made to the people were honoured.

The red tape in the agrifood sector has been very well highlighted by the Ulster Farmers' Union campaign. It has run a high-profile and high-impact campaign calling upon the Government to cut it out. The campaign was one of five recommendations made by the Ulster Farmers' Union to improve the industry under a devolved Northern Ireland Assembly.

A day rarely goes by when a farmer does not contact someone in my constituency office, or me, complaining of problems that stem from excessive bureaucracy. The decoupling of farm subsidies and the changes to the integrated administration and control system (IACS) of farms has resulted in penalties amounting to some £2.3 million being imposed for unintentional errors. Indeed, many farmers have employed professional form-fillers, and even they have had trouble getting their heads around this bureaucracy and red tape. If they cannot do it, how can the ordinary farmer? Farmers want to get on and do what they do best — farm their land. They do not want to be tied up in bureaucracy, red tape and administrative work, which is alien to them.

The effect of gold-plating, whereby a Government Department overzealously interprets and implements an EU directive, cannot be underestimated. This is a major contributory factor to the burden felt by farm businesses.

I was in Sweden and Denmark in April of this year. They have the same EU regulations that we have in Northern Ireland, but they are implemented and interpreted differently by their Governments. All I am asking for is a practical, common-sense approach from this Government towards the implementation of EU regulations — nothing less. We always have to gold-plate it. We have to go to the top band of implementation while other countries in the EU implement to the least possible effectiveness.

One classic example of this is the 30-day standstill rule for cattle. The piece of EU legislation at the root of this rule was interpreted completely differently by the Department of Agriculture in Northern Ireland from other regions of the European Union, where such a nonsensical rule does not exist. The disparity caused has resulted in cattle importers withdrawing from Northern Ireland at a time when the cattle industry is toiling, since the reopening of the beef export market just last year, to regain business that it had lost. However, this opportunity is being lost and hampered by our own Government regulations.

Do not get me wrong. Standards exist and are needed to safeguard the welfare of animals and consumers, to afford environmental protection and, ultimately, to maintain the industry for years to come.

The livestock industry in Northern Ireland has one of the highest levels of traceability in the world. Indeed, this is one of the major selling points to the public, who are becoming increasingly aware of the supply chain. This would not have been achieved if it were not for the well-kept herd records and documents that we already have in Northern Ireland. A certain degree of regulation is therefore absolutely essential. The UUP has no difficulty with that.

The proposed new waste disposal regulations are another difficulty. Farmers will be asked to apply for exemption to dispose of such things as used fencing posts and hedge trimmings. If there is no improvement in the situation in which farmers are being asked to fill in a form just to ensure that they are adhering to the latest guidelines on waste, I agree with the Ulster Farmers' Union that a boycott of these new rules may be the only option left to make the point until a more workable interpretation of the waste rules is introduced.

Farmers do not want to opt out of this new initiative. They all accept the need to handle farm waste responsibly, but I cannot accept the approach taken by the DOE that has turned the whole process into a complicated system of exemptions and licences. That is not what farmers are about, and it is not what they want.

The introduction and interpretation of the new waste regulations have produced many complications and too much bureaucracy.

12.15 pm

The large number of farm inspections that are being carried out is another time-consuming and administratively costly issue with which farmers must contend. They are obliged to undergo inspections of cattle identification, cross-compliance, field and farm, and issues that relate to health and safety. They must also comply with the Northern Ireland Farm Quality Assurance Scheme (NIFQAS) and have their animals tested for tuberculosis (TB) and brucellosis. Need I go on? The Province needs a single inspection regime.

The benefit of such a single inspection team is that each inspector would be trained to cover all aspects of farm inspections, be those agricultural, environmental or related to health and safety. Therefore having a single on-farm inspection would be better than the current situation, in which different inspectorates perform five, six or seven inspections on some farms in one year.

Introducing single on-farm inspections is an obvious solution to a problem that is draining public resources as well as farmers' patience. The current system is another appalling example of the bureaucracy that Departments impose on farmers. I make no apology for continuing to refer to the unacceptable bureaucracy that is imposed on farmers in the Province.

The excessive levels of unnecessary bureaucracy — which show little sign of abating — are unworkable. In many areas, the tipping point has been reached: the damage that is being done to the sector outweighs the benefits. Recently published Government statistics show that the Department of Agriculture and Rural Development issued 18 business surveys last year, with an estimated cost to farm businesses of over £318,000. Only the Department of Enterprise, Trade and Investment issued more. That £318,000 is probably just the tip of the red-tape iceberg with which local farmers have to deal.

I am sure that other Members will cover in more detail the various recommendations that the Ulster Farmers' Union made. The recommendations that are contained in 'Five Steps to a Better Future' offer practical, common-sense initiatives to improve the industry. Although parties have their own policy interpretation of the recommendations, they represent an issue on which Members generally unite. The document does not contain gimmicks or buzzwords; it recommends sensible, doable changes that will effect improvements for farmers and the public.

The recommended local-produce procurement initiative would champion local produce in the public sector. The clear labelling on beef of its country of origin is essential to give local beef farmers a helping hand and to bring them back into a successful export market. If consumers can see the source of the beef that they buy and know where the farmers whom they support come from, they may give more backing to local producers.

Climate change is a topic that is on everybody's lips. Local farmers should be in a prime position to help the nation meet its targets for green-energy production while finding a much-needed extra stream of income. The Ulster Farmers' Union proposal to promote the use of locally produced renewable energy in public buildings is an example of how the Government could put their money where their mouth is. That would set a good example to householders and help local farmers and growers.

Unnecessary layers of bureaucracy must be pared away to reduce impediments to business and, putting it bluntly, to save money. The Secretary of State's about-turn on the future of the Northern Ireland Agricultural Wages Board (NIAWB) does not sit well with his party's pledge to reduce unnecessary bureaucracy. When that quango was established, it performed the essential task of safeguarding farm workers' rights to a fair wage. It also offered a benchmark for farm owners and managers. However, it is no longer required, and the Government must carry out their original pledge.

I hope that Members will agree to the motion. I could talk for hours on this subject, but I will not — I

am sure that all Members will be pleased to hear that. I want to see the Government, through DARD and the DOE, introduce a practical, workable approach. Rather than imposing unnecessary and unreasonable bureaucracy and red tape, those Departments should be available to assist farmers through these difficult times.

Mr Clyde: As I have been involved in agriculture all my life, I too should declare an interest.

Agriculture was the largest industry in Northern Ireland, before the outbreak of BSE. That was followed by foot-and-mouth disease, with its restrictions on the movement of cattle. The combination of those two diseases resulted in the end of the export of beef and live animals.

Following BSE and foot-and-mouth disease, DARD imposed so many restrictions that many farmers decided to reduce their farming interests or to retire altogether. Currently, only 25% of Northern Ireland farmers work full time on their farms. The massive drop in profits means that more than 50% of farmers are over 55 years old, as few young farmers see a future in working on the family farm. Twenty years ago, agriculture was the biggest employer; today, it is in real decline. Much of that is due to bureaucracy imposed by DARD, of which I shall give some examples.

In the Republic of Ireland, the CAPI IACS form consists of two sides of A4 paper; in Northern Ireland, it is eight pages. One unintentional error on that form can result in farmers losing tens of thousands of pounds. That is wrong.

There are 19 statutory management requirements to be adhered to for CAP inspections, as well as good agricultural and environment conditions. Under the current system, eight different inspectors from DOE and DARD can visit one farmer over a matter of days. There is an issue with the severity of CAP inspections. DARD appears to have a policy to look for faults during cross-compliance inspections. In 2005, £2.3 million was taken away from farmers as a result of errors and breaches. The comparable figure in the Republic of Ireland was £229,000.

In the first year of the single farm payment scheme, a large number of farmers lost out due to unintentional errors in respect of duplicate fields. Duplication may occur — for example, when a farmer includes land that he uses as conacre on his IACS form that the owner of the land also includes. The Department should return those forms, indicate the mistakes, and allow farmers 30 days to correct them. It seems that DARD has a “can’t-do” instead of a “can-do” attitude.

I turn to the issue of waste management. Approximately 28,000 farms are large enough to have at least one employee. Each farm business must register separately to secure an exemption to handle certain farm wastes, such as the storage of second-hand wire

and paling posts, the burning of hedge cuttings and the movement of stones and soil. To gain exemptions to handle those farm wastes, a number of forms must be completed. I suggest two possible solutions: first, wherever possible, farms should automatically be exempt from regulations; secondly, farmers should receive an exemption by ticking a box on their IACS form.

Farmers work a long day every day, usually from 6.00 am to 6.00 pm and beyond. At the end of their working day, they have paperwork to complete in the evening. It is therefore easy to make mistakes when filling in forms. Often, those mistakes result in the farmer being penalised by the Department. On the other hand, civil servants in DARD can also make mistakes — are they penalised? I do not think so. Mistakes are blamed on computers or, on some occasions, the farmer.

It seems that the Department will use any excuse to hold up the single farm payment. In my constituency of South Antrim, a water pipeline is being laid from Lough Neagh to Belfast. A farmer informed me that he must write to the Department to explain what he will do with the land when work on the pipeline is complete before he can receive the single farm payment.

There are other conditions imposed by DARD. One is a six-day standstill rule for a farmer who sells stock. If he buys an animal and brings it to his farm, he cannot sell any stock for six days.

If the farmer takes an animal to market, does not sell it and brings it back to his farm, the same six-day standstill period applies. DARD also imposes a 30-day standstill on the movement of animals bought at market for export to other EU countries, and that puts buyers off. The imposition of a brucellosis test in the 30 days before animals can be sold results in additional cost to farmers.

The EU directive on nitrates restricts farmers from spreading slurry for several months. Given the change in climate, I suggest that such a restriction should apply only in December and January.

Those are some reasons why I support the ‘Five Steps to a Better Future’, as advocated by the UFU, and I support the motion.

Ms Ruane: Go raibh maith agat, a Cheann Comhairle. Cuirim fáilte roimh an díospóireacht seo inniu.

I welcome the debate because my party and I feel strongly that the rural way of life is under severe threat. Moreover, there is a lack of understanding and a dividing or fault line in Irish society between the city slickers and the rural communities. In County Mayo, there were townies and buffs — anyone who lived outside the town was called a buff. Other derogatory terms such as redneck and, famously, culchie are often used to describe people from rural communities.

I am originally from County Mayo in the west of Ireland, and some people may say that I should have stayed there.

Some Members: Hear, hear.

[Laughter.]

Ms Ruane: However, here I am — for better, for worse, for richer, for poorer. I have a strong sense of the land and agriculture and the role that they play in our society. I am aware that many farmers often endure a lack of respect but, ultimately, whether here in Ireland or in any country in the world, they put the food on our tables.

My father had a great grá, or love, for the land. He was a part-time farmer from peasant stock — and I use the word “peasant” proudly — during some of the worst times for farmers in Ireland. The centenary of the death of a famous Irishman, and one of my heroes, Michael Davitt, who fought for the rights of small farmers is being celebrated. As children, we learned about his three demands — they were a bit like those of the UFU today, but differ to an extent because times have moved on. In Michael Davitt’s time, however, there was landlordism in Ireland and he demanded free sale, fixity of tenure and fair rent. Therefore, Sinn Féin continues a long tradition of fighting for the small farmer.

Michael Davitt was also a Fenian in the best, or true, sense of the word and not in the derogatory way in which it is sometimes used. Cuirim fáilte roimh an díospóireacht seo.

Mrs D Kelly: As the Member has quoted Michael Davitt, will she agree that in latter years he denounced violence and progressed the cause of the peasant farmer, and indeed many people living in poverty, not only throughout the island of Ireland but throughout Britain?

Ms Ruane: That is a debate for another day. Michael Davitt is my hero and a proud Fenian. To do justice to the debate today, I will not be deviated from it by Dolores or anyone else.

I pay sincere tribute to the farmers’ unions and stress the need for continued partnership with them, and Sinn Féin looks forward to continuing that work. I join my party colleagues Michelle Gildernew and Francie in urging Members to support the motion that rightly recognises the considerable difficulties faced by farmers who are being increasingly burdened by overly bureaucratic and complicated procedures and legislation.

There is general agreement between Sinn Féin and the farmers’ unions — the UFU and NIAPA (The Northern Ireland Agricultural Producers Association) — on the difficulties facing the industry. Not least of those difficulties is the fundamental problem of red tape in DARD and the practice of gold-plating EU

regulations to the detriment of farmers, their families and rural communities in general.

When the Sinn Féin Assembly team met with representatives of the farmers on several occasions to discuss the key issues facing the industry, the importance of tackling the red tape in DARD and of establishing a Programme for Government for an incoming Executive of locally accountable Ministers was top of the agenda.

The contrast between DARD’s approach and that adopted in Dublin could not be more stark. Indeed, that was highlighted by the DUP MEP Jim Allister, no less. A comparison of the two approaches illustrates why all-Ireland co-operation is needed on the real and practical issues that impact on rural communities across the country, and the Six Counties in particular.

12.30 pm

The response shown through the farmers’ charter is a case in point. The zero-tolerance approach of DARD is hurting farmers who are penalised when they make even the slightest error in completing copious unwieldy and overly complicated application forms. Many farmers whom I have spoken to have told me that so much time is spent filling in forms that it impacts on their ability to work the land.

In the South, the charter of rights for farmers for 2005-07 stressed the need for user-friendly farms and maximum consultation. We need the same provision in the North of Ireland, and Sinn Féin joins others in calling for a similar charter. Indeed, an all-Ireland approach to farming is essential. The failure of DARD to be a champion for farmers highlights why it is so important to have in place a fully functioning, power-sharing Executive and North/South Ministerial Council.

For the past two years, my party has organised a number of public meetings with farmers throughout my constituency of South Down, where we have focused on key issues such as the proposed Mourne national park, the impact of EU directives and the more recent planning directives. I have no doubt that the problems that are besetting rural communities are being further compounded by a growing level of frustration at the amount of red tape that farmers are facing every time that they are faced with filling in a form.

The current situation is indicative of a system that is, quite simply, failing farming communities. We have reached a point where farmers are being unfairly penalised because of the bureaucratic hoops through which they are expected jump every time that they apply for a basic entitlement.

The Ulster Farmers’ Union’s policy document, ‘Five Steps to a Better Future’, puts forward a number of workable and extremely practical measures that, if implemented, would go some way to addressing the

excessive amount of red tape. Sinn Féin agrees that an independent review of the cost, volume and often unnecessary nature of farm bureaucracy must be a priority for an Assembly when one is reconvened.

Other practical steps that could be taken include compulsory beef-labelling in the food sector, showing the country of origin of beef in restaurants. That relatively simple measure would be an excellent way of promoting the North's agricultural produce. Compulsory beef-labelling in the food service sector has been implemented in the South of Ireland and is an effective and relatively simple marketing tool.

My party supports the removal of the Agricultural Wages Board (AWB) because, with the introduction of the minimum wage in 1999, the AWB has become yet another layer of unnecessary bureaucracy.

Furthermore, we want investment in the farming industry to allow farm businesses to be handed over to younger family members. We also advocate the introduction of a farmers' retirement scheme. We welcome the UFU's focus on renewable energy opportunities — that is far-sighted and is the way to go. Planning policies need to be in sympathy with local people while also securing the future of our rural landscapes for the next generation.

We are debating these issues in the Transitional Assembly, but it has no power. We still have direct-rule Ministers. We call on the DUP to join the rest of us in getting the Assembly and the all-Ireland institutions up and running. That is what farmers — on every corner of this island — need. We need to work closely with the South of Ireland at all levels so that we can become champions for our farmers and help to build a dynamic, confident and vibrant industry.

Now is a time of tremendous opportunity; marketing should be done on an all-island basis, using our clean, green island trademark — *oileán glan glas*. More people are aware of the importance of organic food, and we need to support farmers who are developing that.

My father was a learned man who, like many people in the farming community, was interested in education. However, he also had a real *grá*, or love, for the land. We had a few acres of land; we would cut turf every year. We had cattle and a little vegetable garden that the rabbits and cows used to break in to — they ate more vegetables than we ever did. However, my abiding image of my father was that he would come in from work, put on his anorak and boots to go and find Daisy, our cow. On the way out, thinking that she did not see it, he would rob my mother of a little piece of her brown bread. Daisy would come running up to him.

If we are to support farmers of the present generation, we need to take seriously the issues raised by both farming unions. “Culchie” is a derogatory term often used to describe people from rural areas — I do not

know whether it is used in the North of Ireland, but it is in the West. It is derived from the name of the town Coillte Mach. It is a small, one-street town — well, it probably has three streets now. Every year the people of the town held a “culchie-come-home week” festival. The word “coillte” means “the woods outside” in Irish. I am proud to be a culchie. Go raibh maith agat.

Mr P J Bradley: I do not exactly have an interest to declare, but I too was brought up on a small farm. I was lucky; I grew up on a farm to which no bills ever came. We did not have plenty of money, but neither had we a car, nor electricity, nor a telephone. That was a different era; time has moved on. *[Interruption.]*

My colleague has suggested that we did not have to pay for anything, but we did. *[Laughter.]*

I thank Tom Elliott for agreeing to sponsor the motion with me, and I also thank the members of the Business Committee. All five political parties were involved in the meeting on 3 January 2007 where it was agreed that the motion would be debated today. That itself sends a message on behalf of farmers and rural communities to whoever might be listening that, in the Assembly, there is unity on the need to address the plight of farmers.

The motion is a twofold exercise. It demonstrates to the farming community that all parties represented in the Chamber are fully committed to supporting the industry — to the best of our current ability — in whatever way we can. It is also an opportunity to give proper recognition to the excellent and ongoing work by the UFU on behalf of its members and the industry. The motion was prompted by the recent launch of the UFU's early initiatives programme, ‘Five Steps to a Better Future’. I thank the UFU for its willingness to share its research and findings with the SDLP during a visit to Parliament Buildings, and with all the parties at its Antrim Road headquarters in December. I have no wish to be presumptuous, but I believe — and I have heard it already — that my appreciation will be echoed during the course of the debate. I also pay tribute to the consultants involved on their professional input to that presentation.

When — or should I say, if and when — the Assembly gets up and running once more, our new Ministers could do worse than be assisted by that publication, which was prepared by professionals during what has been a period of limited care and attention by direct-rule Ministers since October 2002. Any incoming Minister of Agriculture will welcome the fact that priorities for attention are listed, as he or she goes about planning the future survival of all farming. He or she will be further encouraged that the priorities were endorsed in January 2007 in this Transitional Assembly. We also have the report of the vision group, as initiated by my former colleague and

Minister Brid Rodgers. That will also be of great benefit to any incoming Minister of Agriculture and Rural Development.

Mr Elliott dealt efficiently with the demands that bureaucracy continues to make on family farms. It is wrong and unacceptable that farmers should have to split their working activities on a 50:50 basis between manual work outside the home and reading EU, UK and DARD documentation, filling forms, keeping records and contending with the proliferation of inspectors who have virtually taken up residence on some of the larger farms.

It was pleasing to learn in December that proposals driven by farm commissioner Mariann Fischer Boel are eventually being taken forward in Europe to streamline EU market rules for agricultural products. Press release IP/06/1824 states that the aim is to establish a single common market organisation for all farm products to replace the 21 existing organisations. That is part of the Commission's better regulation agenda to cut red tape.

The press release went on to advise that the proposed Common Market Organisation (CMO) would allow the repeal of more than 40 Council Acts and replace over 600 legal articles with fewer than 200. The Department of Agriculture should monitor the progress of the proposed EU changes, and as soon as they are introduced the Department must embark on its own programme and make changes to reflect the EU reduction in bureaucracy. There is no doubt that the 21 organisations, the 40 Council Acts and the 600 legal articles that are referred to — and currently apply — do make implementation demands on the Department. However, when the proposed changes are made in Brussels, there will have to be visible evidence of pro rata changes in DARD.

Most interested Members of the Assembly have seen the 'Five Steps to a Better Future' document. I wish to devote the remainder of my speech to dealing with the subject of public procurement, and my colleagues Dolores Kelly, Tommy Gallagher, and Patsy McGlone will deal respectively with the different sections of the publication.

I welcome the fact that the importance of public procurement is one of the five initiatives highlighted in the publication. That section is directed primarily at the current and, hopefully, at the next, home-based, Minister of Finance and Personnel. It deals with public procurement and highlights how a firmed-up policy on public procurement could enhance the production and use of locally produced farm supplies. The proposed initiative refers to Government procurement in England through the Public Sector Food Procurement Initiative (PSFPI) that applies there. PSFPI legally binds all national and regional authorities in England to increase tenders for small and local producers. The

legislation has, among its objectives, the aim of increasing the capacity of small suppliers to meet demand. Each Minister, all Departments and every member of the Northern Ireland Procurement Board should become fully versed on the detail of the points referred to in step two of the document, which deals with public purchasing.

Given that a Government policy on food procurement has been operative in England for almost four years, I believe that it is not too much to ask any incoming Minister of Finance and Personnel and the Northern Ireland Procurement Board to recognise the benefits to the local economy, rural communities and farmers if the legislation contained in PSFPI were to be introduced in Northern Ireland. The last telephone call that I took before coming into the Chamber was from a farmer who knew that this debate on red tape was taking place. He is involved in the potato sector and is still waiting for a winter-aid payment, yet farmers in all the other sectors have been paid. Because of red tape, he is still waiting for that money to come through. As Members speak, there are farmers who have been waiting for payments for a couple of years — they are still not receiving them.

I am pleased to jointly move the motion. I sincerely hope that those in a position of responsibility will pay immediate heed to the comments made, in the Chamber today and that they will commence the work required to assist in reinstating the viability of family farms and the rural economy. After all, agriculture is the leading industry in Northern Ireland, and it is the duty of Members to keep it that way. We do not have the ultimate powers; however, those who are currently in power and those who will come into power should do what they can to protect the industry.

Mr Ford: I welcome the opportunity for the Assembly to debate this topic and thank Mr Elliott and Mr Bradley for introducing the motion. I start by declaring my second-hand interest — as my entry in the register of Members' interests shows, my wife has an interest in matters agricultural, and I do declare that I got my wellies dirty before I came here this morning.

I wish to look at one particular aspect of the way in which bureaucracy has operated and at one of the few successes that the former Assembly could record. Back in the early part of 2002 the Committee for the Environment had to consider slurry and silage effluent storage regulations. Madam Speaker, I trust that I have not offended your sensibilities by referring to them. When the DOE sent civil servants to that Committee — and I am sure the Minister at the time will recall exactly how his officers carried out their functions — it was clear that there was no understanding of the needs of Northern Ireland's farmers.

All that the DOE did was to change a few words here and there in the regulations that had been introduced in England and Wales some years earlier to make them fit for Northern Ireland — then it imposed them on us. I remember meetings at which members of the Committee for the Environment tried to question officials to find out what was what. I have no doubt that the Committee Chairperson, the Member for Mid Ulster Dr McCrea, has memories of the fight that he and I had with officials on that occasion.

12.45 pm

The attitude of the DOE civil servants was that they knew what they wanted to do, and they did not care what anyone else thought. That led to huge problems in trying to persuade people about the realities of farming. For example, the DOE civil servants argued that in the year in which the regulations were introduced in England and Wales, pollution incidents were cut by 50%.

I asked the officials whether they could explain how such an amazing change could happen, and also for the rainfall statistics for the two years in question, since most people know that problems with silage effluent are closely related to rainfall. However, they did not have any rainfall statistics. Since they were quoting statistics for overall pollution incidents, I asked whether they could give me a 10-year trend rather than just taking two random years, which might have illustrated how successful the regulations had been. The civil servants did not have those figures either.

I then asked the officials whether they were aware that farmers in England and Wales were able to get capital grants to install slurry stores and silage effluent run-offs at the time that the regulations were introduced there and which did not exist in Northern Ireland five years ago. They did not even know that grants were available at the time. However, they expected Northern Ireland farmers, at a time of huge financial difficulty, to fund the additional required storage. It was only through pressure being put on the DOE civil servants by the Committee for the Environment, coupled with lobbying by the Ulster Farmers' Union and others, that there was any change in the way in which those regulations were applied.

When some capital funding was obtained — inadequate though it was — DARD went ahead and gold-plated the storage requirements so that all the extra funding that was given for capital grants was used up on that gold-plating. The two Departments responsible were totally inadequate in their understanding of the needs of the farmers for whom they sought to legislate.

DARD officials should take back responsibility for reflecting back to other Departments the needs of the agriculture industry and working farmers. They should

not always assume that their job is to impose the wishes of other Departments on farmers, when those Departments have simply lifted regulations as they have been applied across the water but which do not apply in Northern Ireland. Sadly, that is one example of the many things that DARD officials have failed to do in liaising with other Departments. The key requirement of the Ulster Farmers' Union's five-point plan — the need for DARD to start to review its red tape — is absolutely correct. Until DARD examines what is necessary, appropriate and reasonable, we will not move forward.

P J Bradley referred to the issue of public procurement, and that is another area in which Northern Ireland has failed to make any of the changes that have been made in the Republic or across the water. Government spokesmen talk about the need to cut down on transport. The issue of food miles has suddenly become a major issue in the UK; however, in Northern Ireland, the response from DARD is doing nothing to encourage a reduction in food miles, which would benefit the environment by cutting down on unnecessary transport and assist agriculture and food processing, which remain, despite all the recent changes, vital sectors of our economy. Those industries would have a future if DARD would only give them the support that they need.

Notwithstanding the issue of procurement, the Government have completely failed to act on the issue of energy. The Government recently produced a £59 million renewable energy fund, which, among other things, gives grants to individuals for micro-generation on their own houses. However, at the same time, the challenge fund that helped some farmers to develop biomass businesses with willow and miscanthus has ended. What worse example could there be of a lack of joined-up government when the Department of Enterprise, Trade and Investment (DETI) is funding a set of grants for renewable energy while, at the same time, DARD is stopping funding for the production of the materials that produce renewable energy?

NIO Ministers have completely failed to take account of initiatives that are joined up, match one another, or have any real opportunity to give farmers the long-term security of income that they need and require — it has been about initiatives that look well.

DARD is not the worst Department when it comes to looking at the issues, although there may be people who believe that it is. In the previous Assembly, I was a member of the Committee for Agriculture and Rural Development and the Committee for the Environment, and DARD civil servants had a greater understanding of what needed to be done. However, at times there was an inability to reflect that understanding elsewhere, and DARD was unable to look at the overall needs of the industry with civil servants from other Departments.

Until there is some form of joined-up government in which OFMDFM works with DARD, DOE and DETI on issues such as energy and public procurement, there will be no prospect of giving farmers — on whom much of our economy, and all our rural economy, depends — the income and security they need. That will only happen when we have a working Assembly. Today's debate should reinforce the need for the Government and those parties that have the opportunity to put structures in place to do so now so that our farmers and everyone else will benefit.

Dr McCrea: Agriculture remains Northern Ireland's primary industry, and yet the unacceptable amount of red tape imposed on it is crippling and threatens the future of those employed in the industry. It also threatens rural life in Northern Ireland.

Recently, I had the opportunity of raising the issue of Northern Ireland agriculture in a debate in the Great Hall in Westminster. I pointed out that agriculture is three times more important to the Northern Ireland economy than it is to the UK economy as a whole. Through such debates, and today's debate, I trust that someone in Government will wake up to the serious threat facing the industry and take the action necessary to remove some of the impediments that stand in the way of progress.

There are more than 27,000 farms in Northern Ireland, half of which are large enough to have at least one full-time employee. Similar to other regions of the UK, there have been great changes to the agricultural sector here, resulting in many farms merging with others and becoming larger. That reconstruction has resulted in the number of farms falling by approximately 1% to 2% per annum. Fewer young people are entering the industry and older farmers are leaving — we are seeing a haemorrhage in the farming industry.

I understand why so many young people fail to enter the industry. They cannot enter an industry if there will not be a viable wage at the end of their labours — and the tragedy is that there is not a viable wage. There is a great hoo-ha when we hear that farm incomes have increased by 10% due to something that has happened in the previous year, but 10% of little is still little. We must realise that the agricultural industry is facing a crisis. Departments — not only DARD — have an interest in this debate, and issues must be faced and grappled with. Everything humanly possible must be done to save the industry.

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

It is noteworthy that farmers on large holdings have a younger age profile than those on smaller holdings. Therefore it is vital that farmers are given the help and assistance necessary to survive. I fear that the agrifood sector, Northern Ireland's largest employer, will be

unsustainable without larger holdings having a secure and viable long-term future.

Northern Ireland farmers supply the Province's main food-processing companies. Furthermore, a large volume of milk is exported from Northern Ireland to the Republic of Ireland for processing. The Northern Ireland food industry has a gross annual turnover of more than £2 billion, which accounts for approximately 21% of the total turnover of our manufacturing sector. The two largest sub-sectors of the food industry — milk and milk products, and beef and sheep meat — account for almost 50% of that industry's turnover. That reflects the importance of those commodities for Northern Ireland's primary production.

My colleagues and I again recently met an Ulster Farmers' Union team, which was led by its president, Mr Kenneth Sharkey. We discussed the union's 'Cut it Out' campaign, which calls for more farm work and less paperwork. I thank the union for its active leadership in the fight to preserve Northern Ireland's farming industry. I assure the union and the industry that the Democratic Unionist Party will resolve to support their efforts, and that we will use our team at Westminster to constantly press the Government to act in the interests of the farming community. Similarly, our MEP, Mr Jim Allister, has used his skills to great effect in the European Parliament on the matter, and he will continue to do so.

The Assembly informs the Departments of its disgust at some of the gold-plating for which they are responsible and its disgust at the regulations that are being forced on the farming community. Although other regions of the United Kingdom can focus on local supply, such as farm markets, and on niche markets, such as organic produce and traditional breeds, that is not an option for Northern Ireland farmers because they rely on exporting 70% of their produce outside the UK.

The Government can do more, and they could display a better understanding of the crisis that the industry faces. For example, the high number of farm inspections was mentioned earlier. There is duplication of inspections, which may originate from DARD, DOE, and the farm quality assurance scheme, etc. That duplication means not only a duplication of costs; if one wants to bring disease to farms, a good way to do so is to have inspector after inspector visiting and moving around. That threatens the security of the disease-free status that the Northern Ireland farming community has enjoyed and has sought to protect.

Instead of having a plethora of officials who inspect one farm after the other, filling in their own forms and keeping themselves in a job, we must seek practical solutions. More is spent on officialdom in Departments than on trying to keep the farming industry alive. We

must ensure that the issues are tackled practically and cohesively.

The DOE seems to hold a different opinion than DARD. I concur with the Member for South Antrim Mr Ford, who said that there seems to be a lack of cohesive thinking in the Departments. I recall a meeting that our party held with the DOE and DARD. When they were together, it seemed that, although DARD took the lead, the DOE tail was wagging the dog. It seemed as though the DOE was the unmovable object and wanted to gold-plate legislation. I can understand why we have gold-plating, but it must be applied across the whole of Europe. I am sickened that regulations are being forced down the throats of farmers in Northern Ireland, while in the Irish Republic or other parts of Europe, it seems that anything will do. There is no level playing field, and we demand that there be one.

I remember the crisis in the pig industry in Northern Ireland, and I recall meetings that took place at that time with Lord Dubs. Before that crisis, the Department told farmers that if they gained a quality-assured certificate, they would be on the pig's back and that everyone would want their produce. In reality, instead of being on the pig's back, they were under its belly. The Department placed so many regulations on the farming community that it put it into the pig's manure.

It is time for realism in the Department of Agriculture and Rural Development. There has to be joined-up government to ensure that we save this vital industry for rural Northern Ireland. I believe that it produces the best produce in the world. We should be backing the industry to the hilt.

1.00 pm

Food produced in Northern Ireland should be labelled so that people know that they are getting the best possible quality — instead of food from another part of the world getting a Northern Ireland label just because it is processed here. We must ensure that there is honesty and integrity in the industry. Elected representatives and the Assembly must stand 100% behind the farming community, which forms the backbone of Ulster industry — in fact it is our primary industry. We have a duty to give that community our wholehearted support.

Mr Kennedy: It is always a pleasure to speak after Dr McCrea. He is a hard act to follow, and I congratulate him again on another fine speech.

I welcome the opportunity to participate in this important debate, and I thank my colleague Tom Elliott and Assemblyman P J Bradley for bringing this important issue to the attention of the Assembly. A high degree of public interest has been created today.

Agriculture remains one of the largest employers in Northern Ireland, and it is one of the key industries — if not the key industry. It is certainly a key industry in my constituency of Newry and Armagh. I join with others in paying tribute to the UFU. For many years, the UFU has provided its members with good, steady, consistent leadership, and its administrative department has produced excellent briefing papers and documents that are an important asset to public representatives.

On behalf of the Ulster Unionist Party I welcome the 'Five Steps to a Better Future' initiative, which was launched by the UFU in November 2006. The first step in that initiative is to reduce bureaucracy in agriculture, which has led to the new 'Cut It Out' campaign. There is too much red tape in the agriculture industry affecting the day-to-day work of farmers. I can confirm — as will other Members — that it is causing unnecessary stress and worry, leading in some cases to serious medical conditions and suicide. Farmers are finding themselves in difficult situations, and the quicker that the Government realise that they are adding to the pressure on farmers — in many ways, they are inflicting it — the quicker they will realise that they need to do something about it.

The general view expressed by Members from all parties in the House is that there is too much red tape, not only from the Department of Agriculture and Rural Development, but from associated Government agencies and, in particular, the European Union.

Earlier, it was mentioned that Government agencies have commissioned 18 business surveys into local farms, costing approximately £318,000. However, the cost to genuine farmers was £2.3 million in penalties. Therefore, we must ask what manner and level of madness are DARD and Government agencies permitting when an industry — in particular, the agriculture industry — has to employ professional form-fillers?

Mr Hussey: It is my understanding that the ratio of DARD civil servants to farmers is between 1:7 and 1:8. Is there a degree of self-protectionism from the Department in that it must generate red tape in order, at times, to justify its existence?

Some Members: Hear, hear.

Mr Kennedy: I thank the Member for his well-made and relevant point.

Northern Ireland's farmers and agriculture industry need and want a locally devolved Administration at Stormont as quickly as possible. On behalf of the Ulster Unionist Party, I hope that that is achieved as quickly as possible. Direct rule Ministers have been either incompetent or not sufficiently interested in Northern Ireland's agriculture industry. Therefore, they have not represented the industry properly and have not dealt with its problems.

In addition, since 1997, the Labour Administration has been largely unsympathetic to the United Kingdom's rural communities. I have no doubt that a devolved Assembly would be more responsive to the needs of the agriculture industry in Northern Ireland. It might not solve all the industry's problems and would not be — and could not be — a panacea for all its ills.

Mr Simpson: Does the Member agree that red tape is a problem in the farming community? For example, one of the major obstacles faced by farmers is that when they consider re-diversification, they are met by the bureaucracy of the Planning Service.

Mr Kennedy: I very much share the Member's concern about that. I make the point that not only will dealing with the problem of red tape be a priority for the Minister of Agriculture in a newly devolved Administration, it will be the Executive's priority to create the conditions for joined-up government, which, hitherto, have not existed. If the agriculture industry is to find its way through many of the problems that it faces, such conditions must exist.

I have no doubt that an Executive and working Assembly would make a significant contribution to renewing confidence in the agriculture industry. I welcome this debate.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle.

I support the motion. However, it highlights the weaknesses of the business conducted in the Chamber for the past number of weeks. The motion:

“calls on the Government to implement legislation/regulations with less gold-plating”.

The fact is that the elected representatives in this Chamber should be the Government. Unfortunately, we have spent the past hour outlining the agriculture industry's problems. The agriculture industry knows what its problems are. It needs solutions to those problems from an effective local Administration that can help to resolve them.

The EU is responsible for much red tape. However, it is down to civil servants to interpret that red tape. We have seen examples of how other EU nations interpret red tape. Indeed, we need only look to the Government of the Twenty-six Counties.

Indeed, many farmers who are in the Public Gallery or are watching this debate on television have farms that straddle the border. On one side of the border, DARD implements a ridiculous amount of red tape, and, on the other side of the border, an Administration operates a policy that is pro-farming and pro-agriculture. A local Administration could greatly improve the situation for the agriculture industry. We cannot solve all its problems, but one hour's debate —

or one, two or three days' debate — will certainly not solve those problems.

We were elected to make decisions and to implement legislation and policy; that is what we should be doing. Would it not be more effective for Assembly Members to debate this motion at an all-Ireland ministerial council meeting than in this Chamber? Would it not be more effective to lobby the European Union with a single voice? It has already been stated that the agriculture industry does not have the same impact on the UK economy as it does on the economy of the island of Ireland. Agriculture does not have a voice in the British Government, but an all-Ireland ministerial council could be a single voice for agriculture that could not be ignored.

I am my party's health spokesperson, and Members may wonder why I am speaking to a motion on agriculture. The basic tenet of a healthy society is the food that it consumes. Our locally produced and manufactured food is undoubtedly the best in the world, and over the years it has been proven that food from local farms is second to none. That is why we need an agriculture industry. We must ensure that our food is produced locally and is not shipped some 1,000 miles from various places around the world to the plates, diners, restaurants and schools meals kitchens of Ireland. The longer that food travels and is stored, the less healthy and nutritious it is.

The rural community is under attack from various quarters. There is Draft Policy Planning Statement 14 (PPS 14), proposals to close some rural post offices — which we will debate later today — health planning and threats to our rural schools. All those attacks are detrimental to the agriculture industry and rural communities and should be resisted by a local Executive, not an Assembly debating shop.

After today's debate, a single voice will emerge from the Assembly. Unfortunately, DARD is not packing its computers into removal vans and pulling out of DARD offices. Tomorrow morning, DARD officials will implement the same policies that they implemented today, and the agriculture industry will face exactly the same problems. All we can do is debate. It is clear, a LeasCheann Comhairle, that we are in danger of producing more methane than the entire agriculture industry. Go raibh maith agat.

Mrs D Kelly: Several Members have highlighted overly bureaucratic administration in the agriculture industry, and I support those views. My contribution on behalf of the SDLP will be to call for the implementation of the Ulster Farmers' Union initiative for origin labelling of beef in the food sector industry.

Throughout 2006, the Ulster Farmers' Union was in correspondence with DARD, the self-proclaimed rural champion, but to no avail. It is clear from the

correspondence that not only was there an attempt to kick this issue into the long grass but, in typical Civil Service-style manoeuvres, to pass responsibility to an agency — in this case, the Food Standards Agency Northern Ireland. That ploy got short shrift, but the anomaly still exists in Northern Ireland of food-labelling regulations for beef applying to retail products but not to beef destined for the food service sector. The food service sector is growing rapidly in Northern Ireland and, in 2005, was estimated to be worth £1.6 billion, representing a growing market opportunity for local producers.

1.15 pm

In recent days, we have heard commentators, including celebrity chefs — I do not know if my colleague from Upper Bann is one of those or not, but I do know that he has such a background — speaking about food miles as being a deciding factor when meat, chicken, fruit and vegetables are being purchased.

More people are becoming increasingly discerning about the food they buy: we know that from the way major retailers have advertised Northern Ireland produce so enthusiastically. The measure was introduced in response to customer demands to be able to buy local products. Why should customers of the food service sector — restaurants, pubs and other catering outlets — not have the same choice?

DARD quotes European legislation as its guide and states that costs are prohibitive — not something that seems applicable when determining whether to hire consultants to advise on policy matters. DARD has even asked the UFU whether the industry could meet the potential increase in demand if such an initiative were to be introduced. Therefore, DARD is not contemplating that such a demand is possible, and, if one does materialise, DARD is wondering whether it can be met. Is DARD a rural champion or defeatist?

I assure Members that the farming community will rise to the challenge gladly. After all, farmers are not afraid of hard work or long hours. Consumers too will meet the challenge gladly. They have already indicated their desire to have “labelling of origin” introduced. Consumer research conducted by the UFU in the ‘The Irish News’ and the ‘News Letter’ in 2004 showed that 96% of consumers would like to have the option of having dishes prepared with local produce in local restaurants; 99% want local produce to be labelled on restaurant menus; 97% would support a restaurant that voluntarily promoted local produce and low food miles; and 100% of respondents want to see more restaurants providing local produce.

Further research by Periscope and the Institute of Grocery Distribution (IGD) also shows a growing interest among Northern Ireland consumers in purchasing local produce. DARD should show some

leadership, even at this stage, by introducing a voluntary scheme. I know that that would be welcomed by the UFU.

During the debate, we have heard examples of good practice and proactive measures by the Government in the Republic of Ireland. The Minister, Mary Coughlan, announced the introduction of the Health (Country of Origin of Beef) Regulations 2006, which came into effect on 3 July 2006. That decision by the Government in the Republic of Ireland highlights the need for urgent progress to be made on the issue in the North. The Scottish Parliament is also taking steps not only to assist the farming community but to give the public the good information that it wants by introducing a voluntary code.

A restored Assembly could make a difference to the industry. The SDLP welcomes the will to work positively for the good of all in Northern Ireland, and I trust that other parties will show moral courage in the days and weeks ahead. Indeed, Mr O’Dowd talked about how this Assembly, while it can debate, has no power. That is true, but let us hope that he and his party will stop giving the DUP a veto on policing so that we can all move ahead.

Finally, I too congratulate the UFU on its vision and on its efforts to cut red tape in the industry. I support the motion.

Mr Paisley Jnr: I welcome the debate and the immense interest being shown in it. I was a Member of the Northern Ireland Assembly and of the Committee on Agriculture and Rural Development, and it became very hard to drag people out to a debate on agriculture. Perhaps the presence of so many people watching us today has encouraged Members to come to the debate, and I genuinely welcome that interest. As well as that, there may be an election coming, and that may have something to do with some people’s interest in the issue.

However, it is good to get packed Benches, new faces and new Members speaking in the debate. People from the farming community and the rural community will judge for themselves as to the voices that are committed to the subject, and I hope that after today’s debate they will continue to see that there are people in public life who support them and want to see them endorsed, encouraged and supported in a practical and efficient way.

I apologise that after my speech I will have to break with convention and leave for the meeting with the Security Minister in the Senate Chamber. I do not want the Member who will follow me to think that I am leaving because he is speaking.

A Member said earlier that we should be the Government, that we should be in charge and that we should be responsible for running the Department of Agriculture and Rural Development. Of course local

people want Northern Ireland's elected representatives to have their hands on the levers of power and to run an efficient and effective Government. What they do not want, however, are parties in here that are not truly democratic and that are not linked to the democratic way forward. What they do not want is an Assembly that will become unstable, as happened in previous efforts to get an Assembly up and running.

What farmers want to hear today is that there is going to be a real, genuine, solid commitment by all parties to the rule of law, support for the police and for the courts. Then we can move on and see progress happen instead of this nonsense of paying lip-service to the democratic principle and then ignoring it in the breach. Perhaps the reason — and this may have dawned on some Members — that health rather than agriculture spokespeople are taking part in this debate is that certain selection processes have not taken place. Perhaps some people are going to be deselected. We just do not know; however, stranger things have happened. We shall see in the days ahead.

This is a worthy motion and one that the DUP, through its agriculture spokesman, Mr Clyde, has supported admirably today. 'Five Steps to a Better Future' is a very progressive document and shows that the UFU is taking the initiative. Where the Department has failed to identify issues or, worse still, has ignored issues, the UFU wants to do what it claims to do best — to represent the men and women of the field and try to identify and resolve the issues.

The motion focuses a good deal of attention on red tape and bureaucracy; however, it would be wrong to assume that that is all that the UFU has identified in its report. It has identified a host of issues that the Department should get to grips with.

Mr Shannon: Is the Member aware that there are 1,440 Department of Agriculture and Rural Development officials in County Down — one for every two farmers — while in the west of the Province there are only 400 in each county? Is he also aware that such is the monitoring and the officialdom in County Down that the Department has been known to hire a helicopter to check on farmers? Will the Member agree that the introduction of a citizen's charter would be the best way forward so that there would be no criminalisation or penalisation? Will he further agree that 14 days' notice of an official visit to a farm is the way forward?

Mr Paisley Jnr: The issues that the Member for Strangford has identified go to the heart of the motion. It is not just the gold-plating; it is the crippling effect on the industry in Northern Ireland. There are so many officials, as Mr Shannon has rightly pointed out, that they almost outnumber the people entering the agriculture industry.

The UFU report identifies real, positive wins, and we should not have to wait for an Assembly Government to get up and running. DARD could start putting them in place immediately. I know that departmental representatives are here today, and I would encourage them to look at this report and recognise that there are points in all five sections that could be acted on and put in place immediately, if they really cared about listening to the farming community.

Mr Storey: Does the Member agree that there is a serious issue when a Department has an underspend of 40% of EU Peace II money, which equates to €32.5 million, at 19 September 2006? Surely serious questions must be asked about why the Department has allowed that scandal to continue?

Mr Paisley Jnr: I am glad that the Member has raised that point. I have just picked up the publication, 'Department of Agriculture and Rural Development: Resource Accounts 2005-06'. The Member has identified the startling waste that goes on. Members should study Mr Storey's remarks, which he makes as a member of the Peace II monitoring committee. I congratulate him on the work that he does in that area.

In the publication, the Department of Agriculture and Rural Development claims to have four aims, including improving the economic performance of the agrifood industry and strengthening the economy and social infrastructure of the farming community. However, the red tape that currently exists and that is being introduced is at such unprecedented levels that it is crippling the industry. The Department cannot fulfil the aims of its report if it allows that to continue. It must cut the tape and let people be free to do what they are supposed to do, which is to be good businesspeople who efficiently and effectively carry out the important task of providing food for the community.

In its 2006 'Cut It Out' campaign, the Ulster Farmers' Union said that form-filling errors cost the local industry £2.3 million. We see the effects of such errors not only in farming, but across the business sector. If the Federation of Small Businesses supported us in a debate tomorrow about red tape, the same themes would be identified. There is a poison at the heart of Government: if they cannot deal with a process, they put red tape on it to slow it down. That is a minefield, and it must be tackled urgently.

In Northern Ireland, a lot of legislation must be complied with, principally that which comes from the European Union. However, other Departments encourage that because of the enforcement systems that add significantly to such legislation. Mr Shannon and Mr Storey have illustrated that issue very clearly. Other EU member states do not add the same amount of red tape and compliance legislation that we do.

Clearly, a balance must be struck. Enforcement is good in principle: there must be enforcement and compliance so that the consumer has confidence in the product. However, a balance must also be struck between over-enforcement, which we clearly have, and the over-indulgence that seems to occur on the part of the Department of Agriculture and Rural Development. There have been many examples of that, and I would like to pick up on two.

The first is water quality. In Northern Ireland, that is dominated by not one, two or even three European directives, but four. There is a new Groundwater Directive; the existing Groundwater Directive, which stays in place and still has to be complied with; the Nitrates Directive, which caused untold problems for this House and for the farming community; and, of course, the Water Framework Directive. Those highlight the over-bureaucracy in the Department. Europe should streamline all that into one simple directive and one simple enforcement regime, instead of having the separate regimes that are associated with those directives.

In this morning's post I received Northern Ireland Statutory Rule No. 508, which has the very long title *The Sheep and Goats (Records, Identification and Movement) (Amendment) Order (Northern Ireland) 2006*. That has nothing to do with the goats in the Assembly; it is to do with another additional requirement on sheep and goat farmers. In addition to the current ear tag that they have to put on sheep and goats, they will now have to find a blue tag — I do not think that all tags are red, white and blue — to put in sheep's ears. It actually specifies that the new tag must not obscure any other tag that appears on the sheep's ear. Soon every sheep in Northern Ireland will have to have a filing cabinet for all the forms that are associated with it. That situation highlights the nonsense that the farming community has to go through. Instead of being able to raise the beast, get it to slaughter and get it into the food chain as quickly and efficiently as possible, we have this nonsense of filling in form after form.

The Department must review and reduce the burden of red tape that is on the industry and remove it as soon as possible. I hope that Commissioner Fischer Boel's current review of the effects of the CAP across the member states gets to grips with this issue and deals with it efficiently and effectively.

1.30 pm

Rev Dr Robert Coulter: I too am glad that this motion has been brought before the House, and I congratulate those who have put their names to it. It allows us to highlight some of the problems that the farming community faces.

As others have already eloquently pointed out, red tape has gone beyond the realm of acceptability on farms. The other evening I was talking to some farmers at a function, and they were discussing ear tagging. The end product of the conversation was that the Department should develop sheep with six ears to accommodate all the tags. That shows the nonsense that is emanating from the Department.

Coming late to the debate as I do, there is little left to say. However, I would like to highlight the cost of inspections. Has the time not come for the Select Committee on Public Accounts to investigate the Department for value for money? How much do inspections cost? What is their end product? How does the Department achieve value for money if, as we have been told, there is one departmental official for every seven or eight farms in the country?

No other business is as burdened by rules and regulations as the farming industry. It is a major industry in Northern Ireland, supporting some 50,000 jobs on farms and 18,000 jobs in the agrifood sector, which has an annual turnover of £2.4 billion. What other industry is so vital to the economy of the country and so burdened with red tape? I cannot think of one. If an industry is brought in from America or another country, the Government bend over backwards to give it grants and other assistance. Yet a home-grown, home-made, home-serviced industry has a pile of red tape heaped on it year upon year. Surely the time has come for the Department to consider seriously its value to the industry. The Department needs a change of mindset on the matter.

This brings me back many years to when a town of which I was mayor was considering building a new meat plant. The number of regulations that we had to comply with was so burdensome that we wondered at times whether it was worthwhile. When we went to the Continent, however, we saw meat plants that had not half the regulation to which we were subject. Our regulations extended to the number of centimetres required in the approach to the killing zone. I am tempted to say that our officials must have a bureaucratic disease that requires them to place this burden on those who are doing something worthwhile in the country. I appeal to the Department to consider its attitude to farmers.

There are many other things that we could talk about. Food miles have already been referred to. There is no sense in bringing food halfway around the world when we could produce it at home; in treating that produce with radiation or chemicals to keep it fresh when our farmers can provide the same produce locally; or in bringing meat from the other side of the world when our own farmers produce the same cuts — only better.

Does the Department apply the same regulations to foreign meat producers and ask whether the same demands are made of them? What does the housewife think when she sees two cuts of meat in the supermarket, one from Northern Ireland that is overburdened with red tape, the other from a foreign country that seems not to be subject to the same regulations? Yet she is expected to provide meat for her family.

The Department must be challenged on those moral questions. I ask DARD to ensure that its attitude to the farmers of Northern Ireland is ethical.

Very little has been said about biofuel, although Mr Ford mentioned the energy side of the agriculture industry. What is the Department doing to assist and encourage farmers to get into the biofuel industry? This is a new era for farming, but, as Mr Ford said, it seems that the Department's attitude is to make it more difficult for our farmers to get into something that will really help the industry.

We also need to help our farmers to deal with the supermarkets. Time after time, in rural communities, I come across farmers who say that they are up against it when it comes to the big fellows, who can pull down the price. Look at the cost of milk, for example. How much does the farmer get for his milk per litre? How much must a housewife pay for a litre of milk that she buys off the shelf? Where does the money go in between? Those questions need to be addressed and answered.

DARD has a great opportunity to take the issue by the scruff of the neck and deal with it ethically, honestly and straightforwardly, so that it can stand before the Public Accounts Committee and say that it is giving value for money.

I congratulate the UFU for its initiatives and for dealing with people on the ground. I plead with the Department to stop looking only at legislation and to look at people. The stress that farmers endure has been mentioned, as has the plethora of forms that they must fill out. Will departmental officials please tell me whether they are going to support the farmers, as they should, or whether they are going to support mere legislation?

Ms Gildernew: Go raibh maith agat, a LeasCheann Comhairle. I commend the farmers' unions and others for the work that they have done in the rural and farming sector. I welcome the president of the Ulster Farmers' Union, Ken Sharkey, and people from the farming community who have come to hear the debate.

Agriculture remains an integral part of the Irish economy, and the rural way of life is an essential part of our culture and heritage. For generations, the industry has withstood successive British Governments' policies to force people out of farming and into towns and cities. Draft PPS 14 is the most recent example of those policies.

Agriculture employs more than 50,000 people in the North, and a further 18,000 are employed in the food-processing sector. The farming industry generates £2.4 billion for the economy, which is a significant contribution to the gross domestic product (GDP). However, the possibility of an end to devolved Government here leaves the farming community with probably more to lose than any other grouping or industry. Much of the primary legislation that affects farming comes from Brussels, and its application, interpretation and implementation is one of the biggest challenges facing the sector. Without a local Minister in charge, and without the Assembly and its scrutiny Committee in place, DARD is not fully accountable. The result of that is that farmers are being short-changed. Funding programmes that should have been fully implemented have not been, and, as a consequence, millions of pounds have been lost to the industry.

All parties have voiced widespread concerns in the debate about the way in which DARD operates. Its methods have caused unnecessary hardship. The culture of red-tape bureaucracy and the lack of support and flexibility offered to farmers are the hallmarks of the way in which DARD does business in the North. I presume that I speak for all parties when I say that that no one is attacking DARD employees; rather, the policies and the ethos at the top of the Department are the problem.

I have listened carefully to Members' comments. In particular, one Member's comments must be noted. It is unfortunate that Ian Paisley Jnr is no longer in the Chamber, but he should perhaps remove his blinkers for a second and put the interests of the farming community ahead of his own narrow political agenda. He is obviously not talking to farmers because, if he were, he would know that farmers continually say that local politicians should return to power and that there must be a local Minister for agriculture. If he cannot understand the relationship between health, good diet and farming, he is sorely missing the point. It is good to hear that he missed me, having thought that I should have spoken earlier in the debate. It is good that he noticed my absence.

Sinn Féin has consistently highlighted problems with DARD and, more fundamentally, the continuing damage to the local industry through its being tied to a UK position on agriculture, particularly with regard to Europe. The British agricultural policy actively supports a cheap food policy that is destroying rural communities. That policy permits the import of cheap food from countries across the world that, as Bob Coulter pointed out, do not have the same stringent controls as here. At the same time, the British Government support the dominance of massive supermarkets that control the prices paid to farmers. That must be reversed. Bob Coulter also highlighted the difference between the

farm-gate price and the supermarket price. I thank God that it is no longer only housewives who go to the supermarket nowadays — consumers come in all shapes, sizes and genders.

Sinn Féin has repeatedly argued that the development of an all-Ireland agricultural framework is in farmers' interests, particularly in respect of EU negotiations and the implementation of EU guidelines and directives. Nowhere is an all-Ireland approach more urgently needed than in tackling the rural crisis that affects much of Ireland. There are clear benefits to the removal of UK status from food exports from the North. An all-Ireland food promotion agency and an all-Ireland strategy to promote animal health and consumer confidence must also be established.

Ireland's agricultural industry and rural life is continually being damaged by central Government on both sides of the border, by the EU and by world economic policies. That requires an urgent all-Ireland response. Greater co-ordination across Ireland is needed in order to find more effective ways to challenge the implementation of the raft of EU directives that will have a massive impact on farmers' futures. Rural communities are right to feel betrayed: farm incomes are plummeting; promises of investment in employment, housing and infrastructure in rural areas have been broken. Hundreds, perhaps thousands, of people will leave the farming industry in years to come.

A common agenda for Irish farmers, fishermen and rural communities is essential. There is strength in unity. If Irish farmers took a moment to examine how their French counterparts act to support one another, they might learn that united they stand, divided they fall. There is much agreement between Sinn Féin and the Ulster Farmers' Union on the problems that face the industry, not least the fundamental problem of red tape and bureaucracy in DARD and the practice of gold-plating regulations to the detriment of farmers. Others Members have said plenty on those issues already, so I will not go into any more detail.

The UFU has identified five clear priorities for an incoming Executive in order to make early progress on a range of issues. Food miles will be an issue for a local produce public procurement initiative. It is ironic that some hospitals import patients' food from Wales when some of the best quality food in the world is available here.

Beef-labelling, in particular, should be compulsory. The poultry industry is under pressure from labelling requirements. More must be done to support the poultry industry. A renewable energy public procurement initiative should be introduced. Much more could be done to support new technologies. We can also learn from research into developing markets that has already been done on the island by organisations such as

Teagasc. We must also be mindful of the VAT and taxation requirements on biofuels, as those must be made as attractive as possible to consumers.

The abolition of the Agricultural Wages Board is also one of the UFU's five priorities. Sinn Féin endorses all five priorities and gives its commitment to champion them.

It is a time of huge challenges and opportunities for the farming industry and rural community. Without going into more detail about red tape, I wish to highlight the huge difficulties surrounding the single farm payment.

1.45 pm

The "duplicate field" issue has been a huge problem, particularly for smaller farmers who are often the worst affected as the duplication query on their farms can comprise a large percentage of the overall claim and may, in fact, lead to a larger penalty, or, in the worst-case scenario, cancellation of the entire payment. Farmers should not face considerable financial penalties given that the system was new, extremely complicated, and that errors were made through no direct malice on their part. Sinn Féin supports the UFU's efforts to have the problem highlighted in Europe through derogation on penalties for duplicate claims.

Another example of the different approach taken in the Twenty-six Counties is the 'Charter of Rights for Farmers 2005/07', which was introduced by the Minister for Agriculture and Food, Ms Mary Coughlan, a year ago. It provides information on many issues mentioned this morning, such as application procedures, inspection arrangements, eligibility and compliance issues. It also sets out specific details on time frames for the delivery of payments.

Critically, the charter is tolerance-based, a concept that has been accepted by the EU Commission. The lack of tolerance by local Government Departments has led to high financial penalties on the local farming industry. A farmers' charter could help to address that and would make an immediate difference to farmers' lives. We are all aware of the amount of forms that have to be filled in and the penalties that are imposed if they are not. It seems that DARD's policy is "do as I say; not as I do". However, when the Department makes mistakes, the same obstructions are not placed in its way.

Members have talked about how rural communities have been undermined. Draft PPS 14 is an example of one policy that undermines those communities. John O'Dowd talked about rural post offices and schools and the loss of access to healthcare services, and it is clear that the industry faces huge challenges.

The reform of the common agricultural policy (CAP) and single farm payments were supposed to

ensure that farmers had the freedom to farm and to diversify. However, the culture of bureaucracy that continues to exist in DARD makes a mockery of that objective, and the situation is now much worse. Farmers are facing death by a thousand cuts, and that situation has to be reversed immediately.

We need a local Minister — there is no question about that. Sinn Féin has argued consistently that farmers in the North are not getting a fair deal. The Department has not been their champion. A local Minister would do a better job than any direct-rule Minister, and, as I have said many times before, it does not matter to which party that Minister belongs. The British framework does not just fail our industry; it also sells us short. We have so much going for us — our clean green image and the quality of our food — but we are being hampered. We should have one of the most vibrant farming communities in the world, yet we do not. We need a local Minister, and we need one now.

Go raibh míle maith agat.

Dr Deeny: Mr Deputy Speaker, thank you for allowing me to speak in the debate. I thank Mr Elliott and Mr PJ Bradley for raising the matter, and I commend the comments that Members have made.

Some people might ask why a doctor would speak on the issue. However, as Mr Paisley Jnr mentioned earlier, agriculture is our main industry, which makes it an immense issue for the people of Northern Ireland. I represent a cross-section of the community, not just across different churches, but across different occupations and professions too.

Members will have to excuse me as I am just getting used to the reading glasses that I bought in Dunnes Stores for £5 — as a doctor, I should have gone to see an optician. Anyhow, when I read the first line of the motion:

“That this Assembly deplores the over-bureaucratic administration”,

I thought that it referred to all professions in Northern Ireland. I have been a doctor for 27 years, and I know that healthcare staff certainly find it soul-destroying and demoralising that they must deal with so much bureaucracy. I am married to a teacher, and I know that the same bureaucracy exists in the teaching profession. As Tom Elliott mentioned, there is bureaucracy across many professions and it is driving people away from them.

What qualifies me to speak on a farming issue? Farming, like medicine, is a vocation. When people talk about vocations, they often mention medicine, teaching, or the spiritual or ministerial life. However, farming is a vocation, too. As Mr Clyde said, farmers work from six in the morning until six at night.

I did not discover until I did general practice that farmers often do not get holidays because they do not have cover. I believe that farming is a vocation.

What qualifies me to speak on this? I am not from a farming background, but I now live in a farming setting in Tyrone. My mother came from a farming background in the very far east of County Down.

Mr Coulter and Mr Kennedy referred to an important matter. I am a GP in a farming community. Many of the farmers are not just my friends but also my patients. The health concerns that I have for the farming community are down to red tape. Although we laughed about the six years on the sheep that Mr Coulter talked about, it is serious. In the Health Service, we feel the same.

I got involved in politics through a health issue. I was often quoted as calling the Health Service, because of what is happening here, an administrative monster, indeed, a bureaucratic cancer. I have been watching it for over 20 years now. I do not know what sort of a disease it is, but it is certainly contagious. And it is not just the Department of Health that has it: it has spread to the other Departments, including farming. This is a nonsense, and it is time that we as a society that is a part of Europe looked at our legislation. I agreed with Mr Coulter when he asked what was more important. Of course, we need legislation within reason, but we need to talk to the farmers.

My concern is, primarily, what this is doing to our farming community. The loss of incentive has to be mentioned. Many young people are being put off farming simply because of the red tape and the amount of time that they would have to give to it. Rather than dealing with the livestock and the beasts, as they are called, they are dealing more and more with paper. As an experienced GP more of my time, and that of my colleagues, is now spent looking at forms and ticking boxes than dealing with sick people. I know from my farming patients that they are doing the same rather than dealing with the beasts.

I do not like the blame game that goes on in politics. I have a brother in the legal profession. Some of my fellow Assembly colleagues who not here today are in the legal profession. The legal profession — I will keep going because they are not here today. *[Laughter.]* I say this in front of my brother: lawyers have to catch themselves on. They are ruining society. Everything now is defensive. We are practising defensive medicine in case we are sued in the High Court. The same applies to how farmers work. Instead of using common sense, we are being defensive because of fear of the High Court.

Without pointing the finger solely at our legal colleagues, the fault may also lie with our claim culture. People are now into claiming. In the medical profession we call it “compensationitis”. We have to

put a stop to it and bring common sense back into the equation, where we can support the people working in these important jobs, including farming.

We should not forget that this part of the world is rural, both North and South. Setting aside the populations of the cities, the vast majority of people, North and South, live in the country. Yet all of this bureaucracy is due to centralisation. The rural people seem to have been forgotten about. The Government should not forget that people who live here in the North are rural people.

When Members canvass for votes, they should show their support for the farmers.

It is a pleasure to support the motion, and it seems that everyone has supported it. It is wonderful to have everyone on board. Other Members have mentioned that all parties support the farmers. It is great to see that in Northern Ireland, and I do not intend to rock the boat.

Mr Poots: With the exception of the odd jab between the DUP and Sinn Féin, everybody has been speaking with the same mind. Perhaps I should keep the debate going and remind Sinn Féin Members that the only party preventing Northern Ireland from having an agriculture Minister is Sinn Féin. Perhaps Sinn Féin will tell us today when its Ard-Fheis or conference will be called and when Ms Gildernew and those of her colleagues who do not support their leadership will do so in order to allow the party to call the meeting. Perhaps we can get on with establishing a Government in Northern Ireland on the back of that.

The motion contains many issues that must be addressed. Northern Ireland has been bogged down with red tape and bureaucracy for some time. We need to know what the detailed rules for the implementation of the nitrates directive are, and the farm nutrient management scheme must be more practical. The scheme that will deal with the protection of air, soil and ground waste is another example of the gold-plating of environmental issues in which the Government have gone over the top.

Are the Government interested in the environment? I heard Mr O'Leary from Ryanair taking on a former Minister who had responsibility for agriculture in Northern Ireland, Mr Pearson. Mr Pearson came out worst in the exchange. I was glad to hear Mr O'Leary taking on the Government on the environment, because the Government merely pay lip-service to the issue. Nowhere is that more obvious than in the agriculture industry.

Many regulations are being applied to the agriculture sector across Europe, but the most damaging factor to the worldwide environment is the deforestation of South America. Forests are being burned to create more land in which to produce more beef that will be shipped to Europe to prop up a low beef price so that

supermarkets can flog cheap beef and screw the farmers in the United Kingdom. That will prevent United Kingdom farmers from getting a decent price for their beef. The Government are happy with a cheap food policy when that process can be applied, and they are not concerned about the environment, deforestation or its impact on Africa and other parts of the world.

We hear a great deal about ethical food policy. The United Kingdom imports chicken from south-east Asia that is not produced ethically. The chickens are reared on wire-mesh floors that are suspended above carp pools. The carp feed on the faeces of the chickens and are then used in food production. The intestine, bones and offal of the carp are cooked, turned into meal and fed to the chickens. That would not put the desired sizzle into your chicken, but the British Government allow that food to be imported into our country. Consequently, chicken prices are driven down, and the people who are producing it properly, ethically and with regard for the environment are undermined.

Today, the poor old Department has been hit, quite rightly, left, right and centre. However, in a declining agriculture industry in which the numbers involved and the profits have reduced, DARD has been innovative in creating jobs for civil servants — not for anybody else. Since there are fewer farmers, one would anticipate that fewer people would be required to regulate farming. However, what has happened? More regulations have been produced to sustain the same number of civil servants to regulate fewer farmers. That is a critical problem for farming, and consequently many people have been driven out of it. The regulations make farming less profitable and more burdensome, and they make it more difficult for farmers to do their job.

(Madam Speaker in the Chair)

2.00 pm.

There was a recent document on animal welfare legislation that was to have been responded to by December 2006. The best thing that DARD could do for animal welfare would be to allow farmers to do what they are supposed to do, and that is the farmer's primary job of animal and crop husbandry. Farmers are not allowed to look after their animals and crops, because they are burdened by paperwork. It can be more detrimental to profitability to make a mistake in the paperwork than a mistake on the farm that might lead to the loss of livestock. It is sensible for farmers to look after that paperwork because of the burden that the Department could apply to them. The more that DARD puts costs into the industry, the more that people leave that industry.

The issue of BSE arose 10 years ago and led to the decline that has taken place in the agriculture industry in Northern Ireland. At that time, we were warned of

an epidemic in CJD and new variant CJD (nvCJD). On reflection, more farmers have lost their lives through suicide than through nvCJD. Although it has been a terrible thing for those families who have lost relatives through nvCJD, the impact goes beyond those individuals. Many people have gone through traumatic experiences as a consequence.

I left school to go to agriculture college and to become a farmer; that was all I wanted to do when I was at school. A generation on, my oldest son is 17 and I would not contemplate the possibility of his leaving school to come home to farm on a full-time basis. That is the difference in the agriculture industry over one generation. Young people, the lifeblood of anything, are staying away from the industry to go into other jobs where they earn decent wages and get respect for the work that they do.

We hear people on programmes such as the 'Stephen Nolan Show' talking disparagingly of *culchies*. There is no respect for those people who work hard to produce a high-quality product. The most important product that people use is the food that enters their bodies. Northern Ireland farmers do that job, and they do it well. We need a Department that will support them to do that job, a Department that is slimmer and more efficient. I am not suggesting that civil servants be sacked, but we must look to efficiencies in the Department and consider a situation where civil servants who leave are not replaced. The Department must not cost the public exchequer more money than the agriculture sector actually makes. It is not sustainable for a Department to cost the taxpayer more in pounds and pence than is yielded to the people in that industry.

I welcome the many people from the farming community who are here today, and I trust that we can look to a better future in farming. However, that can only happen when the Government give proper and full support to that industry.

Mr Gallagher: I welcome the debate. I want to mention the important contribution that farmers can make to the development of renewable energy and the reduction of our reliance on imported coal and oil, which contributes enormously to the problem of climate change.

Before doing so, I agree with those Members who spoke about the excessive levels of bureaucracy, particularly in DARD. Some of the regulations that have been mentioned are daft and nonsensical: one states that a farmer must use red diesel in his tractor for certain tasks but change to white diesel for others. Some of the red tape concerning the cutting of hedges and the disposal of the cuttings is absurd. Although some level of bureaucracy may be necessary, it could be significantly reduced.

I hope that someone from DARD will get the message from today's debate that the present use of red tape causes high levels of stress, considerable anxiety and worry for many farming families. In its policy document 'Five Steps to a Better Future', the UFU recommends the involvement of the farming community in producing renewable energy.

This winter alone, everyone has experienced floods and storms. We can see that climate change is happening here in Northern Ireland, not in another continent or at the North Pole. It poses a threat to future society, and something must be done about it. Although Northern Ireland covers a small area where carbon emissions are concerned, we have a responsibility to reduce our reliance on fossil fuels.

Some measures are being taken to address the problem. For example, there is some agreement at EU level and beyond — among some countries, at least — to take the problem seriously. Targets have been set to reduce CO₂ emissions in Northern Ireland: by 2010, they should be reduced by 20% from their 1990 level, after which there should be continued annual reductions of 1.5%. The target date is 2010; it is now 2007, and Northern Ireland still relies almost entirely on imported coal and oil for its energy needs. Those fuels contribute most directly to global warming. At the same time, there is a failure to harness those energy sources, such as biomass and biofuels, that could bring enormous benefits.

There are some exceptions: in my Fermanagh and South Tyrone constituency, a well-known company, Balcas, has won international awards for its use of wood pellets to produce energy. It is a large company that employs almost 1,000 people, and it meets all its energy needs through the use of wood pellets. Wood has been described as a carbon-neutral fuel, because as it grows, it absorbs roughly the same amount of carbon as it emits when later burned.

Land and climate conditions here mean that every farm in Northern Ireland can help to reduce the reliance on imported fossil fuels by growing willow and different forms of grass, such as pampas, or sunflower crops.

The Government must also be prepared to take some brave steps, to show the way and to encourage the development of renewable energy systems. That is why the UFU's initiative calls on the Government to procure locally sourced renewable energy to use in its Departments. That should be a priority for the new Executive.

We need that commitment, not just from the Department of Agriculture, but from all Government Departments. For example, they are committing themselves to converting to the use of woodchip to heat and provide energy for buildings, but we need other incentives to encourage the building of low-

energy housing and the installation of renewable energy sources in existing houses.

Alongside that, we need a policy for vehicles, at least for those vehicles belonging to Government Departments that are taking their responsibilities seriously by increasing their reliance on sustainable fuels. There is more that can be done by the Government to demonstrate to farmers that there is a future for them and that it is a future for the development of a sustainable and profitable supply of renewable energy.

There is undoubtedly untapped potential for our farmers to grow the crops to produce biofuels and wood, such as willow trees, for biomass. I welcome the debate, and I hope that its result will be that the plight of the farming community is taken more seriously by an incoming Executive.

Mr Armstrong: I rise to support the motion as a paid-up member of the Ulster Farmers' Union. As a farmer and an Assembly Member, I know the problems that the farming community has faced over the past ten years since Lord Dubs came to Belfast at the time of the pig crisis.

It gives me great pleasure to conclude the debate deploring the over-bureaucratic administration of Northern Ireland's farming industry, and I back the call made by the Ulster Farmers' Union to implement initiatives that would have a positive impact on the circumstances and morale of the farming industry in Northern Ireland.

The publication of the agricultural census in 2006 shows a continuing and worrying decline in the number of farms in Northern Ireland, with a loss of 325 farms recorded last year. The total number of active farm businesses in Northern Ireland stands at 27,000. Over 50,000 people are employed on local farms with a further 18,000 in the food processing industry, contributing to £2.4 billion to our economy.

If any other industry suffered the same decline, there would be an outcry, but sadly the Government are slow to support Northern Ireland's largest private sector industry. Instead, it seems that DARD is intent on policing the farmers instead of supporting them. DARD used to be there to strengthen agriculture. That was the case eight years ago — that is what Ian Paisley said, and most of the farmers today in the Assembly know that. However, it is now entangling farmers in more red tape, which slows the agriculture industry down. Furthermore, we have fewer farmers. As Derek Hussey said, there is one farmer to every seven or eight officials. That is a big problem, and it seems that someone is keeping himself in a job.

I welcome the Davidson Review of the implementation of the EU legislation. It said that in many cases, the legislation has been gold-plated in its implementation to the extent that it may run contrary to its objectives. That means that the extra measures

that are implemented can seriously harm the competitiveness of the farmers in Northern Ireland.

In recent times, farmers have had to face a vast range of new legislation imposed by the EU. Those have been further imposed by Westminster and implemented by DARD. Members in our debate today have referred to the various implications of the new regulations including farm waste, farm nutrient management and single farm payment, and many have not even received the weather aid for their potatoes. I think that Mr Bradley highlighted that.

All have agreed that the Government have painstakingly imposed EU legislation and that they have created huge unnecessary problems. We all know of the planning problems: a farmer who wants to build an extra chicken house or put up a wind turbine cannot get his plans through without a pile of red tape.

In farming, the volume of red tape is excessive. Members have heard outcries from numerous farmers in Northern Ireland, many of whom are facing heavy financial penalties. The strict approach taken by Government — by DARD — in applying penalties for non-conformities is totally unacceptable, especially since such an approach is not applied in other EU states.

2.15 pm

At present, five separate Government agencies are responsible for the inspection and enforcement of these regulations. That is overly bureaucratic, and those agencies should be subsumed into a single inspectorate.

I support the introduction of a farmers' charter, which would allow farmers to be free from administration and unnecessary paperwork and offer Northern Ireland farmers the same level of protection that is available in other EU states.

In October 2006, I visited Denmark to look at dairy farming methods and how Danish farmers deal with nitrates, in view of the new EU legislation now being implemented in Northern Ireland. I was amazed and encouraged at seeing how closely Danish farmers worked with their Agriculture Department, each supporting the other to ensure that the industry was promoted.

All our farmers want is a common-sense approach, but they are not getting that. I commend the Ulster Farmers' Union on its paper, 'Five Steps to a Better Future: Early Initiatives for a New Programme for Government'. It is straightforward and to the point in its recommendations to Government and a future devolved Assembly. Colleagues have already detailed the merits of the five points.

Agriculture is the single largest private sector industry in Northern Ireland, and it requires the support of all consumers. In the competitive world in which we live, it is necessary for Government to ensure that the industry is helped — rather than hindered — in

reaching the best possible export markets, because Northern Ireland is an exporting country.

In recent years, Northern Ireland's consumers have been educated to demand higher quality food, which our farmers supply to supermarkets, restaurants, schools, hospitals, and so on. Northern Ireland consumers recognise the quality of local produce and choose it for themselves and their families. However, the increasing demands placed on farmers hinder the work that they endeavour to carry out daily.

I fully support the motion and call on the Government to implement the initiative of the Ulster Farmers' Union and to demonstrate to farmers that they will be supported in ensuring the future of the agriculture industry in Northern Ireland. These initiatives, if adopted, would be relatively inexpensive and would offer a much-needed boost to the largest industry in Northern Ireland.

However, since 1998, when I was first elected to the Assembly and met Lord Dubs, the then direct rule Minister with responsibility for agriculture and rural development — we all know the stories about him — only lip-service has been paid to the agriculture industry. Until we, as elected representatives, can hold local Ministers accountable, there is little chance that anything can be achieved beyond debating the issue.

Danny Kennedy referred to the Labour Government's inability to feel sympathy; we know how much sympathy the Labour Party has shown over the past eight years — that is, not much to rural communities in Northern Ireland. Furthermore, Members have already referred to the need for devolved Government.

These problems are another example of Northern Ireland being held to ransom by lack of progress in the political process. For Northern Ireland to move forward we must get the democratic Members of this Assembly up and going. The Ulster Unionist Party has shown leadership over the past eight years. It is now time for Sinn Féin to show some leadership and a commitment to fundamental democratic principles.

I am pleased that all parties support the motion. I wish to thank Tom Elliott and P J Bradley for tabling the motion, and also all Members who have taken part in the debate. I also thank the Ulster Farmers' Union, which is working hard in a difficult situation to highlight the plight of local farmers.

All Members have agreed that our farmers demand not only devolved Government but joined-up government in Northern Ireland.

Question put and agreed to.

Resolved:

That this Assembly deplores the over-bureaucratic administration within the Northern Ireland agricultural industry and calls on the government to implement legislation / regulations with less gold-plating, and to put in place a review of current legislation and regulations with a view to reducing any unnecessary

bureaucratic burden; and further calls on the government to implement the initiatives set out in the Ulster Farmers' Union document 'Five Steps to a Better Future'.

Closure of Post Offices

Madam Speaker: Order. The Business Committee has allowed two and a half hours for this debate. The Member proposing the motion will have 15 minutes, and there will be 15 minutes for the winding-up speech. All other Members will have a maximum of 10 minutes to speak.

Lord Morrow: On a point of order, Madam Speaker. Is it not the custom that, when you are on your feet, all Members should be in their seats? Today in particular, I noted that when you stood to announce the next item of business, Members made a point of leaving the Chamber. Will you clarify for Members — yet again — that when you are on your feet, every other Member of the House should be in his or her place?

Madam Speaker: I am most grateful to Lord Morrow for making that comment. Indeed, I have mentioned to the Clerks that I will raise that issue again at the tomorrow's meeting of the Business Committee. Before Christmas, it seemed that that issue was commented on every week. I am at the stage where I may bring in my school cane — however, Members may enjoy that too much.

[Laughter.]

Mr Hay: I beg to move

That this Assembly deplores the introduction of proposals by the government to close a number of Post Offices across Northern Ireland; and the implications these proposals will have for rural Post Offices.

The motion stands in my name and in the name of the Member for North Down Peter Weir. However, I will accept the amendment in the names of Mr McGlone and Mr Dallat, as it certainly adds to the motion.

The debate is important because the proposed changes will have a serious, devastating and unprecedented effect on the post office network across Northern Ireland and will lead to the closure of over 100 post offices in Northern Ireland. Members have had this debate before: in March 2000, the Government announced a review of services in the post office network across Northern Ireland. The Member for East Londonderry John Dallat tabled a motion that rightly criticised a number of issues in that review.

Mr Dallat's motion received the House's full support, and I hope that this motion will command the same level of support.

Out of that review, the Government announced several initiatives, the real purpose of which was to strip and downgrade essential Post Office services. The

Government determined that social security benefits and other important payments would be paid directly into customers' bank accounts.

Any business, irrespective of what it is, that loses, or is stripped of, essential services, can go only one way — it must close. It will become unprofitable and will no longer be economically viable. That has been the history of Post Office services across Northern Ireland, and the outcome of every proposal that the Government or Post Office Ltd have acted on here. In March 2004, the Government announced more initiatives, which, they claimed, were about transforming Post Office branches in Northern Ireland. Those initiatives led to the closure of almost 20 post offices.

Alistair Darling is the Secretary of State for Trade and Industry at Westminster. I do not know whose darling he is, but after this debate he will probably not be the darling of this House. In December 2006, he announced a restructuring plan to help modernise post offices. As I have said, every initiative from the Government or Post Office Ltd has ended in the closure of post offices. That has been the bottom line.

Every Member will agree that local post offices, whether in rural or urban areas, are a vital part of our community. The Government's latest proposals will have a major impact, especially in rural communities across the country. The closure of village post offices will have a disastrous effect on rural life. I acknowledge that the plans will also result in the closure of urban post offices, but my information suggests that the rural community will suffer more than anyone else in Northern Ireland.

Mrs I Robinson: Does the Member agree that the rural community will suffer a double whammy? Not every small village or hamlet has a bank. Our roads infrastructure and bus services are so poor that even to travel to larger towns requires a major effort, meaning that rural communities are the worst hit by closures.

Mr Hay: I agree with the hon Member. The figures show that the vast majority of post office closures will occur in the rural community. When considered alongside the effect that draft PPS 14 will have on rural planning, the proposed closure of rural schools, and rural transport concerns, we are all aware of the serious effect that those closures will have. The rural community is facing many other problems, but insult is added to injury when we see what the Government have planned in the way of post office closures in Northern Ireland.

2.30 pm

Every Member would agree that rural and urban post offices form the backbone of local society and economy and that they provide essential services to the community. Post offices in Northern Ireland have been social outlets, especially for the elderly. Going to the

post office is probably the only time that many elderly people get out and socialise. People in Northern Ireland have always felt that post offices provide more than a service — they are a vital social outlet.

The Government's plans threaten the whole post office network on a large scale as never before. If the proposals go through as the Government plan, 2,500 post offices across the United Kingdom would close, including 100 in Northern Ireland. However, the tragedy is that it does not stop there. Post Office Ltd has told Government in the past few days that of the 14,300 post offices in England, Scotland, Wales and Northern Ireland, it intends to operate just 4,000 in the next few years. By 2009, 2,500 post offices will have closed, but Post Office Ltd has said that it wants to go further. For commercial reasons, it would like to operate only 4,000 post offices in the United Kingdom, which is a serious situation for post offices in Northern Ireland, England, Scotland and Wales.

The closures do not affect post offices only. Many small businesses, including shops, are built around post offices in rural areas and they operate successfully. My greatest fear is that the number of intended closures will have serious financial knock-on effects for small businesses. That is a tragedy.

Members have debated this issue before. The Member for East Londonderry, John Dallat, moved a motion in the House in 2000. At that time, Members believed that the Government would listen to their views on post office closures and how we might run post offices in future. Practically all the debate fell on deaf ears. Indeed, before 2000 the Government and Post Office Ltd were determined to have fewer post offices across the United Kingdom. Eighty-two per cent of small businesses believe that the closure of post offices will have a serious effect on their business. Information from the small business sector shows that 88% of small firms send their mail through the Post Office every day and 69% send invoices: 87% of mail is business mail. That is a flavour of the real — if limited — business carried out by post offices in Northern Ireland. Just imagine the effect that the Government's proposed post office closures would have on the small business sector in Northern Ireland.

This is not simply a matter of the closure of post offices; I believe that it will have serious consequences for the entire Northern Ireland economy. There is no doubt that the Government's proposals — if they are allowed to get away with them — will lead to the United Kingdom being absolutely stripped of post offices, particularly in Northern Ireland.

The Government have proposed mobile post offices — that may work in England and Wales, but it will not work in Northern Ireland. That suggestion is intended to soften the blow of the closure of post offices. This

House should be very critical of the Government's proposals and should call on them to sustain our post office network, particularly in rural areas. The Government must put real finances into the post offices that are still open and operating. Those post offices want to operate and remain open for business, but we face the problem of a Government that have continually withdrawn services, leaving those offices non-profitable.

The Government tell us that the post office network is £2 million in debt, but that is simply due to the Government's stripping of services at every opportunity. The Government say that they are examining the development of mobile post offices across Northern Ireland. The Government believe that that proposal might work, but the only measure that will work in Northern Ireland — and, I believe, in England, Scotland and Wales — is for us to clearly tell the Government that if they really want to sustain post offices in the long term, they must provide long-term finances and recognise that post office services are vitally important to the Northern Ireland economy.

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

"all Post Offices, urban, suburban and rural; and calls on a future devolved administration to work in conjunction with the Post Office and the Social Security Agency to retain Post Office card accounts; and further calls for the development of other government and financial services which address the needs of recipients of state benefits and pensions, other Post Office users and future potential customers."

I welcome the decision by Mr Hay and the DUP to accept the amendment. I am delighted that we shall be unanimous in our determination to ensure that the post office network continues to exist. Mr Hay pointed out that a previous Assembly had debated this issue. At that stage, it seemed that the future of the post office network was guaranteed, particularly in rural areas, but also in disadvantaged suburban and urban areas. At that time, officials from the Office of the First Minister and the Deputy First Minister visited Coleraine, which was to be the site of a pilot scheme for new services. Unfortunately, other political matters overcame the need to save the post offices, and the matter was ignored by the various Government Departments that could have introduced new services throughout the post office network and thereby removed the threat of closure that so many offices now face. The Government could at least have defended the present service, rather than stand idly by and watch those offices be whittled away.

There are various predictions about the number of sub-post offices that might close — some say 100 of the 540 that still exist. However, we all know that the situation will probably be much worse if we do not immediately begin to develop our own model for

future post office services. The amendment was intended to illustrate what could and should be done.

During the long regime of direct rule, we have been forced to adopt models in practically every facet of life that are alien to the rural environment in which many of us live. The issues that face rural communities were highlighted during today's earlier debate on agriculture. By and large, we do not live in cities of hundreds of thousands, or millions, of people in close proximity to one another. We are a scattered community with a poor transport infrastructure, and the further one moves from the greater Belfast area, the truer that becomes. In those circumstances, the post office is often the hub of the local community and performs a unique service — in both parts of the island. The post offices are worth saving, not just for the sake of keeping them, but to improve, update and enhance the level of service for the people whom we represent.

I am an eternal optimist. Assuming that there will be a new Assembly, it must immediately put its stamp on the urgency of the delivery of Government services. It would be reasonable for the Assembly to do a deal with the Social Security Agency, over which it would have the control, to continue the payment of benefits through the Post Office card system. The Assembly would not be dependent on Britain for that. The Assembly could also direct the Departments to make better use of the Post Office in their attempts to put into the public arena the information, advice and help that those people who are often in the greatest need require to qualify for the millions of pounds of unclaimed benefits.

In the Republic of Ireland, where post offices are experiencing similar difficulties, the Government have acted to inject new life and services into the network. That is not perfect, but it is a start that will sustain rural post offices in areas where there are no banks and no other means to address financial matters.

In life, everything changes, and the Post Office is no different. The tragedy is that no one is controlling the changes in the Post Office, and rather than modernise post offices in a way that ensures that they keep pace with the passage of time, the Government are quite happy to allow them to be killed off. There have been various schemes, but none of them has been supported properly. Perhaps the worst example of that is the card system, which worked very well and was welcomed by many people who did not want to use banks.

Despite their best efforts, postmasters — in particular, sub-postmasters — have been treated extremely badly. Indeed, very often, as we heard during a recent meeting in the Long Gallery, they are forced to invest their own finances to keep in place services that are not only wanted, but badly needed. That is shameful and illustrates just how far removed Government are

from the people whom they are supposed to represent. That must change now. I suggest that that is another reason to get the Assembly up and running.

In other parts of the world, post offices are used as centres where various public services can pitch their tents to deal with and listen to members of the public. In some rural areas, the police or their administrators are available at certain times to deal not necessarily with serious crime, but with local issues and complaints from members of the public. There may be a role for organisations such as the Citizens Advice Bureau (CAB) that support and help the public in an ever-complex society. There are no limits to how the Post Office could be modernised to continue serving the people, which has been its role since the introduction of the penny black stamp and the mail coaches.

We remember many people from the past for what they created. Examples are John Boyd Dunlop who invented the pneumatic tyre, Harry Ferguson who invented the hydraulic tractor, and many others who transformed the lives of people today. Would it not be a pity if this generation were to be remembered for what it destroyed rather than what it created? Let us begin by saving the Post Office and let us do that from today.

Some Members: Hear, hear.

Mr Beggs: Although I support the motion, I welcome the amendment tabled by Mr McGlone and Mr Dallat. There is a need to go further than the motion, and I am pleased that Mr Hay has accepted the amendment. The amendment enhances the motion by highlighting that, because both are at risk from the current proposals, there is a need to support urban and rural post offices.

Recently, there have been a number of closures in my constituency. Kilwaughter post office closed after financial uncertainty meant that it failed to attract a new sub-postmaster. Furthermore, in the urban Carrickfergus area, Woodburn post office and Eden post office have closed. In Larne, the Harbour sub-post office and Waterloo Road post offices have closed. Clearly, it is an issue that has affected and will continue to affect urban and rural post offices.

2.45 pm

Post offices are particularly important to the rural community, but, as I said, they are also an important focal point for many urban communities. The financial pressures on the post office network exist in urban and rural settings equally.

The amendment mentions the Post Office card account and calls for a future Administration to work with the Post Office and the Social Security Agency to retain post offices. The card account has become almost the heart of post offices. With the transfer of some payments to banks, post offices now make a

significant part of their earnings from the card account. Were the Government silly enough to award the contract to PayPal or some other service, it would be the death knell for many post offices, and perhaps for the whole network. It is strange that the account is out to contract, and there appears to be a real risk that it may go elsewhere. That would be unacceptable. The Government should stop playing about and sort out the details well in advance because uncertainty does not help the post office network.

There are approximately 14,000 post offices in the UK, and around 8,000 of them serve the rural community. On 14 December 2006, the Secretary of State for Trade and Industry, Alistair Darling, announced the publication of the consultation document 'The Post Office Network', which includes the Government's proposals for restructuring the national post office network. He said that he expects that 2,500 post office branches will close. However, it appears that the total may go far beyond that figure, and I do not think that that is an exaggeration. Therefore sustainability is a huge problem facing urban and rural post offices.

The Secretary of State for Trade and Industry proposed also that there should be further investigation into the role that local authorities and the devolved Administrations in Scotland, Wales and Northern Ireland might play in influencing Post Office services and how they might best be delivered. However, I must issue a word of warning. Does he want to transfer more funding from the central Exchequer to a devolved Assembly or to local ratepayers or is this a neat way of passing down the costs? It would be worthwhile to have discussions on the matter, as this should not be a basis for simply transferring costs from central Government to local devolved Administrations.

The Citizens Advice Bureau has advised that the post office network serves about 84% of people in rural areas who live within one mile of a post office and that, in addition, two thirds of villages with between 500 and 1,000 inhabitants have a local post office. Not only do the post offices provide a range of postal, Government and commercial services, but their presence brings additional benefits to the local community. For example, they make a positive contribution to local businesses by increasing the number of people who pass through a particular location.

Frequently in the rural setting retail stores are under pressure owing to the success of supermarkets, etc. The post office network is a vital part of the rural community as it keeps local shops open. It must be remembered that many people do not have the ability to travel to supermarkets regularly so those rural retail operations are an essential requirement for the rural community.

Postwatch found that:

“whether affluent or disadvantaged, traditional village or post war estate, the closure of the rural post office appeared to have had far-reaching effects upon both particular individuals and the community in general. It became apparent that the post office played an extremely important role in the rural community, a role that transcended the provision of post office services or even the goods sold at the store which was often attached.”

Many bodies have recognised the importance of post offices in isolated areas. There is a real risk that if rural post offices were to close, the viability of local convenience or grocery stores would be lost. That might apply to urban areas also, meaning that pensioners or young mothers would have to walk considerable distances to get to the grocery shops. The closure of post offices could make it difficult for disadvantaged people to obtain cash and basic groceries, if these were previously provided by their local post offices.

I have noticed an increasing number of cashpoints in rural settings, but they are the type that charge users £1 to withdraw £10. Many people who cannot afford banking services, or who are not financially secure enough for the banks to want their business, are reliant on the services provided by post offices. Even if they have a bank account and are able to use a cashpoint, 10% of their money could be lost to an access company. If there is no local post office, people often have to pay for transport in order to obtain their cash. That is another problem, with many people taking all their money out at one time, which may put them more at risk.

Why do many of the main banks in Northern Ireland not allow their services to be used in the post offices? The banks in England and Wales do, and it is a major benefit to local communities in accessing their bank accounts. The issue is under review by the Competition Commission; I hope that it will force the banks' hands, because the ability of people in Northern Ireland to access competitive banking services has been restricted. It is an important issue that must be addressed.

There is also a lack of joined-up thinking among Departments. The Post Office and the BBC are both publicly owned. Why on earth has the contract to sell television licences gone outside the public sector? We are paying for a private sector company to collect those payments. Surely the Government should adopt some joined-up thinking, retain the TV licence contract, and enable some of that income to pass through the post office network.

There have been developments in other parts of the United Kingdom. In Wales, £750,000 a year has been approved for rural retail services and post offices. The Scottish Executive are encouraging post offices to provide an Internet-access service. Such issues will also have to be addressed here.

The Ulster Farmers' Union has highlighted the potential closure of post offices and the adverse effects on rural communities. This comes on top of the centralisation of health services, the pressure on rural schools and changes to planning policies. Rural communities are at serious risk. I support the motion and the amendment. I hope that all Members will support them.

Mr McLaughlin: Go raibh maith agat, a Cheann Comhairle. I also support the motion and the amendment. I commend my colleagues on bringing them before us. It is an important opportunity for us to send a clear and united message of support for our post offices.

The plan to radically reduce the number of post offices will have a dramatic effect on local communities, particularly, but not exclusively, in rural areas. Post offices are the mainstay of many shopping malls and high-street retail centres, but, in a very particular way, they benefit rural communities.

In a relevant study, Postwatch Scotland found that due to the limitations of transport in rural Scotland, if post offices were closed, there would inevitably be an increase in vehicle use and a negative impact on the environment. Therefore, the argument for maintaining a strong network of rural post offices is that it would be good for the environment and for accessing important public services.

The postal authorities have an obligation to ensure that no more than 5% of users' premises are further than five kilometres away from an access point that is capable of receiving registered mail — normally defined as a post office — but in Scotland this has already gone beyond 19%. This part of Ireland — and the area west of the Bann in particular — has similar rurality. I echo the comments of Tom Begg, chairman of Postwatch Scotland, who said that rural post offices need “long-term clarity” together with “short-term certainty” — a bit like the Assembly, I suppose. He said that they also need:

“a change programme based on clear criteria of customers' needs”.

I also agree with him that:

“Change should not be a top-down approach ... Government's consultation should be based on evidence and recognition [and prioritisation] of customer needs”.

Dr Begg argued for local consultation on individual changes because:

“One size does not fit all ... Local needs and capabilities differ”.

That precisely echoes the conclusions of the Assembly's own economic subgroup in respect of Treasury's general strategy for the regeneration of a regional economy. One size does not fit all. What works in London or in the south east of England does not necessarily benefit any other region. Clearly, rural

areas will be particularly affected by the loss of a service as essential as the local post office. In many rural areas, the post office is not only a commercial enterprise, but the eyes and ears of a community. Often the postmaster or postmistress is the first to realise that an elderly member of the community may be ill or in need of assistance as a direct result of noting the disruption of longstanding routine or because regular clients do not turn up to collect their pensions or avail of other post office services.

The closure of post offices will affect economically deprived areas the most, as it is in these areas that many people have no economic rationale to have bank accounts. Of course, these citizens are often the most vulnerable in society and are therefore even more dependent on post offices for essential services. If these cost-saving measures are permitted to go ahead, the most disadvantaged in society will suffer: the elderly; people on low incomes; people with disabilities; people who cannot afford to own or maintain a motor vehicle. Many people in these categories carry out most of their financial transactions in the local post office, and closure would be a major disruption to their way of life. In rural districts, where transport provision is often very limited and banking facilities invariably scarce, how can those without personal transport access bank or post office services?

The withdrawal of Government business has created this crisis. Deliberate Government policy and dogma is the real reason that many local offices are now considered unviable. It is the inevitable result, not of the loss of any traditional customer base, but of Government action in running down many services that were once the mainstay of post offices.

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

This Government understands cause and effect better than most. When payment of benefits moved from payment books to electronic accounts, post offices lost out dramatically because Government encouraged recipients to have their benefits paid through bank accounts. The loss of the NIE powercards, TV licence saving stamps and other prepayment cards to convenience stores was yet another blow. Therefore I contend that it is deliberate Government policy that has the post office network in the state that it is in; and deliberate Government policy is required to secure the survival of this essential community service.

Rather than closing post offices, Government should be looking for ways of expanding the range of services available through this vital community network. Post offices provide community and social benefits, as well as direct and indirect economic benefits, and should therefore be supported to the maximum extent. The Government need to realise that investment and support for building up human and social capital is as

important as many other mainstream Government programmes for giving local and sometimes isolated communities a sense of worth and well-being.

For the rural community, all of this is additional evidence of Government's intention to destroy a traditional way of life. First came PPS 14; then the announcement that some — perhaps many — rural schools would have to close; and now the local post offices may also be shut.

Those developments continue the worrying erosion of essential services in rural areas. That will lead to depopulation and the fragmentation of long-standing communities.

3.00 pm

To survive, rural communities need the post office network. We need to see actions that will regenerate our local communities and our rural communities, not irresponsible and unaccountable actions that will decimate them.

UFU president, Kenneth Sharkey, speaking on behalf of the farming community on the potential closure of post offices, said:

"This is removing a very valuable service from the rural areas affected and is another example of how policy makers are ignoring the impact of their decisions on rural communities".

He continued:

"Many farming families live in isolated areas and they feel their services are becoming less and less accessible."

The UFU highlighted recent decisions that will impact negatively on rural communities. Issues causing concern included: healthcare services being centralised; rural schools facing an uncertain future; plans to reduce the number of fire appliances covering rural areas; draft PPS 14 dashing many people's expectations of living in their communities; many school bus routes in rural areas not being treated, despite icy and frosty conditions; and the wider transportation policy, particularly as it affects the rural community.

The cumulative effect of all those measures will serve only to force people out of rural areas and into larger towns and cities, further depopulating the countryside. This Assembly should unanimously endorse the motion in order to make it clear that that will not happen. I support the motion and the amendment.

Mr Neeson: I also support the motion and the amendment. I deeply regret the fact that this Assembly has no powers. These debates are beginning to resemble the weekly rituals that we experienced at the Forum for Political Dialogue in the Interpoint Centre. This is not so much a transitional Assembly as a pretend Assembly, given the way in which things are going. It is like the old definition of an Irish Parliament — everybody talks but nobody listens.

On 24 October 2006, more than 30 MLAs met with the National Federation of SubPostmasters (NFSP) in the Long Gallery. That meeting came before the statement from the Secretary of State for Trade and Industry, Alistair Darling, on 14 December 2006. One could understand the NFSP's deep concerns about the future of small post offices in Northern Ireland and the business as a whole. In my constituency of East Antrim, several small post offices have already been closed. My local post office at Milebush has closed, and many people miss it badly.

Mr Hay outlined how the closure of post offices affects other businesses. My colleague Naomi Long reminded me today of the experience in Ballybeen. After its post office was closed, the shops alongside it closed down. When the post office was moved out of the town centre in Carrickfergus, businesses there were also badly affected. Therefore the closure of post offices does have an impact on other businesses.

One of the NFSP's main concerns was the possible demise of the Post Office card accounts (POCAs) by 2010. Some 4.3 million people use POCAs every week to access their pension and benefit payments. POCAs currently bring in an average of 10% of a sub-postmaster's income. December's ministerial statement seems to suggest that the POCA will continue or at least that another method of payment will be introduced. That is to be welcomed, and it reflects the efforts of the NFSP's national campaign at Westminster and in other UK regions.

A great deal of pressure and competition has been coming from the banks and building societies. According to an NFSP briefing paper, recent research from the National Consumer Council (NCC) has found that:

"the Post Office is well regarded as offering a good, accessible service".

The briefing paper continues:

"and is viewed as both better trusted and more accessible than the banks."

Older people and the less well off tend to use post offices most. Research by Postcomm shows that sub-postmasters and post offices play an invaluable roll in communities by providing support for vulnerable residents, including older and disabled people.

Post offices in rural areas also provide a focal point for communities. The Welsh Assembly created a post office development fund, which provided grants of up to £50,000 to 125 small post offices in a bid to ensure that they continued to exist as the hub of their communities. Research has shown that that particular scheme has worked very well.

As I said at the outset, if the Assembly is serious about making life better here, the restoration of devolution by 26 March 2007 is seriously needed.

Dr Birnie: I support the motion and the amendment. My party agrees with the fundamental principles of the motion, and the amendment brings additional value to it in two senses. First, it widens the scope of consideration to all post offices, not simply those in rural areas — there is also an issue about post offices in urban areas, which I will refer to later. Secondly, the amendment makes valuable suggestions as to how the Government and their agencies might react to that position.

The context to the motion is the proposal to shut around 2,500 rural Post Office branches across the UK. In the last few years, there has already been a reduction of around 3,000 branches in urban areas across the UK. Northern Ireland has been part of that so-called rationalisation of the network.

I want to highlight those bodies that have responsibility for the current situation and might have responsibility for its improvement. First and foremost are the Post Office and Royal Mail. It must be emphasised that, to some extent, they are victims of the situation. The Post Office is primarily a commercial organisation. However, as has already, rightly, been indicated in this debate, its business and operations have significant social and community benefits. Given that the Post Office is required to balance its books, there is a problem when demand for its services is in a trend decline.

It is to the credit of the Post Office, Royal Mail and indeed Postwatch, the associated consumer protection watchdog, that elaborate consultation processes are in place to deal with situations that arise from proposed closures. However, my experience in south-east Belfast — and I am sure that many other Members can confirm this from their own experiences — is that in the past six years there have been between six and 10 branch closures and relocations. I am aware of only one case in which the decision has been reversed following consultation. Therefore, my experience is that while consultations pretty much run their course, the decisions go ahead as previously announced.

Critically, the Government also have responsibility for those matters. Postcomm has recently reported on the extent to which the reduction in the UK-wide post office network, both urban and rural, is largely a product of the fact that the Government, and their agencies and corporations, have stripped back the number and type of products that can be provided by post offices. I am sure that that point has been made many times during the debate.

Consider the move away from the payment of benefits at post offices, the prospective withdrawal of the Post Office card account in three years' time, and, more recently, the fact that the Post Office lost the contract to sell television licences. Strictly speaking, the decision on the contract was not so much central

Government's as the BBC's. Of course, the BBC is a public corporation, and we should perhaps be asking why it decided to make that decision.

It is also important to mention a third set of organisations with responsibility in this area: the high-street or commercial banks — although thus far they may not have adequately recognised their role. Like the post offices, banks are commercial, and, as we well know, profit-seeking and profit-making organisations. It is entirely understandable that the major banks, such as the Ulster Bank, Northern Bank, Allied Irish Bank, and so on, do not relish competition, and that has been the subject of enquiries by the General Consumer Council for Northern Ireland and the Office of Fair Trading (OFT) in recent months.

However, the banks in Northern Ireland could have done more to ally themselves with the network of Post Office branches. Arrangements could have been worked out to allow banks to use post offices as additional outlets at which certain bank services — the operation of accounts and so forth — could be provided. We have still to come to terms with the fact that a high percentage of people on low incomes in the Province do not have proper access even to basic bank accounts. That denies them many advantages, such as debit arrangements, which are taken for granted by those of us who do have bank accounts.

At the heart of the debate is the need to resolve a tension between two different ways of running organisations and two different logics. On the one hand is the market-based, commercial approach, and, in normal circumstances, the importance of that approach would be stressed for most business activities because it provides a competitive service and choice for the customer and it maximises the benefits to the customer.

However, a second approach may apply to post offices. There is a strong argument for advocating that the postal service be regarded as a universal service. In other words, provision should be the same wherever you live, be it on the Orkney Islands, in Strabane or central London, regardless of location or density of population. Basic postage rates and delivery standards — next-day delivery for first-class letters, for example — should be the same, regardless of where people live. If we accept that logic for that aspect of the postal service, we should also accept that there is a need to ensure that universal provision of service applies to the geographical spread or density of the network. That is why the amendment quite properly refers to the scale of the Post Office network, both urban and rural.

3.15 pm

Mr Deputy Speaker: I apologise to Jim Shannon.

Mr Shannon: Mr Deputy Speaker, your apology is accepted. I knew that you would call me in time.

The Post Office network reaches into every urban community and almost every sizeable rural settlement. The fact that 94% of the UK population lives within one mile of a post office is an indication of their importance.

The Post Office has around 28 million customers who use the 170 different services available to meet their individual needs, at their convenience. The Post Office has more branches in the UK than all of the banks and building societies combined. Those figures paint a fairly positive picture, but the reality is not so rosy.

Post offices have had to face more than their fair share of challenges in the last few years. Every business has its ups and downs, but the network has had to take one bitter blow after another. Some 2,500 urban post offices have been closed under the network's reinvention programme. The network has been losing £3 million a week, and it is currently supported by an annual £150 million social network payment from the Government. That payment was set to expire in March 2008, but I am glad to say that the deadline has been extended until 2011.

Nevertheless, the future sustainability of the Post Office beyond 2011 is anyone's guess. It may seem to be a hopeless loss and bad business to keep pouring money into something that appears to be unsustainable. However, it should be taken into account that Royal Mail Group registered recorded profits of £537 million for 2004-05, while the Post Office recorded a 7% loss of £110 million in the same period. The crux of the problem has been the change to the direct payment of pensions and benefits, which traditionally accounted for 40% of Post Office income. The maths are not difficult — a 40% loss of income has resulted in a 7% drop in profits. It is clear what, if not who, is to blame for that loss.

While the introduction of the Post Office card account has alleviated some losses, the Government have revealed their intention of withdrawing the card account by 2010 and have already begun the migration of card accounts into bank accounts. Frighteningly, 10% of sub-postmasters' pay comes from the card account, while other Government contracts, which are under threat, such as bill payments, account for a further 5% of that pay. The new products, despite being great for everyday customer use, do not come close to offsetting the loss of Government contracts.

There is yet another set of numbers, which speak for themselves. The biggest petition ever signed in the United Kingdom was carried in 98 mail sacks to London on 18 October 2006. Those sacks contained four million signatures of people who did not want the closure of any more post offices. That cannot and should not be overlooked. That volume of support is almost unheard of, and that warrants a more detailed

study as to why so many people are worried about post office closures.

The Government must step in and halt the absurd withdrawal of support for a national institution. Instead of desecrating that institution and running it down, there must be more provision for the suite of post office-based banking products, including an enhanced form of the card account, and offering improved customer service options that include financially excluded groups.

The Government must realise the important role that post offices play in the social life of towns and, more importantly, villages, as a place where members of the community can mix and mingle, where the vulnerable elderly are recognised and looked after by friendly staff who understand their needs, and where the youngest children can come to open their first savings accounts and learn a little about the other vital services offered. That is a vital part of country and town life, and its loss will socially exclude even more people who feel uncomfortable with banks, or who cannot use the internet to access their accounts or download the stamps that they need.

The 2007 consultation on the future of the Post Office states the aim for 90% of people to live within one mile of a post office. At present, in the rural community, 95% of people are, on average, three miles away and that rises to six miles in more remote areas. Imagine how that distance will lengthen with the closure of more post offices.

The mobile van service, which has been mentioned during the debate, is ludicrous. Opening a community hall once a week does not come close to fulfilling the needs of our rural communities, or the needs of our vulnerable elderly, for whom taking a bus into a main town elevates the fear and probability of being watched and perhaps attacked. That fear is prevalent in the older community.

The Government have a duty to the 28 million customers who use post offices each year. Those people require, and have come to depend on, Post Office services. They do not want the unnecessary changes that have been brought about by pen-pushers in Whitehall who have no idea what it is like to live in rural areas.

A survey by the National Consumer Council showed, overwhelmingly, that post offices were thought to be more accessible than banks and, more importantly, more trustworthy. As well as that, only 4% of villages have a bank, but at least 60% of villages have a post office. It is clear that many people do not have access to a bank, and, if rural post offices are closed, those people will be isolated from the necessary funds and weekly essentials, as have been, and should be, provided by post offices.

Rural businesses that are situated near to post offices attribute over 15% of their business to them. A recent survey by the Federation of Small Businesses (FSB) cited that an overwhelming 82% of small businesses said that the closure of their local post office would adversely affect them. The Royal National Institute for the Blind (RNIB) has stated that post office closures will hit blind and partially sighted people particularly hard. They will be left feeling even more socially and financially excluded than they already do, and they will no longer be able to rely on local post offices to help with the mountain of forms pushed on them by the pen-pushers.

Many people see post offices as their link to the wider world. They are places where staff are available to help them, where they are known and where their abilities and disabilities are known and catered for. The Post Office is an institution that must be given precedence for Government business, where it is reasonable and just, as is the case here. Members should encourage the public to support the Post Office's valid and useful system to help them to learn about the many services that the Post Office provides and to inform them of how well trained the staff are to offer advice and support. That should be the task before the House; we should not have to fight the Government for the Post Office's very existence.

The future of the Post Office must be considered with a view to how the Government will sustain post offices in the long term, not simply abandoned without thought for those who rely on them and trust them. Why should small towns and villages be made to suffer once again the costs of a revolution that is unnecessary and repugnant to the people for whom we have the greatest duty of care: the pensioners, children, disabled and millions of others who depend on the services that are so excellently provided by people who work so hard in post offices. The Post Office deserves the reputation that it has acquired over the years as trustworthy and secure premises for the everyday needs of local communities. I support the motion and the amendment.

Mr Brolly: Go raibh maith agat, a LeasCheann Comhairle. At the root of the legislation and policies that are threatening country dwellers, there seems to be a widespread lack of understanding and knowledge of the rural way of life. As we know only too well, bias is cradled in ignorance. In the certainty that the nitty-gritty of the motion and amendment will be well and fully presented by others, I will take a wider look at what lies behind this kind of legislation and the reason why legislators think that they can make these changes.

In debating the motion, it is important to consider the historical and — it now seems — endemic bias against rural dwelling and rural development. Historically, the Roman Empire has a lot to answer for in this part of the world.

Some Members: Hear, hear.

Mr Brolly: Not only the Roman Catholics. I have no doubt that the building of cities by the Romans was an important part of their control strategy: if the people were herded together, they could be monitored, serviced, educated and disciplined more efficiently and more economically.

The cities were beautifully constructed to sugar the pill of wrenching people from their natural, rustic environment, and citizens of Rome had rights that did not apply to the general population. The right not to be flogged for transgressions was one of many attractive incentives offered to them —

Mr Weir: We are all interested in the history lesson. Would the Member even bring it up to 1798? At least that is AD instead of BC.

Mr McLaughlin: Do you not want to hear about 1690?

Mr Brolly: He knows all about it. Thank you for that intervention. I intend to carry on, and I will get to the point.

One incentive to go to the cities was that, if you were a citizen of Rome, you had a right not to be flogged when you transgressed. In that way people were persuaded to leave their wee farms, and head up the Appian Way.

Thus, the building of cities, the marketing of city dwelling and the inevitable development of a bias towards urban culture came about courtesy of the invasion and occupation of England by the Romans. As the English gradually became almost as Roman as the Romans, native leaders emerged to promote and maintain the Pax Romani. Centuries later, the English did what the Romans did not do — they invaded and occupied Ireland.

Among other things, *civitas* is the Latin word for city. A related word, *civilitas*, has come into the English language as meaning civility or being civilised. When the Romans invaded and occupied England, the natives naturally struggled with the language of their new masters, just as the colonised Gaels of Ireland and Scotland were later to have difficulty with the mishmash of Anglo-Saxon Latin that is modern English. West Cork English and lowland Scottish English are good examples of the many regional dialectal products of the failure of the Gael to master English and speak it like gentlemen. Is it plausible that the early Roman English failed to appreciate the distinction between the words *civitas* — a city —

Mr Deputy Speaker: I am sure that this has some relevance to the closure of rural post offices, but would the Member come to the point.

Mr Brolly: I can assure you that I will come to the point, and I will do so within the 10 minutes. You have interrupted my flow.

Is it plausible that the early Roman English failed to appreciate the distinction between the words *civitas*, meaning a city, and *civilitas*, meaning civilisation, and that the legacy of that is that, to this day, to be considered civilised one must live in a city — Belfast? Could that be why rural dwellers, and their places, are given derogatory names such as “culchie” and “the back of beyond” by city dwellers? The term “culchie”, as my hon Friend said earlier, specifically describes a native of Kiltimagh in Co Mayo.

Whatever the historic origins of anti-rural bias, there can be no doubt that such a bias does exist, and that the corridors of power are trodden mainly by city slickers — we can name-call too — who have little understanding of country people and no understanding of Latin.

Country people from this part of Ireland have been under siege by current British direct rule to an unprecedented degree. The ink is not dry on one piece of repressive and destructive anti-rural legislation before the next is prepared.

3.30 pm

Therefore those of us who live in rural Ireland need our city cousins to stand with us in our fight to maintain a viable and vibrant rural constituency and to appreciate that country people, who love and care for their countryside, are its eyes, ears and protectors. Down through the ages, rural communities have proven to be the safe repository of our indigenous cultures and genuine enlightenment.

Everyone must say no to an Administration that seem intent on destroying the urban-rural balance that has served us so well for hundreds of years. Everyone must reject any legislation or proposal that would contribute further to rural decline, be that the centralisation of healthcare services, the decimation of the rural school network, reduction of cover for the Fire and Rescue Service, Draft PPS 14, reluctance to provide proper public transport, road infrastructure and road maintenance in rural areas and —

Mr Kennedy: What about post offices? [*Laughter.*]

Mr Brolly: Mr Kennedy took the words out of my mouth. [*Laughter.*]

Finally, everyone must say no to the proposal to close rural post offices, which for so many country people are their focal point and potential lifeline. I support the motion.

Mr D Bradley: Go raibh maith agat, a LeasCheann Comhairle. Tá áthas orm seans a fháil leis an rún seo a phlé. I was going to title my speech, “The role of the Vikings in the desecration of rural post offices in

Northern Ireland.” *[Laughter.]* However, after hearing Mr Brolly’s speech, I changed my mind.

I am pleased to support the motion. As Members have said, rural community life has been under threat from various sources for several years. Not least among them, as you know, Mr Deputy Speaker, is Draft PPS 14, which Members have debated in the House. During that debate, I outlined the dangers to small rural schools inherent in that draft policy.

The latest threat to rural life is the news that several post offices are threatened with closure. The withdrawal of the POCA creates the risk of hundreds of post offices closing as a direct result of the loss of income and spin-off businesses that the card account generated. That could potentially affect every area in Northern Ireland.

More than four million people use the card account to access pensions and benefits, and it is due to be scrapped in 2010. The Department for Work and Pensions (DWP) has already begun to take away the card account from more than 40,000 customers, forcing them to have their pensions and benefits paid into bank accounts. Many banks still refuse to allow their customers free access to their accounts at the post office.

Post Office Ltd is still outside the Link system. A bank account is of no use to pensioners or persons without a car whose nearest bank is miles away and who cannot draw money from their local post office because their bank has not signed up to the scheme. Millions of customers chose the POCA as their most suitable method of payment. The Government should respect that choice, not restrict it.

A recent Age Concern report shows that 99% of older people in rural areas consider their local post office to be a lifeline. Many older rural dwellers already feel isolated, and that report shows that 56% of those aged over 60 who live in the countryside fear that post office closures will leave them even more isolated. Some 73% of older people believe that they will not be able to access similar services to those provided by the Post Office if its card account is withdrawn. The only viable way in which to ensure that rural dwellers, especially older people, have access to the services that they require is to retain the POCA, thereby ensuring the survival of many small post offices.

The closures will create problems for disadvantaged residents who want to get cash and basic groceries, given that those services were previously provided by their local post office. Problems will be created for the elderly, the disabled and anyone who has restricted mobility, such as mothers with young children, who may experience difficulty travelling to branches that are further away.

The increased pressure that closures put on other branches means that we can expect longer queues and poorer services and facilities. Local residents will feel

a loss of independence and community spirit, and there will be damaging repercussions on local shops and businesses.

The threat is not only to rural post offices. ‘The Last Post’, a report from the New Economics Foundation (NEF), states that when an urban post office closes, businesses, community groups and local people experience significant knock-on effects. One in six of the urban closures occurred in deprived areas where the role of the Post Office is, in the words of the report, “particularly valuable”.

Evidence published in November from the Trade and Industry Select Committee showed that sub-postmasters in urban areas are also under threat from the withdrawal of the Post Office Card Account. The account is currently worth £403 a month to those sub-postmasters, compared to an average of £249 a month. The New Economics Foundation believes that that lost income could prove to be the “tipping point” at which many post offices become no longer viable.

The local post office is as integral to the community infrastructure as the local school, the doctor’s surgery or the library. It is often in the local shop, and one supports the other. Without the business that the post office generates, the shop will close, and the community will lose two key services in one fell swoop. If our local communities are to remain strong and vibrant, they must retain those vital services, not least, the local post offices.

The Government can still act to allow the Post Office to retain the card account and to extend the range of services that it offers, and they must do so before it is too late.

Mr Deputy Speaker, I am pleased to support the motion and the amendment. Go raibh míle maith agat.

Mr Newton: I support the motion, and I am indebted to my colleagues for tabling it. I shall concentrate on two areas: the social and business aspects of the impacts of the closures.

There is an affection for local post offices. Closing them would create a great deal of emotion. In making his announcement, Alistair Darling said that the loss-making Post Office network — and we know that it is a loss-making network — cannot be left as it is and needs to be rescued. Any sensible person will realise that, in a UK context, that rescue plan means taking about 2,500 offices out of circulation. There can be no doubt that that plan will have a negative impact on the Post Office network throughout the Province, where there may be dozens of closures.

The section of the community that will be hardest hit by the plan will, of course, be our senior citizens. However, others will also be hit hard, and I will discuss them later. Closing local post offices will mean that

senior citizens will have to travel increased distances for their pensions or for their other business. That will make them more vulnerable. We all know that our senior citizens are in many cases being specifically targeted because they have money in their home or on their persons at some stage in the day. That makes them more vulnerable to those who prey on them.

As other Members have said, post offices are not just places to buy stamps. They are, in many cases, a part of the fabric of society and a focal point in many urban districts and villages. They serve needs far beyond the commercial, and Government financial support for the service should be a priority. It is the actions of the Government that have created the problems: they have steadily withdrawn Post Office services: the sale of TV licences, pension payments and so on.

I will quote a sub-postmistress who appeared on a local BBC news broadcast. When interviewed, she told it like it is. She accused the Government of stealthily eating away at the income of post offices through the withdrawal of services:

"We'd like the government to undertake an assessment of the social ... role played by post offices in communities right across the UK and for them to provide ongoing support to the non commercial parts of the network. We'd like a network that is viable, a network that isn't subsidised totally.

"We want the work and we want to do it well and we want to serve our customers. We are a part of a community."

She continued:

"In many places when the post office closes, the community loses its heart, the people don't come down to the towns and villages ... and the communities just die."

I can testify to the truth of that with respect to urban post offices as well.

With respect to business, there are nearly 14,000 post offices in the UK; 480 of them are Crown offices, and 13,280 are private businesses. Those are small, independently-owned businesses, each of which is important to the success of the Northern Ireland economy in the regional context.

A Member who spoke earlier referred to research carried out by the New Economics Foundation, an independent think tank separate from the Government. For the first time a reputable organisation has quantified the contribution that urban post offices make in some of the most deprived areas of the UK. The report says that they play a particularly valuable role in deprived urban areas and outlines the threat that they now face from changes to the Post Office network. As has already been said, post offices in urban areas have borne the brunt of recent closures. Over the past two years more than eight urban post offices have closed for every rural post office closure. More than one in six of the urban post office closures took place

in deprived areas. Three wards in East Belfast are among the ten most deprived wards in Northern Ireland.

Further in-depth analysis of the impact of post office closures on small businesses reveals that in Manchester, following the closure of the local post office, 60% of local businesses witnessed significant impact to their businesses, their clients, their customers or to the area in general. Local businesses also reported difficulties with making cash deposits and other banking issues. Extra costs were incurred with increased staff time required to visit post offices further away; and there were longer queues at the remaining post offices. Trade associations noticed the knock-on effect in reduced footfall in shops in the vicinity of the closed post office, and small businesses reported significant loss of custom. That indicates that in an urban district a post office performs the same function as an anchor tenant in a huge shopping centre.

3.45 pm

The danger is that when an amenity such as a post office disappears from a community, those who are financially mobile are more likely to leave, leaving a higher concentration of deprivation, which, in turn, can lead to further loss of amenities. Analysis by the New Economics Foundation (NEF) of the social value — as distinct from the business value — of urban post offices reveals that 66% of people surveyed in Manchester said that they would be affected by the closure of their local post office.

The NEF analysis found that groups affected by post office closure included schools, local universities, credit unions, and community groups. Some 53% of people surveyed in the vicinity of just one closed post office in Manchester now buy groceries elsewhere as a direct result of the closure of the post office, which has meant significant implications for that community and the local traders. Qualitative research from the NEF study emphasises the vital and overlooked social services role played by post offices. That evidence supports previous research that found that half of sub-postmasters in disadvantaged areas keep an eye out for between 20 and 50 vulnerable customers.

The issue is clearly not one of stopping a haemorrhaging network of offices; there is more to the problem than the Government are prepared to consider. Any decision regarding the Post Office network must be taken holistically. A thorough review of the social and economic impact of post offices should be undertaken, and a balanced decision made. The Government must take significant steps to safeguard the vital role that post offices play at the heart of communities.

Mr Hyland: A LeasCheann Comhairle, I support the motion and the amendment to it. Between 2001 and June 2006, the number of post offices fell from

17,743 to 14,376 — a loss of nearly 20%. In the North of Ireland, 11.5% of post offices have closed during that same period. Moreover, the Government are intent on closing thousands more. Royal Mail believes that it can run a commercial network with 4,000 post office branches instead of the current 14,000. As other Members have outlined, the impact on local communities should be considered, as should the numbers of full- and part-time jobs in the post office sector.

The chief reason for the closure of post offices is the change in shopping patterns. There has been a failure to recognise, or even appreciate, that for some people — particularly older people in rural areas — post offices offer an essential community service and that the closure of a local office can be a real blow.

Age Concern's director general, Gordon Lishman, has stated that thousands of older people in rural areas have told Age Concern that the local post office is an absolute lifeline. He also said that many older people use their local post office as a one-stop shop, somewhere where they can access their pensions and benefits, pay their bills, find information and — above all — socialise.

However, post office closures do not impact on rural areas and communities alone. Sean Neeson talked about the impact on Carrickfergus. As a Newry person, I wish to talk about the impact of the loss of Newry city post office, which Danny Kennedy and Dominic Bradley will know about. For years — indeed, decades — that post office was the hub of Newry. It was located in the middle of Newry's main street opposite its famous cathedral. It was a meeting place for all the people of Newry: young and old, Catholic, Protestant and dissenter, men and women, boys and girls.

Where is the post office now? It is hidden away at the back of SuperValu supermarket. As a result, part of old Newry has died, sacrificed for expediency and bigger rents. The hub of Newry is now its shopping centres. That is a sad reflection on the Post Office and its treatment of its customers — the people who ensured its survival over the years.

All post office closures are subject to public consultation, so it is vital that everyone voices their views and opinions if a local post office is under threat.

Postwatch, the postal service watchdog, examines every proposed change to assess whether the local post office network can remain accessible and sustainable and offer a good quality service. Though Postwatch cannot veto closures, it should be remembered that its efforts, combined with those of the general public, have had some saving effects in the past. However, as Esmond Birnie said, the consultation process is often a *fait accompli*.

The motion makes sense and deserves the support of all Members of the Assembly as well as the wider

community, who have suffered most from the ill-placed and ill-timed Government directive on Post Office services.

Ms Gildernew: Go raibh míle maith agat, a Leas-Cheann Comhairle. Like many in the Chamber today I am in favour of the motion and the amendment on the closure of post offices, both rural and urban, though I am going to concentrate mainly on rural post offices.

As has already been said, post offices are a vital backbone of our communities, especially in rural areas, where they are often the last piece of social infrastructure left in place. This matter is similar to this morning's topic of the challenges facing the farming community in that both amount to the same thing — death by a thousand cuts. Services have been haemorrhaging from post offices over the years and now they have nearly nothing left, rendering them no longer viable or sustainable.

I recently made representations on behalf of the proprietors of a post office in Augher who were trying to expand its services in an attempt to sustain their business. It is one of the many that has a shop relying on its footfall. It was difficult for me to help them to enhance and improve the services that they already provided. Part of the reason for that difficulty can be traced back to the first Assembly and our experiences in the Committee for Social Development, when changes were being made to the legislation concerning the move from benefit books and giro cheques to card transactions. That Committee fought hard to ensure that Post Office services were not lost; I was opposed to anything that would cause a deterioration of those services.

Since then, I have had first-hand experience of the difficulties that those changes caused. When my first child was born I went to open a Post Office account for my family allowance payments. If I had given my bank details the matter would have been sorted in two minutes. However, because I wanted to use my local post office I had to fill out forms and bring them back to be stamped in the post office, which was much more difficult and inconvenient. I felt that I was being pushed towards using the bank and away from the post office. Nevertheless, because of my commitment to local rural post offices, I did my best to ensure that I used that service.

That death by a thousand cuts is evident in the age profile of sub-postmasters and -postmistresses. The Federation of Small Businesses issued a briefing today containing a survey of its members. I wonder whether the federation has surveyed how many sub-postmasters and -postmistresses are approaching retirement age. Again, there is a correlation between this issue and farming. Post offices are becoming so unprofitable that people are not being encouraged into the business. Obviously, more money can be made more easily in

other businesses. Many of the people who run local post offices are keen to get out of that business.

It does not seem to me that running a local post office that is not attached to some other venture could be profitable in 2007, given the reduction in transactions and services that they are facing. The British Government's policy is to run them down to such an extent that they cannot be sustained. I welcome and support the motion and the amendment, and I hope that we can do all in our power to ensure that that vibrant link with rural communities, the elderly and the vulnerable, and those without access to public transport — the local post office — is kept and maintained and is sustainable and viable. Go raibh mile maith agaibh.

Mr Hussey: I support the amendment, although I have a greater affinity with the original motion, which concentrates on the area that I am concerned about.

On 14 December 2006, Alistair Darling made a statement to the House of Commons on the Post Office. He said:

"We will therefore consider what role local authorities in England and the devolved Administrations in Scotland, Wales and Northern Ireland might play in influencing how the postal services are best delivered in the future."

I wonder what notice Mr Darling will take of our debate today. It is a pity that the MP for Fermanagh and South Tyrone, Ms Gildernew, could not have been in the House of Commons to challenge Mr Darling when he made his statement.

Postwatch found that:

"whether affluent or disadvantaged, traditional village or post war estate, the closure of the rural post office appeared to have had far-reaching effects upon both particular individuals and the community in general. It became apparent that the post office played an extremely important role in the rural community, a role that transcended the provision of post office services or even the goods sold at the store which was often attached."

Members are familiar with that scenario and have addressed that issue this afternoon.

I am reminded of a small rural post office between Castlederg and Ederney. It is about four or five miles out of the town up to Killen and another seven or eight miles to Ederney. Think of the area that would be affected if that post office were to close, and think of the small hardware store attached to the post office, the adjoining village shop, the pub and the nearby chippie. There is also a small local store selling agricultural supplies.

Mr Kennedy: What about the church?

Mr Hussey: Killen does not have a church. However, the orange hall is directly opposite the post office. That post office is truly at the heart of the community. Postwatch has described how many of our rural post offices are at the heart of communities.

The closure of a rural post office can result in problems for disadvantaged residents and those who live in the surrounding area when they try to access cash and basic groceries, which were often previously provided in the post office. The heart is ripped out of the community when the post office goes.

Reference was made during this morning's debate to remarks made by Kenneth Sharkey of the Ulster Farmers' Union, who said that it seemed inevitable that we would lose some rural post offices. Members can agree with that, despite the fact that the Government are putting this matter out to consultation. We all know about Government consultations.

A very valuable service is being removed from the rural areas affected, and that is another example of how policy makers are ignoring the impact that their decisions will have on rural communities in Northern Ireland. Many farming families live in isolated areas, and they feel that some services are becoming less and less accessible. Members will agree with that.

In the same House of Commons debate, Mr Darling said:

"The post office provides an important social and economic role, particularly for our rural communities and deprived urban areas"

— so he proposes to cut them back. The Government also published new access criteria for post offices. They stated that 90% of the population should be within one mile of a branch — that is great. In rural areas, 95% of the population should be within three miles of a branch, which doubles to six miles in remote areas — talk about being peripheral. I can think of a post office at Killeter that closed a couple of years ago. If people lived beyond Killeter towards the Donegal border, they were seven miles beyond that post office in any case, and it was another six miles from Killeter to Castlederg.

Someone who lives near the Donegal border in the Aghyran area may have to travel 13 miles to reach the nearest post office. Even by the Government's standards, that is not acceptable. Where are we going?

4.00 pm

The House of Commons Trade and Industry Select Committee issued a report that attacked plans to end the Post Office card account and demanded more funding for the Post Office network. The report called for the maintenance of both urban and rural networks, which it described as "the heart of the community". Post offices must be the gateway for Government services, and more products must be developed to assist in protecting their long-term viability. That point is relevant to the latter part of the amendment, which is very welcome. We are simply asking the Government to do what the Trade and Industry Select Committee's report recommends.

I support an investigation into the role that local authorities and devolved Administrations in Scotland, Wales and Northern Ireland might play in influencing how Post Office services are best delivered in future. The Government must at least listen to us and try to act on the good sense that they are hearing from this Chamber. I support the motion.

(Madam Speaker in the Chair)

Mr Armstrong: I support the motion. Post offices play an important social and economic role in the communities that they serve. The announcement by the Secretary of State for Trade and Industry that the Government intend to close 20% of its 600 post offices in Northern Ireland is likely to have a detrimental effect, especially on our rural areas.

As mentioned in today's earlier debate on agriculture, it seems that the Labour Government's policy is to concentrate on our cities and towns and to move people's homes out of the countryside and rural areas, as imposed by the implementation of draft PPS 14. The Government's policy means the closing of rural schools, as proposed by Sir George Bain, and forcing people out of jobs in the countryside, whether in farming, agriculture, rural schools or post offices.

It is obvious that the Labour Government are out of touch with the realities of Northern Ireland, which is a predominantly rural region of the United Kingdom whose character is defined by precisely those elements that the Government are trying to remove from our way of life.

For the second time today, I state that a devolved Assembly is essential for the future of Northern Ireland: it is time to progress to a fully democratic Assembly without delay.

Many post offices are situated away from main centres of population, and their closure would result in a marked downgrading of services for rural dwellers. A post office is not just a place to buy stamps; it is often a focal point in a district on which the elderly depend. The removal of that central point in rural communities, coupled with the closure of rural schools, could prove the death knell for rural communities.

The Government have been instrumental in funding community groups, which bring people in rural areas together. However, the Government are not consistent because they are closing the lifeline of rural areas — the post office. The very presence of post offices in rural communities makes a positive contribution to local businesses by increasing the number of people passing through a particular location.

If the post office in a rural community is closed, many people, particularly the elderly, the disabled and those without personal transport, will be cut off from society, from accessing cash and from the ability to

carry out basic tasks such as buying groceries and paying bills. In Northern Ireland, rural communities can stand alone without people having to go to larger towns and cities as part of their daily lives. Rural communities have to survive without the first-class road structure and public transport systems that exist everywhere else. What is the sense in removing those facilities from our rural communities without first ensuring that those living in them will not be cut off from society?

I acknowledge the hard work and dedication of our postmasters and postmistresses who have had to deal with the modernisation of facilities in post offices, including card systems. They have also had to cope with the loss of various facilities, such as customers' ability to pay for their television licences. They continue to provide an excellent service to their customers, despite continually having to prove their worth.

Although post offices used to be a service administered by Government, they must now show that they are cost effective. Just like traffic lights, post offices will continue to provide a service for everyone in our communities. Traffic lights cost approximately £30,000 but generate no income: they are a service. They alleviate the huge cost of road traffic accidents. However, can a price be put on the rural way of life? Just as traffic lights are essential to the rural way of life, post offices are the focal points of communities.

Post offices are now present in many large supermarkets as franchises, selling off what was the Royal Mail. Many areas of Northern Ireland seem to be becoming more like other parts of Europe where it is difficult to find a post office, let alone a stamp. Is this the result of another European directive that has been filtered down to Northern Ireland?

Government policy should be to support our post offices. The Government have considered only the financial picture and have failed to recognise the contribution that post offices make to Northern Ireland society. I support the motion and the amendment.

Mr McGlone: Go raibh míle maith agat. As someone who lives in and represents a rural area, I can state that the role of post offices has been articulated amply here today. In isolated communities, local post offices provide older people, disabled people and those on low incomes who cannot afford extra travel costs with access to their attendance allowances, disability living allowances, income support and pensions.

I listened intently to the debate, and feel that the Assembly should pay tribute to those postmasters and postmistresses who, over many years, when providing services to the public, showed exemplary courage when faced with numerous attacks and robberies from a variety of paramilitary fundraisers.

Some Members: Hear, hear.

Mr McGlone: As Mr Hussey said, post offices generate business for other businesses. Many post offices are located in small rural shops. Indeed, many of those are under threat from multinational retailers. Card accounts were introduced to allow people to withdraw their tax credits, benefits and pensions in post offices. The withdrawal of that system, seemingly at the whim of the Department for Work and Pensions (DWP), and the Post Office's loss of the right to sell TV licences, has been referred to as death by a thousand cuts. That is exactly what it is.

This morning, I spoke to a postmistress who told me that the Government and the management of the Post Office must get their act together. The Post Office has said that it cannot plan without there being certainty, but it must plan nevertheless. As was said by my colleague from Mid Ulster, and has been stated by the National Federation of SubPostmasters, the Post Office must modernise its facilities.

It has been drawn to my attention that, for example, an elderly person who pays his or her bills either at the end of each month, every two months, or whenever suits, cannot withdraw more than £600 from a post office in one day, which means that if he or she needs to pay an exorbitant or increased fuel bill, he or she must return to the post office the next day. Indeed, unlike most supermarkets, post offices cannot provide customers with cashback. The facilities must be modernised.

The Government should be taking a leading role in ensuring that banks enable their customers to access their bank accounts and carry out a wide range of transactions in post offices. Major banking groups do not allow their customers to access their current accounts in post offices. The Government must provide balanced information about the payment options for benefit claimants and pensioners, including the availability of the cheque payment service.

Why should there not be new services? There is talk of investment — there should be investment for the future. Why should sub-postmasters not provide front-line financial advice and be trained, accredited and rewarded for doing so? As Post Office Ltd's only shareholder, the Government should oversee this process. All post offices should provide convenient access to public services, from the payment of fines to fielding lost property. Why not?

The Government must actively encourage their Departments — and local authorities — to make a range of services available and accessible through kiosks in local post offices. They are the hub of rural communities, both socially and economically.

Today we must send a clear message to Government and to Post Office Ltd that, on behalf of our constituents, we want twenty-first century services

from a twenty-first century Post Office, and that they should be planning and investing in that. Go raibh maith agat, a Cheann Comhairle.

Mr Weir: I will try to keep my remarks brief. A vast range of issues has been well covered during the debate — indeed, probably a much greater range of issues than one had initially anticipated.

We have gone from the very interesting analogy between our Post Office system and the traffic lights to delving into a deep sense of history. I thought that at some stage during the debate someone would mention Postman Pat; however, it seems that it is Postman Caesar who is at the heart of our problems. Indeed, I wondered briefly whether the Member opposite mistakenly believed that he was in some sort of panel game where the idea was to describe the motion without actually making any reference to it. Fortunately, after approximately eight minutes the words “post office” did appear in the Member's speech.

The points have been well made and well covered, and I am very glad to say that we are speaking today with one voice. It is important to recognise, as the amendment does, that this issue affects both rural and urban areas, although there is great concern that the current proposals would hit particularly hard in rural areas.

From a personal point of view, this is something that matters deeply to me. Both my parents worked all their lives in the Post Office, and I commend in particular the remarks of Mr McGlone about the faithful service that postmasters and postmistresses gave throughout the Troubles, when many of them were subjected to horrendous attacks and robberies by various paramilitary groups and criminal gangs. They strove, both in rural and urban areas, to try to retain a sense of normality and a sense of community throughout that time. In their hour of need, it is incumbent on us to stand up for them.

While we are focusing on the situation in Northern Ireland, a number of Members also pointed out that this important issue goes beyond our shores, and there are a number of indicators of that. For example, with regard to the importance of post offices, a 2004 Postwatch survey indicated that 75% of people felt that their local post office was extremely important, 59% regarded it as essential to their way of life and 91% felt that it played an important role in their community.

Since this issue has come to the fore in the last few months, a vast range of organisations has expressed concern at the Government's plans, including the various UK churches, all the major trades unions and the Federation of Small Businesses. Age Concern has expressed grave concerns about the effects on the elderly, and Citizens Advice has come out very strongly against the proposals. In local papers throughout the United Kingdom a range of concerns

has been raised by local councillors, councils and MPs of different political parties. It is very clear that the Government do not have strong political support for their proposals. In the House of Commons an early-day motion expressing concern over the potential threat to the Post Office system was signed by 400 MPs, including Kate Hoey, who is the chair of the parliamentary all-party group on sub-post offices.

Indeed, there could be no greater expression than the petition handed to Downing Street in October, which had over four million signatures. I am informed that it was the largest petition ever on a peacetime issue. That shows the strength of feeling that there is on this.

4.15 pm

Given that amount of heat, it was inevitable that Alistair Darling would try to alleviate the level of concern by throwing out some sops in his statement on 14 December. Two things in particular were mentioned. One was the idea of 500 mobile post offices — a number of Members have been rightly sceptical about whether that would operate particularly well in any part of the UK and especially in Northern Ireland. I do not think that any of us, with the greatest respect to the fast-food industry, want to see our post offices transformed into a sort of mobile chip van moving from area to area. It simply would not work in Northern Ireland. Again, I am very sceptical that it would work anywhere. There were general references to services being provided in village halls, community centres and pubs. This is a very clear spinning exercise on the part of the Government in order to pretend that they are not downgrading the system.

The proposer of the motion referred to some of the euphemisms with which we are all too familiar on this issue as with others. We are talking about “transforming” and “restructuring” post offices. Those are euphemisms; the Government are supporting post offices in the same way that a rope supports a hanging man. That is the level of support that has been provided by the Government. They have shown disregard for post offices and the rural community. As a number of Members have said, this Government are blind and deaf to the needs of that community. Time and again this Government, who see themselves largely dependent on urban votes, have disregarded countryside issues.

The second sop that was thrown out by the Minister was some movement on the original plan to scrap the card account in 2010, with an indication that there would be some kind of replacement system. That has been highlighted by a number of Members. The Minister gave no guarantee that that replacement system would be controlled by the Post Office. As Mr Beggs said, it will be put out for tender. The extent to which Labour Back-Bench Members seized on this as some great concession that would safeguard the future

of post offices shows that they were happy enough to fall for the con. If the intention is to replace the card scheme with something else within the Post Office, why abolish it in the first place? It is simply an effort by the Government to get over the hump of the next election; to try to buy off some of the vast opposition to this; and then continue with what they have been doing to post offices for years.

As many Members have said, this will have a significant effect on people, particularly in rural areas. One thing that has not been mentioned is that there will be a large reduction in the number of jobs, and not just directly in the post offices themselves. In many cases the post office is the hub of the community. Remove the post office — force people to go into the towns and cities — and you not only take the custom away from the post office, you take it away from the surrounding shops as well. The level of convenience is simply not there.

It has been said that a number of villages and hamlets around the country have no bank facility. I know from experience in my constituency that that extends beyond the smallest of villages. Millisle, for example — a village of 2,500 or 3,000 people — does not have a bank. Until a few years ago, it did not even have a bank machine. If an area of that size does not have a bank, how many other small villages around the country do not have one? How much is this an attack on the heart of the rural community?

The most vulnerable in our society will be hit: the elderly, who are most dependent on post offices; the disabled; and those without personal transport. Those are the people who will suffer. It is right that we consider economics, but when we look behind that cold hard face, the daily lives of many people are adversely affected.

The present crisis has arisen because the Government have deliberately and stealthily taken services away from post offices. For example, the payment of benefits, once purely the domain of post offices, is now subject to much wider distribution. Indeed, it has been proposed that the payment of benefits should be shifted entirely away from post offices. Television licensing, car taxation and other services have also been removed. Post offices have not been allowed to operate on a level playing field.

We can propose a positive agenda for creating a productive role for post offices in the future by ending the restrictions that are placed on them. We are told of various monopolies that post offices have enjoyed in the past regarding various services that only they have provided. It is no longer appropriate that only post offices should provide those services, but let us at least create a balanced picture and allow post offices to lift some restrictions on their activities.

There is currently a limit on the amount of money that can be withdrawn from a post office at one time, which means that some people must go back a second or third time to withdraw more cash. Moreover, post offices cannot work with carriers other than Royal Mail. Perhaps that could be examined. Various suggestions were made in the House of Commons, such as a greater degree of co-ordination among post offices and local councils to identify services of outreach to the community that councils could provide. Dr Birnie mentioned the Welsh model of support. There is a vast range of possibilities. However, the most important single measure, as the amendment emphasises, is the retention of the card account scheme. If that scheme is retained, it will provide at least some security for the future.

Our concern is to protect both urban and rural communities. We face difficulties but, on this occasion, there is not a lone voice calling from the Assembly to the Government, as is often the case. We have support across the country on this issue, which affects everyone. I believe that we should use our strong and united voice to state that it is unacceptable to destroy the post offices and the way of life of many of our communities. The Assembly must clearly say no. I urge Members to support the motion, as amended.

Some Members: Hear, hear.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly deplores the introduction of proposals by the government to close a number of Post Offices across Northern Ireland; and the implications these proposals will have for all Post Offices, urban, suburban and rural; and calls on a future devolved administration to work in conjunction with the Post Office and the Social Security Agency to retain Post Office card accounts; and further calls for the development of other government and financial services which address the needs of recipients of state benefits and pensions, other Post Office users and future potential customers.

Adjourned at 4.24 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 9 January 2007

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

Members observed two minutes' silence.

THE LATE MR DAVID ERVINE MLA

Madam Speaker: It is my sad duty to inform the House of the death of Mr David Ervine, a Member for the East Belfast constituency. In accordance with convention, as a mark of respect for Mr Ervine, the sitting will now be suspended until 11.00 am.

The sitting was suspended at 10.33 am.

*On resuming (Madam Speaker in the Chair) —
11.00 am*

ASSEMBLY BUSINESS

Madam Speaker: Given this morning's suspension, the House may wish to note that today's planned meeting of the Business Committee will now take place at 1.00 pm. The sitting will continue until that time.

Before proceeding to the next item on the Order Paper, I wish to draw the attention of the House to the point of order made yesterday by Lord Morrow about Members not being in their places when the Speaker is standing. I said yesterday that I would raise the matter with the Business Committee, and I will do so later today. For now, I simply draw the attention of the House to the importance of Chamber etiquette in ensuring that business proceeds smoothly and in a dignified manner.

PRIVATE MEMBERS' BUSINESS

Road Safety

Madam Speaker: The Business Committee has agreed to allow two hours for each of today's debates, the Member proposing each motion having 15 minutes to propose, with 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Mr Raymond McCartney: I beg to move

That this Assembly notes the ongoing tragedy of deaths and serious accidents on our roads and calls on an incoming Executive to introduce a new rigorous Driver Testing framework and a Road Safety and Education programme, with the emphasis on groups most likely to be involved in road traffic accidents, reflecting international best practice, and including co-operation between all Road Safety agencies, North and South, in carrying out a safety audit of the road network and the development of a National Road Safety Campaign.

Go raibh maith agat, a Cheann Comhairle. Éirím le labhairt ar son an rúin, agus tá mé ag lorg tacaíochta dó ó achan pháirtí agus ó achan Chomhalta sa Teach seo.

I propose the motion on behalf of Sinn Féin, and in doing so I seek the support of all Members and all parties. Road deaths have no boundary of geography, class or creed, and it is unnecessary to offer any explanation to anyone here of the impact on a family of losing a loved one to a road traffic accident. Neither do I wish to reduce the motion to a list of statistics, however revealing they may be, because every Member here is familiar with them to one degree or another.

In October 2006, in the Long Gallery, Ursula Quinn provided a personal and poignant testimony to the enduring effect that a road death has on a family. That event had all-party support, and resulted in a pledge to support the efforts of the "Driving Kills" group. From personal experience, we can all acknowledge that the tragedy and grief of many families is compounded by the realisation that the accident and resultant death could have been prevented. Other families and groups who have had experience of those tragedies join us today in the Public Gallery.

The rationale behind the motion is to put a stop to the complacent attitude that road deaths are an unavoidable consequence of road use. They are not; road deaths can be avoided, and it is our responsibility to do all that we can to end that complacency in the first instance, and to seek co-ordinated, properly resourced programmes to prevent unnecessary fatalities. It is worth noting that the World Health Organization has enshrined the concept that road deaths and injuries are not inevitable consequences of increased road use.

The motion is not intended to offer or prescribe a definitive programme by which road deaths can be reduced. There are many different factors, views and

initiatives, all of which can play a vital role in tackling the problem, and all important and worthy of support. The motion is designed to make the issue of reducing road deaths and injuries a programme priority for the incoming Executive, and to ensure that that Executive provide the direction, emphasis, policy and resources to achieve that aim.

The motion offers a number of key areas that Sinn Féin believes can impact on the frequency of road accidents, so that a reduction in deaths and injuries can be made. These include a more rigorous testing framework, with greater emphasis on road safety education programmes that continue after the driving test. This must be aimed at the groups that are more likely to be involved in road accidents.

A safety audit of the roads network should be carried out on an island-wide basis. That can be assisted by the development of a properly resourced national safety campaign that has the potential to become the body to hold the relevant Departments, North and South, to account.

Great work is already in place in Ireland, and further afield, highlighting the correlation between speed, alcohol and the incidence of accidents. We have to look to the international experience and their programmes and initiatives, which are beneficial in reducing death and injury, and bring them into operation here. I have no doubt that other Members will bring to the debate other programmes and experiences — and I welcome that and look forward to hearing them.

Members have to work in a co-ordinated and collective manner to ensure that all of this becomes a priority programme of work for the incoming Executive. This motion, supported by the Assembly, will provide the necessary dynamic to ensure that the incoming Executive properly address the reduction of deaths and injuries on the roads.

I ask for Members' support on the issue. I apologise that I will have to leave the debate to attend the Subgroup on Policing and Justice.

Go raibh maith agat, a Cheann Comhairle.

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

"a wide ranging strategy involving all relevant agencies, including measures reflecting international best practice, to tackle the problem; with particular attention paid to those most likely to be involved in road traffic accidents."

The Democratic Unionist Party has always given priority to road safety. In the Environment Committee, the former Chairman, Dr McCrea, and I pursued a strong line on road safety. It was the work of that Committee that led to the Department of the Environment (DOE) introducing more road safety officers to schools.

The Committee also highlighted the issue of driving while on drugs, which was not being taken seriously by anybody at the time. The facts presented to the Committee were that over 20% of people involved in fatal road incidents had drugs in their bloodstream. Some 4% of that 20% had taken legally prescribed drugs and around 20% had taken illegal drugs — of which over 12% was cannabis. It is nonsense to say that cannabis does not have many side effects. People are dying on the roads on a weekly basis because of the use of cannabis and because they have taken a car out after taking cannabis.

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

The Committee also did a rigorous report on school transport. I regret that we did not have an Assembly to follow through on the issues raised in that report. Following the report, Members have had all the excuses and prevarication that one might expect from direct rule Ministers. They have said that there is no money to reduce the number of children per school bus seat from three to two, for example; that there is no money available to put seat belts into buses or to resolve the issue of standing in buses. That may be an argument on finance. However, there is enough money in the Department to have the high hazard signs fitted on buses, to put on flashing lights and to take many of the other steps proposed in that report. I do not think that it is too badly off to do that or to take many of the steps proposed in the report that do not carry such a huge financial burden as others.

In the South of Ireland, five young schoolgirls were killed on a bus, and a more recent incident took place in London. We cannot take it for granted that incidents like those will not happen in Northern Ireland. Everybody will be wringing their hands and asking why it has happened, and the excuse will be that we did not have the money to do it.

I have particular concerns about speed limits in Northern Ireland. They need to be revised, on the advice of those who have relevant experience. I understand, from people involved with road traffic accidents and who have a fair degree of expertise in making assessments about them, that current speed limits are not fit for purpose. They are not relevant. For example, there are places where the speed limit is too high and others where it is too low. One finds a 30-miles-per-hour speed limit outside many schools, where there is great danger, with young children going about and a lot of parked cars, yet people can legitimately drive there at speeds of up to 30 miles per hour. Again, motorways were designed in the 1960s. Cars at that time were the Ford Anglia, the Hillman Imp and, for the well-to-do, the Ford Corsair. They certainly did not have the anti-lock braking system, side-impact bars and all the equipment that modern cars have. In many instances, the 70-miles-per-hour speed limit is too slow

for the motorway. It does nothing for road safety to have such a speed limit. In other places, the speed limit is too high, and that should also be addressed. My party therefore has many major concerns about road safety.

I support the road safety advertising campaigns. I have met with those behind them. We discussed whether such advertising campaigns should be run on a national basis, and whether GB advertising campaigns should be used in Northern Ireland. They are very expensive to make, and the cost runs into hundreds of thousands of pounds. However, it was demonstrated that Northern Ireland has particular issues with regard to road safety. It has its own problems and intricacies. In conjunction with marketing experts, the Department was able to identify them, and the decision was taken to choose a more expensive, Northern Ireland based, advertising campaign. That was a correct decision; and that is the reason that the amendment is worded as it is.

Road safety is a Northern Ireland issue, with problems particular to here, and it should be dealt with on a Northern Ireland basis. What happens in other jurisdictions is for others to deal with. There is potential for a degree of co-operation on some aspects, but advertising campaigns and other road safety measures should be on a Northern Ireland basis. It would be impossible to organise these on the all-Ireland basis suggested by Sinn Féin because a completely different system operates in the Republic, with different speed limits. The Republic's road safety problem is greater than that of Northern Ireland, and I wish the Government of the Irish Republic well in reducing the number of deaths that take place there. I welcome the European aspect that is being delivered, whereby those who break the law in one jurisdiction cannot drive in another. That, however, is a European, as opposed to an all-Ireland, aspect. Northern Ireland has its own particular road safety issues. The Northern Ireland Assembly has a responsibility to address the issues that prevail here and to concentrate on its own affairs.

Mrs I Robinson: Does the Member agree that it would be helpful if car manufacturers worked alongside other agencies to look at ways of addressing the problem of speeding? That would be particularly helpful in those areas where young people live to speed and then die as a result of speeding. Manufacturers should be involved in trying to reduce speeding.

11.15 am

Mr Poots: Yes, absolutely. Training young people to drive, in particular, is very important, and the current driving test is a nonsense. If anyone carried out a three-point turn in normal road circumstances, as is the case in the current driving test, he or she is likely to cause an accident because of the length of time that the manoeuvre would take; the same could be said for reversing around corners.

In order to test their real ability, people taking the driving test need to be allowed to drive on dual carriageways, motorways and main roads where it is possible to drive up to 60 miles per hour. The current driving test is not an accurate test of people's ability to drive in normal road circumstances. They merely go through the motions and afterwards drive nothing like they did in the driving test. The test needs to be more practical; the Department must deliver a test that is more akin to real driving conditions. Those are not just my words — they are also the words of the examiners, who say that the driving test is no longer fit for purpose.

Mr Gardiner: On behalf of the Ulster Unionist Party, I support the amendment. We are very concerned about road safety in Northern Ireland, and we lend all the support that is humanly possible to improve road safety. Educating our young people on road safety is vital. So often it is the child who can say to the driver of the car: "Dad, you are driving too fast, slow down".

We appreciate the work that the Fire and Rescue Service does in relation to accidents on our roads, highways and byways. We also thank the medical staff of our hospitals, who have to try and repair those broken bodies, and also the PSNI, which is always at our beck and call when an accident occurs on our roads.

We could do more to improve road safety. While we in the Assembly seem to be powerless at the moment, we call on the Department for Regional Development (DRD) and the DOE to be proactive in that role. When driving along many of our roads, many of the signs are barely visible because of bad weather conditions. They are either filthy, obliterated or you just cannot see them.

While in other areas you see signs on poles by the roadside, in parts of my county, Armagh, instructions are marked on the road in very loud and bold markings in gold and red paint. I find that very attractive and more impressive than the many poles on roadsides, because you drive past many of them, not noticing them because they are so numerous.

We must move further and ask DRD to look seriously at engaging in modern technology. We have experience of some of the valuable work that has been done in our universities — for example, Queen's University has an excellent department for investigating and carrying out research — and with satellite navigation, and I hope that the Department will take on board the need to engage in modern technology.

Furthermore, car manufacturers should be ordered to amend car specifications to enable a signal to be sent to alert the driver to the fact that they are driving too fast or that there is danger ahead. Such a signal could be triggered from a pole at the roadside as a car passes and sent to a mechanism fitted in the car to alert the driver that there is an accident ahead or that they are

over the speed limit. We must be proactive and advance with the modern day and age.

No doubt, there will be other Members who will speak today and give statistics on the figures relating to deaths, casualties and injuries. I and my party convey sympathy to all those who have suffered bereavement, especially over the last year and in the period just after Christmas, when the home is not the same due to an unfortunate road accident or an accident caused by a drunk driver.

Therefore bitterness and resentment are felt in many homes in Northern Ireland because of what can happen as a result of bad driving and poor road safety standards. The UUP wants to improve those standards, and Northern Ireland can lead the way by using modern technology to alert drivers and by introducing better road safety education to all schools.

The requirement to sit a written examination before taking the driving test was introduced about 15 years ago, but it now seems out of date. People still speed and do not take care on the roads. The Department for Regional Development also has a responsibility to straighten those bad corners at which many accidents happen. One accident or one death is one too many, and the Department should take emergency action to address such problem areas on the roads, because people must be protected. The UUP supports the amendment.

Mr Dallat: As a former teacher of road safety and moderator of examinations in that subject, this is one of the most serious topics that the Assembly could debate. In my role as teacher — and since — I have mourned the deaths of pupils and past pupils, and I understand something of the grief of parents and families. Perhaps that is why I am disappointed that an amendment has been tabled and that all parties will not vote collectively on the motion. I understood that, following the St Andrews Agreement, all parties supported North/South bodies, increased co-operation between the PSNI and the Garda Síochána, the harmonising of penalty points and joint advertising on television. Deaths on the road know no political boundary. Members who are in the House and who are from the North have lost loved ones on roads in the South, and others who are from the South may have lost loved ones in the North. Those people will not understand the need for division.

Road deaths and serious injury in road accidents have haunted us since the Locomotives Act 1865 — known as the “red flag” Act — was passed. That restricted the speed of horseless carriages to 4 mph in the countryside and, believe it or not, to 2 mph in towns. The Act also required someone to walk in front of the carriage carrying a red flag, as the Act’s nickname implies. The Act was not repealed until 1896 following

serious lobbying by the Royal Automobile Club (RAC), which subsequently organised the London to Brighton run in celebration at being allowed to speed.

Seven years after the “red flag” Act was passed, another road traffic Act made it an offence to be drunk in charge of a horse and cart or a horseless carriage. Today, unfortunately, speeding and drinking and driving are still two of the main reasons why so many people continue to lose their lives.

In modern times, road fatalities peaked in the mid-1970s, when 375 people in the North lost their lives. In 2006, the figure dropped from 150 to 125, which is good news. However, it provides no cause for celebration, especially for those families who are grieving for the loss of their loved ones. The Republic also reported its lowest number of road deaths for 40 years, but that figure fell far short of targets. A total of 500 people lost their lives on this island — that is not a cause for division.

In Britain, the number of fatalities last year was over 3,100, and, despite a proliferation of speed cameras and fixed cameras that affect over one million drivers each year, that figure has not fallen significantly. The Northern Ireland Assembly doubled the number of road traffic education officers from nine to 18. Presumably, they have had an impact in the schools and have contributed to road safety education. However, little has been heard of them in the public arena.

Looking beyond these islands, it is useful to note that France has had considerable success in reducing its road fatalities.

It is claimed that much of that success can be attributed to the French President, Jacques Chirac, who made road safety an election issue. The result is that road fatalities in France have been halved in three years. Scandinavian countries are also better than we are at dealing with road safety, and there is much to be learnt from them.

It is often pointed out that during the Troubles more people lost their lives on the roads than through violence. As Members know, enormous efforts were made by people from all over the world to solve our political problems and to identify the causes of those deaths. Enormous sums of money have been spent on security — perhaps billions of pounds. By contrast, much less has been done to bring an end to the slaughter on the roads, and precious little has been done to create an overarching body to deal with road safety issues.

I acknowledge the work of the Road Safety Council of Northern Ireland, which is unique to these parts. Believe it or not, the total resources of that body are a full-time chief executive, currently acting up, and one part-time member of staff. The new organisation in the Republic, the Road Safety Authority, has 309 full-time staff and the power to bring together all Government

Departments with responsibility for road safety. No one can tell me that there is not a lot that we can learn from that. Is it not time that we had a similar body, with powers to knock heads together to make road safety the issue that it is in those countries where the death toll is considerably lower?

Over the Christmas period, there was a high-profile campaign about drinking and driving, yet a huge number of motorists were caught over the legal limit — some of them by a considerable margin. Unfortunately, most of the publicity went to the police officers who, I regret to say, figured in the overall list. Little has been said about the others who were on the roads with excess alcohol in their systems. How many were caught the morning after, when they thought they were safe to drive? Can drinking and driving be viewed purely in isolation, when Members know that there is a serious problem relating to alcohol generally? That issue must be examined.

Reference has been made to the driving test, which, apart from the introduction of the theory section, has changed little over the years. New motorists have no experience of the horror of road accidents, and these are not simulated in any training programme. On the contrary, the test is no more than a meander through the suburbs, on routes that most candidates know like the backs of their hands. No part of the test is conducted on the motorways — or after nightfall, when the greatest number of young people lose their lives. After the test is passed, there is no follow-up to measure the new driver's skills, attitude and progressive experience. There is the advanced driving test, but few take it. That does not apply to any other skills programme, where there is much less risk of causing death or of being killed. That must change. There must be a progressive programme to ensure that young people are nurtured through those difficult years and that they remain alive.

Let us hope that this debate lays a foundation stone upon which we can build a new approach to an issue that affects so many families and worries so many parents sick as they lie awake at night until their sons and daughters return safely. Many here understand what that is about. When I was young, I certainly did not understand it, but as a parent I do.

Together, North and South, we can create a new partnership and harness our experience, knowledge, and grief to follow the example of others and have this island talked about not for the number of people who are killed day and daily, but for our success in addressing a scourge that is largely ignored by the motor manufacturers. Some of the advertisements for leading manufacturers on television are a disgrace. They encourage decent young people to become boy racers. Someone must take control of that.

The insurance companies have a role to play as well. Young people might be more encouraged if they were charged a reasonable premium when they began an insurance policy so that they had something to protect, rather than being charged exorbitant premiums which would have no effect in the case of an accident.

11.30 am

Breweries also have a role to play. If there were fewer happy hours and promotions, fewer young people might be goaded into doing the wrong thing. Many people — and I have named some of them — are making vast fortunes out of motoring and motor sport, but they contribute little to protecting those who end up in the morgues awaiting identification by distraught relatives.

The fatalities for 2007 have already begun, and, in fact, one of them was from my constituency. Let us hope that a new Assembly — which I expect at the end of March — will give top priority to making improved road safety essential. We can do it, and I hope that it can be achieved collectively with the co-operation of all parties.

Mr McCarthy: This is a timely debate, because, unfortunately, fatalities on the roads are reaching unacceptable levels. Road safety should and must be the number one priority for everyone — young and old. The Alliance Party will support every effort to prevent road accidents. I support the motion and the amendment.

One life lost or one person injured on our roads is one too many. My heart and deepest sympathies go out to those people who have lost their lives, who have been left with terrible injuries as a result of a road traffic accident and who have been left behind to grieve the loss of a dear one. As public representatives, Members are all too aware of tragedies that have hit our constituencies, and of the untold misery and pain that comes with fatal accidents.

This Assembly should have the legislative power to introduce measures to combat the risks on our roads, and I say hurry on the day when we can help to prevent or at least reduce the senseless carnage on the roads.

I offer my sincere gratitude to the emergency services. They deserve the highest credit and thanks for their work. It is they who are first summoned when an accident takes place and who have to attend to the carnage. Regardless of training, one cannot be prepared for some of the horrific scenes that the emergency services face. Everyone has loved ones and family; it must be heartbreaking to have to go to a mangled vehicle and attend to the victims.

There is an ever-increasing volume of traffic on the roads; therefore road users who are in charge of what might be classed a lethal weapon must have their wits

about them. There is no room for risk or distractions. The aim is to reach one's destination safely and with respect for other road users, even if that means being slightly late for an appointment.

Many reasons have been given for the carnage on roads; we are told that the biggest culprit is alcohol. Once again, it seems that the UK legislation relating to this issue is 30 years out of date. The alcohol limit is 80mg of alcohol per 100ml of blood — approximately double the limit in most other European countries. There is, therefore, much room for improvement.

Speeding, particularly by younger drivers, is also a major factor in road crashes. The Alliance Party welcomes the imminent introduction of the draft Road Traffic (Northern Ireland) Order 2007, which will assist the Northern Ireland road safety strategy (NIRSS).

Last week, I met with representatives of the British Medical Association in Northern Ireland (BMA (NI)). They are concerned about road traffic fatalities and are calling on Government to take steps to cut down the number of road accidents.

As Edwin Poots mentioned, the Committee for the Environment recommended some simple changes to ensure safety on our school buses. These included the provision of a seat belt for each pupil, the suggestion that only one pupil be allowed in each seat and a range of other safety measures. That report is probably gathering dust on a shelf somewhere, and yet the carnage goes on. Yesterday evening, I read about a fatal bus crash across the water. If its passengers had been wearing seat belts, those deaths and injuries could have been prevented. We must think about that issue.

During the last Assembly mandate, I requested funding to improve the surfaces of a couple of the major roads on the Ards Peninsula in my constituency: the A20 from Newtownards to Portaferry and the A2 coast road from Newtownards to Portavogie. I also requested funding for other roads on the peninsula. However, rather than increased funding, the overall roads maintenance budget was reduced.

I would like Peter Robinson to resume his post — or another Member to be nominated — as Minister for Regional Development to take charge of local roads as quickly as possible. At least Mr Robinson introduced the second phase of the Comber bypass, for which we had campaigned for 30 years. The sooner a local Minister is in place, the sooner all our roads will be improved.

I understand that the current Minister with responsibility for road safety has cut the funding that the Road Safety Council of Northern Ireland allocates to local government road safety committees. My colleague Naomi Long wrote to the Minister to ask

him to meet with the Belfast area road safety committee. Unfortunately, he refused because his diary was full.

The road safety committees run on a very low budget. They address the education of young people and young drivers, and promote advanced driver training to increase awareness. However, they are struggling to fund such simple things as paper for their school poster competitions. That is shameful: the Minister should be ashamed of himself.

The Republic of Ireland is considering using our road safety committees as a model to address its situation. However, for the want of a few hundred pounds, we are jeopardising them in Northern Ireland. Again, the Minister responsible must assess that situation.

Road safety means that proper investment should go into all our roads, not just the motorways. The A20 and the A2 to Portaferry and Portavogie, to which I referred, have had their fair share of fatal accidents. The most recent involved a young Glashy College student who lost his life just before Christmas. Like so many others, these roads were designed for donkeys and carts some years ago. They are certainly not up to what is required of them now.

Life is precious. All road users are at risk. The next Assembly must take the lead in implementing measures to stop road carnage.

Mr Donaldson: I welcome this morning's debate and commend those who tabled the motion. Road safety is an important issue. Indeed, it is a priority issue that a new Assembly must tackle in Northern Ireland.

Not a week goes by without headlines on the news — whether radio or television — bringing distressing scenes of families who have had the tragedy of losing a loved one visited upon them. We have seen that all too often in Northern Ireland, especially amongst our younger people.

This issue affects us all; it cuts right across the entire community, and we, as political representatives, must give it a higher priority. This debate is a welcome step in the right direction.

Last year, there were some 125 fatalities on the roads in Northern Ireland. While that marks a reduction in the number for the previous year, it is, nevertheless, still far too high. In particular, deaths among young people are a real cause for concern. A couple of years ago, four young men were killed in a road traffic accident in my constituency. They attended Lisburn Institute of Further and Higher Education, and I attended a special service that the institute held to commemorate those four young lives. I remember the impact that those deaths had on the young students in that college. They were absolutely devastated at the loss of their young friends — four lives cut short and needlessly

lost. We must provide political leadership in this area and must urge those with statutory responsibility to introduce additional measures to tackle the problem.

Lisburn, in my constituency, does not have a particularly proud record when it comes to road traffic accidents. In 2005-06, we topped the league table in Northern Ireland for fatalities and serious injuries. In Lisburn, there were 94 road traffic accidents involving fatalities or serious injuries; closely following that was Fermanagh with 74; Ballymena with 63; Foyle with 59; and Dungannon and South Tyrone with 57.

Those statistics are frightening, and they also highlight the fact that many road traffic accidents occur in rural areas. Indeed, the statistics for Northern Ireland show that more deaths occur in rural areas than in urban areas, which is due in no small part to drivers travelling at excessive speed on country roads that were never built or designed for such speed.

Between 1994-98, males aged between 16 and 25 made up only 8% of Northern Ireland's population, yet accounted for 21% of road traffic accidents involving death or serious injury. Some 19% of those accidents were attributed to excessive or inappropriate speed, and 12% to cases that involved drugs and alcohol. A staggering 50% of road traffic accidents involving fatalities or serious injuries are down to careless driving. Road safety advertisements and publicity campaigns often emphasise the dangers of alcohol, and that approach is welcome and commendable; we must discourage people from drink-driving. However, half of all road traffic accidents involving death or serious injury are down to careless driving, and we need to examine that issue carefully. It is partly a matter of education.

Earlier, Mr McCarthy welcomed the introduction of the draft Road Traffic (Northern Ireland) Order 2007, which is due to come into force shortly. The Order will bring Northern Ireland into line with other parts of the United Kingdom as regards enforcement on our roads. Some of the measures that are envisaged in that Order are to be welcomed. For example, I understand that, in future, courts will be able to offer retraining for drink-driving offenders in exchange for reduced punishment, and that the courses will be held at the attendant's expense. That is not just a matter of ensuring that the punishment fits the crime, but of ensuring that those who have a history of drink-driving are given the help that they need to deal with any alcohol problem and to address their driving habits.

11.45 am

Mrs I Robinson: Will the Member agree that if a person continually offends and is caught speeding, after having taken drink or drugs, the penalty should be much stiffer in order to send out the message that, although help is available through the courts and

various agencies, continual bad behaviour on the roads will result in stiff penalties for abusers of the system?

Mr Donaldson: I thank my hon Friend for her intervention. I agree entirely. Although on the one hand investment must be made in education and training for young people in particular, at the same time penalties must be stiffer for continual offending. I am sure that all colleagues have encountered cases of serial offenders in their own areas — people who regularly appear in court for traffic offences. I am sure that we have all met families who have lost loved ones on the roads, particularly through joyriding, or “death driving” as it is more aptly known. The penalties for joyriding are not severe enough. When a driver regularly reoffends, the courts ought to consider removing that person's driving licence for life when it is clear that he or she will not be able to kick the habit of careless driving or drink-driving.

The Order will also introduce variable fixed penalties for speeding to match the severity of the offence and graduated fixed penalties for vehicle-roadworthiness offences. It will introduce new penalty points for failure to wear a seatbelt, using a mobile phone while driving, not being in proper control of the vehicle and contravention of temporary speed limits — all of which are known to contribute to careless driving. The police will also be given the power to arrest any individual who does not stop for a police officer and the power to undertake drug-impairment tests.

Steps are also being taken to bring our licensing system into line with that of the rest of Europe. Through my work in the Transport Select Committee in the House of Commons, I am aware that moves are also being made to regularise Northern Ireland's vehicle and driver licensing system to make it compatible with the system in Great Britain, so that there will no longer be the nonsense that drivers with Northern Ireland driving licences — which are not recognised by the Driver and Vehicle Licensing Agency in Swansea — and who have incurred a penalty in Great Britain, cannot simply pay a fine, but must appear in court.

I started by saying that we, as politicians, have a responsibility to do something about the problem. The Northern Ireland road safety strategy is welcome. The Association of British Insurers recently published proposals to reduce the number of deaths on the roads, especially among young drivers. There are good recommendations in that document, which I commend to the Assembly.

Finally, I want to draw Members' attention to a presentation that will be given by the Road Safety Council in the Long Gallery on 29 January 2007. I hope that it will be a platform for the formation of an all-party group on road safety that will bring all parties

together for a common cause, to tackle the issues and to demonstrate to the general public that their political leaders are serious about dealing with the problem in Northern Ireland. I hope that all parties will support the formation of such an all-party group in the Assembly.

Mr Armstrong: I support the amendment. Northern Ireland lost 125 people on its roads last year, each representing a tragic loss to families, friends and communities across the Province. Each death is one too many. Northern Ireland's aim in 2007 is to continue to work together with, and take advice from, its counterparts in other areas of the United Kingdom in order to find additional ways to reduce the number of tragedies on its roads.

The annual cost of road accidents and consequent injuries to the Northern Ireland economy is £400 million — a huge cost to the taxpayer that must be reduced. The Northern Ireland road safety strategy, launched in 2002, has already had a significant impact in reducing the number of deaths and injuries on the roads. Any plans that can improve the awareness and concentration levels of road users are welcome in the effort to promote safety.

Government Departments and the Police Service of Northern Ireland are working well together to promote an integrated approach to road safety. With support from the community, they continue to endeavour to reduce the number of deaths on the roads. That is yet another area where any normal, democratically elected person or party should have no hesitation in supporting the Police Service of Northern Ireland in their efforts to promote road safety.

As a region of the UK, we are part of the national challenge to reduce the number of people killed or seriously injured in road accidents. An enhanced education programme is a necessary part of any strategy to reduce the number of road accidents. The Driving Standards Agency has designed and implemented an additional voluntary training service for new drivers, Pass Plus, with the help of insurers and the driving instruction industry, to give new drivers advanced training in safe driving. That programme covers potential dangers such as driving in town, in all weathers, at night, on rural roads, dual carriageways and motorways. No such scheme has been implemented by the Driver and Vehicle Testing Agency in Northern Ireland. A devolved Assembly or, in its absence, direct-rule Ministers, should consider such a scheme. We must grasp the nettle and show young people that we politicians feel very strongly about this matter and are going to do something about it.

Great Britain is introducing a new rigorous driving test framework, and moving towards a more demanding driving test. It is important to ensure that Northern Ireland is part of that debate and keeps pace

with what is happening in the rest of the United Kingdom. Education is the basis of any advanced driving programme, and that must include children at primary school. The driving test should be based on education provided at that early age. As Sam Gardiner said earlier, young people are the eyes and ears of the future, and they will alert drivers and parents if they feel that their lives are in danger. It becomes natural for them to think of safety in their lives, the more so when they become drivers.

I agree with Edwin Poots, who said that in some cases the speed limit is too high, and in other cases too low. That must be amended. Only through the successful operation of the Assembly and its Committees will we be able to change that. All of this hot air is useless until Sinn Féin becomes a democratic party and we can move forward without our hands being tied.

Some Members: Hear, hear.

Mr Murphy: Go raibh maith agat, a LeasCheann Comhairle. I support the motion, but I would like first to address the amendment. When I read the amendment this morning, I thought that it might be something to do with DUP or unionist sensitivity about language because the motion refers directly to North/South measures. However, having listened to Edwin Poots, I now believe that it is much more than that. Sadly, that reflects a rather blinkered view of this problem on the island of Ireland. There are many DUP and Ulster Unionist representatives from border constituencies, such as Maurice Morrow, one of the proposers of the amendment. He surely knows that the tragic phenomenon of road deaths is not confined to one side of the border, and a different approach — *[Interruption.]*

If the Member wants me to give way, I am happy to do so. He obviously does not; he has nothing to say.

It is not confined to one side of the border, with a different set of problems and a different approach needed on the other side. Anyone who lives in or represents a border area knows that many main roads run across the border and back again within two- and three-mile stretches and, therefore, what is needed is an approach recognising that fact.

It is no surprise that Co-operation and Working Together (CAWT), the agency that monitors such things, has produced statistics showing that there is a proportionately higher chance of road fatalities occurring in border areas North and South than on the rest of the island. There are a number of factors involved, but surely we cannot ignore the fact that the problem stretches across the island. We cannot ignore the fact that we have a land border and different jurisdictions. There needs to be a common approach between those jurisdictions to tackle the problem.

Another problem that I have with the amendment is that both Edwin Poots and Billy Armstrong derided the

current driving test and argued that there were deficiencies in it. However, the amendment removes the call for a rigorous new driving test examination.

Before Christmas, I had an experience similar to that of Jeffrey Donaldson: I was invited to speak at an event following the deaths of two men on the Dublin Road on the outskirts of Newry. It struck me that, like many other road traffic deaths, the accident involved two separate individuals — both of whom I knew; one was a taxi driver and the other was a young man from my constituency whose family I know — who were both killed in an accident involving a car that was being driven by young people. It would be inappropriate to go into the details of the accident, because some matters are still sub judice. However, the broad picture given by the report of that accident fits the general pattern of so many others — speed, road structure, unfit vehicles, and vehicles being driven without due diligence.

Other people have talked about speed and the abuse of drink and drugs while driving, and I will speak about those briefly. Education is a key factor. It has been well proven — and statistics show very clearly — that the people most likely to be involved in that type of activity are young men. That is not to demonise all young people; the majority of them, including young men, drive responsibly and with caution. Sadly, however, all the statistics show that young men are the most likely to be involved in car accidents, serious injuries and road fatalities while under the influence of drink or drugs, and that is where education must be targeted. While education programmes are being targeted at pupils in secondary and grammar schools, it is time to consider introducing such programmes in primary schools also.

Again, the matter is not confined to the Six Counties; it applies across the island. John Dallat referred to the new Road Safety Authority in the South; it seems to have had some success, and lessons can be learned. We are not living in a bubble, and those of us who represent border constituencies know that road fatalities are not confined to one side of the border or the other and are not due to different sets of reasons on one side of the border or the other. That must be taken into account in our approach.

Detection and appropriate punishment are also involved, and those are matters for agencies on both sides of the border. There are issues that need to be addressed. Jeffrey Donaldson referred to the licensing anomalies between here and Britain, but there are also anomalies in detection and punishment between here and the South.

Road structure is another factor playing a key part in road traffic accidents and fatalities, particularly in the border areas. It has been said that the majority of

accidents and fatalities happen in rural areas, and it is no surprise that there is a link between that fact and the substandard structure of roads in rural areas — and the decreasing budgets for road structure in those areas, and in border areas particularly.

There are questions to be asked about our main roads too. When the Newry bypass was opened a number of years ago, people from all political parties, and those who lived along the bypass or used it, complained about the substandard lighting and the dangerous carriageway layout. It became the most dangerous stretch of road in the North of Ireland, if not on the whole island.

It took many years of lobbying before a simple set of street lights was erected at each junction of that bypass. I am thankful that since their recent installation, there have been no further fatalities. The roads agencies should not wait until 16 or 17 people have died on a stretch of road before reacting with such simple measures.

12.00 noon

The new stretch of the A1 from Loughbrickland to Beech Hill has recently been completed at a cost of more than £20 million. Already, questions are being asked about safety measures on that stretch of road. Speed limits were introduced on the A1 at Dromore, and, eventually, an underpass was built. However, that brand new stretch of road has similar junctions and cross-cutting traffic to those that were on the Newry bypass. Must we wait until there have been 15 or 16 deaths on that stretch of road before the Roads Service starts to spend the money that is required to provide the necessary standard of roads on this part of the island?

Reasons for and remedies to the tragedies that we experience day and daily were proposed during the debate. All those proposals have merit. However, one matter that is certainly a factor in many of road deaths has not been addressed, namely, the driving of unfit vehicles and driving without insurance. Unscrupulous car dealers have, by and large, escaped responsibility for some of the fatalities on the roads. Those dealers sell so-called runaround cars for relatively small amounts to people whom they know not to have proper licences or insurance. Those vehicles are sold without a care or a thought in the world to the outcome. In the recent case to which I referred earlier, the car in which those young people were travelling had been bought only the previous day for a relatively small sum. Therefore those dealers cannot evade responsibility.

The solutions do not lie only in detection, rigorous driving tests, better roads and better standards of driving; we must also address social responsibility. People must take responsibility for their actions and businesses and for how those contribute to road tragedies. Those who knowingly sell vehicles to people who are not responsible enough to drive them bear a

huge responsibility, and they should carefully examine their actions.

The motion is sufficiently comprehensive to address what the debate should cover. I hope that when this Assembly gets down to business at the end of March it will seriously tackle this issue. I commend the motion, and I regret that the amendment has brought narrow party politics and blinkered thinking into the debate. Go raibh míle maith agat, a Cheann Comhairle.

Ms Ritchie: Many Members have addressed the same point — the need for road safety to be addressed in a co-ordinated fashion if the tragedy and trauma that many families have experienced due to road deaths are to be reduced.

One of the most compelling requirements of an incoming Executive and Assembly is to establish a strategy, policies, and an implementation plan for a wide range of public safety measures that incorporate and encompass co-operation between Departments and the Police Service of Northern Ireland. Such a strategy and policies would address safety on our roads and ensure that our neighbourhoods are places in which people can live, work and enjoy their recreational pursuits free from the onslaught of violence, assaults and criminality. Road safety is one component of that strategy that must be given a much higher priority. The motion, which my party supports, addresses the need for robust measures on road safety on the island of Ireland. It also addresses the need for promotional schemes to make road safety a number-one priority. Those measures are urgently required, and they must be implemented on a co-ordinated basis through the development of a road safety authority in the North that is comparable in size, resources and remit to its equivalent in the South of Ireland.

In April 2006, my colleague Mr Dallat and I met the chairman and chief executive of the Road Safety Authority in the Republic of Ireland. We were amazed by the authority's work remit and by its range of resources. We were told that it is important to examine the causes of road accidents. Did the accidents happen because of the configuration of the road or the road surface? It is equally important to examine the state of mind of the driver of the car that may have caused an accident. What provoked the driver to behave in the way that they did? Those important issues must also be examined in Northern Ireland.

Road safety should affect every aspect of our lives. At the weekend, I found an appropriate quotation that, I feel, encapsulates the issue of road safety:

"Safety is not a gadget but a state of mind."

When we are on the roads, we should provide a safe environment for everyone by putting safety first.

The Road Safety Authority in the South of Ireland, which has its headquarters in Ballina, County Mayo, is charged with improving Ireland's poor road safety record. It is responsible for several road safety programmes, including education, testing and licensing for drivers, vehicle testing and standards, road safety research, and the establishment and administration of a driving instructor register. It will also be responsible for managing Ireland's driver test centre network. We need such a body in Northern Ireland, which must be co-ordinated with the law enforcement agencies on the island and with the Road Safety Authority. We should also have joint advertisements and promotion schemes that urge safety on our roads.

At present, road safety in the North is managed by two Departments, which work with the Police Service. There is also the Road Safety Council, which has inadequate resources to run a road safety programme. In fact, road safety education officers employed by the Department of the Environment cannot now attend district road safety committee meetings to talk about the important issue of road safety. How can the Department of the Environment garner information about road safety in district council areas, or assist with programmes to reduce the number of road traffic accidents, if it does not hear the views of the local community? Perhaps the views of local community representatives do not mean anything to the Department or the Minister.

In a recent letter to me, the current Minister with responsibility for the environment disregarded the need for road safety co-ordination and cohesion because, according to him, the Department of the Environment co-ordinates everything; it does not. The Department does not have the necessary authority, will or expertise to do its job of improving safety on our roads. We must ask the basic question: what priority has been given to road safety by the current direct-rule Administration? Their ad hoc, disjointed and reactive approach must be refuted and challenged. Current policies must be changed urgently, but that will only happen if an incoming Executive and Assembly have the will to ensure that road safety is of paramount importance and a number one priority.

Other Members have already referred to an overall lack of resources and only reduced resources being available for structural road maintenance. Over the past few years, the Department for Regional Development has not had the commitment to adequately fund structural road improvement.

During the first period of devolution, the Minister of the Environment ensured that the number of road safety education officers was increased. Unfortunately, the return of direct rule put a brake on road safety initiatives. That attitude in the DOE and the NIO must change.

Over the Christmas period, there were radio and TV reports of fatalities on the roads. Many reasons can be given for those fatalities, but we need to go back to basics and ask why each accident happened. One fact remains: families have been bereaved and have suffered a great sense of loss at a time when they should have been celebrating the birth of hope and expectation, and looking forward to a new year.

On Boxing Day, I visited the mother of one of the young people who sadly was killed over the Christmas period. Her sense of loss was palpable, and she told me that she could not bear to let her son go. Sadly, she had to. I hope that her words will lead us to ensure that something is done about road safety.

Although the number of deaths on our roads has declined over the past number of years, we must give hope to those who have been bereaved. We must urge the incoming Executive and Assembly to guarantee the establishment of a road safety authority, with a wide range of powers and resources, which can co-ordinate with the similar body in the South of Ireland and with the law enforcement agencies on this island. We must give the local population confidence, so that children, young people, adults and the elderly feel safe in their local environment and on the roads. Prioritising such road safety policies and strategies, accompanied with the appropriate resources, will go some way towards that.

If priority were given to road safety, it would provide a cheap and effective insurance policy. If we are serious about establishing a new Executive on 26 March, there is no reason why we cannot make road safety a priority.

Mr McGimpsey: I support the amendment. Little has been said this morning for which I do not have sympathy. Many of the factors that contribute to the carnage on our roads have been mentioned. Speed is a definite factor. Although vehicles are safer now, they are faster. They can brake and accelerate faster, meaning that the margins for error are much less than they were some time ago. Another factor is the huge rise in the number of vehicles on our roads — increased traffic density. As Jeffrey Donaldson said, statistically, the key factor in road accidents is inattention.

Other elements are just as important, and, as Margaret Ritchie said, each death is a personal tragedy for the victim's immediate family and the wider family circle. That, clearly, is of enormous importance to our society.

I agree with something else that has been said repeatedly: devolution is the best arena in which to deal with these matters. Direct rule is remote; devolution and local Ministers offer the best opportunity for further reductions in the number of road tragedies.

I support the amendment, not least because the motion refers to a "National Road Safety Campaign". Such a campaign exists. It is a UK-wide national road

safety campaign called 'Tomorrow's roads: safer for everyone'. I am not saying that that campaign is exclusive, but it has been adopted and is operating throughout the UK, including in Northern Ireland. There are mixed views about the campaign's success, but it has been implemented in regions of England, Scotland, Wales and Northern Ireland.

A key part of the strategy is to set targets. Over a 10-year period the targets are a 40% reduction in the number of accidents where there are deaths and serious injuries, and a 50% reduction in deaths and serious injuries among children. Those have been adopted universally — apart, I have to say, from in Northern Ireland, where, unfortunately, we are talking about a 33.3% reduction in accidents that cause deaths and serious injuries and a 50% reduction in the number of children who are killed or seriously injured. Throughout the UK about 3,500 people are killed annually, and around 40,000 are seriously injured. If we get reductions of about 40%, we are talking about a substantial reduction in the number of deaths and serious injuries.

(Madam Speaker in the Chair)

12.15 pm

Also, as far as the budget is concerned, this carnage costs about £3 billion nationwide, and in Northern Ireland, as we have heard, large numbers of people are killed. About 125 people died last year, and 1,750 were seriously injured, many of whom were children. Those are the sorts of figures that give us a strong motive to reinforce the current Northern Ireland road safety strategy.

There are a couple of factors that direct rule Ministers are being slow to respond to. For example, Road Safety Scotland has introduced a children's traffic club, which provides free road safety training for three- and four-year olds. It also provides money for full- and part-time 20 mph zones in urban areas to try to reduce the speeds of vehicles. Those are the sorts of measures that an Executive here could look at. There is also, as Billy Armstrong mentioned, a voluntary advanced training course in safe driving called Pass Plus, and that is being taken up universally as well.

While none of us has the answer to this problem or can say that we can get massive reductions, we need an ongoing campaign, not least for an increase in public awareness. There have been steady reductions year by year in the number of people who have been killed or seriously injured on the roads, but public awareness is such that there is no room for complacency. Some measures currently under consideration have merit.

For example, the age group most likely to pass the driving test is young men aged between 18 and 25. However, those same people are 20 times more likely

to be killed or seriously injured on the roads than middle-aged men. That indicates a clear need for a fundamental change in the way in which we test people's driving. We appear to be training them to pass a test rather than to drive safely, so tougher extended driving tests, including rigorous training programmes, is one measure that might bear fruit.

Safer driving could be included in the school curriculum. It is another of the measures being considered that also has merit. The Swedes have a system whereby students can begin training on the public roads at the age of 16. They have to do 120 hours of training before they are ready to take the test. Those are the sorts of training and education measures that we need. Cars are very sophisticated pieces of machinery and, while they are safer than ever before, because of their speed, ability to brake quickly and acceleration, the margins for error are smaller, which means that serious training is needed.

As Jeffrey Donaldson said, there is also the new Road Traffic (Northern Ireland) Order 2007. That adds penalty points where we formerly levied fines. There can be penalty points for using a mobile phone or for not wearing seat belts, and the police can seize vehicles that are being driven without insurance.

There are a number of measures being brought in or under consideration. It is important when discussing such a serious subject to understand where we are and the measures that are in place.

There are measures in place. I am not here to argue on behalf of the Department of the Environment's road safety directorate. However, it has had successes in recent years, and, while we are not complacent, it is important that we look carefully at where it has been successful and at the measures that it plans to put into place. That is the way to improve the figures and to ensure that there is a reduction in the carnage on the roads.

It is also important, owing to the nature of the motion, to reflect on the North/South co-operation that is already in place. The Executive instituted that in the days of devolution. It features an annual joint road-safety campaign; joint research on road accidents in border areas; and mutual recognition of endorsements of road traffic offences. It is important to recognise and to acknowledge that, rather than to ignore it or to pretend that there is no strategy in place. No one is saying that road safety stops at the border — far from it. We are part of a wider strategy, and delivery of that strategy by a local Administration with cross-border co-operation is the way forward.

I support the amendment. This is a subject on which we can all work together while looking to reinforce the Northern Ireland road safety strategy that is currently

in place and to find other measures to further reduce the number of deaths and serious injuries on the roads.

Mr Molloy: I support the motion. This is a timely debate, coming as it does after the Christmas recess, during which there has been continuing carnage on the roads. Thankfully, however, there has been a reduction across the island of Ireland with 39 fewer deaths last year than in 2005. While we should not become complacent, it is nevertheless important to recognise the work that is being done by various civil agencies. Unfortunately, the World Health Organization estimates that the number of people killed and injured on the roads will increase by 60% between 2000 and 2020. We are halfway there already.

Road deaths and injuries are preventable. My concern is that people think that road deaths are inevitable and a daily occurrence. People often dismiss danger by saying that it would be more dangerous to cross the road. Unfortunately, they are correct, but there does not seem to be a system to rectify that, to reduce the number of deaths and to make the roads safer.

That could be achieved in several different ways — for instance, by making additions to roads and changing road design. Cycle paths are important because cyclists are among the most vulnerable road users, particularly in towns. We want to encourage people to cycle more, so we must provide pathways and encourage cyclists to use them, not only in the urban situation but in rural areas. Safer pathways for pedestrians are also necessary.

Slow lanes for tractors are also required; one of the main frustrations on country roads is the slow pace at which those vehicles move. Some areas have introduced slow carriageways in certain parts and for short distances. Unfortunately, that can create its own problems as traffic moves and pulls back out onto the main road; however, tractors are being used more and more for the transportation of vehicles, diggers and equipment, so we must find a fast-track approach to the issue. We must design roads differently to take account of the changing nature of road users.

My colleague Conor Murphy raised the issue of dual carriageways in reference to the Dromore bypass and the new A1. The same situation arises in other areas — for example, a vehicle crossing a dual carriageway has its tail sticking out onto the fastest lane of the carriageway, or a slow-moving tractor tries to cross both lanes.

More dangers are being created for tractor users, those in slow-moving vehicles and those in oncoming vehicles. The safety of those drivers and their passengers is being compromised. We must find ways in which to deal with all those problems in order to improve road users' health and safety.

The good work done by the Committee on the Environment led to the decision to introduce seat belts and smaller seats for children on school buses. It is important to note, however, that, despite the Committee's efforts, the situation has not improved. School buses in my area still travel with 60 or 70 children on board, perhaps 20 of whom are standing. It is difficult enough when schoolchildren must sit three to a seat, which has long been the situation. However, schoolchildren's safety is increasingly endangered as a result of having to stand on buses, perhaps for a journey of two or three miles. They risk sliding about as they move up and down the bus, carrying large school bags. The Committee's recommendations must be implemented. The issues that I have raised highlight the change that is required.

Road design is also a concern, especially in the many rural areas that are being urbanised. The first requests that people who build mansions in the countryside make is for a kerbed footpath to be built in front of it and for street lighting to be installed. The result is that there is lighting for about 10 or 20 yds, followed by complete darkness. People who wish to keep vehicles off the wee bit of grass outside their home are protecting it by putting large stones or big concrete blocks on it. In doing so, however, they endanger drivers who have to pull onto that grass, and who may not see the stones. In my area, people have been severely injured in accidents that have occurred because of that.

DRD has a responsibility to remove those stones — in fact, it has a legal requirement to do so, but that is not happening. Those stones are obstacles on the road. At least a vehicle will bounce off a kerb, back onto the road; however, the same vehicle will burst a tyre on the stones, go onto the grass verge and over a hedge or into a wall. The urbanisation of rural areas must be addressed, as must road design.

Road traffic accidents result in the deaths of 350 people a day across the World Health Organization region. That figure is very large. If that happened in any other walk of life, there would be a major outcry. The number of deaths each year equates to the number of people who might die in a major catastrophe. The figure is the equivalent of the population of a medium-sized city being killed each year.

At least 2.4 million people are also injured or disabled as a result of road accidents each year. Those figures come up time and time again, but, unfortunately, the injured and the disabled are often forgotten about. Deaths raise road safety's profile; however, the injured, and what they endure in the aftermath of accidents, are often overlooked. Therefore we need a common signage system throughout the island of Ireland.

Many Members, including Mr Poots when speaking to the amendment, have raised the issue of the rigorous driver-testing framework. We need a new driving test, because ours is outdated, and many Members who spoke have accepted that. I am surprised that there is nit-picking over the motion, because the introduction of a new framework is important. If the amendment is made, the resolution will not include our call for its introduction. For that reason, I ask Members to consider supporting the motion as it stands.

The motion calls for the development of a national road safety campaign. We can nit-pick over the issue of the definition of "national", but the reality is that people who travel back and forward across the border daily are encountering different signage, road speeds and markings. We must adopt a common approach. It does not matter that we might have a British national safety campaign and an Irish national safety campaign — the two can combine. The priority is to reduce the number of injuries and deaths on the road and the number of accidents. Therefore it is important that the House unite on the issue of road safety. We should adopt a common approach to road deaths and their impact rather than allow ourselves to get sidetracked by politics.

We are supposed to be two European regions working side by side. We were told that all those differences would be done away with whenever we joined the European Economic Community (EEC). All those things that we were told would unify us — common signage and road speeds — we do not have, unfortunately. I ask Members to examine and deal with that very important element.

12.30 pm

My colleague Francie Brolly pointed out that in the South, insurance and MOT certificates must be displayed along with the tax disc. It is important to know, before drivers go on the road, that the quality of vehicles has been tested and that people are insured. Too often, people are victims of someone who is not insured and find that they have no comeback. The most dangerous person on the road is frequently the one who has no insurance. We should not split hairs on this matter, but should work together to ensure that the number of deaths and accidents on the roads is reduced. There should also be, across the island of Ireland, a common policy and a properly financed and resourced road safety agency.

I ask Members to support the motion.

Lord Morrow: I think that it was Mr McGimpsey who said that the best way of tackling these issues would be to have in place a local Assembly — I could not agree more. Alas, that is not possible at the moment because we cannot reach the stage where Sinn Féin can bring itself to support the agencies of law and

order. That is surprising — or perhaps it is not. After all, that party could not bring itself to ask the people of west Belfast to co-operate with the police when a young woman was savagely raped. Even on an issue such as road safety, I have not heard one Sinn Féin Member say that it is a matter for the police. It is, although many other agencies also need to be involved.

That is why my colleague and I tabled the amendment. We want to lift the matter out of the political domain and out of politics altogether. It has nothing to do with politics. The message that has to go out loud and clear from this Assembly today is that we are united in our concern about road safety and the carnage that is happening on our roads. If the signs are anything to go by, that is not going to be the case. That is regrettable. I am sure that those who will vote against the amendment, when they go away and think it over, will conclude that they could have done better. However, I hope that they will stop and consider their ways.

I wish to bring some figures to the attention of the Assembly. While I do not want to go through a long list of statistics, some are important to note. Of course, these are PSNI figures, and the fact that I mention the PSNI may run a cold sweat up some people's backs. What a terrible thing to do in a democratic society. However, I will take that risk. The figures produced by the PSNI cover the period from 1 April 2005 to 31 March 2006. During that time, nearly 5,100 people were injured in road traffic collisions — a quite staggering figure, by any standards. That resulted in more than 8,377 casualties, of which 11% — 895 — were children under 16 years of age. It is important that the Assembly take cognisance of the significance of that statistic.

That brings me to the number of collisions. The figures show that they have dropped from 5,240 in 2004-05 to 5,098 in 2005-06. That represents a small but nevertheless welcome decrease of 2.7%.

We have a responsibility — though not exclusive — to consider young drivers, although that may not run with every Member. The issue of young drivers must be tackled in a way that will make a real impact on the carnage on our roads. It is not true to say that young drivers cause all accidents. However, figures show that a high percentage of young drivers are involved in road accidents. Do people of 17 or 18 years of age have adequate experience to drive a vehicle at 60 or 70 miles an hour? I strongly contend that they do not.

Furthermore, a driver with R plates should not be permitted to carry four passengers. A young person who passes a driving test and displays R plates on a car does not become an experienced driver the next day — only years of driving can only do that. The issue of R-plated drivers carrying four passengers in their cars

must be considered. The Government — especially the DOE — have a responsibility to take a long, hard look at the driving test to see if it is adequate. Is it true that a young driver who passes his or her driving test and displays R plates for a year is an experienced driver? I do not believe that it is true. A year is not a long enough time to gain experience in any walk of life.

The volume of traffic on our roads has risen to such a level that our road infrastructure is now under threat and cannot cope adequately with the volume of vehicles, especially heavy goods vehicles. Freight transportation is important in my constituency of Fermanagh and South Tyrone, and the volume of heavy goods vehicles travelling from the west of the Province to the docks and elsewhere is increasing. Our economy is therefore heavily dependent on heavy goods vehicles, and that creates more tension and problems on the roads.

I heard that a Member narrowly avoided a serious accident while travelling to the Assembly this morning. A heavy goods vehicle pulled out into the centre of the carriageway and the tail of the vehicle was hanging over one of the lanes. The Member had to swerve round the heavy goods vehicle to prevent an accident. Such situations continually happen on our roads.

I appeal sincerely to Members who feel the need to score silly political points to desist from doing so. This is not an issue for scoring political points. There will be plenty of opportunities in the future for Members to score political points against their opponents, but they should not use this issue to do that. If the Assembly does not present a united voice on this issue, we will send the wrong message to the public. Our constituents — no matter who they are or where they are from — will not thank us for it.

In Margaret Ritchie's contribution, she mentioned a visit that she had made to a mother who has lost someone near and dear to her. There are too many such homes across the Province. I do not think that that parent or anyone else in that home — no matter their political background — would thank the Assembly for doing a good job of merely highlighting the issue, not uniting on it.

I appeal for unity here today, in order to send a clear message to the Government, the Department of the Environment (DOE) and all those involved in road safety that we care.

I want to bring the attention of the Assembly to the Cool FM road safety roadshow, and to commend it for the work that it is doing. This powerful show brings together all the rescue agencies — the Ambulance Service, the Fire and Rescue Service, the medical service and the police — and travels to various schools and focal points. I commend it to the Assembly and to the general public of Northern Ireland. The show

graphically illustrates the real issues of road safety and how important it is that everyone should treat the matter seriously.

My time is up; I commend the amendment to the House and ask for united support.

Ms Gildernew: Go raibh maith agat, a Cheann Comhairle. I commend the motion. It is unfortunate that although all parties agreed to have a debate on this subject, an amendment has been introduced which, despite Maurice Morrow's words about political point-scoring, leads to division in the House. Yesterday was a good day; everyone agreed on the two motions, and I thought that we would have three in a row today, but unfortunately that is not to be the case.

In proposing the motion, my comrade Raymond McCartney told us that road deaths have no boundary of geography, class or creed, and how, in this Building last year, Ursula Quinn had provided a personal and poignant testimony to the enduring effect of a road death on a family. That event gained all-party support and a pledge to support the work of the "Driving Kills" group. Raymond also warned against complacency about road deaths and how it compounded the suffering of the bereaved.

By and large, Members were united in their comments. Edwin Poots talked about the different road traffic system in the South, and how the current driving test was a nonsense. He said that it needed to test real ability, to bring into consideration dual carriageways and differing road conditions, and to be more practical. That was covered in the motion, so I am not sure why that matter was raised.

Sam Gardiner called on the DOE and the Department for Regional Development to be more proactive; he said that road signs are often obliterated, and that road markings could be improved. He believed that a better use of modern technology could help to warn drivers of excessive speed or difficult road conditions.

Mr P Ramsey: I had intended to speak in the debate, but I just want to say to the Member that a drunk driver killed my brother and his wife in Donegal 10 years ago. He served only weeks in prison for his offence. We later discovered that he had a previous conviction in the North for drunk driving. If we had harmonisation and common policies, as Francie Molloy called for, would that have led to a longer term of imprisonment for a person who, literally, got away with murder? Would there be a higher penalty for someone who killed two people and left two children in intensive care for a long period? Thankfully, they have recovered.

That is the reason for my intervention. I hope that the Member takes my point. I was upset, because of those personal circumstances, at not being able to participate in the debate. I support Raymond

McCartney's motion, but as a Member for a border constituency I ask Ms Gildernew to agree that common and collective cross-border policies would help reduce the loss of lives.

Ms Gildernew: I thank the Member for his intervention. We support the harmonisation of road traffic systems and legislation so that offenders with previous convictions have those offences taken into consideration and can be dealt with appropriately.

12.45 pm

Many Members have lost people on the roads, including constituents, and we all have visited the sad houses of those killed on the roads. That is no different in Fermanagh and South Tyrone, where there are heartbreaking circumstances around some of the deaths. The fact that one is more likely to be killed around the border is an indictment that needs to be addressed. John Dallat said that he thought there would be more joint initiatives and more harmonisation of penalty points post-St Andrews. He talked about the "red-flag" Act and how speed and drink-driving contributed to road deaths. He spoke of the need for road traffic education using France and Scandinavia as examples.

Education was a common theme throughout the debate. John Dallat pointed to examples from the Twenty-six Counties, where the Road Safety Authority has 309 full-time staff and many more powers to reduce road deaths. He said that extending those powers throughout the island would help reduce deaths on the roads. He also talked about the driving test and how people can be caught drink-driving the following morning when they think it is safe to drive. He mentioned the need for a new approach to the issue and the need to harness experience across the island and work together. That was a positive contribution. John also talked about the adverts on television and the fact that they encourage young people to drive fast, and that road safety has to be a priority for the new Assembly and Executive.

Kieran McCarthy said that road safety needs to be the number one priority; that there was an increased volume of traffic on the roads; that people need to have respect for cars and other road users and that cars should be treated as lethal weapons. He pointed out that the legislation was out of date and used the drink-driving limit as an example. He also mentioned the reduction in the roads budget and how that had adversely affected the introduction of seat belts on buses.

Jeffrey Donaldson said that although there was a reduction in road deaths, the figure was still too high and that, unfortunately, Lagan Valley topped the league table for fatalities. He said that the statistics are frightening and that more deaths occur in rural areas. He talked about the percentage of young men in the

road accident figures and said that 50% of accidents are down to careless driving. He also talked about education, the retraining of driving offenders, the draft Road Traffic (Northern Ireland) Order 2007, and the all-party group on road safety that hopefully will not lead to the same divisiveness that we saw from some Members this morning.

Billy Armstrong spoke about education and the changes to legislation. Conor Murphy talked about the difficulties with border roads. He mentioned the work of CAWT, and that people are much more likely to be involved in an accident in border areas. He talked about speed, road structure and due diligence. He said that education is vital and that young men are more likely to be involved in accidents. He suggested that the education process should be extended to primary schools.

One point Conor made was about detection and appropriate punishment, and how that should concern all agencies on the island. That would impact on what Mr Ramsey just said. Conor talked about road structure in rural areas and highlighted the difficulties and the amount of lobbying that had to be done to get street lighting on the Newry bypass. He talked about people who drive unfit vehicles and how those who sell such vehicles cannot evade their responsibilities.

Margaret Ritchie talked about the strategy, policies and the implementation plan for road safety; that we need robust measures, and that it should be the number one priority as it is in the Twenty-six Counties. She said we should examine the causes of accidents, the equal importance of the driver's state of mind and what had provoked accidents. Margaret highlighted the inadequate resources for road safety and the lack of authority, will and expertise, and pointed out the direct-rule Administration's lack of concern and will to do anything about it. She also highlighted that the sense of loss in accidents occurring during the Christmas period had been palpable.

A lot of the same themes came up. Michael McGimpsey talked about margin of error and the 18 to 25 age group — particularly in Scotland and Sweden.

Francie Molloy referred to World Health Organization statistics and the global number of road deaths. He spoke about changes to roads and stressed that consideration must be given to the fact that road needs are different now to what they were. Francie talked also about the urbanisation of roads in rural areas and the need for common road signage.

Maurice Morrow gave us two or three minutes of vitriol. He deliberately misconstrued Conor Murphy's contribution. I phased out his voice and quit listening after a while. It was a typical political point-scoring exercise from the DUP.

Road safety is a hugely important issue. It would have been good if all parties had united to ensure that we go forward with a commitment to make road safety a priority in the next Assembly. Everyone must work together. We need devolution, a new Executive and a new Minister to ensure that fewer people are killed on the roads.

I support the motion. Go raibh míle maith agat.

Question put, That the Amendment be made.

The Assembly divided: Ayes 36; Noes 26.

AYES

Billy Armstrong, Norah Beare, Roy Beggs, Billy Bell, Paul Berry, Esmond Birnie, Thomas Buchanan, Gregory Campbell, Wilson Clyde, Michael Copeland, Robert Coulter, Leslie Cree, George Dawson, Nigel Dodds, Jeffrey Donaldson, Reg Empey, David Ford, Arlene Foster, Samuel Gardiner, Paul Girvan, William Hay, David Hilditch, Danny Kennedy, Kieran McCarthy, William McCrea, Alan McFarland, Michael McGimpsey, Lord Morrow, Stephen Moutray, Ian Paisley Jnr, Edwin Poots, George Robinson, Iris Robinson, Peter Robinson, Mervyn Storey, Peter Weir.

Tellers for the Ayes: Billy Armstrong and David Hilditch.

NOES

Alex Attwood, Dominic Bradley, Mary Bradley, Francis Brolly, Thomas Burns, Willie Clarke, John Dallat, Tommy Gallagher, Michelle Gildernew, Carmel Hanna, Gerry Kelly, Alban Maginness, Fra McCann, Raymond McCartney, Alasdair McDonnell, Barry McElduff, Philip McGuigan, Francie Molloy, Conor Murphy, John O'Dowd, Tom O'Reilly, Pat Ramsey, Sue Ramsey, Margaret Ritchie, Caitriona Ruane, Kathy Stanton.

Tellers for the Noes: Sue Ramsey and Margaret Ritchie.

Question accordingly agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes the ongoing tragedy of deaths and serious accidents on our roads and calls on an incoming Executive to introduce a wide ranging strategy involving all relevant agencies, including measures reflecting international best practice, to tackle the problem; with particular attention paid to those most likely to be involved in road traffic accidents.

The sitting was suspended at 1.06 pm.

On resuming (Madam Speaker in the Chair) —
2.00 pm

Autism

Madam Speaker: The Business Committee has allowed two hours for the debate. The Member proposing the motion will have 15 minutes to speak, with 15 minutes allowed for the winding-up speech. All other Members will have a maximum of 10 minutes to speak.

Mr D Bradley: I beg to move

That this Assembly recognises the need for, and supports the introduction of, legislation which would guarantee the future security and rights of those on the autistic spectrum and would combat the tragic social injustice being perpetuated through lack of planning and funding, at a time when the number of individuals with autism is increasing dramatically.

Go raibh maith agat, a Cheann Comhairle. Tá an-áthas orm an rún seo a mholadh inniu.

I am pleased to propose the motion and am happy to accept the amendment that has been tabled.

Over the past number of years, there has been an awakening in Northern Ireland to the prevalence and challenges of autism, not only in the minds of the health professionals, teachers and parents who deal with autism daily, but in the mind of the wider public. The increase in awareness of autism is largely due to autism advocacy groups and the excellent work that they do in, and for, the community.

My former colleagues John Fee and Joe Byrne sponsored the first debates on autism in the Northern Ireland Assembly, which were held shortly after the Department of Education published the task group's report on autism. Mr Fee's motion called on the then Minister of Education and the then Minister of Health, Social Services and Public Safety to instigate a comprehensive review of services provided to adults and children with Asperger's syndrome, and the training of professionals specialising in their treatment.

Mr Byrne's motion called on the then Minister of Health, Social Services and Public Safety to introduce a training programme for health visitors, school nurses, Key Stage 1 teachers and nursery school teachers to facilitate the early detection of autism and to make adequate provision, in collaboration with the Department of Education, to meet the needs of children with autism.

Reviewing previous motions is an interesting exercise because progress has been made in some areas. For example, the Northern Ireland Commissioner for Children and Young People (NICCY) commissioned a review of services for children with Asperger's

syndrome, the provision of training has progressed and education services have developed their autistic spectrum disorder (ASD) support services.

However, more must be done. It is now four years since those motions were debated. According to a report published in 'The Lancet', the number of individuals with a form of ASD in Northern Ireland tripled between 2001 to 2004 — and rates are still rising.

Experts assert that early diagnosis and early intervention are the keys to starting to help children and parents to cope with autism. However, as many Members know, diagnosis can take up to three years and more, which means that the window of opportunity that early intervention affords is lost. Those with ASD, their parents and carers and society in general will personally bear the cost of such missed opportunities in years to come.

Early diagnosis and intervention would greatly increase the chances of individuals being able to continue their education, enter employment and live independently in the future.

We are advised that to carry out these diagnoses it is essential to have trained educational psychologists who are experienced in dealing with ASD, yet there are far too few professionals trained or available to carry out these assessments. Often, when one professional retires, that post remains unfilled for an indefinite period.

We understand also that special support in classroom work, through the use of classroom assistants, can be vital to help a child with an ASD adjust to school life and to learn in a progressive manner. However, education budget cuts have ripped the heart out of special needs units and stunted the recruitment of special needs assistants.

Even when assistants are appointed, the level of training often falls short of what is required. According to a survey, 74% of front-line workers in health and education feel that they are poorly trained and do not fully understand ASD. In addition, there is no requirement for trainee or practising teachers to undertake any training, and 70% of schools are not satisfied with the level of training in ASD that their teachers have. Many of the 25% of children with autism who have been excluded from school are excluded due to a lack of understanding and awareness on the part of the school.

There are more appeals to the Special Educational Needs and Disability Tribunal about schooling for children with autism than for children with any other type of special educational need. Of the parents who have appealed to the tribunal, 79% won their case. That shows that provision is far from adequate.

The situation post-school is no better. Only 5% of individuals with ASD are in employment or higher

education, and only 3% of adults at the higher end of the autistic spectrum live independently.

Even though some progress has been made, there is no cohesive strategy for ASD in Northern Ireland. Families who move between health and social services boards encounter significant disparities in services. That is ridiculous when one considers the small population and geographical area that those boards operate in. The Western Health and Social Services Board has a cradle-to-grave strategy; the Southern Board has a strategy for those under the age of 18; the Northern Board is working on an initial framework; and the Eastern Board has no strategy. There is little cross-board strategic cohesion.

The recent initiative to create an ASD service framework and service standards is a positive move forward. However, it is not rooted in any strategy. To develop a framework without a strategy could be described as putting the cart before the horse. The negative experience of the Bamford Review of Mental Health and Learning Disability (Northern Ireland) has underlined to the ASD community in Northern Ireland the fact that any changes must be rooted in a cohesive, future-orientated strategy that guides ASD services, rather than services guiding strategy.

The all-Wales autism strategy is to be launched in January or February 2007, and there is a similar aim in Scotland. Autism Northern Ireland has formed a strategic Celtic Nations Autism Partnership with Scotland and Wales. The partnership involves the sharing of good practice and training in ASD, and also seeks to exert political pressure to make legislative changes for ASD in the respective member nations. The official launch of the partnership will take place in Cardiff on 30 January 2007, and I hope that Members of this House will attend.

Worldwide, the United States, Sweden, Canada, New Zealand and Australia have implemented, or are in the process of implementing, legislation relating to ASD. Those countries recognise the complex nature of ASD, and we have a chance to be the first region in the United Kingdom to seize the initiative and make positive changes for people living with ASD.

Despite many initiatives and high-profile awareness-raising activities, the desperate plight of people with ASD remains unresolved. There is a huge demand for consolidated efforts to provide appropriate services for the large number of individuals with an ASD. In the interim, the impact on the economy and on health cannot be estimated, but it is of sufficient magnitude to warrant Government direction and leadership.

The bottom-up strategy has influenced practice, but not policy. The policy shift must come from the top down, and that is why legislation is required that will ensure that, in line with Autism Northern Ireland's

blueprint for change, the rights of people with autism and their families are catered for in the areas of health, education, training and criminal justice.

Government ownership of the ASD issue is the unavoidable way forward. We have the capacity to easily create an authoritative strategy for autism, and the four key charities in Northern Ireland, Wales, Scotland and England have considerable expertise and knowledge that could be effectively utilised by the Government to achieve such a strategy. Close co-operation with organisations in the Republic of Ireland would also be to the benefit of all.

The identity in legislation of ASD — as separate from other disorders and disabilities — will be a major step forward. There is also an opportunity to follow the example set by Sweden, where a significant impact on services, health and the economy has been made by the inclusion of ASD in the Swedish 1993 code of statutes, resulting in the practical initiation and implementation of appropriate support.

In the meantime, it would be helpful to have a cross-party group in Stormont that would ensure that today's motion impacts on Government policy. That group could develop links with colleagues in Scotland and Wales through the Celtic Nations Autism Partnership that could be used as a resource and a linkage to the Welsh Assembly and the Scottish Parliament on matters regarding ASD. The group could also liaise with groups in the Republic of Ireland.

I welcome the fact that Autism Northern Ireland is to make a presentation this month to the Dáil Éireann Education and Science Committee. Such co-operation benefits all, North and South.

I agree that we have been waiting too long for the development of the cross-border centre of excellence for autism at Middletown, County Armagh, as stated in the amendment. When up and running, that centre will provide a range of services, including learning support, educational assessment and training, and a training and advisory service for parents, teachers and other professionals, including support staff. Those are necessary and valuable services, and I hope that the Assembly will join me in urging the two Governments to expedite the development of the centre without further delay.

Finally, I pay tribute to the late Michael Ferguson MLA, who was a fellow autism ambassador and a strong advocate of the rights of people with autism. He is missed by those for whom he worked with the utmost diligence and dedication, and we remember his work today.

I commend the motion, as amended, to the House, and I ask Members to give it their full support. Go raibh míle maith agat.

2.15 pm

Mr McElduff: Go raibh maith agat, a Cheann Comhairle. Tá áthas orm an leasú seo a mholadh don rún, agus ba mhaith liom mo bhuíochas a ghabháil le Dominic as ucht tacaíocht a thabhairt don leasú.

I beg to move the following amendment: at end insert:

“; and further calls for the immediate funding and implementation of the long overdue centre of excellence for autism at Middletown, Co. Armagh.”

I commend the proposer of the motion, and I hope that the amendment in the name of John O'Dowd and myself simply adds value to it.

The amendment highlights the delay in establishing the long awaited and overdue centre of excellence for autism at Middletown, County Armagh. Quite rightly, Dominic Bradley invoked the name of Michael Ferguson, who was a great champion of this project. I welcome reference to him in the debate.

It is worth noting that the decision to establish a national centre of excellence was taken early in the lifetime of the last functioning Assembly. It was a decision that was jointly taken by the two Ministers with responsibility for education on the island at the time: Martin McGuinness in the North and Michael Woods, the Minister for Education and Science in the rest of Ireland. Unfortunately, the project appears to have been bedevilled for some years by legal arguments over land and property acquisition. That resulted in an unacceptable delay for several years. Site refurbishment was necessary as well. Neither the money nor the budget was the issue, as the money was ring-fenced when the decision was taken. The project gave strong expression to education as an area of co-operation, North and South, under the Good Friday Agreement.

Just this morning, I spoke to senior officials in the Department of Education to receive a further update on the all-Ireland centre of excellence for autism at Middletown. I was told that a limited company had been set up to oversee the development of the centre, that the process is under way to appoint a chief executive officer, and that I should expect an early announcement. Let us move speedily towards the development of this project and the setting up of a management board.

We are told that some operations will commence in mid-2007, and the amendment sends an urgent message to both sponsoring Departments to fully implement this centre, which has been talked about for many years now. People want to see it fully operational and offering the necessary support to children, parents, carers and teachers. That must happen without delay.

The motion calls for legislation to guarantee the future security and rights of those on the autistic

spectrum. That complements Autism NI's campaign for a specific autism Act and a programme of care in the North for ASD as well as a local autism strategy. Sinn Féin fully supports that.

The motion also pinpoints the lack of planning and funding, or perhaps the absence of a cohesive strategy. Dominic Bradley, the proposer of the motion, highlighted the different approaches among health boards and education and library boards in the North. That does not inspire confidence. Often, parents say that the education and health boards are not working with the necessary collaboration or cohesion.

Of course, there is mention of the increasing prevalence of ASD. I think it was 'The Lancet' report that said that, previously, one child in every 1,000 was affected by autism; now it is one in every 100 — although I have also seen the figure of 166. Whether 100 or 166, there is what can be described as a tidal wave. It requires greater political will, greater investment, joined-up approaches and co-ordination between Departments.

It is also appropriate to highlight the pressure on parents and carers of a child who is on the autistic spectrum. A few years ago, I organised a seminar in the town of Fintona, County Tyrone, in the Ecclesville Centre, called "A forum for carers".

I was struck by a young mother's comment that she used to be mild-mannered but that she was now aggressive, because every day of every week she has to fight agencies and Departments for services. That was her experience of trying to get the necessary support for her son.

Last week, 'The Irish Times' ran a compelling series of articles on autism by Adrienne Murphy. She asked:

"Can there be anything more frustrating than having to stand by while your child disintegrates before your very eyes?"

That is especially frustrating when that child is being denied access to early intervention and diagnosis, and to therapies that could make a difference.

Many parents believe that Governments are deliberately disputing therapies such as applied behavioural analysis (ABA) because of resource implications. In other words, they dispute the validity of those scientifically proven therapies because it costs a great deal of money to provide those therapies. Parents talk about how their children blossom when they undertake intensive one-to-one programmes, such as ABA, but such programmes are often not recognised or resourced, and parents sometimes have to borrow thousands of pounds to pay for the tuition themselves.

About two years ago, I spoke to an educationalist about the development of an ABA unit in a primary school in County Tyrone, and he simply said: "What unit?" until I used the appropriate term, which was, I

think: “additionally resourced unit”. He did not like the idea of an autism unit or an ABA unit inside a school, and I had to use correct terminology to even get a response from him.

Furthermore, if an argument is made for resources to be directed towards an individual child, the education providers will have people in court as soon as they open their mouths. The providers say that it may lead to a tribunal and that anything that is said will be taken down in evidence and used against them. Unfortunately, if someone is advocating for resources for a parent or a child, the relationship becomes adversarial almost straight away.

To return to the ‘The Irish Times’ articles, Adrienne Murphy’s son Caoimh attends Achieve ABA, which is based in St Colmcille’s School in Donaghmede in Dublin. He had late-onset autism and, as far as she is concerned, he is now in an appropriate place, and she is immensely relieved about that. She sees a tremendous difference in her son’s behaviour before ABA and after ABA.

I am the first to acknowledge that I am not competent to determine which therapies are appropriate, but an open and honest debate on all the available therapies is needed. If resource implications are the blockage, education providers must be honest and admit that. Adrienne Murphy talked about her memories of her son Caoimh in the time before he:

“pulled the shutters down on the world and retreated deeply and almost unreachably into his own mind.”

There is tremendous pressure on parents and carers, and education and health providers must listen closely to parents. The parental instinct is usually right, and it deserves greater weight when decisions are made on what support should be offered.

I take this opportunity to commend all those groups that are raising awareness, supporting parents, lobbying and campaigning — groups such as Irish Autism Action, the Irish Autism Alliance, Autism NI (PAPA), the Irish Society for Autism, and NAS (The National Autistic Society). I commend the NAS ‘Make School Make Sense’ campaign, which emphasises the need for the right school, the right approach and the right training, and which aims to provide proper education for children — the education that they deserve. It is a matter of ensuring that children with autism have the appropriate opportunities to manage their lives and to lead, if at all possible, independent lives.

Go raibh míle maith agat, a Cheann Comhairle.

Mrs I Robinson: I rise to support the motion, and I congratulate the proposer for affording us the opportunity to debate this important subject. My party does not support the amendment, as Middletown in County Armagh could not, because of its location, cater for the majority of the population of Northern

Ireland who may need to take advantage of a centre of excellence. My party would support a centre at that location without difficulty: however, a regional centre should be located where it advantages the greatest number of autism sufferers. The issue should not be a political football.

As has already been indicated, autistic spectrum disorder is a persistent condition that appears in childhood and affects crucial areas of a person’s development, including communication, social interaction and creativity. Recent studies have estimated that autism affects 3·4 out of every 1,000 children who are aged between three and 10 years. Although autism varies widely in its symptoms and severity, early diagnosis and treatment can help autistic people to live independent and productive lives.

The motion focuses on legislation. Clearly, the Assembly must be mindful of the funding implications of matters to which it would commit itself through any new legislation. It is important to have an accurate idea of the likely resources involved. I will refer to examples of international autism legislation. In the United States, President Bush signed the landmark Combating Autism Act of 2006 just before Christmas. I want to deal with the Swedish situation first, however.

Since 1995, autistic people in Sweden have been protected by the Act concerning Support and Service for Persons with Certain Functional Impairments, known as the LSS law. As well as those who have autistic spectrum disorder, the act also applies to people who are mentally incapacitated, have permanent brain damage sustained through external force or physical illness, and those who have some other lasting impairment that is not due to the normal ageing process.

The law ensures good living conditions for those concerned, assistance in their daily living, and influence over the support and services that they receive. An individual makes a request for support and services, and their needs are then evaluated. Individuals must meet specified criteria. Those who are deemed eligible are entitled to various forms of support, such as advice and personal support from experts such as social workers, psychologists, physiotherapists, pre-school advisers, speech therapists, occupational therapists and dieticians. Advice and support should be complementary to, and not a replacement for, rehabilitation and social services.

Individuals who have serious physical impairments and have not reached the age of 65 may be entitled to help from one or more personal assistants. That includes help with meals, personal hygiene, dressing and undressing, and communicating with others. Those who do not receive personal assistance may be entitled to companion service — a service that is personalised

and tailored to meet the individual's needs, so that he or she can have an active social life.

In order to reduce social isolation, assist participation in leisure activities, and provide advice in daily situations, individuals in Sweden can get help from a "contact person" who can make it easier for them to live independently. Sometimes, a "support family" can provide back-up. Respite is provided in the home, both as a regular service and in unexpected situations. Short stays away from home permit individuals to have the opportunity for recreation and a change of environment while providing relief for relatives. A stay can be arranged in a short-term home with another family or in a camp, for example.

Children who are over the age of 12 years are entitled to supervision before and after school, and during holidays. Children and young people who cannot live with their parents may be entitled to live with another family or in a residence that provides special services. That should be a complement to the parental home, both for children who live with their parents part of the time and for those who cannot live at home at all.

Specialised residential accommodation varies, but includes group housing and service housing. An individual may also be entitled to a specially adapted home. Individuals of working age who are not gainfully employed or studying are entitled to assistance with participation in daily activities.

2.30 pm

In the US, the ink is barely dry on the Combating Autism Act of 2006, which had the support of all major US autism advocacy groups and authorised more than £1 billion of funding over the next five years to combat autism through research, screening, early detection and early intervention. Spending on autism will increase by at least 50% and will include provisions relating to the diagnosis and treatment of persons with ASD and will intensify biomedical research on autism, including possible environmental causes.

Little is understood about the causes and mechanisms of autism. Many studies have been carried out into researching possible genetic and environmental causes of autism, and scientists are learning more about the disorder and how its effects can be lessened or eliminated. More work must be done to pinpoint the true causes of autism and come up with a cure.

The US legislation also includes provisions designed to improve and co-ordinate the US Government's response to autism. That legislation instructs the Centers for Disease Control and Prevention (CDC) to expand and update efforts to monitor incidence and prevalence of autism around the country, and to educate parents and healthcare providers about the

early warning signs of autism and the need for early and regular screenings.

The US legislation demands extra autism-related research, including investigating possible environmental causes of autism. There remains much that we do not know about the biological pathways and origins of the disorder, and further investigation into all possible causes of autism is needed.

We should leave no stone unturned in our efforts to understand autism, whether that means exploring possible environmental factors; paternal age; genetic factors, or any others that may hold answers. Perhaps further enquiry will show that it is not a single factor but a combination of factors that are responsible. For example, a child may have a genetic predisposition, which is triggered by an external, environmental factor that causes autism.

The Combating Autism Act of 2006 strengthens the Interagency Autism Coordinating Committee (IACC), comprising relevant Government officials; experts; parents and families of those suffering from autism. The committee's far-reaching mandate will be to compose and annually report on a strategic plan for autism provision and how improvements can be made. Public participation, particularly among the parents and families of those affected by autism, was deemed necessary to emphasise the human side of autism research and to ensure that resources are used wisely.

The growing number of people in Northern Ireland who are diagnosed with ASD deserve the same level of provision as others around the world. I am sure that everyone in the Chamber would agree with that. It is important that we learn from the experience of others and are not dragging behind in delivering a first-class service in Northern Ireland.

Every child is precious, but children with special needs require extra attention and services to help with their quality of life. We have much to do in comparison to the US and Sweden, but let us hope that when we get our Executive up and running, we can tackle this matter head on and treat it with the seriousness that it deserves.

Rev Dr Robert Coulter: I begin by declaring an interest as a board member of Dunfane Special School in Ballymena and chairman of the interim board for the amalgamation of the three special schools in Ballymena. I am also the grandfather of an autistic child, of whom I am immensely proud.

Mr Storey: Would the Member join me in commending Dunfane Special School in Ballymena? There are many other examples of good provision, but, having experienced the excellent provision that Dunfane Special School has provided in our constituency, would he join me in wishing it well,

especially in light of the difficulties that it faces in dealing with autism?

Rev Dr Robert Coulter: I thank the Member for the intervention and I fully support his sentiments.

Dunfane Special School has done a marvellous job under very difficult circumstances. The school needs all the support that we can give it.

From the point of view of those who are, tragically, affected by autism, I am pleased that today's motion has been tabled. However, I am disappointed that an amendment to it has been accepted so easily, because I think that it takes away from the original motion. It deflects our sentiments away from the people to whom they should be directed; it takes away the humanity of the original motion and leaves us with a political football that should be dealt with at another time.

The issue of autism should be discussed in the context of real people with real names, individualities and identities. It is not simply a matter of statistics or politics, although statistics are important in helping us to focus on the scale of the problem. For instance, more people in Northern Ireland suffer from ASD than the combined total of people who have Parkinson's disease, multiple sclerosis and Down's syndrome.

In Northern Ireland, clarity about autism is required. We need definitive research into the causes and treatment of autism; we need to recognise the need for family respite care; and we need to initiate a policy for the treatment and support of people suffering from autism after they pass the age of 19. I hope that this simple outline will supply the headings of an action plan to deal with what is increasingly being recognised as a widespread problem. In 2006, the medical journal 'The Lancet' estimated that autism affected one in 100 children.

There is no Province-wide approach to the problems posed by autism. Members have already mentioned the difficulties that people face when they move from one board area to another. Families with children suffering from autism who move between education and library board areas encounter significant differences between the services available. That is a ludicrous and unacceptable situation in a Province of some 1.7 million people. We need to move on from this situation to become a leader and an example of best practice in the UK. Members have already mentioned that countries such as the United States of America, Sweden, New Zealand, Canada and Australia are proposing legislation on ASD that recognises the complex nature of the causes and treatment of autism.

The all-Wales autism strategy is due to be published this month or next month. Autism Northern Ireland has already formed a strategic Celtic Nations Autism Partnership with Scotland and Wales, and we compliment it on its initiative. I have the honour of being my

party's autism ambassador, and, in March 2006, I joined 50 other people from the Province at the Great Britain launch of a campaign for a Northern Ireland-specific autism Act. This network of party ambassadors was established in 2002 and has initiated strategic partnerships within Northern Ireland and with Wales, Scotland and Sweden. We took our petition for an autism Act directly to the Secretary of State for Northern Ireland and for Wales, Peter Hain, at the Welsh Office. Mr Hain was left in no doubt that there was massive cross-party support for this measure.

That meeting was, indeed, a notable first, because representatives of all five main political parties in Northern Ireland met and agreed a strategy. We focused our lobbying on the early diagnosis and treatment of autism. We revealed that, according to figures that my party had obtained from Lord Rooker in 2005, around 700 children in Northern Ireland were waiting for this vital primary assessment.

In the Northern Board area 117 children were waiting; 188 were waiting in the Western Board area; 128 in the Southern Board area; and 253 in the Eastern Board area. The model for legislation for a Northern Ireland PAPA Act — as it has become known — already exists. That model is in the Autism Northern Ireland (PAPA) document 'The Blueprint for Change'.

The Government need to recognise ASD as a complex, lifelong developmental disability in its own right. It is neither a learning problem nor a mental-health disorder. A Northern Ireland policy on the issue, which would be the precursor of an Act, should raise public awareness of autism, create a dedicated programme of care for autism sufferers and create a funding mechanism to underpin a distinct and separate programme of care for them.

It is critical that all staff who work with young children are aware of the features of autism. It is also important that a quick response mechanism is put in place that ensures not only early detection but early treatment. Referral routes need to be established for children and adults, and each diagnosis should result in the appointment of a health professional to supervise and support those cases. Multi-agency and multidisciplinary teams that comprise ASD healthcare specialists who have received specific training are essential. That should result in a needs-led care plan that is based on best practice.

I should reinforce the need for proper clinical and scientific research into ASD. Genetic research is particularly important. I was delighted at last year's announcement that a Bristol-based team is to research the genetic causes of autism and other chronic childhood conditions. It intends to build a biobank — or DNA database — that contains the genetic profile of some 14,000 children. Given that Autism Northern

Ireland has estimated that one adult in 86 in Northern Ireland suffers from ASD, Northern Ireland scientists should either establish their own database or aim to participate in the Bristol study.

Finally, I ask that carers be remembered. It is difficult being the parent of an autistic child. Respite care for families of autism sufferers, as well as families of those who have other chronic disorders such as Alzheimer's disease, is a critical part of the overall care package. It is amazing what a difference a week — or even a weekend — away from the responsibility of looking after a child with ASD can make. That can be a relief for siblings, who can find it difficult to communicate with their autistic brothers or sisters.

We should never lose sight of the fact that when a chronic disease affects people it affects more than the patients themselves. It affects their carers and their families. We need a whole-family approach to the problem if we are to create the climate in which to optimise treatment.

I support the motion.

Mr McCarthy: It gives me great pleasure to voice my support for the motion and, indeed, for the future of those in Northern Ireland who live with autism.

You, Madam Speaker, were the Alliance Party's ambassador for autism for a number of years. You supported the efforts of so many people, including parents, to secure better deals for individuals who suffer as a result of autism spectrum disorder. When your talents were required to carry out the duties of Speaker of the Assembly, you very kindly handed over your role of ambassador for autism to me, and I am privileged to carry on the work that you started.

I, like everyone else here today, pledge my support for a better future for all people who have autism. I acknowledge the work that Autism Northern Ireland has done under the dynamic leadership of Arlene Cassidy and her staff. Indeed, other groups are advancing the needs of those who deal with ASD in Northern Ireland.

2.45 pm

The need for advancement for people with ASD has never been greater; we are told that the number of sufferers is increasing at an alarming rate. In Northern Ireland, up to 200 babies born each year are later diagnosed with autism. This is a staggering figure. While this is the case, every help and assistance must be provided to those individuals and their carers.

At present, the Departments relevant to the needs of ASD sufferers are grossly underfunded. It is a shame that families are having to wait for up to three years for their child to be assessed. It is also disgusting that, at the end of 2006, there is no Northern Ireland strategy for autism; there is no ring-fenced funding; and there is

no legislative protection for the condition to guard against vested interests.

On 30 June 2006 'The Blueprint for Change' report was launched in the Long Gallery. All Members who attended gave their full support. The report stated that:

"the Blueprint does not seek to replicate existing legislation; but rather addresses the unique issues facing individuals with ASD and their carers that existing legislation did not reach".

Autism NI has found that there is a huge differential between health boards in Northern Ireland for people with ASD. There ought to be the same facilities and provisions for everyone, regardless of the board area in which one lives.

Working with other parts of the UK has led to real progress. The all-Wales autism strategy is shortly to be launched, and Scotland is also working in that direction. Indeed, other parts of the world are in the process of implementing legislation for ASD. We have a chance to be the first in these islands to make positive changes for ASD sufferers.

In conclusion, today while the Transitional Assembly has no power, let us commit our parties to do in the near future what is required to ensure that all ASD sufferers get a better deal. Dominic Bradley has invited me, and I would be delighted to accept, to be part of an all-party group of the Assembly to deal specifically with ASD. Similar groups have dealt with other areas of complaint and we have had some success, so that is an important development on the way forward. I hope that other parties will join in to advance the needs of autism sufferers.

Dr McCrea: For too long, people with ASD have been forgotten citizens. Their unique condition is referred to as a hidden disability. In its mission statement, Autism NI focuses on the need for:

"people within the autistic spectrum and their carers [to] have access to appropriate services, enabling people with autism to be valued members of their community".

Yet it is apparent that despite the many initiatives and the high-profile awareness-raising activities, the desperate plight of a person with ASD remains largely unresolved. Autism NI joined with its Welsh neighbour, Autism Cymru, to produce the report 'Government and Autism: Opportunities and Solutions', which concluded that:

"Ownership by Government of the ASD 'issue' is the unavoidable way forward".

Therein lies the importance of today's motion. We need to move towards a solution where people with autism feel both respected and supported. The report of the education Task Group on Autism published in 2002 recognised that autism was underreported and an underdeveloped aspect of special needs.

Even then the task group found that much progress still had to be made before it would be possible to say that all children and young people with ASD were being identified and their needs being fully met. The report recognised that a demand exists for more prompt access to diagnostic services at an early age and that those services should be followed immediately by effective home- and school-based intervention.

The report also highlighted the fact that there was: "an 'autistic spectrum wave' rising through the school system".

That has led to a large increase in the number of pupils and trainees being diagnosed with ASD, resulting in a large increase in demand for appropriate services and educational provision.

Help and support for people with ASD is a right. It is a way in which to level the playing field and to enable those with autism to make the same choices and lead the same lives as all other citizens. However, in order to ensure that the rights of those on the autistic spectrum are fully recognised, there must be planned development in all service areas. New resources must underpin that development in order to drive up the level of service that every family receives.

Children with autism require services that are provided by members of many different professions, working in a variety of agencies. Autistic children's need for such services continues into their adult life, because autism is not a condition that disappears with maturity.

Although the strategies for catering for the needs of individuals with ASD are primarily educational, there are implications for the Department of Health, Social Services and Public Safety (DHSSPS) and the Department for Employment and Learning (DEL). Our health and social services boards and trusts are at different stages in current provision. The Southern Health and Social Services Board (SHSSB) is well advanced, having released its children's autism strategy 2005-10. I welcome the fact that work on the development of a service framework for ASD by the Northern Health and Social Services Board (NHSSB) continues apace.

There has been significant progress in some areas, and that must be recognised, but a great deal still needs to be done so that people with autism, and their families and carers, can access services to which they should be entitled.

Short-break and respite services are an essential part of family support, representing a major area of unmet need for families that autism affects, yet parents' greatest concern is the lack of reliable respite care. In truth, that service is often not delivered until families are at breaking point. Many have described to me how much more difficult life becomes when, as happens too often, their respite is delayed, curtailed or cancelled

because of staff shortages or transport problems. The impact of the Government's failure to improve services is real and present, and the failure to deliver appropriate services consistently and at the right time causes families huge distress and anguish.

Let us be truthful: current funding levels for services for children with autism and their families are set too low. The allocation of resources has not kept pace with the growing numbers of children with autism. Prevalence rates for autism in Northern Ireland have tripled over the past three years, with almost 4,000 school-age children now with ASD. Waiting lists for diagnosis top 35 months. So much for the Government talking about how quickly problems can be diagnosed.

About 20% to 25% of children with ASD have also been diagnosed with epilepsy, and a significant proportion of children diagnosed with ASD also have an associated learning disability. As such, autism must be treated as a common disability with clear implications for health, education and social services. For too long, however, children and their families have struggled to access good-quality, co-ordinated services.

Autism, as a spectrum condition, is different from all other disabilities and does not fit neatly into the existing structures of mental health or learning disability — a point that Autism NI was keen to stress to the Bamford Review of Mental Health and Learning Disability, which concluded that the needs of all those with ASD, and their carers, should be the subject of a separate and overarching autism paper. However, unless new funding is prioritised, the Bamford Review's recommendations in the six key areas for service development may never be fully recognised. There are funding implications for those recommendations for the Assembly today.

As Members know, autism is a complex and stressful condition, not only for those affected, but also for their families and carers. A family left alone to face the stressful challenge of raising a child with autism is, from the very beginning, the victim of despair and exhaustion because of the misconceptions surrounding autism, which include the lack of specialised services available in the local area, but mainly because of the impossibility of planning for the child's future.

Sadly, there is no known cure for autism. However, children with ASD have huge potential. Appropriate services and early years education can greatly improve later functioning and help those affected to live their lives with as much dignity and independence as possible. That is what we should aim for. Each child has the right to a specifically tailored programme of help, and each parent should have the right to sleep at night knowing that the proper provision will be in place quickly for his child.

Much of the awareness in highlighting this condition has been generated by Autism NI. I pay tribute to its members, and, in particular, to the members that I know in the mid Ulster and Ballyclare groups. Their commitment and enthusiasm has been unstinting and acts as a source of active encouragement and support to others.

There are other models of excellence. For example, my colleague from Strangford mentioned Sweden, where ASD has been clearly identified as a condition and afforded appropriate primary and secondary legislation since 1993. In the United States, a five-year programme to support people living with autism has been announced recently, and that should encourage us in Northern Ireland to provide something better for those who need it most.

The significant increase in the number of children identified with ASD will require an improvement in our provision to meet that need. We may even require a spectrum of provision to meet a spectrum of need. While there is no cure, there is always potential for positive progress.

I support the motion.

Mr B Bell: I support the motion. I am aware that the prestigious medical journal 'The Lancet' estimated in 2006 that one in every 100 people suffers from Autism Spectrum Disorder. I am also aware that Autism NI has estimated that the problem in Northern Ireland is significantly worse than that figure of one in 100. It is estimated that 4,000 school-age children suffer from ASD, and the Assembly must address the issue.

Once a disorder is as well defined and documented as ASD, it is unthinkable that in any civilised society legislative provision is not put in place with underpinning public funding available to deal with the problem.

It is also unthinkable that in a Province of 1.7 million people, different regimes for dealing with autism exist across the education and library boards. That situation cannot pertain following the review of public administration, when massive reductions in bureaucracy are envisaged. The situation will be the same regardless of which type of review we agree to.

3.00 pm

I was pleased to hear that there has already been a significant amount of self-help. Dr Coulter demonstrated the ways in which autism ambassadors have been developed in the political parties here, and how a blueprint for change already provides the structure for any future Northern Ireland autism Act. I was moved by the way in which Dr Coulter reminded us that autism is a whole-family disorder, and of the need for respite care for families and carers. I was also moved by the sincerity with which he spoke of his pride in his grandson, whom I know, and who suffers from ASD.

The legislative path that this Assembly needs to follow is already laid out in some detail. I do not propose to revisit the particular aspects of any possible Act, but simply to say that the sooner we can legislate on this matter the better. We should never forget how many measures like this are sitting in the pipeline, waiting for action by this Assembly. It must give a greater sense of urgency to our efforts to find a way forward to a political settlement as soon as possible. Every day without a settlement is another day without an autism Act and another day that ASD sufferers and their families have to do without adequate levels of support.

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

Regarding the lack of planning and funding for services for those on the autistic spectrum, I want to point out that, according to Dr Larry Martel of Down and Lisburn Trust, a specialist in the field of attention deficit hyperactivity disorder (ADHD), some experts have said that 20% of children with Asperger's syndrome, recognised as part of the autistic spectrum, also show aspects of ADHD. In Dr Martel's opinion, around 10% of his patients display Asperger's traits.

There are approximately 1,000 children diagnosed with ADHD in the Down and Lisburn Trust area alone. It is my certain knowledge through personal experience that families of children diagnosed with ADHD are in an identical position with a lack of funding and services for support post-diagnosis. That being the case, I request that any autism legislation should also include planning and funding for the promotion of awareness of ADHD, and support services and research into the social implications and problems surrounding the condition.

In reply to a question for written answer from Lord Maginnis in 2005, Lord Rooker revealed that over 700 children in Northern Ireland were waiting for vital primary assessment of ASD. Those are sobering figures; they are a reproach to this Assembly, and they imply that action should have already been taken.

Autism often involves considerable financial sacrifice for the families affected. That is a primary reason why the disorder requires specific legislation. It is not simply a matter of the disruption of family life; it is also a matter of cost.

Autism costs can include medical treatments and equipment and home adaptation. At present, family carers are subsidising the care budget. Legislation will ensure greater equity in the allocation of resources. There are hidden costs of autism — divorce and family splits can occur because of the enormous pressures that autism can impose on a family. That has cost implications for the state, as carers can be prevented from normal employment, which has an indirect impact through the loss of earnings and tax revenue.

One other cost aspect that needs to be considered is that although early autism intervention — both medical and educational — is expensive, there may be a recruitment factor later because intervention enables those on the autism disorder spectrum to lead a more normal life. Crisis intervention is by its nature more expensive than well-structured, well-planned early intervention that is amenable to unit cost savings. Correct diagnosis of autism at an early age can lead to savings by avoiding misdiagnosis such as schizophrenia and the resulting incorrect treatment that often occurs.

There should be special emphasis on the more able children with autism. The link to autism has given us great individuals in history. Some people reckon that Mozart, Beethoven, and Bartók suffered from autism. Thomas Jefferson, the founding father of the United States and Isaac Newton, who discovered gravity, Al Gore, the former vice-President of the United States, and Bill Gates, the richest man in the world, along with George Bernard Shaw and the painter Van Gogh are among the famous people who are said to have suffered in some degree from autism. History is littered with great men who may have suffered; and great talent could be lost to our society by a failure to identify intelligent sufferers of autism at an early age.

We owe it to the future of humanity to identify intelligent sufferers of autism as early as possible, since society could be immeasurably enriched by their contribution. The fact that so many great men and women have been sufferers should remove all stigma from the disorder. It is important that we treat this subject with the care and attention that it deserves and that the Assembly puts an autism Act on the statute book at the earliest possible opportunity. That is why I strongly support the original motion.

Ms Ruane: Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh an díospóireacht seo, nó is díospóireacht an-tábhachtach í. Is bunéileamh iad an t-oideachas agus an comhionannas deise, rochtana agus soláthair. Is ceart bunúsach é an cumas a bheith ag foghlaimoirí a lánacmhainneacht a bheith acu trí rochtain a bheith acu ar leibhéal an churaclaim, ar na hinstiúidí agus ar na cineálacha teagaisc agus foghlama is oiriúnaí chun a leithéid a thabhairt i gcrann. Ba chóir do dhaoine aonair a bheith ábalta a leithéid a dhéanamh ag aois ar bith agus ag staid ar bith ina saol. Iarrann a leithéid de sholáthar infheistíocht chuí inbhuanaithe san acmhainn is saibhre againn — ár muintir féin.

Equality of opportunity, access and provision are basic entitlements. Learners have a fundamental right to achieve their full potential by having access to the curriculum levels, institutions, forms of teaching, learning and healthcare best suited to deliver success. Individuals should be able to do so at any age or stage of their lives. Such provision calls for adequately

sustained investment in our richest resource — our people.

Over the past few weeks, Barry McElduff and I, along with colleagues from other parties in the Subgroup on Schools Admission Policy, have been discussing the post-primary arrangements to replace the 11-plus. The subgroup invited representatives from various bodies with an interest in education and children to present evidence. They all spoke with such conviction and passion about education and the support that our children need. The majority of witnesses said that the current system is failing a significant number of children. In particular, our education system is failing children with autism and those awaiting diagnosis.

Any educationalist or health expert will say that early intervention is the key to dealing with autism. The diagnostic process in the North of Ireland takes far too long. There are not enough educational psychologists, which severely disadvantages children with special needs and those with ASD.

That is particularly frustrating for parents who know instinctively, long before anyone else, that their child needs specialist help, and that the earlier the intervention, the better. They also live daily with the effects of late intervention: a child crying before going to bed; not wanting to go to school; and, in some cases, being bullied and their self-esteem severely affected. Many Members are also parents and know how heartbreaking it is when our children's self-esteem is affected. We dread them saying that they do not want to go to school.

ASD is a lifelong, complex developmental disability. Adequate funding is needed to ensure a personalised, tailor-made package, so that parents, carers and people with autism can avail themselves of much-needed services. A personalised package would allow people with autism and Asperger's syndrome greater control over their lives and offer them better alternatives. Crucially, it will give children hope and access to support and appropriate intervention.

Like Barry McElduff, I pay tribute to groups that are working to highlight needs and change the services that are currently available throughout the island of Ireland. Sinn Féin believes that there needs to be a joined-up approach, North and South. The all-Ireland centre of excellence for autism, which was mentioned earlier, should have been up and running long before now, offering support and training to people living and working with autism across the island.

Autism recognises no borders. The centre of excellence, which has been hailed as a dynamic concept, will provide exemplars of education intervention; a lead for the training of parents and professionals; a research

facility; and an outreach support service complementing current and developing service provision.

Consider the professionals who would potentially be involved in the centre: a learning support and assessment division; an assessment centre with educational psychologists; speech and language therapists; occupational and behavioural therapists; teachers; classroom assistants; and visiting professionals. There would be a learning support centre, with teachers; classroom assistants; educational psychologists; speech and language therapists and music therapists. There would be a training, advisory and research division, with ASD advisers and trainers, and a research and information service. There would also be care staff and administration and other support staff.

When this initiative was advanced by Martin McGuinness and his counterpart in the South, Michael Woods, it was hailed as a ground-breaking initiative, and everyone living and working with autism could see the enormous potential of the facility. Unfortunately, under British direct rule, the project has been caught up in bureaucratic wrangling.

My late colleague, Michael Ferguson, refused to let successive direct-rule Ministers off the hook, and we are now seeing signals that the wait is over. I have no doubt that, in true Tyrone style, my party's education spokesperson, Barry McElduff, will take the ball and run with it. I, as equality spokesperson, will assist him.

3.15 pm

There is much work to be done. In 2005, campaigners and autism support groups from across Ireland travelled to the European Parliament in Brussels at the invitation of Mary Lou McDonald. A total of 24 delegates representing 10 autism non-governmental organisations (NGOs) from all over the island made the trip, and they told stories of state neglect on both sides of the border; lack of support; and woefully inadequate provision of essential services. The Irish Government and the British Government are failing the families who are caring for children and adults with autism. The situation here is not acceptable and needs to be changed.

The British Government has a fundamental responsibility to ensure support and provision of services, yet in this state there is no adequate and specific facility for autism. There is no cohesive strategy. We may sit here, talk and have a wonderful debate, but we all know what needs to be done: sit down, form a power-sharing Government, establish a North/South Ministerial Council and stop making excuses. Let us move forward and get the arrangements up and running, so that we can help those who need help.

This involves us as political parties in the North of Ireland. There should be Ministers from the DUP, my party and all the parties here running health and

education, equality, OFMDFM and our justice system — and those are the Departments that must work with families who need support on the whole issue of autism. It is not acceptable that we continue to let the British Government dictate the pace.

Furthermore, we have human rights and equality legislation, and we need to use it. I know from my experience as a human rights worker prior to being a politician that the only way to realise change is by fighting from a rights-based perspective. I commend Disability Action's new centre for human rights and I look forward to the centre taking test cases that will change people's lives for ever.

Finally, I commend the people who deserve our respect the most: those who have had to fight for their children — who should not have had to fight, but whose circumstances dictated that they must. They are men and women, family members, brothers and sisters, but invariably they are mothers. I work with many families whose children have special needs, and nine out of 10 of the people who come to my constituency office are the mothers.

Billy Bell talked about the historic men; I want to talk about the brave and powerful women who have done so much and who have taken on the system and come up against a terrible brick wall that they had to break down. I commend them — and fair play to them. Sinn Féin will join with them in their fight, but the best way that we can do that is to get the institutions up and running, work together and stop this nonsense. Go raibh maith agat.

Mrs Hanna: I welcome the motion from my party colleague, and I support the amendment.

As elected representatives we are becoming more aware of the autistic spectrum disorder, a developmental disability. However, there is still a general lack of understanding on the part of the public. That is by the very fact that it can be a hidden condition and is such a varied condition. However, that is improving through the well-organised campaign mounted by Autism Northern Ireland, which is a charity made up of parents, professionals, other support groups, and friends and acquaintances, as well as constituents.

The dire need for the implementation of a well-co-ordinated strategy has been brought home to me. Furthermore, awareness needs to be raised with regard to the dilemmas and issues facing parents and carers of people with autism. We are learning more about this complex and challenging disorder from other places, particularly regarding legislation and the need for a clear strategic direction; we must continue to learn.

Today is our opportunity to move the issue forward, and so I make a plea, particularly to the DUP and Sinn Féin, to make a move; get on with it and let the rest of us get back to work.

Some Members: Hear, hear.

Mrs Hanna: Although the number of people with autism has tripled and is still rising, there is no cohesive strategy. Some services are in place, but they are patchy and must be better co-ordinated. The length of the waiting lists for diagnosis is unacceptable. More paediatricians, educational psychologists and many other professionals are needed. A mechanism must then be put in place to enable health and education professionals to respond quickly in order to create a clear referral route for children and adults and to provide straightforward support, direction and service for parents and carers. Together, those measures will form a proper, comprehensive care plan.

It is essential that the diagnostic team receive specialist training in the assessment and diagnosis of autism. Appropriate accredited training must be available to other healthcare providers, particularly so that they can recognise other possible healthcare needs related to autism. Training must also be provided for parents and carers to empower them to do the best for their children.

The education system must provide a service that supports people with ASD to realise their potential and that provides them with the appropriate social skills and life-skills training.

Parents of children with autism experience undeniable stress. All parents want the best for their children, and rightly so. I have met many parents who are at their wits' end as to how to help their children. All parents have experienced a feeling of helplessness when their children have been ill, but most know that a specific treatment will remedy the illness.

However, some parents worry that they may have an autistic child, because, for one reason or another, the child does not respond to affection or appears to be in a world of his or her own — it is hard to imagine how helpless those parents feel. Parents know that there should be help for their child but that professional support is needed to unlock that child's potential. Those parents are all too aware that the days, weeks, months and, sadly, years, waiting for help may represent lost opportunities.

That situation must not be allowed to continue. Let us get the Assembly back, so that we can roll out a strategy — with any necessary legislation — to protect people with autism and to ensure that the structured support is in place through to adulthood. Every person has a right to a comprehensive service.

Mr McGlone: It should be noted, a LeasCheann Comhairle, that 80% to 90% of individuals diagnosed with ASD will develop mental-health problems. Only 5% of people with ASD are in employment or higher education. As a former Minister for Employment and Learning, Carmel has experience in that field and

knows that, set in the context of Government initiatives intended to encourage people into the workplace, that is an extremely low figure.

Moreover, as Carmel mentioned earlier, 74% of front-line workers in health and education consider themselves to be poorly trained and not to understand ASD fully. Thank you, a LeasCheann Comhairle.

Mrs Hanna: I thank the Member for his intervention, which highlights that a co-ordinated strategy for autism is essential. Training for health professionals, carers and parents is required so that other conditions related to autism can be recognised. A comprehensive service is not only required but is the right of every person with autism, the parents, carers and extended family.

Some Members: Hear, hear.

Mr Berry: I support today's important motion and welcome the debate. However, it is unfortunate that the amendment takes the focus away from the motion and from the message that Members are trying to send out.

We must have a Northern Ireland centre of excellence, rather than one that is cross-border and politically motivated. Such a centre of excellence was hailed by Sinn Féin and others. It was promised but never delivered. Therefore the amendment is politically motivated and for that reason should not have been tabled.

Although autism was first identified in 1943, it is still a relatively unknown disability. Autistic spectrum disorder is estimated to touch the lives of over 500,000 families throughout the beloved United Kingdom. People with autism are not physically disabled as a person with cerebral palsy might be. They do not require wheelchairs, and they look just like those without the disability. Due to the invisible nature of autism, it can be harder to create awareness and understanding of the condition. The motion will help to do that, even at the level of Government.

A carer commented that, because autistic children look normal, others assume that they are naughty or that parents are not controlling them as they should. Strangers refer to that perceived failing frequently, and it causes concern, anxiety and stress for parents when they socialise, and many of us should take that on board.

I support the call for legislation that will ensure that the rights of people with autism, and their families, are upheld, and that services are provided continually to meet their needs. We must combat the disgraceful social injustice that exists due to the lack of funding and planning of services across Northern Ireland.

Local provision for children with autism is often limited. Teacher training in autism is inadequate, and children and their families struggle to access the entitlements that are their right. It is vital that the good

practice that exists in some areas in the United Kingdom is extended to schools in all areas so that all children with autism get the education that they deserve. Postcodes must not determine provision.

I, like others, commend Autism NI. They have carried out tremendous work and continue to lobby hard throughout Northern Ireland for their members and for people in general who suffer as a result of autism. Dr McCrea quoted the mission statement for Autism NI. That should be the mission statement for the Assembly. This House must ensure that there is access to the appropriate services for people with autism and carers. Members must help to achieve an autistic spectrum disorder programme of care, an autistic spectrum disorder strategy for Northern Ireland and, as has been mentioned earlier, a Northern Ireland autism Act.

In the United States, the needs of autism sufferers and their carers have been debated on Capitol Hill. Due to the efforts of Cure Autism Now, and other groups, Congress passed legislation six years ago to boost research funding for autism. Last summer, the Senate passed follow-up legislation called the Combating Autism Act of 2006, which not only calls for a doubling of funds for autism research, but also for autism screening, surveillance and early intervention programmes in all 50 States. It is important to state that they still have a long way to go, and some groups are concerned that funding has not yet been provided. However, that is, at least, the first step in the process, and we, in Northern Ireland, must take note of it.

Funding is required to provide support for schools, and it would involve working directly with teachers and classroom assistants. For many years, there have been concerns in this area. Although classroom assistants have been trained in autism, parents feel that teachers, on occasions, brush off children with autism and leave them for the classroom assistants to deal with. That matter must be dealt with.

It is vitally important that teachers work in partnership with classroom assistants in the preparation of materials to support children with autism.

3.30 pm

Individual support for each child is required, and it is imperative that parents, teaching staff and other services are trained in how to support children with autism. One hears so much about joined-up government, but when one looks at the provision of such support services, it seems that joined-up government is far from the agenda. The Southern Education and Library Board provides an autism advisory and intervention service, and I welcome such a partnership approach that helps everyone involved to support and help young people who have autistic spectrum disorder.

It has been said that the earlier an autism diagnosis is made, the better the person's chances are of receiving appropriate help and support. However, we have heard many statistics in the course of the debate that show that there is a long way to go before the needs of the people who are affected by autism are met.

The Government must hear the clear message that more funding and better planning are required to deliver the necessary resources for people who have autistic spectrum disorder and their carers. An urgent joined-up-government approach is needed to tackle the issue. I support the motion.

Mr Dawson: In common with many Members, I have had occasion to meet parents, grandparents and other family members who have gone into great detail in outlining the personal and often heartbreaking reality that an Assembly motion could never express. There are children in all sections of the community who are on the autism spectrum. Therefore, I am disappointed, but not surprised, that some Members have sought to politicise the motion and score political points on the back of children in real need.

All parents, regardless of the community from which they come, want to know that the needs of their children are being adequately met, and that their children will be allowed to perform to the best of their ability. They want to know that their children will not be disadvantaged compared with other children because they are on the autism spectrum.

I will concentrate on autism in the classroom, because it is there that the shortcomings of the system, as summarised in the motion, are graphically demonstrated. I have consulted professionals in the education sector, and some key themes have emerged. First, there is a need for flexibility of approach. As Members know, autism is different from other difficulties that may affect children. It is defined as a spectrum because it differs from child to child, and because it is global and pervasive in relation to the child's experience.

All aspects of the life of the individual are affected, and children with autism are found in every type of school in Northern Ireland. Therefore, there is no one-size-fits-all approach for the education sector. In order to meet the children's needs, boards and schools must be adaptive and flexible in their approach to the situation. The concept of 10 hours of classroom assistance in blocks of time is nonsensical to a child on the autism spectrum. The child requires a minimum of 10 hours of assistance spread across 20 hours of teaching time. Therefore, the classroom assistants should be available throughout the teaching day and teaching week. That flexibility does not exist in any of the boards in Northern Ireland.

Secondly, thorough and specific assessments are essential if we are to allow for the correct planning and

package to be made available for the child and the family. Early assessment has already been mentioned, and it will reassure the parents and allow for the specific needs of the child to be met. It is essential that assessment occurs as early as possible so that action can be taken as early as possible. However, that runs counter to established educational practice, which results in up to 18 months lapsing before a statement can be issued for a child.

That 18 months is lost time — it is time during which the child is not receiving appropriate help, could be developing further problems, and could be falling behind in achievement.

The third key theme is the training required for parents and teachers, and support staff in the education board structures. Training delivery needs to be tiered so that it is appropriate in individual cases. Once again, flexibility of approach is important. Without necessary training, relationship issues will inevitably develop within the school.

Like others, I have had to deal with difficult situations in the classroom. One situation involved a young person on the autistic spectrum who was being disciplined by a school for going down a corridor the wrong way to get to the classroom for a lesson at the scheduled time. The child was being disciplined because a teacher felt that it was being disobedient and disrupting school life. However, the child was not being disruptive or disobedient. It was simply that the lesson time created an absolute for the child that the one-way system in the school did not. Training of staff in the school would prevent such an incident. Indeed, perhaps such a child would need a classroom assistant to accompany him or her from class to class to ensure that the difficulty did not arise. That takes us back to the need for flexibility of approach.

The fourth key theme is multidisciplinary working. Children on the spectrum require a wide range of professionals, some of who have been mentioned.

Mr Shannon: Is the Member aware that 50% of carers are in ill health and are being driven to the brink of despair? One supreme example is the case of Alison and Ryan Davies across the water. Alison, who was the mother of Ryan, an autistic child, was driven to take the ultimate step and committed suicide.

Mr Dawson: I thank the Member for that intervention. I am aware of examples of where people have been driven to despair, not only in that case, but in other cases too. Multidisciplinary working can assist families, because this is a complex issue, and a seamless approach and support to the child is needed.

Let me ask the House a very simple and straightforward question. Who in the government system is responsible for the delivery of that seamless provision to the child? The stock answer is that they

are all responsible, or, that the organisation itself is responsible — which means that no one is responsible, and the inevitable result is that the child will suffer.

It should not be up to parents to have to pick their way through the maze of bureaucracy, the quagmire of no funding, or the constant argument about the needs of the child. The child's needs should be met as a matter of right.

That takes us to the further key theme of regularity of contact. Professionals are under so much pressure that running for the needs of the child must be done by the school, the parent, or both. That is never in the best interests of the child. There are gaps in service delivery, and that leads to children not receiving a quality education. It can also mean that parents are forced to seek private intervention, which can lead to confusion in delivery, and may not be best practice. However, who could fault parents who see a gap in the delivery to their children and seek a way to plug that gap. Sadly, too often the gaps in service lead to court cases, which develop as parents rightly demand the delivery of existing legal obligations for their children. Perhaps Members will feel that the service I have described this afternoon is a long way from best practice. Sadly, it is.

I have sought to elaborate on the motion using my knowledge of what is going on in education. However, that is but one area of Government. The motion covers a much wider canvas, which, I am sorry to say, is no less shambolic than education.

It is for these reasons that I support the motion.

Mr P Ramsey: Thank you, Mr Deputy Speaker, for calling me to speak in the debate. I realise that there are time pressures as so many Members wish to speak.

I welcome Dominic Bradley's suggestion to set up an all-party working group to deal with autism. Given the number of parents who have expressed interest in today's debate, we should, at the very least, activate such a group to give some reassurance and comfort to those parents. The working group should focus on the three key priorities that have been identified: to develop a Northern Ireland strategy for autism; to ring-fence funding for autism; and to initiate Northern Ireland legislation on autism.

I commend all Members on their contributions. Like this morning's debate, this afternoon's debate has been good. All Members honourably shared their concerns from their constituency perspectives, describing the work that they regularly do on this issue, particularly with parents of statemented children.

At a recent public meeting in Derry, I listened to testimonials from parents of young adults with autism. As other Members have done, I have supported parents in tribunals and meetings with health boards and trusts. Listening to so many different people describe their

experiences of the same underfunded, fragmented service was not nice. I could share with Members the frustrations of all those who have been forced to put up with an inadequate service. Experiences ranged from problems with speech and language therapy to difficulties with education boards. There has been practically no co-operation between health boards and education boards.

After that meeting, I found it hard to look parents in the eye, knowing that they would have to fight for services for their children — services to which their children are entitled. No parent should have to waste time fighting and campaigning for a service that should already be in place. No parent should have to give up their time to meet health and social service council subgroups to ensure that the needs of their child are being met, as is the case in the Sperrin Lakeland Trust.

Destined is a self-advocacy group for young adults with autism in the Foyle area, and it does sterling work for people with autism. Members including Raymond McCartney, Mary Bradley and Willie Hay will be aware of Destined's advocacy work, and I am sure that they have been canvassed by or have met the group.

It is vital that all people with autism, and their families, receive quality services appropriate to their needs. Caring for a child with autism spectrum disorder can be strenuous, and we know that many parents experience great worry and stress. They cannot get peace to sleep because they are so worried, as Dr McCrea mentioned. The quality of the current service for autistic children, from diagnosis to treatment, is below par. As a result, parents are suffering unduly.

With increasing numbers of children being diagnosed with autism, it is important that action be taken to tackle and properly fund the needs of those with autism. Although there has been a great increase in awareness of autism, the Government have failed to implement any meaningful changes to the provision of services and therapies for those with autism.

Direct rule and, in particular, direct-rule Ministers, have failed people with autism and their families. For years, services have been underfunded, badly managed and poorly planned. A devolved Government can provide the opportunity to change that — an opportunity that must not be wasted.

A new Programme for Government could introduce legislation to protect and guarantee a future for those with autism and to give their parents the peace of mind that they want. We can ensure that the needs of everyone with autism are met and that they can access a service that is well resourced, well funded and flexible enough to respond to the needs of each individual.

Parents of children with autism have three demands: first, that every child with autism should have local access to a diverse range of mainstream and specialist

educational provision; secondly, that all teachers should expect to teach a child with autism and must receive appropriate training to best support such children's needs; thirdly, that all schools should be autism-friendly and promote and provide a positive environment now and in the future. Those should be target areas for an all-party working group to challenge permanent secretaries of Government Departments to deliver for the parents of autistic children.

3.45 pm

Mrs Foster: Like other Members, I am pleased to take part in the debate, and to wholly endorse and congratulate Autism NI and others who work in the field of autism for the way in which they have promoted and worked on a comprehensive autism strategy for Northern Ireland. I pay tribute to the autism ambassadors in the different political parties, not least in my own party.

When I talk about a comprehensive autism strategy for Northern Ireland, I mean just that: a strategy that takes in all aspects of the condition, is holistic in dealing with all of the service providers, and most importantly for me, coming from the west, is that it covers Northern Ireland in its entirety.

Yesterday's debates highlighted the difficulties faced by rural dwellers. Unfortunately, I must continue with that theme today. Often, where someone lives determines the level of service that he or she receives. I want to stress to the House that that is fundamentally unfair and must be dealt with. Why should someone's address determine the quality of service that he or she receives? Following on from the previous Member's remarks about the Sperrin Lakeland Trust, I must point out that there are major problems in the west of the country with regard to occupational therapy, speech and language therapy, and paediatrics. Those are the basic building blocks of any service and must be improved.

The option has often been presented to access professionals from outside the trust area. However, that is not a solution. It serves only to demoralise the existing staff, who are trying to do whatever they can for people.

Mrs D Kelly: I am sure that the Member, along with many others, has been lobbied by graduates from the physiotherapy service. It is an absolute scandal that young graduates must seek employment not only across the water in England, but as far away as Australia, and that after being educated in our own fine establishments, and despite there being huge waiting lists at child development clinics, there are no jobs for them. Where does the money go that comes from the Department to the boards and trusts?

Mrs Foster: I sincerely thank the Member for her point of information. That is an issue that must be examined soon because money is being put into the

trusts and boards. I hope that the autism strategy will be able to identify the gaps in the current service.

There has been a dramatic increase in the number of people who are on the autistic spectrum. Nowhere is that more evident than in my own constituency. When I was growing up and still at school — which, I must say, Mr Deputy Speaker, was not that terribly long ago — autism was a relatively rare phenomenon. It is not so now, however. Indeed, between 2001 and 2004, the number of individuals who were diagnosed as having ASD tripled. The number is now higher than the combined totals of sufferers of multiple sclerosis, Parkinson's disease, and, indeed, Down's syndrome, yet there is still no cohesive autism strategy in Northern Ireland.

Early intervention for ASD sufferers is crucial to giving them the best start in life. Members have heard much about that today. It also helps to identify and address the needs of those who are carers of ASD sufferers. It is no surprise to those of us who have been involved with families of autistic children that the level of stress for those people is highest among all the major disabilities. It must be pointed out that the way that autism has been addressed by Government — or rather not addressed by Government — has been one of the major sources of worry and concern for those carers. Families have told me that the wait for diagnosis, intervention and support is frustrating and soul-destroying.

Parents ask me questions such as, "When will my child be assessed?", "When will my child get meaningful speech and language therapy?", "Will there be a teacher at my chosen primary school who will be able to effectively teach my child?", "Will there be a classroom assistant who is trained to deal with autism?", and, "If I choose a home programme for my child, will I be able to get funding to support me?". Indeed, there are many other questions that families who are living with autism must face every day.

Autism for those families is a way of life. It cannot be designated as either a health or education issue and put into a tidy box, as has heretofore been attempted. That is not the way that people with autism live their lives and is, therefore, not the way that they can be catered for — in some sort of artificial dichotomy.

I am happy to endorse calls for a cross-departmental autism strategy but, as Members know, that is not where it will end; behind every good strategy is the finance to see it implemented, therefore funding must follow the functions.

There are huge gaps in staffing and resourcing for autism services, and we know that different Departments deliver different services. As my colleague George Dawson pointed out, funding gets lost in the muddle.

In June 2006, I tabled a motion to Fermanagh District Council on the autism strategy. The Education Minister, Maria Eagle, wrote to the council about the proposals for a Northern Ireland autism Act, and stated that provision for individuals with autism was covered by the relevant education and health legislation that is already in place. Clearly, that is not so. I implore the Government to listen to organisations such as Autism NI and NAS, who are specialists in that field; to listen to the carers of those with autism, who, by necessity, have become very effective advocates for their children; and to listen to the voice — that I hope will be united — of the political parties today to focus on an autism strategy and to move to a cross-departmental comprehensive strategy for the whole of Northern Ireland. That strategy should bring about effective services in sensible timescales with fully trained staff, so that the growth in the number of people with ASD, or families living with it, is matched with the necessary quality and availability of services. I support the motion.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle.

Sinn Féin welcomes the motion, from which the amendment takes nothing away. I welcome the fact that the proposer of the motion has accepted the amendment, which is simple and non-political — despite the narrow, blinkered views that we have heard from across the Chamber. The amendment simply states that this Assembly:

"further calls for the immediate funding and implementation of the long overdue centre of excellence for autism at Middletown, Co. Armagh."

We cannot be taken seriously by families affected by autism, those with autism, and the lobby groups, if we politicians cannot implement a decision that was taken four years ago. How can they take us seriously when the Assembly, which has no powers, discusses a motion that seeks more funding and a strategy, given that the decision taken four years ago by an Assembly and by a Minister who had power has not been implemented?

I will outline what the centre at Middletown is all about. The Department of Education's brief states:

"The centre will strive to achieve excellence in its provision. It will provide a model of best practice in assessing the educational needs of children and young people with an Autistic Spectrum Disorder and in establishing working partnerships with those involved in providing and operating services at a local level."

Those working partnerships will apply to the support groups, the families, Autism NI and other autism charities.

"The centre will provide:-

- a lead for, and offer exemplars of educational intervention;
- a lead for the training of parents and professionals;
- a research facility; and

an outreach support service complementing current and developing service provision.”

If calling for such a centre is being political, then Sinn Féin is being political. However, that centre is needed. Middletown is only the start. No one is saying that if Middletown were established, we would walk away from the autism debate and the need for an autism strategy. Middletown is a centre of excellence, but I would like to see satellites or other centres of excellence across Ireland, from Ballymena to Bandon.

If anyone can object to an outreach support service that complements current provision, or to the development of service provisions, or to a research facility, they have not explained that objection. This is not a political question. Sinn Féin is saying that we must be serious. If the North/South Ministerial Council meeting of April 2002 announced the Middletown centre, and it has not been built, why should we be taken seriously when we debate funding and a strategy for autism in an Assembly that has no powers?

I support the call for an all-party working group that was made by the proposer of the motion. That is an excellent idea. I am sure that he would support the call for the most important all-party working group to be set up in the Assembly, namely the Executive.

If we had an Executive with functioning Ministers for health and education, the demands that we are making could be brought to fruition with greater ease.

Mrs Foster: Same speech, different day.

Mr O'Dowd: Yes, it is a case of “same speech, different day”, unfortunately. It will not be a different day tomorrow for people who have family members with autism — it will be the same day. It is time that we as politicians grasped the nettle and moved forward. Sanctimonious, pompous speeches in this Chamber will not make one iota of difference to people's lives.

The need for an Executive is clear. We can no longer proceed with such demanding debates without putting measures into action. Our party has supported the ongoing campaign for the rights and needs of people with autism. I welcome the kind comments that have been made about my deceased party colleague Mickey Ferguson, who would have revelled in today's debate. He would have enjoyed participating and pushing the matter forward.

As has already been said, we have taken the issue of autism to Europe and facilitated links between autism groups in the North with groups in the Twenty-six counties and in the rest of Europe. That action has allowed autism groups here and in the South to co-ordinate and to seek funding on an all-Ireland basis. The debate has concentrated on education, but we must also refer to health matters. The need for better

services and support is not solely the education system's responsibility. Children with ASD need access to the kind of health and community services that can impact positively on their standard of living and allow them as much independence as possible.

Primary healthcare providers must be aware of the impact of ASD and understand the complex communication and social issues that accompany the condition. We must ensure that primary healthcare providers have the right training in, and understanding of, ASD to allow them to provide the full range of necessary care.

Mention was made of a postcode lottery to determine the delivery of autism care in the four health boards. A centre of excellence, as is to be provided at Middletown, will serve as an exemplar of educational intervention and provide a lead for the training of parents and professionals. It will ensure that the future make-up of the health boards, while providing an education, will provide a single, world-class service to people with autism and their families. That is where the thought processes and the new ideas must be crunched down, where the training must be given and where those new ideas must be brought out into the community. A building in Middletown is fair enough, but unless it can provide a service to the whole community it will have failed in its objective. However, the centre at Middletown meets the criteria, and I am sure that its objectives will be achieved.

Reference was made earlier to how autism affects people throughout their lives. For example, training is required for those in the criminal-justice system who are likely to come into contact with those with ASD. Appropriate detention, custody and interview accommodation should be provided, and appropriate intervention strategies must be put in place. I was shocked when I saw the figures for those with ASD who end up in jail as a result of not being properly cared for in their formative years. Intervention should have taken place when they were in primary school but did not. Those people have gone through life and, through no fault of their own, have ended up in conflict with the criminal-justice system. Who has committed the real crime? Did the individual let down society, or did society let down the individual?

We need to change our approach to autism and autism care. We need to implement a strategy and move forward. As I have said, our amendment is not about narrow politics. The criteria for the centre of excellence speak for themselves. Middletown must only be the start — we must have satellite centres or independent centres from Ballymena to Bandon. However, we need to tackle the problem urgently. Go raibh maith agat, a Leas Cheann Comhairle.

4.00 pm

Mr Dallat: Parents, children and carers who are affected by autism have had a slow and tortuous struggle for equality. That struggle has been compounded by disappointment after disappointment. Those disappointments have gone well beyond the tolerance of the most patient people who are affected by the condition.

The gravest disappointments in the delivery of Government services are in the education and health sectors. For children who live with autism, that is a double whammy and is therefore doubly unacceptable in a modern society that claims — indeed, guarantees — equality for all its citizens. Many of the groups that welcomed the Good Friday Agreement were affected by inequality. One of those groups was people affected by autism. One can imagine how disappointed they are that the advances that should have been made have not been made.

In moving the motion, my colleague Dominic Bradley referred to a report in 'The Lancet'. That report stated that the problem has tripled in the past three years. He called for early diagnosis of children who are affected, and he complained, rightly, that diagnosis takes up to three years. He criticised cuts in expenditure, which compound the problem. He also pointed out that only 5% of autistic people are employed once they leave school and only 3% live independently. That is a shame and is therefore a good reason to seek unanimity in the Assembly today. Unfortunately, that is not to be. Sadly, this is the second time today that Members have been divided on serious issues. That does not go down well.

The SDLP accepted the amendment without hesitation, because the all-Ireland centre of excellence for autism in Middletown was always a part of the strategy: simply because it was not included in the motion does not mean that the party excludes it. Earlier, I wondered whether some Members thought that Midleton in County Cork, where the splendid whiskey is made, was being referred to. However, I assure them that the centre is in Middletown in County Armagh, unless, of course, the border has been shifted. *[Laughter.]*

My colleague also paid tribute to Michael Ferguson, and Barry McElduff acknowledged that. Iris Robinson made a well-informed speech that was particularly enlightening on international developments. She emphasised the progress that has been made in Sweden and in the United States. I wonder why Middletown, which is so much closer to home, is a problem.

I was much impressed by Robert Coulter's speech. Having declared an interest in different organisations, he spoke with great pride about his grandson. Anyone

who heard him could not help but be moved and encouraged to do everything humanly possible to help.

Several Members made the same points. Kieran McCarthy made a valuable contribution, emphasising the need to ring-fence funding. However, he underlined the fact that Members have no power, which is all the more reason why a new Assembly should be up and running. Rev McCrea made an excellent contribution; he is obviously well-informed about the problems that are involved. He pointed out that autism does not disappear; it is a lifelong condition. He also stated the need for families to have respite. I know from my own experience that that is a major issue. Families that are affected by autism really do need a break; however, that is not to say that they do not love their autistic children.

Billy Bell, in his usual manner, gave an interesting address in which he emphasised the need for legislation. He pointed out that autism affects the entire family and stressed the need for a greater sense of urgency. He highlighted the fact that there are 700 people on the waiting list for assessment, and, as Dominic Bradley mentioned, that it takes up to three years to get a diagnosis. That is a disgrace. He also referred to other costs associated with autism that are not thought about — family break-ups, divorce, and so forth, brought about by pressures on families.

Caitríona Ruane emphasised the need for equality of opportunity in early intervention. Carmel Hanna rightly pointed out the lack of public understanding of autism and said that any new strategy must have a clear direction. She appealed to the DUP and Sinn Féin — as do I — to ensure that the Assembly delivers on what has been debated today. Mrs Hanna also spoke about the response to clear referral routes, which do not yet exist, and the importance of properly trained diagnostic teams to identify not only autism but other related problems.

Patsy McGlone made a timely and important intervention on the difficulties that must be faced. Unsurprisingly, Paul Berry told Members that he was not happy with the amendment, but he made a positive contribution and emphasised the need for access, a programme of care, the development of a clear strategy, and so forth.

George Dawson spoke about the classroom environment. He emphasised the fact that no size fits all, and he highlighted the lack of flexibility. He also spoke about the need for early assessment.

Pat Ramsey reminded Members of the need to set up an all-party group on autism, which everybody will support. Arlene Foster emphasised the need for a comprehensive strategy. She highlighted an important point, which is the remoteness of rural areas. She emphasised that not so long ago she was at school.

However, Members had no need to hear that — it was quite superfluous.

Mr A Maginness: John is an old flatterer.

[Laughter.]

Mrs Hanna: John might not like so much of the “old”.

[Laughter.]

Mr Dallat: Flattery may get the amendment pushed through.

Mr A Maginness: He has no chance.

Mr Dallat: My learned colleague Alban Maginness says that I have no chance.

Arlene Foster raised important issues about assessment, teaching, classroom assistants and home programmes.

The debate was excellent. I am sorry that the amendment that the SDLP accepted caused problems — it was not intended to do so. John O’Dowd’s summing up for the amendment was largely political, if I may say so. I hope that any new Assembly will not follow that kind of policy and that Members will embrace the needs of people who are less well off than we are, represent them and leave the political baggage behind.

Question, That the amendment be made, put and negatived.

Main Question put and agreed to.

Resolved:

That this Assembly recognises the need for, and supports the introduction of, legislation which would guarantee the future security and rights of those on the autistic spectrum and would combat the tragic social injustice being perpetuated through lack of planning and funding, at a time when the number of individuals with autism is increasing dramatically.

Adjourned at 4.09 pm.

THE TRANSITIONAL ASSEMBLY

Monday 15 January 2007

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Security Review

Rev Dr Ian Paisley: On a point of order, Madam Speaker. At last Monday's plenary sitting, I raised the matter of the inquiry into certain happenings in the House after the Assembly recess. I understand that there has been a meeting; can you tell the House when there is likely to be a report? As you know, Madam Speaker, time is running out for this Assembly, and we would like the opportunity to debate the findings in the House.

Madam Speaker: Thank you, Dr Paisley, for raising this matter. I understand your continuing anxiety about this important issue. The Transitional Assembly Commission went to Scotland last week to talk to people there about a number of issues in relation to the security review. However, it is not my intention to make a statement about the security review, which I announced to the House on 27 November, until it is completed. I am sure that you and other Members will understand that it would be inappropriate for me to do so. However, like you, I am aware of the time element, and I will endeavour to get it done as soon as possible.

New Assembly Member: Ms Marietta Farrell

Madam Speaker: I should like to announce to the Assembly that further to the resignation of Ms Patricia Lewsley as a Member for the Lagan Valley constituency, I wrote to the Chief Electoral Officer, as required by the Northern Ireland Act 1998, to inform him of the vacancy. The Chief Electoral Officer has advised that Ms Marietta Farrell has been returned as a Member of the Assembly for the Lagan Valley constituency. I invite Ms Farrell to take her seat by signing the Roll of Membership.

The following Member signed the Roll of Membership:
Farrell, Marietta *Nationalist*

Madam Speaker: I am satisfied that the Member has signed the Roll and has confirmed her designation. Ms Marietta Farrell has now officially taken her seat.

PRIVATE MEMBERS' BUSINESS

Affordable Housing

Madam Speaker: The Business Committee has agreed to allow two and a half hours for each of today's debates: the Member moving each motion will have 15 minutes, with a further 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Mr McGlone: I beg to move

That this Assembly expresses serious concerns about the affordable housing crisis; notes the deliberations by the committee chaired by Sir John Semple; and demands that any new Executive make affordable housing an urgent Government priority.

Go raibh maith agat, a Cheann Comhairle. Gabhaim mo bhuíochas leat as ucht an seans a thabhairt domh labhairt ar an ábhar seo, nó is ábhar an-tábhachtach é.

Thank you for the opportunity to speak on the issue of affordable housing, which is crucially important to me and to many homeowners, tenants and prospective buyers.

On 11 January 2007, the 'Belfast Telegraph' informed us that:

"First-time buyers in Northern Ireland now have to save more than 80% of their take-home pay to cover the upfront costs of buying a house".

That is one aspect of a worsening problem that faces many people on our streets.

I note the amendment to the motion, but first I wish to define affordable housing. The widely accepted definition is social-rented accommodation; lower-cost housing that is for sale; and some private-sector rented accommodation. Unfortunately, through a lack of provision, the situation has been allowed to deteriorate to the point where Northern Ireland faces a housing crisis. Last year, 40,453 people were on housing waiting lists, with 20,121 households presented as homeless. In the past three years, including 2006, social new-build housing starts fell behind the Government's projected figure by almost 2,000 houses. Therefore, Government-led projected new-build figures have fallen far short of what is needed. In the districts of Magherafelt and Cookstown in my constituency, which have 972 people on housing waiting lists, six — yes, six — houses were built in two years.

Members are aware of people who are offered private rentals as their only alternative. Housing benefit accounts for only part of the rent, with the deficit sought from disability living allowance, attendance allowance, income support, or worse, from loan sharks. That is a downward spiral to deeper poverty, all because not enough housing is being built for public-sector social renting.

Earlier, I referred to first-time buyers. Last year, in mid-Ulster, the average house price before the now notorious Draft Planning Policy Statement 14, 'Sustainable Development in the Countryside' (PPS 14), was £177,000. Since Draft PPS 14, £30,000 to £40,000 can be added to that figure. PPS 14 is the deliberate action of a Government that are, allegedly, committed to social and affordable housing.

House prices have trebled in my constituency, with a growth of 30·6% in one year alone. As Northern Ireland's housing costs are the highest and its wages among the lowest in these regions, it is little wonder that the Nationwide reports that people are borrowing up to 5·2 times their annual income. The average in Scotland is 3·6 times the annual income. The median advance for first-time buyers in 2001 was £50,000. By 2005, however, that median had increased by 55% to £77,480.

There have also been human costs. In 2005-06, 2,614 actions for mortgage repossession were recorded — an increase of 19·5% from the previous year. I am sure that we elected representatives could share tales of rural constituents who simply cannot build or buy a house because of the consequences of social engineering via the political project known as Draft PPS 14. It is a political project by an urban adviser to a Labour Government with absolutely no idea of the needs of our rural society. Indeed, the role of that particular adviser beggars description. Will the real Secretary of State please stand up?

As for all problems, there must be a solution. Those of us who have met Sir John Semple and made submissions to his committee have identified many issues. Those issues can be prioritised under three headings: land; planning; and investment. Land priorities include the slowness of approvals for area plans that are tied to restrictive capped figures — the housing growth indicators — which have driven land costs to an artificially inflated level and have had a knock-on effect on new builds.

I have already referred to the negative effects of Draft PPS 14 on rural areas. We need to revise zones and zone more land to help to reduce basic land costs. We must also introduce measures to de-zone land that is not used or likely to be used, or that in some instances has been land-banked, because it is also contributing to knock-on inflationary costs.

We must introduce a proper sustainable planning policy — rather than the artificial one that has driven costs exorbitantly though the roof — that meets the real needs of rural communities. There must be a complete review of the planning process, including resources, in order to speed it up; currently, applicants endure entirely unacceptable waiting times. By the time that some planning offices deal with an application and

issue an approval, the construction costs of a dwelling may have increased by 20% to 30%. Section 106 of England's Town and Country Planning Act 1990, Part V of the Planning and Development Act, 2000 in the South of Ireland and section 75 of the Town and Country Planning (Scotland) Act 1997 contain provisions for similar measures that assist the planning system to develop affordable housing. Those measures must be seen in action in Northern Ireland. Importantly, there must be substantial investment in the social-housing new-build programme.

A major housing crisis is welling up. We hope that the details that are contained in the Semple Report will be listened to; that the Assembly will be listened to; and that it will soon be in a position to prioritise that most basic of human rights, the right to a decent home, through the establishment of an Executive in Northern Ireland. Those measures are not major or undeliverable. Many could be brought about at the stroke of a pen but for the inhumanity of indifference that is displayed by the Government.

There are too many reasons why there must not be indifference. We owe it to the people who are on waiting lists, and those who cannot afford a decent home, to demand that a new Executive make affordable housing an urgent Government priority.

Arís, a Cheann Comhairle, gabhaim mo bhuíochas leat agus cuirim an rún os comhair an Tionóil.

12.15 pm

Mr McCann: Go raibh maith agat, a Cheann Comhairle. I beg to move the following amendment: Delete all after "crisis;" and insert

"and the serious under-provision of social housing due to lack of investment and the absence of any strategy; note the deliberations by the committee chaired by Sir John Semple; and calls on an incoming Executive to make social and affordable housing an urgent priority, and for the development of a strategic response, including action to end homelessness by 2010, and to bring vacant properties back into use to address the unmet need in the provision of social and affordable housing."

A Cheann Comhairle, I commend the Member for bringing this important issue to the Floor of the Chamber. Without the amendment, the motion misses an important element of housing — the provision of social housing, a sector that for many years has been totally neglected and that has suffered from serious and sustained underinvestment. In today's housing market, affordable housing, social housing and the other elements that make up the housing mix should run hand in glove. Mixed-tenure housing, developed as part of a strategic framework, is the way forward. I hope that the building of vast housing estates without any infrastructure is a thing of the past.

The question of creating an affordable-housing sector has been to the fore of many people's thoughts for some time. However, the fact that the only offering

from the Government is co-ownership shows how bankrupt of ideas they are. Again, it shows what advice David Hanson has been given by his advisers.

At many meetings, Sinn Féin has raised the issue of creating an affordable-housing sector. It has been painted up for successive Ministers that, unless action was taken to at least begin the debate, we would find ourselves in crisis. I have warned British direct-rule Ministers that the inability of the Department for Social Development to manage the social new-build housing programme, if not acted on, would lead to major problems in the supply of social housing. I take no pleasure in saying that both warnings have come to pass. The crisis could have been avoided.

The refusal to respond to intense lobbying from many housing groups, political parties and individuals has left us in a position where in the last recorded quarter — April to June 2006 — 98.3% of all housing starts were for the private sector. That is part of the reason for the crisis in the provision of social housing. We are simply not building enough new homes in the social sector. Current targets are not being met — and those targets were not ambitious enough in the first place. The social-housing sector is virtually non-existent. When annual new-build figures are released, they are manufactured to give the impression that more houses have been built than were actually constructed.

In 1995-96, 2,403 new social houses were built; in 2005-06, only 782 were completed. That is a huge decline over 10 years. Only a third as many houses are being built than was the case 10 years ago. If those figures are matched against the number of people declaring themselves homeless, it puts the crisis into perspective. In 1995-96, 10,468 people were declared homeless. Ten years later that figure had risen to over 20,000; for the first two quarters of 2006 the figure was 10,460. The trend is still upwards. That is an indictment of the way in which housing has been mishandled.

Sinn Féin hopes that the appointment of John Semple to produce a report on affordability and social housing development will prove to be a new beginning in the development of a strategy to pull us out of the crisis. Sinn Féin had serious reservations about John Semple's appointment to oversee the exercise, given his former connection to Government, and we told him so at our meeting. He assured us that he was his own person and would not bend to anyone's wishes in the pursuance of producing an honest report. His interim recommendations are interesting and thought provoking; we await the final package. The Government initiated the review, but are they committed to fully resourcing its findings?

Will the Government find the finance required to implement a housing revolution: the eradication of homelessness; the building of high-quality affordable

houses; and the creation of mixed-tenure estates with the infrastructure to allow them to thrive? We need an incoming Executive to make affordable and social housing a priority. We need a future housing Minister to promote sustainable communities and ensure that everyone has the opportunity of a house at a price they can afford in a place where they want to live and work. Members need to recognise that housing is a right, and I hope that work on a bill of rights will take a broad approach to social and economic rights.

The British Government have made a huge investment in social housing in England. The same cannot be said in the Six Counties. We need to ensure that the concept of sustainability in housing estates is realised. The British Government's definition of sustainable communities is:

"places where people want to live and work, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment, and contribute to a high quality of life. They are safe and inclusive, well planned, built and run, and offer equality of opportunity and good services for all."

That is a British Government priority; they have embarked on a massive programme of building social and affordable housing and have heavily resourced its sustainability. That is the situation in England, but over the next number of years in the North, there will be cuts to the housing budget.

The approach to affordability in the Twenty-six Counties has been to bring in legislation to ensure that contractors set aside 20% of each private-housing development for social and affordable housing. That was done under Part V of the Planning and Development Act, 2000. The Twenty-six-County Government have recently tightened that Act to ensure that non-compliance is a thing of the past. Sinn Féin TDs have been at the forefront of the campaign to ensure progress, because there were serious concerns that policy was being driven by the demands of speculators rather than by people's housing needs.

Mrs D Kelly: Will the Member give way?

Mr McCann: I have limited time left, so I will not give way.

Councils in the South bank land to use in negotiations with contractors to ensure the continuous supply of social and affordable housing. Several years ago, the British Deputy Prime Minister challenged the construction industry in Britain to build an affordable house for £60,000, and thousands of new, high-quality houses were built there. Changes to the planning legislation in England speeded up the process.

We must be proactive in our approach to affordable and social housing. Those in society who are most in need must have a roof over their heads, and we must ensure that those who wish to buy their own home are able to do so at an affordable price. Speculators must

not be in a position to freeze young first-time buyers out of the market — a situation that is presently the norm. Legislation must be put in place to protect low earners who bought their properties in a super-inflated housing market, only to struggle with mortgages beyond their financial means and find their homes being repossessed. We await the impact of the latest increase in the cost of borrowing. Statistics show that there were 1,540 actions for mortgage repossessions in 2001-02 — an 11·5% decrease on the previous year. However, there were 2,614 such actions in 2005-06 — an increase of 19·5% on the previous year. That shows the extent of the problem.

Sinn Féin wishes John Semple fair wind in his endeavours, because he has a difficult task. His recommendations may well form the basis of a future housing strategy. That is why we should be at the helm to guide, push and resource the strategy, deal with affordability and social housing, and eradicate homelessness. The only people who are committed to making the necessary decisions are in this Chamber. Therefore, it is imperative that the Assembly get up and running. We owe it to the 30,000 people who are awaiting social housing and the thousands who are waiting for affordable homes.

The number of vacant properties in the North of Ireland is a scandal. Out of a total housing stock of 702,000, 36,200 are vacant. They are in various states of repair, and many have been left empty by investors as their profits accumulate. One house in every 20 is empty. By tackling that problem — and without building a single house for the affordable or social sectors — we could go a long way to providing homes for thousands of people and families and meeting the commitment to eradicate homelessness.

All aspects of housing policy are in a mess and need urgent attention. A key element in life is a place to live — a home. That is a fundamental right, but it has been diminished by the incompetent management of the Department for Social Development. Those who have overseen the crisis and made excuse after excuse should consider their positions.

This motion is timely, coming just before the Semple deadline for responses to the consultation, 26 January. It is also a reminder of the obligations that we, as elected Members, have to show leadership on crucial issues such as housing affordability and social-housing supply. Let us hope that, when the time comes, we are up to the challenge required to make the difference.

Mr Poots: I welcome Sinn Féin's concluding remarks about everyone being entitled to a home and trust that that also applies to those who were ethnically cleansed from the border areas, banished from their homes and sent over to England, because they were not allowed to live in republican areas.

The motion has two elements to it: public- and private-sector housing. I will address the public-sector housing issue briefly. The Housing Executive has failed miserably to supply houses over the past years. That failure has taken place particularly in unionist areas. I think in particular of east Belfast and Lisburn, two areas where there is high demand for housing, but where the Housing Executive has not met, and cannot meet, the demand with its current policies.

The Antrim Street Housing Executive office in Lisburn has 1,200 people on the waiting list, half of whom are in housing stress. Over the past number of years, people have not been able to get houses, yet each year the Housing Executive is selling off more houses than are being built in the area. Our party raised the issue a number of years ago, and due to the pressure that the DUP applied, 180 houses are now to be developed there over a three-year period. However, that will neither address the problem nor meet the needs there.

It appears that the Housing Executive is to some extent relying on the article 40, of The Planning (Northern Ireland) Order 1991, agreements with private developers, but the problem with that is that the developers have already got planning permission for dwellings, and there is no prospect of their actually building social housing. We are going to have a continued social housing problem in Lisburn and other parts of Northern Ireland unless the Housing Executive amends its ways and goes out of its way to provide housing for people.

One of the issues that has arisen is the inability of the housing associations to proceed with new building and to exercise their powers to procure land for new developments.

That leads me to my other point, which is the private-sector issue of the price of houses — a continual topic of conversation among people now. In my area, the average price of a house is £236,000, and, additionally, there were rises in the last year of 36% — that is unsustainable.

Mr Campbell: One issue that has not been raised in the debate is precisely the one that the Member is about to talk about, which is the private sector. Given that house prices in Northern Ireland have more than doubled while the level at which stamp duty begins has remained static, could the Chancellor not put several thousand pounds into stamp duty for first-time buyers to make housing much more affordable in Northern Ireland?

Mr Poots: Mr Campbell is in danger of setting me off on a rant by raising that topic. It is a grievous tax to impose on individuals who are buying property, and particularly on first-time buyers. Our deaths, wages,

even our fish suppers are taxed; it is wholly illegitimate to have any tax on people.

Mr Simpson: Fish suppers?

Mr Poots: Yes, Mr Simpson, we are even taxed on our fish suppers, not that it seems to have applied too much to you. It is grievous that we get taxed when buying our homes.

However, what it comes down to is a simple issue of supply and demand. If supply cannot meet demand, prices are driven up; that is the logic of it. It does not seem to have got through to the Planning Service yet given its area plans. In Ards, for example, land was de-zoned and taken out. In that instance, the Planning Service implied that there was too much housing land available. It did not need to develop as many houses as was proposed in the former area plans, so it took de-zoned land, and the new area plan reflected that.

In the area plan for Newry and Banbridge, no significant additional land was zoned. Newry has the highest house growth prices anywhere in the UK. Newry does not need more land, yet people are saying that it does because the house prices there are rising consistently; indeed the Belfast Metropolitan Area Plan (BMAP) is crawling along, failing miserably to meet local needs.

There is nothing over and above the Lisburn area plan in that element of BMAP; in fact, land that was anticipated to have come forward in BMAP in Lisburn for development was excluded from it. This was land that would have delivered the critical road linking Knockmore and Sprucefield in the Lisburn area, and it has clearly failed to deliver that.

12.30 pm

I note that the regional development strategy identified that the housing growth indicators could not be adjusted upwards. However, it is now acknowledged that the figure of 51,000 new houses in the original estimate should be adjusted upwards to 66,500, but BMAP still has not met that figure and gives no indication that it will do so.

The critical problem is land supply. Mr McGlone was correct to say that more land must be zoned. We also need to be able to de-zone land, because developers are causing further problems by land-banking. One of the leading accountancy companies in Northern Ireland has advised developers to slow down and to build fewer houses, thereby making greater profits. If people are told that they should work less and that they will get more money for it, most will take up that option. If developers can make more money by building less, that is what they will do, and who could blame them?

There must be a requirement that forces developers to continue with developments once work has begun and that allows land to be de-zoned if the work is not

started. Developers must play ball with the community. There is no point in identifying land that is suitable for development and allowing it to sit and stagnate while our young people cannot get into the housing market. It is essential that that issue be addressed.

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

Ten years ago there were many vacant houses in the Old Warren estate in Lisburn and a lot of deprivation in that area. Now houses that were bought by their occupants and are up for sale again are reaching prices of £150,000. That is incredible, given the circumstances that existed in that area in the past. It is an indication that the present market is, to some extent, a false market, although I suspect that it will not be a falling market, given the environmental constraints that are imposed by the Planning Service.

We in Northern Ireland need to address this issue, and the clearest and easiest way to do that is to make more development land available. In conjunction with that, we must ensure that developers make significant contributions to the provision of roads and sewerage systems in those areas, so that no environmental damage results from those new developments. However, the policy of sustainable development that was put on us in Northern Ireland does not lead to sustainable development; the prices of new homes and the rate at which they are rising is unsustainable. Young people cannot afford new dwellings, and the only people who benefit are those who have multiple houses and those who own development land.

Therefore, it is incumbent on any new Executive that might exist after Sinn Féin clearly and definitively supports the police, in deeds as well as words, to deal with this issue. They must ensure that those who push up the price of houses purely out of greed, and drive young people out of the prospect of acquiring new homes, do not get their way all the time and that young people have the opportunity to get onto the property ladder.

Mr Cobain: It could be said that the more things change, the more they stay the same. When I first read Sir John Semple's interim report, I thought that I was in a time warp. The report is written as if the issue of affordability is something new that has somehow sneaked up on us without warning. Much of what has been written in the report has already been written, and much of what has been said today has already been said.

As Chairman of the Committee for Social Development during the Assembly's previous mandate, I, and several Members from other sides of the House, expressed concern about the importance of maintaining a sensible level of social housing. That was back in 2002. I contend that direct-rule Ministers pursued their own agendas and paid no regard whatsoever to what local politicians had to say.

The people of Northern Ireland are suffering, and there are several ways to tackle the issue. People must have access to affordable housing; there should be an aggressive social-housing building programme; co-ownership should continue to be part of the solution; and there is, of course, a role for the private-rented sector. To rely on one or two of those solutions would be a folly. The outcome will inevitably lead to a rise in the already unacceptable levels of homelessness. In 2005, almost 16,000 houses were built in the Province, which is a 10% increase on the previous year's figure. Fewer than 5% of those were available to the social-rented sector.

There is undeniable evidence that there is a need for a programme of social housing of the order of 2,000 units per year. What is happening is that 30,000 people are on the waiting list for housing. Last year, only 700 new builds were completed. This year, funding is available for only 800 new builds. That is not the fault of the housing associations. There is a lack of investment and impetus.

Many people in the private-rented sector are on low incomes. Housing benefit rates do not keep pace with prices. An interest rate rise has already been announced, with a further rise predicted for February or March, which will lead to landlords seeking to pass on the costs to their tenants. Many people will not be able to afford their rent, and even if there were an increase in housing benefit, people in Northern Ireland face water bills and an increased regional rate. Therefore, the demand for social housing can only increase, and the planned response is inadequate. The 30,000 people on the waiting list will not diminish.

We are all diminished by the experiences endured by homeless families, children and young people. We all lose when the barrier of homelessness prevents them from fully sharing in, and contributing to, our society. Surely this underlines the need to develop affordable housing for low-income families.

Although the housing market here has benefited somewhat, spiralling house prices are causing massive problems. Exceptional growth potential has resulted in landlords and private investors contesting a market traditionally associated with first-time buyers. We must disentangle the competing interests of investors and first-time buyers.

Over the past 10 years, average house prices in Northern Ireland have tripled. Last year, house prices rose by a third, and they now stand at an average of £153,000. How can young people compete with that? Usually, deposits for mortgages are around 5% of the house value. Therefore, to buy an averagely priced house in Northern Ireland, young people must come up with a deposit of over £7,000. That is far beyond the means of many.

In 2005, the Ulster Bank found that two thirds of potential first-time buyers were unable to finance a deposit. Not only that, £1,500 has to be handed over for stamp duty, and, with solicitors charging around 1% for conveyancing, a buyer must come up with another £1,500. In Northern Ireland, it takes an extraordinary amount of money to make the dream of buying an averagely priced house happen, and first-time buyers just cannot keep up.

On a pan-UK basis, Northern Ireland first-time buyers are suffering the most. In the space of five years, the number of first-time buyers here has dropped by 25%. This is at a time when the overall number in the UK has decreased by just 7%.

In 2004, the University of Ulster's housing market survey warned that:

"first-time buyers are finding it increasingly difficult to raise the deposit needed to get into the market."

The Ulster Bank said that:

"Strong house price growth in Northern Ireland has outstripped wage increases, resulting in many potential home-owners being unable to buy a property".

The Government saw that coming: in July 2006, Labour Minister Yvette Cooper told the House of Commons that:

"We have simply not been building enough homes to meet rising demand and changing social trends".

She went on to say:

"If housing supply is not increased, affordability will continue to worsen."

Nevertheless, the rise in house prices has been good for the Treasury. The Halifax discovered that £5.5 billion was paid in stamp duty in 2005 — an increase of £1.8 billion from 1999. It is time for the Treasury to respond with some good news for first-time buyers across the United Kingdom.

The UK's £3 trillion housing market had undergone major changes at the time of the Chancellor's last Budget, but he missed a major opportunity to move with it. In his tenth Budget, Gordon Brown pegged stamp duty at £125,000, which simply does not reflect the reality of the housing market — the average house price for first-time buyers in Northern Ireland is higher than that. A sustainable and affordable market must be created for young people, and there are options to take a more imaginative UK-wide approach.

What are the options for young people? It is anticipated that co-ownership will help to support about 2,500 applicants up to 2008. Although I welcome the recent announcement of £23 million of funding for the scheme, co-ownership should be extended by abolishing or modifying the house-value limits to which it applies.

Too many families do not have the security of a decent home. The early years of too many of our children

are blighted by exclusion, instead of being full of promise. Government should be about making a difference and providing leadership. Under direct rule, however, Northern Ireland lags behind the devolved Administrations of Scotland and Wales. The Scottish Executive have said that, in areas of need, up to 25% of houses in new developments should be for rent or low-cost ownership, and they have moved forward with plans to invest £1.2 billion to deliver 21,500 low-cost and social-rented homes by 2008. Devolved Administrations have shown imagination in dealing with the issue. The core aim of any future local Administration must be to help to build fair and decent communities for all.

In the face of direct rule's failure, the best people to understand and reflect the concerns in society are Northern Ireland's locally elected representatives, operating in a devolved Assembly. It is time to act. The Housing Executive was responsible for a highly successful building programme that was well regarded and seems to have solved a housing crisis.

However, there is a different sort of housing crisis now, and the Housing Executive should be financed to intervene again. I stress, however, that the Housing Executive cannot solve the problem alone: housing associations and the private sector must also play their part. Without an urgent investment of public funds, the crisis will become a nightmare.

Mr McCarthy: As Members have said, there is undoubtedly a crisis in relation to the availability of affordable housing. Unless the Government act quickly to help first-time buyers, the majority of our young citizens will find it impossible to buy a home, and that could result in increased levels of homelessness and associated problems.

I welcome, as a first step, the Government's initiative to ask Sir John Semple to compile a report on the causes, reasons and, I hope, remedies for affordable social housing throughout Northern Ireland. Despite being in interim form, the report demonstrates that there are many and varied reasons why the provision of social housing and affordable housing is difficult. A major problem is that developers buy land and leave it for a long time until its value increases. The land is then sold on again and again.

That can happen many times over before any houses appear on such land. In those circumstances, the Government might have to introduce a compulsory purchase order. There is also the matter of land acquisition and the call for a land register to identify all surplus public-sector land, which should be aimed at providing all forms of affordable housing.

12.45 pm

I know that housing associations simply cannot afford to buy land on the open market, so we continue

with the shortage of new social housing. In his interim report, Sir John Semple highlighted the number of vacant properties in the private sector. The report states that there are up to 39,000 empty private-sector homes throughout Northern Ireland. Surely there are grants or other incentives to encourage private owners to get their houses up to standard and offer them to housing associations or let them to tenants.

The report contains many good ideas that need to be worked on. In supporting Patsy McGlone's motion, I hope that an incoming Executive will make affordable housing an urgent priority. Time is of the essence or this housing problem will worsen. The Assembly must be seen to be working to enable young people to get onto the housing ladder as soon as possible. I support the motion.

Mr Simpson: I promise not to take too long; I know that a number of my esteemed colleagues want to have their say, despite the fact that one of them talked about ranting and raving and named me when it came to the tax added onto the price of fish suppers. I do not know why he picked on me; perhaps it was something to do with my slim physique.

There is no doubt that a major affordability crisis exists in the Province's housing market. There have been many changes in recent years, and we have witnessed a continuous rise in house prices, rising private-sector rents, increases in the number of buy-to-lets and second-home ownerships, increased land and labour costs, increasing evictions and mortgage repossessions and late entry by age onto the housing ladder by first-time buyers.

It is also worrying to note the increase in the number of homeless applications across the Province. In 2003-04, a total of 17,150 applicants presented themselves as homeless to the Housing Executive, 8,954 of whom were accepted. By 2005-06, the number of applicants had risen to 20,121, of whom 9,749 were accepted. In 2004, 2,579 people were homeless for well over a year, but by 2006, that figure had risen to 4,252. The Government should intervene to address the problem.

There is a need not only for more social housing but for more private rental accommodation of various housing types to meet the changing demographics of the country. There is also a need for more affordable homes for first-time buyers.

The Government must ensure that the Planning Service brings forward sites for social housing. Turnaround periods in the Planning Service are considerable. In my constituency of Upper Bann, in the borough of Craigavon, as Members who sit on that council know, the average turnaround period is 33.5 weeks. In Banbridge District Council area, which is also in my constituency, the turnaround period is 55.7 weeks. Turnaround periods must be speeded up. Last

year, in the Banbridge District Council area, growth in housing was 16%; in the previous year, that figure was the same. In the borough of Craigavon, it was 14%; and, in the year before, the figure was slightly smaller.

Mrs D Kelly: Whereas housing growth in both of those council areas has increased, the figures for new-build starts in social housing remain dismal. In the Banbridge District Council area, 680 people are in need of social housing, and in the Craigavon district, the figure is 1,687. Despite those startling figures, in the past two years, only 30 new houses were built by the Housing Executive, through the housing associations. Those statistics are appalling.

Mr Simpson: I believe that Mrs Kelly has stolen a copy of my speech. *[Laughter.]*

I thought that only the DUP had information such as that forwarded to it. Obviously, Mrs Kelly has seen it, and she is quite correct. She sits on Craigavon Borough Council just as I do, so she has a limited knowledge of what goes on. *[Laughter.]*

There is a major difficulty in the whole Upper Bann constituency with respect to social housing. Land should be released for development more quickly. The Government should look again at Draft PPS 14 and address the demand for social housing in rural areas, where people have a strong sense of belonging and attachment.

Mr Hussey: Will the Member give way again?

Mr Simpson: I will. Have you also stolen my speech?

Mr Hussey: I have not. *[Laughter.]*

Does the Member agree that the obvious social engineering in Draft PPS 14 prevents maintenance of extended families on family land in rural areas and results in the enforced corralling of rural dwellers into settlements? Does he agree that it assists private developers in effecting rampant increases in house prices and, as such, is to be condemned?

Mr Simpson: I agree with the Member. There is a sense of corralling, which is a major issue.

Another point is the co-ownership scheme. Craigavon Borough Council recently had a presentation from the Northern Ireland Co-Ownership Housing Association. Councillors believe that the scheme could be developed further by revision of the price limit that applies to property eligible for purchase through co-ownership to make the limit reflect more accurately the rise in house prices. The upper limit for co-ownership is £130,000, yet, as Members have heard today already, the average price of houses across the Province is £186,000. In my constituency, terrace houses are selling at £160,000 or £170,000.

It is a very difficult situation. The co-ownership scheme helped 1,500 applicants last year, but that does not put much of a dint in the overall social housing problem.

I welcome the recommendation in Sir John Semple's report that 2,000 homes should be built for social housing purposes. Last week, I spoke to a developer in my constituency during a meeting with Invest Northern Ireland. He is contracted to build 12,000 homes right across the Province, yet not one of those houses will be used for social housing.

There is a major problem in the Province. Young people are finding it more difficult to buy houses and are opting for 40-year mortgages. That puts massive pressure on young married couples and those who wish to set up home. I call on the Government to intervene and try to make the housing issue easier for young people, who must get help from their families to invest in their homes. The Government should concentrate on that issue.

As my council colleague Mrs Kelly said, we must deal with the number of houses in different areas. The housing situation in the Banbridge area is especially horrendous. Social housing is one of the biggest issues dealt with by my constituency office. The Government should move on this issue and assist first-time buyers.

Mr Deputy Speaker: The next Member to speak is Mr Tom Elliott. Before calling Mr Elliott, I must emphasise that, when a Member wishes to speak, it is normal protocol that he or she is present throughout the previous Member's contribution. However, Madam Speaker has taken a generous view of that protocol in the past, and I will therefore call Mr Elliott. However, I emphasise that it is important that Members are present in the Chamber for the previous Member's speech if they expect to be called.

Mr Elliott: Thank you, Mr Deputy Speaker. I was not aware that I would be called so early to speak in the debate, which is why I was not in the Chamber for the previous Member's contribution. I apologise to you, Mr Deputy Speaker, and to the Member concerned.

It is clear from the debate that there is a serious housing shortage. I have often asked myself why that is so, despite the massive increase in the number of houses being built and developed in the Province over the last number of years.

I have researched the reasons for the housing shortage. There is clearly better and improved healthcare in the Province, which has meant that, in general, people are living longer and therefore need more housing. Younger people are moving away from home earlier in life and living alone. That has also contributed to the increasing number of houses that are required.

With increased wealth in the Province, more people are purchasing second, or holiday, homes. That trend is most noticeable on the north coast and in tourist areas such as the Mourne and County Fermanagh. Large-scale immigration into Northern Ireland, which is particularly prevalent in south Tyrone and the Dungannon area, has created a new demand for privately rented accommodation in that area, and private landlords have bought houses to meet demand.

Last week, the Bank of England caused considerable surprise and concern in the property sector by increasing the base rate of interest from 5% to 5.25%. I fear that continued increases in interest rates could result in the burden of mortgage repayments tipping many householders into a situation where their financial obligations cannot be met. Nowadays, we often hear of people being advised to take out 50-year mortgages, as opposed to 20- and 25-year mortgages, which were the norm in the past.

1.00 pm

Just getting onto the property ladder has become increasingly difficult. Last week, a local newspaper revealed the findings of the Royal Institution of Chartered Surveyors' study, which found that young couples who wish to get on the property ladder in the UK need to save 81.2% of their joint take-home pay. In fact, the situation is likely to be worse in Northern Ireland; in this part of the United Kingdom, wages are lower and property prices are rising faster than on the mainland. The study showed also that affordability in the UK is at its worst for 16 years.

The interim report of the housing affordability review, headed by Sir John Semple, makes several proposals for tackling the lack of affordable housing in the Province and for increasing the provision of social housing. The proposals include: a social-housing building programme of 2,000 properties a year; changes to the Northern Ireland Co-Ownership Housing Association; increasing the threshold for stamp duty and making low-cost homes purchased by first-time buyers exempt; providing the Planning Service with increased resources; and, perhaps most importantly to me, the need to examine the reasons for the current area-plan system's failure to deliver.

The report quantifies yet again the problem facing many first-time buyers, as huge property price increases continue to outstrip paltry wage rises. It is staggering that between 2001 and 2005 — a four-year period — seven district council areas witnessed an average house price increase of over 81%. Indeed, five of those councils, in the north and west of the Province — Fermanagh District Council, Omagh District Council, Strabane District Council, Limavady Borough Council and Coleraine Borough Council — had increases of between almost 90% and 116%. Some might suggest

that those figures represent the market here catching up with the rest of the UK; however, such increases, in this part of the world, are unsustainable.

My own council area of Fermanagh is quoted as having an average house price of between £148,000 and just over £161,000. Those figures are on a par with the figures for many eastern areas of the Province that, in the past, have been far above those in the west. Incomes in the Province as a whole, especially in areas such as my constituency, are not able to sustain either those property prices or the rises.

Many reports of a similar nature have preceded Sir John Semple's. However, only limited action has been taken to remedy the situation, even though the warnings have been around for some time. In 2004, HM Treasury published a review of the housing supply in the United Kingdom, conducted by the economist Kate Barker. The Barker Review highlights an average yearly UK house price increase, in real terms, of 2.5% over the past 30 years. That contrasts with France, Sweden and Germany, where prices have remained constant or, indeed, have fallen. One of the main reasons cited for this phenomenon is the lack of responsiveness in housing supply in the UK. In other words, there is not sufficient housing to satisfy the demand, leading to large price increases.

In Northern Ireland, the supply of housing has been stifled further by the moratorium placed on single rural dwellings by Draft Planning Policy Statement 14. I am concerned to note from the interim report that Sir John Semple supports that policy.

In December 2006, a report on the situation in Great Britain entitled 'The Geography of Affordable and Unaffordable Housing', which was published by the Joseph Rowntree Foundation, suggested improving mobility to allow people to purchase dwellings in more affordable areas. That is not acceptable either. People should be allowed to purchase affordable dwellings in their own areas. The report also expressed concern about the ratio of high prices and mortgage costs to incomes and called for the introduction of policies to assist working families who are being priced out of the market.

High levels of unaffordability, therefore, are a problem across the UK and not just in Northern Ireland. The problem has been gaining momentum in recent years, with little indication of a willingness to tackle the issue on the part of the Government. Nobody can deny that it has become difficult for first-time buyers to purchase a home, or that those on the Housing Executive waiting list have a long wait for accommodation. Efforts must be made to help these groups.

House prices and demand have increased — particularly in the Dungannon area, among others, and Fermanagh and South Tyrone, which I am focusing on — due to factors such as the number of foreign

workers. Also, businesspeople are buying up large numbers of houses — which is not against the law, I must add — and filling them to capacity with multiple occupants. That is not helpful.

There needs to be some protection for first-time buyers and the socially disadvantaged. There is an urgent requirement for the Government to secure development land and ring-fence it for social housing and low-cost starter homes. Otherwise, young individuals and couples will not be able to access social housing or enter the property market. That could and should be done through local area plans. Sir John Semple's report acknowledges that.

Where there is land available in the Government estate, it should be protected and kept for social housing, rather than being sold at the current market value, which in some cases is over £1 million per acre. The Government should look seriously and quickly at protecting some of their land for such purposes.

As many Members do, I regularly wade through the planning quagmire. There is little doubt that the Planning Service has a continual backlog. It needs more staff and more flexibility. A strategy needs to be formulated and implemented to ensure a supply of affordable housing that will allow first-time buyers to get into the property market.

I support the motion.

Ms S Ramsey: Go raibh maith agat, a Cheann Comhairle. As other Members have done, I want to congratulate Patsy McGlone for moving this motion and giving us the opportunity to debate affordable housing, Housing Executive waiting lists, etc. However, I support the amendment, which enhances the motion. I have not heard anyone say that he or she does not support the amendment, so I assume that we are going to have agreement at the end of the debate.

I am struck by the number of young people in the Gallery. Statistics have been thrown around this morning about the length of time that people spend on waiting lists for housing. How many of these young people in the Gallery — I hope that they are not thinking of buying houses now — will be able to afford a new house in a few years' time? We have talked about how much first-time buyers have to pay. Equally, how many years will those young people have to spend on a waiting list before they can get social housing? We have a duty to invest in their future and ensure that the Executive starts working as quickly as possible, not only for young people but for everybody's future.

We all know that good housing is essential to the maintenance of a healthy population, and we know that there is a crisis with the provision of affordable and social housing. I do not want to go over all the statistics that have been highlighted. People need space to live in and facilities that are adequate for looking

after themselves. We need to ensure that the housing stock is there and up to the proper standard.

The level of home ownership in deprived areas is low. It is common for people to be forced to rely on public-housing programmes for accommodation for themselves and their families at an affordable cost. There is a huge under-provision of affordable and social housing. The housing market is dominated by private landlords and property speculators.

I support my colleague's amendment. I wish also to congratulate Patsy McGlone for bringing the subject to the Floor of the House. In 2004-05, approximately 17,000 households presented as homeless. Some 6,000 of those households had dependent children. The vast majority of those households without dependent children were made up of single people rather than couples. In 1995-96, the comparable figures were 11,000 and 4,500. Over that period of fewer than 10 years, the numbers have grown substantially, with most growth occurring in households that do not have dependent children. More specifically, almost all the growth took place during the four years from 1999-2000 to 2003-04.

Behind each of those statistics are stories of great stress and the hidden reality of people struggling to achieve the housing stability and security that they need to live healthy lives. Recently, the Assembly discussed mental-health issues. I assume that the added stress of housing worries adds to that experienced by families and individuals. The breakdown of relationships contributes to the figures for single people. There are long-term waiting lists for single people, never mind families.

Across the four Belfast constituencies, 55% of people live in flats or terraced housing. That is well above the average for the North, which is 35%. This situation must be remedied. The growing waiting list for public or social housing must be targeted. We must recognise that the problem is made worse by the fact that housing stock is diminishing before our eyes. There is severe pressure on first-time buyers.

I agree with the last two Members who spoke that there is a need for major investment in social-housing programmes in targeted areas. Fra McCann mentioned that one in 20 houses is empty. To target the issue of waiting lists and affordability, those empty homes must be put to good use. He mentioned also that Sinn Féin raises the issues of social housing and affordable housing at every opportunity. The party had reservations about the appointment of John Semple. However, we will hold back and wait to see the report.

We need to get an Executive up and running and make affordable and social housing one of their priorities. Every Member agrees that every person should have access to health, education and housing.

I support the amendment.

Mr Deputy Speaker: The next Member to speak is Ms Marietta Farrell. On this occasion, Ms Farrell will speak for the first time. As this is her maiden speech, convention dictates that it be heard without interruption.

Ms Farrell: I am very pleased to speak to the House for the first time, particularly today, as it is Martin Luther King Day. Martin Luther King is a hero of mine. He was an inspiration to me and to the civil rights movement in Northern Ireland, from which my party, the SDLP, was born.

I am pleased to support the motion, especially as my constituency of Lagan Valley has the highest house prices in Northern Ireland. According to the University of Ulster's quarterly house price index, in the second quarter of 2006, the average price of a house in Lisburn was over £195,000, which is roughly £34,000 higher than the average Belfast house price, and £32,000 higher than the Northern Ireland average. House prices in Northern Ireland are rising by approximately £600 a week. Those statistics are most certainly out of date now. Recently, I looked at advertisements in estate agents' windows in Lisburn. A former Housing Executive-owned terraced house was selling for £165,000.

A quarter-acre building site with outline planning permission for one house in the city had an asking price of £235,000. A local estate agent told me that it was not uncommon for a house price to jump £20,000 or £30,000 in one afternoon between her showing a house to a client and returning to the office. She also told me that there used to be around one mortgage default every two months; now, there are four to five every month, with most defaulters being young couples.

1.15 pm

As stated earlier, statistics from the Nationwide show that first-time buyers in the North are borrowing over five times their annual income. That is well above the UK average, especially in comparison with Scotland, where the average sum borrowed is 3.6 times a person's annual salary.

Unlike in England and Wales, the Government have no clear strategy to tackle the problem of the lack of affordable housing in Northern Ireland. Unless a clear strategy is put in place and followed through, the lack of affordable housing will be an increasing problem for young families and low-income households and will become a barrier to their accessing jobs and participating in communities.

Although the Semple Review examined the obstacles and identified a series of recommendations, which have already been mentioned by other Members, immediate action from a new Northern Ireland Assembly is needed in order to develop a strategy for

improved access to affordable housing and to make a commitment to the proper provision of social housing.

I am very concerned about the current inadequate levels of social housing, the corresponding high waiting lists and the number of homeless people in Northern Ireland.

According to statistics published by the Department for Social Development in 2006, second to Belfast, Lisburn City Council has the highest social-rented housing waiting list, with a figure of 3,344 people. Only 1,229 new dwelling starts were undertaken by housing associations in Northern Ireland in the last financial year, 144 of which were in the Lisburn City Council area. In Northern Ireland as a whole, a further 69 dwelling starts were commenced during the first quarter of the current financial year. It is a cause for great concern that the figure for new dwelling-house completions is much lower, with only 782 completed in the year 2005-06. That figure is down by 46 from the previous period.

Demand for social housing has increased greatly since 2002. In the year 2002-03, over 40,000 people in Northern Ireland were on social-housing waiting lists. That figure increased to over 47,000 by 2005-06. Those figures illustrate that provision of new-build social housing is, indeed, inadequate and has greatly increased the demand for privately rented accommodation, which has led to a significant increase in rental prices.

On taking over the constituency office in Lagan Valley recently, I asked the staff to compile a list of problems most often presented by constituents. Social housing was high up on that list, particularly issues concerning the notorious Draft PPS 14, which has already been mentioned. As in other parts of the North, rural housing prices in Lagan Valley have rocketed, making it impossible for young people to buy houses in their communities. Having to move away from extended family and deep community ties causes its own problems.

In a statement in September 2006, David Hanson said that the availability of:

“good housing can help improve people's health and well-being. It can influence children's educational attainment and help individuals to take part in normal social activities. It also contributes to the stability and economic well-being of our communities.”

The reverse is also true: bad housing can lead to ill health and stress; it can have a significant influence on poor educational attainment and lead to unhappiness, isolation and disaffection from community and society.

The motion uses the term “housing crisis”. As I, and other Members, have illustrated, that term means a great deal more than the constant discussions about, and our frequent obsession with, house prices.

Northern Ireland, with its strong community and family ties, has not experienced the same level of homelessness as some parts of the UK, but that is changing. In 2005–06, there were 9,749 “unintentionally homeless” people in Northern Ireland. Although not the only reason, house prices are, increasingly, a contributing factor. There is a growing strain on resources, both for the Housing Executive and for the voluntary agencies that deal with homelessness. Currently, the Simon Community Northern Ireland — to name just one organisation — provides emergency accommodation in Belfast, Bangor, Coleraine, Derry, Downpatrick, Lisburn and Newry.

In the past few years, we have seen some tragic examples of people, especially those from the migrant communities, who have fallen through the net of support with dire consequences. I am thinking of 46-year-old Anika White from Slovakia who was found dead in Ballymena and of Oksana Sukhanova from the Ukraine who was found in a Coleraine street in January 2005 and, subsequently, almost died from frostbite. Last night, as happens most nights, homeless people were sleeping on the streets of Northern Ireland. There is no doubt that some of them are victims of our growing house prices.

Forty years ago, the BBC televised a docudrama called ‘Cathy Come Home’. It told the story of a family’s disintegration and spiralling descent into homelessness due to unaffordable housing, with a mother and her children ending up sleeping on the streets. That play was set in London. However, if the new Executive do not tackle the affordable housing crisis as a priority, we may have a Northern Irish Cathy, more Anikas and Oksanas and a growing number of men and women who have to sleep rough on the streets of Northern Ireland.

I support the motion.

Some Members: Hear, hear.

Mr Storey: I pay my compliments to the previous Member who spoke. If, as we have heard today, she delivers her addresses in the Assembly and represents her constituency in the manner in which she has today, there is no doubt that she will be a capable advocate for the constituents of Lagan Valley.

At the outset, I wish to pay tribute to the Members who proposed the amendment — sorry, not the amendment, the motion — [*Laughter:*] I do not want to give any credence to a Member whose party cannot even deliver. Therefore, I pay tribute to the Members who moved the motion, and, in particular, I commend Mr McGlone, who has ably chaired the rural planning subgroup. For those who cannot get onto the property ladder, rural planning is not unrelated to affordable housing.

The DUP wholeheartedly supports the endeavour to provide, as a matter of urgency, affordable, social-rented

and intermediate housing. Several Members have referred to the problem of affordable housing. When we debate issues in the Assembly, the same difficulty arises: although Members can easily identify the problems, we must formulate realistic solutions to those problems. It is not enough to say that an incoming Executive will tackle the issues. Indeed, given what happened at the weekend, no one knows when there will be a new Executive. It seems as though the republican movement cannot bring itself to say simple words such as “delivery, delivery, delivery”. Therefore, it is quite possible that there will not be a new Executive for some considerable time. Rather than utter the words that we need to hear, we are given ambiguity and four pages of republican spin. However, we must not allow ourselves to be trapped in this position for ever. Members should come to the House with recommendations that can give leadership to how we address the problems facing first-time buyers.

In particular, in the light of the planning policies, I want to focus on an issue concerning affordable housing, which is raised in Sir John Semple’s report. I commend Sir John Semple on the interim report. Members must remember that it is an interim report, which is subject to consultation.

I urge Members to respond to that report in the same manner in which they have articulated their concerns during this debate. There is to be further consultation and a final report, which I understand is to be presented in March. Sir John raises the use of article 40 of The Planning (Northern Ireland) Order 1991. However, that is not a viable tool for providing a significant number of affordable houses in the private/developer sector, which is more likely to deliver new developments that meet the aims of mixed tenure, community balance and citizens’ well-being. The main reason for the problem is the steep rise — particularly in the past three years — in the cost of land for building. A horrendous figure is contained in chapter 5 of Sir John’s report, which states that:

“Land prices have risen dramatically in the past three years with the average cost of housing land rising by 300% since 2003”.

All Members, particularly those who represent rural constituencies, know about the pressure that that situation has created.

Mrs D Kelly: In my constituency, which the Deputy Speaker knows well, a 0·2-acre site on former bogland was sold for £138,000 due to Draft PPS 14. That site might normally have fetched only between £25,000 and £40,000. In Banbridge, a plot of housing development land fetched £1·1 million three weeks ago, which equates to £100,000 per housing unit. That is unsustainable in any society.

Mr Storey: I am grateful to the Member for bringing that to our attention; I am sure that all Members could

provide examples of similar situations from their constituencies. Those price rises are a fundamental consequence of the planning limbo that exists in Northern Ireland, particularly in my constituency, which I cite because it is the one that I know best.

A draft northern area plan has been published, which is subject to a judicial review. That plan should be operational, or should at least be at the stage of a public inquiry. However, that is still a very long way off, and 2011 looks a likely time for a public inquiry rather than for the implementation of that plan.

The draft northern area plan has crucial and unpredictable implications for issues of major concern, which the Planning Service is not currently addressing, thereby contributing to the problems. The most crucial of those unpredictable implications concerns whether existing town boundaries will be extended. Mrs Kelly referred to the price of rural land; let us look at the situation that has now developed in urban settings because of Draft PPS 14. There has been an unacceptable rise in the prices of those properties because a ban or moratorium has been placed on development in the countryside.

Towns have become constrained in their ability to deliver affordable housing within the urban boundaries. Arguably, as a result of the aforementioned continuing uncertainty, certain speculative development land — which makes up the majority of unused building land in my home town and its urban footprint — including brownfield and redevelopment sites, has been bought and is being financed at prices that are beyond the level of a developer in the building industry who wishes to provide affordable housing within the existing town boundaries.

1.30 pm

In the past 12 months, the prices of the lowest-rung housing in my constituency have increased hugely, creating a situation in which many aspiring first-time buyers are unable to access home ownership. Instead they are driven to what can only be described as spending dead money on renting houses or apartments from investors, which, ironically, are the very same properties that they would have bought had it not been for the greed-driven building prices that have been created by this situation.

A typical property on one of the lower rungs of the ladder in my town, a house with two or three bedrooms, costs some £170,000, of which the land element accounts for an astounding £100,000. Unfortunately, the average first-time-buyer household income can only support a mortgage on attractive terms of £120,000, which will be less if interest rates continue their recent upward trend. Accordingly, we have a shortfall of some £55,000 to £60,000 — more than half the land element cost — which, under article 40 of The

Planning (Northern Ireland) Order 1991, a developer could be obliged to fund in respect of the 20% of all dwelling units on a major mixed-tenure development.

Since the publication of the article 40 affordable housing obligations, building land prices could be driven down by the release of additional lands for an extension of boundaries and by the consequent market forces, which would enable developers to provide affordable housing. The immediate introduction of arbitrary measures or set targets under article 40 would be ill-advised. It would be preferable to introduce certain targets incrementally.

To speed this matter up we also need to look —

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

Mr Storey: We also need to look at the rural community, landowners and farmers, and relieve the pressure that developers put on them. They need an opportunity to develop their own land.

Dr Birnie: This is a timely debate on an issue that is vital to those who are finding themselves hard-pressed to get a home, particularly a first home.

As has been noted, it is striking that, during the five-year period after 2000, the number of first-time buyers in Northern Ireland decreased by almost a quarter, whereas the figure for GB was a reduction of only 7%. That indicates a problem. It is obvious that the situation is being driven by the very rapid increase in house prices, as several Members noted. Indeed, the increase has been much higher than recent average UK growth. The very rapid growth in house prices, and the consequent difficulties for house buyers, is almost certainly produced by the demand for housing being much greater than the supply to meet it. We should bear that analysis of the problem in mind as we consider the correct policy response, and particularly — the motion refers to this — the interim report on housing affordability by Sir John Semple.

We need to note, in particular, some of the recommendations in the Semple Report, especially the recommendation that the Department for Regional Development should look again at its housing growth indicators for the period 1998 to 2015, which are set at 208,000 new houses. That figure, even though it was revised upwards in the past, is still almost certainly too low. As my party colleague Mr Cobain said, we support the recommendation in the interim report that the number of newly built social houses be increased substantially to 2,000 a year. Other Members mentioned the serious impact — perhaps at the margin but nonetheless significant — of stamp duty on the expenses of house buyers, particularly first-time buyers. The Chancellor should examine stamp-duty levels and the house-price threshold at which they first apply.

Land will be needed for an aggregate supply of houses to be built. We should note that Sir John Semple's interim report recommends: that the Department of the Environment should undertake an annual housing and land availability study; that selective de-zoning should be considered; and that the Department for Social Development should examine the scope for stronger, increased vesting of land for house building.

(Madam Speaker in the Chair)

Any policies should be sensitive to the different types of household that seek accommodation. For example, there is a demand for family housing, and that is not often provided in the market; that is the case in my constituency of South Belfast. There is also an increasing demand for dwellings for single people. That may reflect an increase in the number of families breaking up, or the growth, over the past three years, in the number of migrant workers in Northern Ireland. The supply of housing must therefore reflect diversity of demand. There is a need for urgent action.

Mr N Dodds: Like Dr Birnie, I think that this debate on affordable housing is important to many of our constituents.

The work that has been undertaken so far by the affordability review team, under Sir John Semple, has been extremely worthwhile. The interim report is a thorough and commendable piece of work. The production of an interim report is a good move, as it allows time for feedback before proceeding to a final report. A few weeks ago, I met Sir John and his team, and I was impressed with the seriousness and dedication with which they approached the issue. This is a timely debate that will make an important contribution to Sir John's work.

Several Members have already mentioned the current high prices of housing and land, and they have referred to the fact that there has been a period of sustained low interest rates. There was a slight rise in interest rates last week, but continuing, substantial increases in house prices have been forecast. It may comfort some people to hear that the market will readjust, or will self-adjust, and that the situation will even out. Unfortunately, many people — first-time buyers and those wanting to enter the housing market — will be unable to catch up with last week's increase in interest rates.

I do not intend to quote many statistics, but figures in the interim report compare the current proportion of income that is needed to buy a house with past statistics, and the figures are staggering. In 2002, when I was Minister for Social Development, I discussed this issue with officials. Here we are in 2007, and escalating and exorbitant costs are much more severe. Something must be done.

Members have referred to land prices, which have gone up threefold in three years. There is much land speculation, and many private investors are buying up land or holding on to land in the hope that the price will increase. Similarly, many properties are being bought for investment purposes. That is adding to the problem.

Sir John suggested some solutions that are worth considering. I am particularly intrigued with the suggestion to set up a land assembly agency; however, Sir John has said that more work needs to be done on that proposal. It is an interesting argument, and such an agency would mirror similar bodies that have been set up in England. He has also suggested that the period for which planning consent applies should be reduced to prevent land-banking and proposes greater powers of vesting.

The review referred to open spaces, particularly those that are in many of our Housing Executive estates. For example, in the lower Shankill, which is in the West Belfast constituency of my hon colleague, there are enormous swathes of vacant, open land that are not being used for housing; there are also other estates like that. There is a case for saying to the Housing Executive that it should be more proactive in identifying land in such estates for housing use. More and more often, residents of those estates tell us that they want areas to be used for housing rather than left lying derelict or being used for antisocial behaviour, as is often the case. Clearly, it is fair enough for land to be needed for recreational, open-space purposes. However, in many cases, such land is simply not being used for any particular purpose. As Sir John recommends, the Housing Executive:

“should adopt a proactive approach to making use of appropriate open space for affordable housing and should start a number of pilot projects as soon as possible.”

That idea should be pursued.

Sir John also suggested that community land trusts be established. Under such schemes, people would effectively buy the house or property — but not the underlying land. Examples of that model across the water have proved to be reasonably successful. Anything that increases people's ability to get into the housing market is worth considering.

Since its inception, the co-ownership scheme has been most worthwhile: 19,000 to 20,000 households have benefited from it. Recently, however, it has suffered in that the uptake has not been the same as in previous years. That has a lot to do with the rise in house prices; massive increases make it difficult for people who want to get into the property market through co-ownership to compete. The Member for Lagan Valley Ms Farrell mentioned the speed of price increases; they can rise by £10,000 or £20,000 in an

afternoon. Therefore more flexibility needs to be introduced into the co-ownership scheme.

Low current-value limits need to be reviewed, and a reduction in rent levels should be considered. The co-ownership scheme still has the potential to help a lot of people get into the property market, and it should therefore be sustained.

Sir John also referred to stamp duty and the effect that it can have. Given that it can add a substantial cost to the price of a property, it can significantly affect people's ability to get into the housing market. Although stamp duty is part of the wider fiscal and taxation arrangements that are decided at a higher level than this Assembly, it should be impressed on the Chancellor that changes to the stamp duty system should be encouraged strongly. That is because some areas suffer as a result of high levels of deprivation and a great deal of social exclusion and need.

I add my voice of support to those who want new-build social housing to be increased year on year. Currently, 1,500 new houses a year are being built. I agree with those who say that that figure should be increased, even though a cost will be attached. I remember fighting battles with two Ministers of Finance and Personnel about getting money for the DSD for new social build. Back then, the view was always taken that compared with the rest of the United Kingdom, Northern Ireland did rather well in allocating money for housing and that consideration had to be given to paring back expenditure in that sector. However, given that John Prescott announced massive investment in housing in England, that argument is no longer sustainable. In any case, the need for housing exists. If we are serious about putting TSN and combating poverty at the top of the agenda, Government here — whether direct rule or devolved — should make new housing a priority.

1.45 pm

I could deal with many areas, but I do not have much time left. I want to mention voids in the private-rented sector. Many areas are blighted by houses and properties that lie void for extended periods, but getting something done about them involves a lot of red tape: the process is slow and cumbersome, and articles are served. It becomes a whole rigmarole; the owner sometimes does not want to know, and the matter has to go back and forward, and so on. People who live in areas that are affected by those voids feel that they blight those areas. I very much believe that action should be taken to address that.

Sir John mentions the empty dwelling management orders that have been introduced in England. When we met as part of the review, I urged him to consider recommending their introduction here. Such orders allow a local authority — in this case, probably the

Housing Executive — to step in, take control of a house that is void or derelict and bring it up to standard. The problem is thus proactively addressed, and houses are not left derelict and void for years.

The private-rented sector is increasingly dominating some estates and housing developments. There is a strong case for greater regulation, not just of houses in multiple occupation (HMOs) but of all privately rented houses. There must be stronger controls to deter landlords who buy houses and then neglect their upkeep or who do not care terribly to whom they let the house. Stronger regulation is needed as this is one of the biggest areas of complaint raised with me.

We could spend all day discussing the many issues that this debate raises. However, I want to make one final point. Much work needs to be done to ensure the availability of low-cost housing in urban renewal areas, and people must be incentivised to stay in such areas. Often they are bought out at a certain price, but because the new houses are sold at such a high price, they cannot afford to buy them. I am pushing the Department to do something about that.

Mrs D Kelly: I am late in joining the debate, so it is difficult to add anything new.

I want to lend my support to Mr Dodds's comments on regulation of the private-rented sector. The highest number of complaints that public representatives hear concerns antisocial behaviour and the lack of care of rented houses — overgrown hedges or overhanging trees or whatever.

Some parties have been concerned about whether or not their members support Draft PPS 14 — both the DUP and Sinn Féin have had problems with that. However, I can assure the House that, from the outset, the SDLP realised the dilemma that Draft PPS 14 poses for rural dwellers. I too welcome Sir John Semple's report, but, like Mr Elliott, I do not support Draft PPS 14.

I have young daughters at university, one of whom is now studying for a postgraduate degree. Under the student loans scheme, she will leave university with loans and debts potentially amounting to £30,000. That is appalling. How on earth will she ever be able to afford a house? As soon as she gets a job — and I hope that she will — she will have to start repaying her student loans. Contrary to what many of us thought, student loans do incur interest, so long repayment periods result in additional costs. Thus many young people and first-time buyers will find it increasingly difficult to buy a home. That is a great concern and must be one of the key challenges for any new Assembly and restored institutions. Some Members talked about the need to show leadership and the need for a restored Assembly. The onus is not just on one party; as we all know, there are two parties in this dance. They need to

get their act together because the community is crying out for decisions.

There are solutions to the affordable housing crisis. A lot of land is in public ownership. Some weeks ago, my party colleague for East Derry, Mr Dallat, talked about the amount of land that is owned by the Water Service. In Craigavon, a lot of land was taken and kept aside by the old commission. It is still there and is still unused, yet over 2,000 people are on housing waiting lists in the Upper Bann constituency, many of whom are in dire circumstances.

The issues of affordable housing and home ownership are easily within the gift of direct-rule Ministers. We do not have to wait any longer. Members of Parliament have raised and debated at Westminster a range of measures that could be implemented soon.

Many Members have referred to homelessness, and I share their concerns. Recently, someone in my parish died, and six people suddenly became homeless. The Northern Ireland Housing Executive must address, as a matter of urgency, the test for homelessness and how waiting lists for the homeless are handled, because there are peaks of homelessness when a house becomes vacant.

The message has not yet been conveyed to the public, and in particular to young people, about how houses are built for social need and how areas are determined. It is not a matter of waiting for someone to die. My constituency office now receives calls to say: "So-and-so is on their last legs. Will you see what you can do for me?" It is a dire situation that reflects the tension and stress in the community. Members are aware of the link between housing and ill health.

Affordable housing is a key challenge, and I wait eagerly to see whether Sir John Semple has taken the views of the parties on board. Some Members have reservations about Sir John Semple but have taken as their own the appointment of Lord Carlile as the overseer of MI5. I find that surprising.

I will finish, because a number of other Members wish to speak. I support the motion.

Mr Copeland: I join in the congratulations to the proposers of the motion and of the amendment.

Housing is the largest single issue in my constituency office, which deals with approximately 1,000 citizens. Some of them are one-person households, some two-, some three- or more.

Members must not forget that behind all of the statistics, research and views that have been put forward, there are citizens — people. I will cite two cases that sum up the core issue that Members are attempting to address.

My wife and I were married 27 years ago and enjoyed regular and fairly well-remunerated employment. My

wife was a police officer, and I was in the construction industry and a part-time officer in the UDR. In other words, we were not short of a shilling. We purchased our first house for £12,500, and I remember sitting with my wife to work out how we could afford the mortgage. That property is now valued in excess of £200,000. Today, with our combined income, we could not raise a mortgage to purchase the property that we bought 27 years ago. What hope is there for young people who do not command enormous salaries to get a foot on the housing ladder?

The second case is more interesting and more tragic. It is the case of a young couple whom I will call Mr and Mrs T. He was employed in security work in entertainment establishments in Belfast and earned a few pence above the minimum wage. His partner, the mother of their two children, secured work at just above the minimum wage for 16 hours a week in a local hotel. He lost his job; they fell behind in their rent and were evicted from their privately rented property — which had been consuming in excess of 70% of their combined income — rendering them homeless.

The Housing Executive, bound by legislation, adjudicated that they were intentionally homeless. Mrs T, the couple's three-year-old child and three-month-old baby are now living with her mother. Mr T is living with his parents.

If the motion has any failing, it is that it concentrates on affordable housing and does not mention social housing. It is not rocket science to work out that affordable —

Mr McGlone: It is pretty widely accepted that the definition of "affordable housing" not only embraces privately owned or privately rented property but social housing. That is accepted widely, including by Sir John Semple.

Mr Copeland: I accept the Member's point.

There is a difference between what people can afford to pay and what they are being asked to pay. Housing could only be affordable if there were a swing in the balance in order to bring the cost of houses down or raise the wages of the people who want to buy those houses. Neither is likely to happen to such a degree that it will restore the equilibrium. Ways can be sought to address the issue. However, for an increasing number of people — be they people who were brought up in housing estates or in small streets, or people who attended grammar schools and lived in nicer houses — renting a property may be the first way to find a place to call home. There has been a focus on houses in the debate. For many, there is a difference between a house and a home, and in the social circumstances that surround them. There are many houses in east Belfast, but not enough has been done to ensure that its citizens can transform those houses into homes.

The Housing Executive was once charged with improving the awful housing conditions that pertained in the Province. Over time, great steps were taken to ensure that there was a supply of good-quality rented houses. However, the Housing Executive is now required to make annual efficiency savings of 2.5%, which amount to around £15 million of the Housing Executive's entire budget each year, or an average of around £4,405 from each office. The effects of that are such that, in some offices, senior housing managers do not even have someone to type a letter for them. Thought must be given to that matter.

Mr S Wilson: Given that house sales are around 4,000 each year, which is the equivalent to the housing stock of one Housing Executive district office, does the Member accept that the Housing Executive could make considerable efficiency savings in order to meet the Gershon requirement of 2.5%?

Mr Copeland: I do not doubt that it could do so through reorganisation. My contention is that the Housing Executive should address housing need. Increasingly, because of house sales, it must deal with a diminishing stock that is of diminishing quality, and it cannot discharge its statutory responsibility. That is done by housing associations. However, in my experience, housing associations do not build sufficient houses for the need.

The Member for Upper Bann Mr Simpson referred to "applicants" to the Northern Ireland Housing Executive. I confirmed with him that the term "applicants" was inappropriate. There are approximately 2,500 applications in the East Belfast constituency. In the part of south Belfast that most people believe is part of east Belfast, there are a further 1,000 applications. In the greater Castlereagh district, which most people also assume to be part of east Belfast, there are 2,700 applications. The total number of applications is around 6,200. Each of those applications may cover three, four or five people. It is not, therefore, a matter of the number of applicants, but of the number of citizens; that is important. In east Belfast, I am confronted with around 10,000 to 15,000 people who do not have appropriate accommodation.

2.00 pm

The basic building block of society is the home, which should be in close proximity to places of education, medical treatment and places to shop. Something has gone terribly wrong. I note the calls from the Member for Upper Bann Mr Simpson for the Government to intervene to address the problem. I am sick, sore and tired of calling on the Government, because the Government do not stand to gain or lose one single vote cast in an election by any citizen in the Province. I hope that sooner or later all of us in the House can create the circumstances whereby Members discharge

the responsibilities placed on us at the time of election and deal with problems as they ought to be dealt with.

Mr Shannon: I rise to support the motion. Each year in Northern Ireland, 30,000 people make enquires about housing issues. There are 2,500 enquiries a month. That is a huge number of people with housing problems, when one considers the small population of the Province. In March 2006, approximately 32,000 people needed affordable housing, and of those 17,500 were considered urgent cases. There is need for change, and the Assembly has a vital part to play in the process.

In my constituency of Strangford, the average price of a house this year is in the region of £179,000, and that continues to rise by between £4,000 and £5,000 a month. The Halifax states that there has been a 43% growth in house prices in that area. The average income of my constituents is £13,500, so it is not difficult to work out the mathematics. Even a two-income household would find it impossible to get onto the first rung of the property ladder. People renting properties are faced with huge rent bills as they pay the increase that the landlord has laid out to buy the property. Those mounting bills are the reason that so many have no option but to put their names on the waiting list for Housing Executive flats and houses.

That is not taking the easy option; there are no other options for many to take. It is part of the reason that the number of first-time buyers has halved since 2001. There has been, on average, a £30,000 increase in the price of houses, yet in the same period there has been only a minimum increase in wages. That loss cannot be borne by first-time buyers and low-income renters, and could well explain why 30% of those who apply to the Housing Executive are living in poverty. It is becoming increasingly impossible for people to try to manage rent and the ever-surging utility and basic living costs on their own, particularly if they are one of the thousands of hard workers who earn the minimum wage. It is no small wonder that the waiting list is beyond the means of many.

The average person who has worked hard to buy his or her own small house is now working equally hard to pay the bills, let alone buy the property. Many semi-professionals, instead of studying for a degree and getting a job and house, are now clubbing together to buy small terraced houses, praying that the current trend continues so that they can all make enough money to start out on their own.

The Royal Institution of Chartered Surveyors fears that 50 families a day will lose their homes due to defaulting on their loans and mortgages this year. The mortgage should not exceed 30% of the income of the home; when it is larger than that, people are faced with making a choice between defaulting on their mortgage or providing food and heating for the household. The

number of reposessions in 2006 increased by 76% on the same period in 2005 — a startling figure. Subsequently, the Housing Executive is being presented with over 20,000 homeless people, half of whom are accepted as genuine. That is an increase of over 1,000 from the same time in the previous year. That cannot be allowed to continue. The fact that the Bank of England has increased interest rates for the third time in five months means greater hardship for mortgage payers. Rates have gone up from 3.5% to 5.25% in the last three years. That is a significant figure. When added up, that will mean an extra £100 a month in mortgage costs for many households in my constituency.

House prices in the Strangford area are the fourth highest in the United Kingdom, and the 0.25% increase in the lending rate has, for many, pushed an average of £50 for this month up to, perhaps, £100.

Not many years ago, one could have bought a terraced house in Ards for about £60,000 or £70,000. Today it will cost £130,000. Developers from all over the United Kingdom and, especially, the Republic of Ireland are coming here with seemingly bottomless pockets of money to invest, and they are buying houses everywhere. There is the real fear and threat of a 40-year mortgage and a mortgage that will be passed on to a borrower's children.

Those are the clear and bare facts that illustrate how much the situation has got out of hand and how it requires drastic change. In rereading the reports and figures, one will find a lot more figures that challenge the system, and we must look at those. One might ask what our options are or what the Assembly should take on board and implement when the time comes? The Semple Review's recommendations concerning vacant properties would be most effective when coupled with the proposals to convert into apartments the first floors of shops in our towns. The living over the shop (LOTS) scheme has been piloted in my area, but more could be done in Strangford and the rest of the Province with that. It is an excellent scheme that affords a grant of £25,000 or 75% of the value of the upper level refurbishment to a property owner. Not only will that provide more long-term, valuable, cost-effective housing but it will rejuvenate our towns and villages.

Some Members mentioned the valuable co-ownership scheme. My colleague Nigel Dodds from North Belfast mentioned it earlier. Many people in North Belfast, Strangford and across the Province have taken advantage of it. It should be promoted more widely, so that more people know to take advantage of it. Anyone who buys a £150,000 house through the co-ownership scheme will require a mortgage for only £75,000. The scheme gives the house buyer an opportunity to get on the first rung of the property ladder, and it should be widely promoted.

There is a number of unoccupied — or void — Housing Executive houses in the Ards area. My colleague from Lisburn said that there are 1,200 to 1,500 people on the waiting list for a house in Lisburn and east Belfast, but there are between 2,500 and 3,000 people on the waiting list in the Ards area. If that is not the longest waiting list in the Province, I would like to know where there is one longer. I am sure that it is a Province-wide problem.

Over 4% of the properties in the private rental scheme in Ards are vacant, and those houses could be reintroduced into the property market. The increased turnover of those would mean a wider market place, and the less desperate the need was for housing, the less money that investors and property developers would be able to squeeze out of consumers. One way of further aiding the refurbishment process is to lower the VAT on materials for such work to the lower figure of 5%. That clear aid would assist those who need a house.

The theory of turnover is mentioned often in the Semple Report, and it is one that is perhaps a basis of finding more affordable housing. Other initiatives such as an increase in the threshold for stamp duty in line with the substantial hike in house prices should be implemented as soon as the Assembly has the power to do so. It is unfair to expect first-time buyers to pay those costs as well as everything else, so I support the recommendation to exempt first-time buyers from that.

It is also imperative that local authorities release unused land for building; that would give a twofold benefit. First, there is the obvious benefit of making affordable housing available as requested in the motion. Those houses should be affordable and designed for first-time buyers and not for property magnates who are one of the major causes of the current problem. Secondly, the release of the land would enable local authorities to put the money to much better use and to where it belongs — in the community.

Perhaps Mr McGlone will consider the "kinship clause", as it is referred to in planning, whereby people who live in the countryside and rural communities can have an input into staying on the land. Many people would benefit if such a kinship clause were put into planning.

As an MLA, I want to be able to tell those who come to me in desperate need of a home that the waiting list is short and that they will soon be accommodated. I do not want to have to tell them that they will be forced to split up their family and live in hostel accommodation. Instead, it should be my duty as an elected representative to inform a young couple searching for a new house that there are tax breaks and grants to help them take that first step.

Furthermore, it should be my commission to ensure that the property developers, with their seemingly

bottomless pockets, do not have the wherewithal to buy up — and thus inflate the prices of — houses in Strangford and, indeed, the rest of the Province.

A developer from the Republic came to Portavogie, a village in my constituency, and offered to buy nine houses for cash from a local builder. The builder said that he was not interested in the offer because he wanted to preserve the area and ensure that the houses were sold to people who lived in the village — first-time buyers — to give them an opportunity. I admire that builder because he took a clear stand: he wanted to ensure that local people got an opportunity to buy houses in the area. That attitude is to be welcomed.

The responsibility for ensuring that people can buy houses in their local areas should lie with a devolved Government, whose priority would be to improve the quality of life for our constituents. For that reason, I support the motion. The Government should take into account the report's findings and make the resolution of the housing crisis a top priority for the elected Executive.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. As Mr Shannon said, statistics illustrate the crisis mentioned in the text of the motion. In March 2006, 32,215 people were on the common waiting list for social housing. Of those people, 17,433 were in housing stress. In 2005-06, over 20,000 people presented themselves as homeless, of which 48% were accepted as such. That was an increase of over 1,000 people compared with the previous year.

In Northern Ireland, fewer than 50% of housing benefit recipients have their full rent paid compared with 30% to 40% of the recipients in GB. The proportion of houses being bought by first-time buyers is declining. In 2001, 60% of house sales went to first-time buyers. By 2005, however, that figure had fallen to 36% and has, no doubt, fallen further since then.

The Royal Institution of Chartered Surveyors said recently that those seeking to get onto the property ladder must now save an average of 81.2% of their joint take-home pay. That figure covers the upfront costs of buying a typical home, including stamp duty and a deposit. The average two-person household spends about 22% of take-home pay on their mortgage. It is clear that, unless more affordable housing is built, and the Government raise the stamp duty threshold, more and more households will struggle to access the housing market.

First-time buyers in Northern Ireland face a tougher challenge than their counterparts in the UK. Average salaries in Northern Ireland are lower, yet average house prices are much higher than in other UK regions and are continuing to rise quickly. It is expected that affordability conditions will worsen during 2007, with a predicted growth in house prices of between 8% and

10%. In addition, there is the potential for a further interest rate rise next month.

Affordability is, without doubt, the biggest issue facing the housing market. Earlier this month, a survey of regional house prices in the last three months of 2006 showed that the fastest growth was in Northern Ireland. House prices in Northern Ireland jumped by 44.1% compared with the same period a year earlier. That rate of growth was three times higher than in Scotland, where prices rose by 16%. The biggest increases were in Northern Ireland, where prices rose by 53%.

In my constituency of Newry and Armagh, 2,667 people are on the waiting list for public housing, yet only 90 new units have been built in the last two years. More and more people on benefits are being forced into private rental accommodation, where there is a growing differential between rental allowance and private rents. Private rents are currently running at around £500 per month, thus plunging people into a further downward spiral of poverty, with its own associated problems.

2.15 pm

House prices in Newry have rocketed. Three-bedroom semis have increased in price by 30% to 40% over the past year; prices have broken the £200,000 barrier, the average being £230,000. Those three-bedroom semis have in some instances become second-buyer homes.

The situation for first-time buyers in the Newry area is extremely difficult. For a first-time buyer to purchase a £180,000 house, they require a minimum 5% deposit of about £9,000; they pay stamp duty of about 1%, which is a further £1,800; they pay solicitor's fees of £1,800; and surveyor's fees of around £1,000. In total, they will need savings of about £13,600. That is a year's salary for many first-time buyers. Their mortgage payments on a loan of £180,000 will be on a repayment basis, probably over 30 years, at £1,100 a month.

In Newry, development-land prices are usually a good indicator of future market expectations. Due to a very conservative and restrictive area plan and the introduction of Draft PPS 14, development opportunities for builders have become scarce. The present dearth of development land, coupled with the stifling effects of Draft PPS 14, is pushing house prices sky-high.

Development land in Newry costs about £1 million an acre, with individual sites making more than £200,000. As the price of houses increases, the builder pays more for the land. The only way to alleviate that is to release more land for the development of both public and private housing and to undo the stringent curtailments of Draft PPS 14. I support the motion.

Mr McCann: Go raibh maith agat, a Cheann Comhairle.

Most Members who spoke this morning had their fingers on the pulse, regardless of which party they belong to. People are well tuned in to the crisis that we face and how it should be dealt with, so I will be fairly brief in support of the amendment.

Patsy McGlone said that affordability covers social housing, but many people see a clear separation between affordability and the supply of social housing from either housing associations or the Housing Executive. That is why the amendment deals with that issue separately.

I included vacant properties in the amendment because they are such a problem. John Semple said that 5% of all housing stock is lying vacant and that something must be done about it. We can also widen the debate because there is more to the housing mix than the issues that I identify in my amendment or that Patsy McGlone identifies in his motion: problems such as the allocation system and homelessness. In my constituency, young people stay in hostels for three or four years before they can even get a house. We have all heard the figures on the rise of house prices. In my constituency, former social housing is selling for between £200,000 and £210,000. We need to get to grips with a wide range of housing issues. However, I thought that to include them in the motion would offer us a way of looking at affordable housing, social provision and vacant properties.

Mr S Wilson: Will the Member give way?

Mr McCann: No, Sammy. Most Members spoke about housing, but Edwin Poots tried to sectarianise the issue, which was very sad. We could have argued with one unified voice and not had a sectarian argument. A review into how housing need came about would come to a different conclusion from the one that Edwin Poots put forward. I commend the amendment; it is important that Members support its three elements. It does much more than Patsy McGlone's motion, and it will be more widely accepted by the community.

Mr Burns: Madam Speaker, I thank you for the time allowed for this very important debate, which has united the House. Members really do understand the seriousness of the housing crisis. The difficulty that people face in getting housing is a major talking point in all our constituency offices. Young people simply cannot afford housing. Others can get onto the Housing Executive list, but they cannot get a house.

Patsy McGlone kicked off today's interesting debate. He emphasised the huge lack of new affordable and social housing. Fra McCann came in with his amendment, and also brought to our attention the fact that if a large amount of social housing is built, it is vital that amenities follow in that area. Along with housing, the infrastructure needs to be put in place.

Mr S Wilson: Does the Member accept that, given that the report clearly defines social housing as including housing rented from the Housing Executive or a housing association, as well as housing rented from a private landlord, that part of the amendment really was not necessary?

Mr Burns: I very much agree with that. Perhaps it was not really an amendment but a different way of putting our motion forward.

Edwin Poots was very concerned about the huge sell-off of Housing Executive houses and the fact that more are being sold than built. He brought to our attention the stamp duty on housing and the fact that many builders are now land-banking housing land because the cost of the land is rising at such an alarming rate.

Fred Cobain spoke of his support for John Semple and the need for more housing in three categories — more social housing, more affordable housing and more private housing. He told us that it was essential that 2,000 homes be built every year; that was a very important point to get across. Kieran McCarthy from the Alliance Party talked about how difficult it is for young couples to get into the housing market.

That brought us to David Simpson of the DUP, whose first remark was that he would not be long. That reminded me of the minister who says that his sermon today will not be long, but David went the full distance of 10 minutes. He did allow two interventions, and then accused those people of stealing his speech. In fact, the whole tone of the debate has been one of unity.

Tom Elliott talked about the increase in the Bank of England base rate this week and how that put more pressure on the ability of first-time buyers to afford houses.

Sue Ramsey highlighted the social side of housing and how private landlords dominate the private rental market. She told Members that one in 20 houses in her constituency lies empty and that bringing those houses back into the private rental market would significantly ease the housing situation.

In a brilliant maiden speech, Marietta Farrell reminded Members that today is Martin Luther King Day.

Mr S Wilson: There was no bias in that remark.

Mr Burns: No, none at all.

Ms Farrell expressed her alarm at the high prices of houses in her Lagan Valley constituency and spoke of her fear of many more people becoming homeless.

Mervyn Storey of the DUP spoke about rural planning and how article 40 of The Planning (Northern Ireland) Order 1991, if implemented, would alleviate the situation.

Mrs D Kelly: Mr Storey mentioned the requirement of a political party to show leadership. However, the DUP requires leadership as much as Sinn Féin.

Mr Burns: For the Ulster Unionist Party, Dr Esmond Birnie highlighted the great difficulties experienced by first-time buyers. The SDLP will ask the Department of Regional Development to re-examine the figures relating to the land that will be released for new builds. He also talked about how stamp duty affects first-time buyers.

Nigel Dodds spoke of his support for Sir John Simple — *[Laughter.]* — Or rather, Sir John Semple. That was some slip of the tongue — *[Laughter.]*

Mrs D Kelly: It was right the first time.

Mr Burns: Mr Dodds covered all areas of the debate, including co-ownership and stamp duty. He referred to housing voids and acknowledged the great need for housing across the Province.

Dolores Kelly spoke about Draft PPS14 and the need for a homelessness test for those who join waiting lists for houses.

Michael Copeland gave a great speech on his history of buying houses. Some 27 years ago, when he bought his first house for £12,500, he wondered how on earth he would be able to pay that mortgage.

Mr McNarry: By joining the Assembly. *[Laughter.]*

Madam Speaker: Order.

Mr Burns: Mr Copeland reminded Members that at today's valuation, that home would now be worth over £200,000 and, based on his and his wife's income 27 years ago, it would have been impossible to pay the mortgage. Today, that is the situation facing many young couples, who simply cannot afford to buy new homes.

The DUP's Mr Jim Shannon spoke proudly about a builder in his area who was not prepared to sell to the highest bidder but was interested in providing houses for his local community.

Dominic Bradley told us of the difficulties faced by first-time buyers in getting into the housing market.

This debate has united the House; we are all aware of the seriousness of the affordability issue, and of the great need for social housing.

2.30 pm

Mr McGlone: I agree with Mr Burns that the debate has been an important one. Will he accept that the situation requires a response that is not only strategic, but comprehensive in all its aspects? I note that the amendment ties us into one particular strategic approach to the unmet need, which is the renewal of vacant properties. Many of us who represent rural areas could argue that there are other important aspects, such as additional investment in new housing

stock; in housing replacement and renovation; and home repair assistance grants, etc. The strategic response must be a comprehensive one that embraces many other facets as well as vacant properties, important as that is.

Mr Burns: I thank my colleague Patsy McGlone for his timely intervention. I support the motion.

Question, That the amendment be made, put and negatived.

Main Question put and agreed to.

Resolved:

That this Assembly expresses serious concerns about the affordable housing crisis; notes the deliberations by the committee chaired by Sir John Semple; and demands that any new Executive make affordable housing an urgent Government priority.

Madam Speaker: I shall give Members a few moments, after which we will move to the motion on rural schools.

Rural Schools

Madam Speaker: The Business Committee has agreed to allow two and a half hours for this debate, the Member proposing the motion having 15 minutes to propose, with 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Mrs Foster: I beg to move

That this Assembly notes the threat to rural schools in Northern Ireland; calls upon the Government to recognise the vital role that such schools play in the community; and urges the Government to put in place a strategy, where possible, to protect the viability of these schools.

The motion is intended to place on record the high value that Members place on rural schools and the value they have both for the communities that they serve and for the children who attend them. Members want the Government to recognise their worth and protect their viability. Instead of allowing schools to run down, the Government should be trying to sustain and maintain them.

Yesterday, I attended the funeral of a man who, at 64 years of age, had succumbed to cancer. The archdeacon who gave the address at the service of thanksgiving for his life, reminded us that that good man had attended Moybane Primary School. Moybane is a townland near Letterbreen in west Fermanagh. I mention it because there was a time, some 60 years ago, when one would encounter a small primary school in the country at every couple of miles or so. Times change, and the situation is now almost reversed. Few rural schools remain, and those in my own constituency are under constant threat of closure. I do not suggest that every townland needs a school, only that those who live in rural communities should not be forced to have their young children transported long distances to primary school.

When I was four years old, I travelled daily the one mile from my home near Rosslea to Aghadrumsee Primary School, where I had a most enjoyable time. Unfortunately, after the IRA tried to murder my father, I was moved, at the age of eight, to Lisnaskea Primary School, as the family was forced, for its own safety, to move out of its home. Newly arrived from little Aghadrumsee, Lisnaskea Primary School seemed huge to me. It was virtually a town school, yet now, with only 100 pupils, it would barely survive the cull. The Bain Report has set a new minimum enrolment for a functioning rural school.

Before passing on to other matters, I pay tribute to all the teachers who teach, or have taught, in rural schools. They say that one never forgets teachers. I have fond memories of most, if not all, of my teachers, but I can say that unreservedly of all my teachers at primary school. I hope that they can say the same of me, but one can never be sure about that.

The Bain Report envisages that the minimum enrolment for rural primary schools should be 105. It would be hard in any rural constituency — but particularly in my own — to find a rural school with such an enrolment. However, the Minister with responsibility for education, Maria Eagle, has said that:

“this is not an agenda to close small schools.”

I say to the Minister that, if it looks like an agenda for closing small schools, and it results in the closing of small schools, it is an agenda for closing small schools. When my colleagues and I have visited the Department of Education on behalf of small schools, it is always stressed that the Department puts children at the heart of all of its decisions. If that is so, why does the Department not listen to the voice of parents whose children are at small schools? Surely parents want what is best for their children. I know that I do.

My two eldest children attend a small primary school in Brookeborough, at primary 1 and 3. I would not have them attend any other. Each teacher at that school knows all the children, and all the children know one another. There is a positive atmosphere of goodwill and, because I see the benefits at first hand, I will continue to fight for small rural schools. Pupils are content; there is no bullying; and worries and problems are quickly identified and dealt with. That is also true of small secondary schools. Last year, the former Duke of Westminster High School, now Devenish College at Kesh, was closed, and the children were bused from north Fermanagh to Enniskillen. When the parents were fighting closure, they were concerned about the loss of individual attention to pupils that they had come to expect at the school at Kesh; large class sizes; and the impact that it would have on children who were perhaps not as quick as their peers.

They were also very worried about the long journey — over 20 miles — that some of their children now have to make on an overcrowded bus to Enniskillen. Apart from the obvious worries about safety on the roads, parents told me about the incidents of bullying that take place on buses and around the bus stops. Those parents were told that it would all be worthwhile as a new Devenish College was being built in Enniskillen. Needless to say, we are still waiting for that new school to be built, and, with the moratorium on building after the Bain Report, we will be waiting for quite some time.

I will be watching the costs of transporting those children to Enniskillen from Kesh and beyond. Due to the rural nature of the Western Education and Library Board area, transport costs take a huge part of the budget. Surely, with more thought, some of the transport budget could be put to better use in maintaining those schools under threat of closure.

No one wishes to retain schools that are falling apart — no matter what their size. However, policy-makers and administrators appear to have ignored evidence that refutes many of the claims that small schools are deficient and instead highlights the positive learning environments created in those schools.

One argument often put against small schools is that they limit children's learning experiences. However, education needs to serve the requirements of the individual, and if parents and children choose a small school — for whatever reason — why should the Government interfere with that choice?

Mr Mervyn Benford, a spokesperson for the National Association for Small Schools (NASS) in England, pointed out that small schools in England, with a smaller intake than has been proposed by the Bain Report, are getting the best results. He said:

"there is enormous long-term significance in the worth of keeping early education close to home and enriched by access to the local neighbourhood."

That certainly confirms what I have long thought. As long as there are good-quality schools — big or small — serving the community, and children to attend them, then surely it is worthwhile.

It is a truism that many rural communities in this country have suffered long and hard in the past 40 years. During those tough times, it was often the small rural school that provided continuity of normality — a happy, relaxed place for children who may have been living in a climate of fear. For some families, including my own, terrorism led to an enforced exit from the home, school and community. There is no doubt that the IRA's ethnic cleansing campaign along the border added to the fall in the number of children attending rural schools. My colleague Lord Morrow and I know all about Minterburn Primary School near Caledon, which has had to deal with such events and is now under severe threat of closure. The chairperson of the board of governors told us that the school had been a safe haven for children throughout the Troubles, and now they felt that the Government were dumping them.

If the Government are going to look at education merely in terms of numbers, they are missing out on all of the added value that rural schools provide for our children. The extra resources required to run small schools are a legitimate investment in rural communities, which otherwise benefit little from Government expenditure.

Statutory guidance for school adjudicators in one part of England says that the presumption should be against the closure of rural primary schools. However, it does not rule out school closures if a strong case can be made. That would be a good starting point for the Department of Education: the presumption should be for, not against, rural schools. However, numbers have

a part to play in that decision, and in some cases it becomes very stark. That is why I regret that I am unable to accept the amendment. The motion is about the viability of schools, and I want to see the Government putting in place a strategy to make existing rural schools viable.

As far as my party is concerned, Government should move away from the policy of setting up schools in some sectors with as few as 12 pupils. Those new schools have an impact on the existing rural schools, be they controlled or maintained — as happened very recently in Fivemiletown — and they remain a threat to the viability of those existing rural schools.

Another small school in my constituency — at Carnall, near Clogher — is a fine example of what a good rural primary school should be. The only problem is that it is full to capacity. Last year, that school had to turn away a number of children because the Southern Education and Library Board would not allow it to admit any more. It is completely bizarre that, although that small rural school is bucking the trend and increasing numbers, the pen-pushers in the Department of Education have decided on an arbitrary number of pupils that the school can take, and that is that. One size does not fit all. I plead with the Department to consider flexibility in the way that it handles all schools. The Department needs to recognise that small can be beautiful.

2.45 pm

The local rural school is much more than bricks and mortar; it can have many functions if its potential is used to the full. In many areas, the school is the heart of the community and can act as a focal point for the development and attractiveness of an area as it attempts to become self-sustaining. It has long been recognised that school buildings represent a potential community resource. It is absurd that they are closed throughout the summer months and, indeed, most evenings.

The Government are withdrawing services from rural areas at will. The debates in the House over the past months have reflected that with regard to post offices, police stations, libraries, acute health provision, rural planning or education. Frankly, rural proofing has become a complete joke.

No doubt there are those in the House who will say that if a fully functioning Executive were up and running, it all would be different. I have two answers to that. First, I am not naive enough to think that if an Executive were up and running in the morning, there would not be tough choices to be made — of course there would. However, I like to think that there would be an acknowledgement of the individual needs of Northern Ireland as a country. That is what this motion seeks, and it is why my party is devolutionist.

Secondly, once those who have been wedded to the policy of an Armalite in one hand and a ballot box in the other finally put aside their violent ways for good, by word and deed, and support the police, the courts and the rule of law, we will be able to get on with securing our children's futures. What Sinn Féin says and, more importantly, does over the coming months can open the door to devolution. That is not up to anyone on this side of the House; we have already signed on in word and deed. Get on with it, so that we can get on with saving rural schools.

Mr D Bradley: I beg to move the following amendment: Leave out "where possible" and insert:

"based on quality of educational provision rather than pupil numbers".

Go raibh maith agat, a Cheann Comhairle. Tá áthas orm an leasú don rún a mholadh. I commend the Members opposite for bringing the motion to the House. The amendment seeks to draw attention to the need for the provision of quality education rather than a simple numbers game, to be behind any Government strategy to protect the viability of rural schools. As Mrs Foster said, greater numbers do not necessarily mean better education. Many smaller schools provide a first-class education for their pupils.

We have already debated the threatened closure of post offices, both urban and rural, and now we must turn our attention to rural schools, which are already threatened by Draft PPS 14, as I have said before. The Bain Report has raised anxieties about the future of small rural schools and, indeed, some urban schools. It states that a third of schools — a total of 440 — do not have the minimum number of pupils that are required in order to be viable in its terms. People fear that, when the Department of Education gets round to publishing its sustainable schools policy, it will use the recommendations of the Bain Report to cut a swathe through the smaller schools and to cut the heart out of many communities. They fear that Bain has broken the ice for the Department to act, if not axe.

Of all of the civic institutions in the countryside, the school serves the youngest constituency. The capacity to maintain a school is a continuing indicator of a community's future well-being. For many rural areas, the school is not only the hub of the community, but it contributes to a community's sense of survival. The rural school is a unique feature of country life and an integral part of a local community. Schools in rural communities play many roles; they are part of communities' shared histories and traditions and are hubs for many community activities.

The report recommends that the minimum enrolment for primary schools in rural areas should be 105 pupils; the current minimum is 60 pupils. That quota is to be applied regardless of the type of education that a

school provides to its local community. It is a game of numbers rather than an educational assessment.

Raising the numerical threshold could sound the death knell for many schools, which, in addition to providing basic education, serve as social and cultural centres, as I said. They are places for sport, amateur drama, music and other civic activities. Local schools are essential to the survival of our rural communities. Quite often, schools carry the name of the community and serve as symbols of community autonomy, vitality and identity.

Schools do not only meet a community's educational needs; they are often a source of employment for village residents, from teachers to cleaners, dinner ladies to caretakers. The local school is a valuable source of employment in many areas where jobs are usually extremely scarce.

If the Bain proposals become part of the sustainable schools policy, teachers' unions estimate that between 1,200 and 1,900 teaching jobs will no longer be needed. Sir George Bain has not said what lies in store for those teachers. Will they be thrown on the scrap heap? Will they be redeployed to reduce pupil-teacher ratios? Will they be employed to improve special-needs provisions? Will they be employed to implement the Curran Report in order to allow teachers preparation, planning and assessment time? Will they be employed to allow school principals to carry out onerous administrative duties? We do not know the answers to those questions, and we need to find out.

The local school is a place where generations come together and where community identity and lifelong friendships are forged. A school is part of the history of a local area and part of the personal history of each pupil who receives his or her education there, whether at primary or secondary level. To close a country school is to destroy an institution that holds a rural community together; it is to deal a body blow to communities in the smallest rural areas, which have the least resources, and it damages the social and economic well-being of a community.

Sir George Bain has offered several options that may help to maintain local provision. I expect any Government strategy to help small schools. Furthermore, I expect that any future strategy will revolve around those options, which include confederation, federation, co-location, shared campuses and extended schools. The Bain Report also provides a set of indicators against which each of those options could be assessed locally.

Mr S Wilson: Does the Member accept that, given the recent rumours of the Catholic Church organising against the review of public administration, the idea of confederation and co-operation among schools becomes more difficult if the Church, through the Council for

Catholic Maintained Schools (CCMS), is seeking to keep its iron grip on schools in the maintained sector?

Mr D Bradley: It is my understanding that CCMS is quite prepared to engage in those arrangements in the future.

If we are to protect our rural schools, the Department of Education must formulate the suggested arrangements into a coherent and effective strategy, with much greater available detail on the implications of each model. The key element in the implementation of any forthcoming strategy must be full consultation with all community interests, including local people, parents and the trades unions of teachers and other staff. Solutions must be arrived at locally, not imposed from on high or from outside. I support the amendment.

Mr McNarry: I support the motion, and I compliment its sponsors for bringing the matter to the attention of the House. Although I am sympathetic to the motion, I am disappointed in its tone. Something more robust than “noting” seems appropriate in the circumstances. Of course, noting is about all that Members can do because of the current status of this House. However, the noting of a threat does not convey how serious that threat really is. One can note a report, but rather than limply note the threat to rural schools, I believe that, given the opportunity, Members would recoil from it, recognise the seriousness of it and, put bluntly, would reject it outright.

Another part of the motion:

“urges the Government to put in place a strategy, where possible”.

“Where possible”? Surely if a new strategy were put in place, it would by necessity be based on coherent and sustainable policies and therefore entirely possible to implement. In that respect, I recognise the intention behind the amendment, but the cull of rural schools stems from the strategy that is currently in operation. That is the problem.

In the light of the Government’s determination, I wonder how effective the amendment would be in removing the threat that rural schools face. Rural schools are suffering from years of ineffective and incompetent ministerial direction. The Department of Education has stumbled along from one crisis to another without a sustainable schools policy, and rural schools have been bounced into instability caused by the threat of closure. That is behind the chaos in education today.

The plight facing rural schools — and there are none that can be complacent — is not a flight of fancy. The threat to their future existence is real and faces many of them now. We debate this matter under the cloud of moves, by way of a strategy that is already in place, to close more than 50% of our rural schools within the next five years. That will result in the dismantling of

not only our rural education provision but rural communities. That will be the inherent result of the current strategy, which is unemotional, mercenary, driven by money and part of a wider social agenda.

There is, of course, a financial argument for closures, but that case might be better appreciated if it were backed up with proper audited costs and if previous financial assessments were not replete with poor accountancy reports, mismanagement of money — some of which was not even printed, but it still seemed to go astray — and paper trails that were laid to cause confusion. If that happened, I am sure that the resulting valid costs could be extrapolated to secure the future of more rural schools that the Department of Education is assessing for closure.

3.00 pm

In my constituency of Strangford, rural schools are reeling under the pressure of recent correspondence from the South Eastern Education and Library Board. There has been word from the top down telling many of them that their future school days are numbered. News travels fast in rural communities, and, in too many cases, the threats issued are seen as virtual notices of closures.

When parents and teachers talk of a departmental strategy, they view it as a strategy driven against their school and their local community environment. These rural folks are not foolish. They can read into the wider agenda an intention to wipe out local identities by forcing people into larger, less attractive, newly created, wider social settlements.

This issue involves our future stakeholders — young families and young children, primary 1 to primary 7 schoolchildren caught up in the chicanery of manipulative strategies and falling foul of the creative accountancy behind optimum number crunching. That simply cannot continue. Without intervention, and our objection to the lasting damage that this will cause to local communities and their environment, it would appear that nothing will be done to reverse the situation.

In the name of preserving rural communities and their schools, the Transitional Assembly deserves to be heard, as a representative collective advising the direct rulers of the disastrous ramifications that will follow in the wake of their current strategy. Pending the outcome of a satisfactory election, it is crucial that the significance of the motion is not lost on an incoming devolved Minister of Education. Today we call for the viability of rural schools to be protected, and a new devolved Minister cannot be found wanting in addressing this important issue.

However, when the Department of Education makes presentations to any Minister, it will — surprise, surprise — run behind the cover of the recent Bain Report. The timing of the publication of the report is a huge

coincidence. Madam Speaker, when might we expect to debate the Bain Report fully? I would welcome that opportunity, and most Members of this place share concerns about further critical developments in education. This is an appropriate time for such a debate, given that mandates could soon be sought and that education is a priority for the public.

I look forward to reading the party manifestos on rural schools. I look forward to seeing that what is said in the House today — I have yet to hear it — may, in fact, find its way into print in those party manifestos. I look forward to one party in particular addressing the issue of school closures; it is blessed with having presented our communities with the only devolved Education Minister in recent times. How will that party explain what its Minister did in his term in office to bring about this situation? How, employing its new charm offensive that means it is sweetness and light to all people, will it put that down in its manifesto? How will it explain to the children who are suffering from the consequences —

Mr McElduff: Will the Member give way?

Mr McNarry: No, I will not give way. Sit down.

Mr Kennedy: He is sitting down.

Madam Speaker: Order.

Mr McNarry: When we debate your motion tomorrow, it will be interesting to hear how you explain that situation.

Madam Speaker: Mr McNarry, please speak through the Chair.

Mr McNarry: I do not wish to detract from the importance of the motion; I have complimented and congratulated those who tabled it. That is why it will be important to debate the Bain Report. However, that is not to dilute the importance of today's motion, which I endorse fully.

Mr McElduff: Go raibh maith agat, a Cheann Comhairle. Ba mhaith liom labhairt i bhfabhar an rúin agus i bhfabhar an leasaithe don rún chomh maith.

At the outset, I declare an interest: I am a governor of St Patrick's Primary School, Garvallah — which, as you know, is near Seskinore — and of St Patrick's Primary School, Eskragh, which is this side of Fintona.

Madam Speaker: I do know that.

Mr McElduff: The motion refers to a threat to rural schools — because there is a threat to rural schools — from the Bain Report and many reports that preceded it. The terms of reference of the Bain Report were to examine the funding, strategic planning and organisation of the schools estate while taking into account curriculum changes and demographic trends. Not to be unduly repetitive, the figure of 105 pupils as the minimum enrolment quota in new rural primary

schools jumps out at us, as does the recommendation of 140 pupils as the minimum in urban areas. I do not think that a distinction has been made between rural and urban schools in the discussion about the post-primary minimum enrolment figure of 500. Those figures will be applied if schools are to be deemed viable in the future. The Bain Report recommends that all provisions be reviewed if enrolment falls below viable levels in existing schools.

In many ways, rural schools have always been under threat. A report that the Rural Community Network commissioned referred to the tunnel vision of the Department of Education, suggesting that it historically saw the typical primary school as being in an urban area and having a relatively large enrolment. In a way, policy-makers have always worked on the assumption that small schools may need to be rationalised into larger units. There is a presumption against the existence of small rural schools, and policy-makers have always sought to list the supposed disadvantages and place the onus on rural school communities to demonstrate that it is necessary to retain small schools.

Mr Elliott: Will the Member give way?

Mr McElduff: I am happy to do so.

Mr Elliott: I thank the Member for his generosity.

Does the Member agree that he is talking about a policy of the former Minister of Education, who came from his own party?

Mr McElduff: I am delighted with Tom Elliott's intervention. I shall deal later with the four commitments that Martin McGuinness made to rural communities when he was the Minister of Education. Sinn Féin would be happy to take that Ministry again, should the opportunity present itself. We would be happy to accept responsibility for the Department of Education instead of criticising it and talking about it. Sinn Féin is happy to take responsibility, not just to criticise, as Maurice Morrow knows.

Mr Kennedy: That is Lord Morrow to you.
[Laughter.]

Madam Speaker: Order. Please continue, Mr McElduff.

Mr McElduff: Thank you. "Maurice" will do rightly for me, Madam Speaker.

Other presumptions have been made. For example, it has been presumed that having one teacher for each age group and a non-teaching principal is the only proper approach to running a school.

Other Members have stated the value of rural schools. Some time ago, I was conscious of the value of a particular rural school in West Tyrone. I asked Dr Eddie Rooney of the Department of Education whether

he had visited a school like that recently. He said that he had not.

Thankfully, he took up the invitation to visit that school. I thought that it would be useful to try to impress on senior departmental officials the value of rural schools, and, on that occasion, the rural school in question demonstrated that value. I am grateful to Dr Rooney for taking up that invitation.

There must be a greater appreciation of the serious implications of school closures for children and for the wider community. Last week, Derek Hussey and Francie Brolly in particular detailed anti-rural bias and the effect that the closure of a post office can have on a rural community. Likewise, a school is not merely a building; it is very much at the heart of the rural community.

I now refer to my esteemed friend and colleague, Martin McGuinness, who offered rural communities four commitments when he held the education portfolio. In my judgement, and in the judgement of the wider population, he did an extremely good job as Minister of Education. In an article published in 'Rural Network News' in 2001, Martin McGuinness offered rural communities the following four commitments:

"First, I will be flexible in dealing with this issue and I will not impose rigid or inappropriate models of provision. Second, I will look at every individual case on its own merits and I will listen to all the views expressed. Third, I will encourage and support creative solutions"

— and solutions are what we are about here —

"to the educational needs of rural communities, including options such as clustering and federation. And fourth, I will not approve any proposals for closure of schools unless I am completely satisfied that there has been full and open consultation with local communities and that every effort has been made to address their concerns."

I commend Martin McGuinness on his very enlightened approach. For the benefit of David McNarry's knowledge base, when the party's manifesto is published, as it will be soon, it will be in two languages — Irish and English — and it will repeat such solid commitments to rural communities.

We are looking for creative solutions: hopefully, we will start off with the will, and then together we can devise a mechanism. Rural schools are already under pressure; consider the cuts in front-line services, the centralised catering facilities, the lack of funding allocation and the recent end of concessionary transport in education and library board areas.

I call on the Department of Education to change its outlook. The educational interests of the child, not financial or administrative criteria, must be paramount. Small schools offer positive learning environments. A solution-oriented approach must be taken. To lose a community school in a rural area is to weaken the community life, often irretrievably, as the Rural Community Network has concluded; and that sets in train a

spiral of rural decline. We must all do everything in our power to address this problem, and any solution must involve full consultation with rural communities. Martin McGuinness's four commitments are a good foundation for moving forward on this issue.

Arlene Foster made interesting points about rural proofing. The Department of Education and other Government Departments charged with rural proofing must examine rural proofing in the context of Bain's proposals as we await the sustainable schools policy.

A Member from the Ulster Unionist Party — I think that it was Mr Armstrong — said earlier that a local Administration would offer the best chance for rural schools. I take this opportunity to say to the DUP that people are waiting for its positive response to recent political developments. It should come away from the drawing board where it has long invented excuses and more excuses to avoid responsibility — such as taking important educational decisions. Thank you, a Cheann Comhairle.

3.15 pm

Mr McCarthy: Madam Speaker, I will be brief. I support any effort that will help us to retain our rural schools, which have always been at the heart of a country area.

First, I should say that I am a member of the board of governors at a couple of schools: Portaferry Integrated Primary School and St Patrick's Primary School, Ballygalget.

As a product of a rural school, based in the townland — *[Interruption.]*

Madam Speaker: Are you asking for a point of order, Mr McElduff?

Mr McElduff: On a point of order, Madam Speaker. Do previous contributors to the debate have interests, in relation to governorships of schools, which they have not declared?

Madam Speaker: Including you, Mr McElduff?

Mr McElduff: I have done that.

Madam Speaker: I will check Hansard to see whether that is the case.

Mr McCarthy: I am a product of a rural school based in the townland of Ballycran Beg, outside Kircubbin in County Down — for those who may not know where Kircubbin is, let alone Ballycran Beg. That rural school provided a sound, basic primary education for generations until 20 years ago, when the powers that be decided to build a new school in the village of Kircubbin that is one of the present-day seats of primary education for that area.

I was delighted to hear Arlene Foster speak this morning of townland schools in her constituency.

Undoubtedly, the closure of rural schools has contributed to the loss of townland names in Northern Ireland, and that is to the detriment of rural culture. Although it closed as an educational establishment 20 years ago, my school in Ballycran Beg is still there and is used as a social venue by people in that locality.

I am fearful for the future of the rural schools that are left. It appears that this Government are hell-bent on eradicating rural schools in favour of bigger, amalgamated schools, as happened 20 years ago at Ballycran Beg. In the Strangford constituency, we had to suffer a planning directive — a ministerial statement — that effectively banned new houses in rural areas. On top of that, we have Draft PPS14, which has been discussed and debated in the Chamber many times. It does the same thing, and will inevitably lead to the further closure of rural schools — all to the detriment of the rural community. The Bain Report will support a further reduction in the number of rural schools.

We all huff and puff hot air in this Chamber and blame the Government for all of our ills. I challenge the boys and girls of the DUP and Sinn Féin to get off their high horses and help to manage and run this place that we call Northern Ireland — then we will save the rural schools.

Mr G Robinson: As a person who was born and bred in a rural area of Northern Ireland and educated in a rural school outside Limavady, which is part of the East Londonderry constituency, I support Arlene Foster's motion for the retention of the much-needed rural schools that have played a vital role in the education of our children. All people who live in Northern Ireland must have a choice about where they live, work and are educated.

Over the years, rural schools have competed well, despite threats of closure and numbers that have dwindled for various reasons. One prominent reason for the fall in numbers has been inflexibility and red tape on the part of the Planning Service, a large Government Department that over the years, and now through the implementation of Draft PPS14, has ensured that rural communities have been, and will continue to be, ethnically cleansed. That is exemplified by the story of a farmer's family: for medical reasons, he needs his family nearby to help on the farm, but due to Planning Service red tape they are not allowed to build a home there.

In some cases, therefore, farmers' families must move to an urban area, thereby depriving a nearby rural school of much-needed pupil numbers. That is just one example of the reasons that some rural schools must close, which is music to the ears of the Government. I support the motion.

Mr K Robinson: In the first instance, I want to thank the hon Members for bringing this important

matter before the House. I also want to declare an interest as a governor of both Whiteabbey Primary School and Hollybank Primary School in Newtownabbey. Although I am an unrepentant townie, I want to declare a further interest, because my first principalship was in a charming little two-teacher school in County Tyrone. Indeed, it was in the same constituency that is represented by the two hon Members that brought the timely motion before the House. It may also be of particular importance for certain Members of certain parties to note that, geographically, it was, therefore, west of the Bann. I hope that they take that point.

During my period in charge, I was constantly impressed not only by the loyalty of that community to their wee school but by the high degree of its interest in, and support for, the work of the school. The school was at the centre of that community and was its core. Every school event received enthusiastic support, whether it was the sports day, the nativity play or school visits to places such as the Armagh Planetarium.

Most importantly, the attendance at meetings to discuss pupils' progress was also first class — perhaps our urban brethren could take note of that. Another positive aspect of life there was the total commitment of the staff to the task in hand and their willingness to take on a host of extra burdens without complaint, some of which our urban colleagues would not even recognise. That all added to the quality of the educational experience provided to the children there.

Even during my tenure, it became clear that the steady increase in administration was beginning to eat into valuable teaching time. A small rural school needs support in order to deal with the current excessive demands of the curriculum and the requirements for endless record keeping and form filling. As a teaching principal in those days, it was hard enough. It must be impossible for principals who teach nowadays.

I must pay tribute to the much-maligned education and library boards that have, down the years, despite other problems, recognised those problems and have attempted, in a variety of ways, to ease the strain on principals and staff in schools. In the interests of all, it is vital that children are taught in a safe, modern environment by caring, skilful teachers who identify with the challenges that are faced by rural communities. That may require some inventive management structures, some of which have already been mentioned. For example, a "confederation" is a cluster of schools that operates under the guidance of one principal, while staff may provide wider curriculum expertise by moving between schools or having children move in the opposite direction. Perhaps that is not desirable. It may, however, be a way forward.

In other instances, school buildings that have served their purpose well for previous generations, and which may not be able to be adapted to modern standards, may need to be replaced or put to a new use by the community, so that, at least, the building remains at the centre of the community.

In the coming years, population movement within rural areas for a variety of reasons, some of which were mentioned by the Member for Fermanagh and South Tyrone Mrs Foster, may also begin to dictate that brand-new, state-of-the-art schools should be built to satisfy current demand. Flexible approaches are vital if the confidence of rural communities is to be bolstered and renewed.

I noticed that the Member for West Tyrone made much comment about the four commitments given by the previous Minister of Education to be flexible, to look at individual cases, to seek creative solutions and to have open consultations. Those commitments must be built upon. I do not ascribe them to the previous Minister, however; I believe that they were already embedded in the Department before he arrived. The wonder is that they survived his tenure.

Population movements may cause us to look at more flexible situations. It is vital that that is done if the confidence of the rural community is to be bolstered and renewed. The turmoil that the agriculture industry is going through has forced many changes on rural communities, causing alarming suffering. Those communities deserve to be spared the double whammy of suffering as a result of those changes and as a result of insensitive school closures.

Perhaps the Assembly needs to take a careful, considerate and sympathetic look at our rural schools provision, and, in doing so, it must realise that the bums-on-seats approach that has been prevalent up to now needs to be replaced. How can we accept a proposal in which 105 school pupils on a roll become the touchstone? That would decimate 312 of our 510 rural schools, and it is absolute nonsense.

We need to recognise that good-quality educational provision already exists in rural schools. We require the Department of Education to speedily identify that good practice, support it where it exists, broadcast its benefits to a wider audience and enable other schools to adapt it to their individual uses. In that way, we can simultaneously begin to provide an excellent, modern educational experience for our rural children and inject a much-needed sense of confidence into the whole community. I support the motion.

Mr Gallagher: I welcome the motion. It is clear that the Government need to change their thinking on small schools. Everyone here is aware that the rate of closure of small schools is accelerating. I represent a western constituency, which undoubtedly has the highest

proportion of small schools. As has been mentioned, those schools are at the centre of community life, and their closure will be a blow to their communities. I have no doubt that both traditions share those concerns; indeed, that has been articulated in the Chamber today.

I take issue with Mr Sammy Wilson, a Member for East Antrim. He interjected during Dominic Bradley's contribution and referred to the iron grip of the bishops. He said that that would be a hindrance to co-operation and collaboration between small schools. Nobody need fear that the Catholic Church will have control of schools, which was what that Member suggested. That would be a barrier to co-operation and collaboration. However, the rather offensive remark about the iron grip that bishops have over Catholic schools must be corrected.

I do not wish to rake over history, but most Members will be aware that when Northern Ireland was set up, the control of teachers' appointments was an issue for the Catholic Church. The Catholic community paid a price for that until the 1990s because it had to contribute to the cost of its schools.

Mr Hussey: Will the Member give way?

Mr Gallagher: No.

However, a particular ethos on Catholic education has grown from that situation. I am not here to claim that all or only Catholic schools are good; however, the ethos of Catholic schools is good for education. Anybody who doubts that has only to look at research that educationalists conducted, school inspectors' reports and the work that other parties that are interested in education have done over the years.

3.30 pm

The Government, which put financial expediency before children's educational needs, frequently tell us that small schools are too expensive to run and that the ability range in their classes is too wide. However, many educationalists and teachers tell us that the disadvantages — for the teachers and, in particular, the pupils — are outweighed by the advantages. Those advantages include: a sense of community; the close contact that the families have with the school principal and schoolteachers; the support that parents give to the school; and the important sense of place and identity that those schools foster in their pupils. Why do Governments in other European countries such as Portugal and Spain not have a problem in accepting, and providing for, the needs of small rural schools?

We understand that the education system must adapt to the twenty-first century. We are not saying that all schools should remain open for ever, but there is a duty to retain what is best in our education system. Our small schools have an excellent record, and Members

must take steps to ensure that they are not hurriedly dismantled.

Assemblyman Ken Robinson, a Member for East Antrim, referred to financial constraints. Although falling pupil numbers at small rural schools are a particular constraint, one must remember that small schools are working under financial arrangements that were imposed on them some years ago; those arrangements favour large schools while simultaneously weakening small schools. The educational needs of our children, whether they live in urban or rural areas, should be treated equally, and they must take precedence over the financial considerations of the Government of the day. I support the amendment.

Mr Buchanan: I support the motion. The threat of the closure of rural schools in Northern Ireland is a significant cause for concern and anxiety to many in the rural community. It is a further attack on the rural way of life. In the Chamber, in recent weeks, there have been debates on the closure of rural post offices; on the threats posed by the removal of fire appliances from rural fire stations; and on the closure of rural police stations. The threat to rural schools is another attack on the rural way of life, which the House must continue to oppose.

Rural schools play a vital role in rural communities, not only in their educational excellence but in helping to sustain a strong sense of place, culture and identity. Rural schools are also an important element of any thriving village or community. Children are educated closer to their homes, and they are normally more content and have a closer relationship with their teachers. Not only do rural schools provide easy accessibility for pupils and teachers, but they play an important role in the social and educational life of communities by providing a rich cultural resource and a focus for a wide range of activities.

Children living in rural areas account for the bulk of mainstream home-to-school transport in the primary sector. The closure of rural schools will result in many children having to travel many more miles to reach their schools, and, given the tragedies that occur on our roads network, that is another major issue of concern for rural communities.

Therefore, local authorities must have a clear vision for what constitutes a reasonable maximum journey time for pupils. That is preferable to defining a maximum distance, because that distance may vary according to the route chosen, for logistical reasons. Transport costs are a significant factor in calculating the projected financial benefits of any proposed reorganisation in rural areas. Transport implications must therefore play a critical role in determining whether the closure of a rural primary school can be justified.

Some small schools are finding it difficult to survive due to the declining birth rate in their area, coupled with a tightening-up of school budgets. The Government

must put a strategy in place to ensure that rural children benefit from the opportunities of any new planned investment. The Government have already laid the axe at the root of many small rural schools. Future proposals to increase pupil enrolment requirements from 60 to 105, tougher budget constraints, and a wider curriculum must be reversed, and a sustainable schools policy implemented. Bigger is not better; such an approach creates many more problems and difficulties for teachers and staff, and it diminishes the one-to-one teaching relationship between teacher and pupil.

The local community and rural schools play an important part in the overall nurturing of our children and young people. We must ensure that that is taken into account in any future development of education in our rural areas. I support the motion.

Mr Beggs: I declare an interest as a governor of Glynn Primary School, which is considered a small rural school. I express my disbelief — even shock — at the minimum school roll figures that were contained in the Bain Report: 140 for urban primary schools and 105 for rural primary schools. We must consider the implications of minimum school rolls, both generally and for specific schools.

In its submission to the independent strategic review of education, the Rural Development Council indicated that, in rural areas, 28 schools had fewer than 28 pupils; 90 schools had between 29 and 50 pupils; 194 schools had between 51 and 100 pupils; 159 schools had between 100 and 200 pupils; and 55 schools had 200 or more pupils. The recommendations of the Bain Report would put at risk almost 60% of our rural schools. That is unbelievable and unacceptable. I believe that the amendment has much merit, and it is clear that the quality of education is more important than an arbitrary number.

Schools, post offices, local shops and churches are at the heart of rural communities. As we heard during recent debates, the post offices and possibly the retail outlets in our rural communities are at risk. If the Bain Report were adopted, schools would be at risk — what then would be left in many rural villages?

In the absence of the community's focal points from which a positive community spirit flows, there is a danger that a level of poor community spirit and antisocial activity will emerge. We will then spend additional money on policing and on trying to correct the ills that may occur. It is much better to maintain rural communities as they are presently constituted.

I am an active member of the Glynn Community Association, which tries to improve the local environment and community spirit by organising local events and tidy-ups. We receive some valued support from the Rural Development Council and the North Antrim Community Network. I believe that if 60% of our rural schools

were to close, the Department of Agriculture and Rural Development's objectives would be unattainable. We need joined-up thinking between Departments.

I would like to turn to Glynn Primary School, of which I am a governor and at which my three children were fortunate enough to be educated. They experienced a happy, family, educational environment where they were encouraged to learn. Happiness and security are essential requirements if children are to do their best. Glynn has an excellent record on those requirements and on parental and community support. Those are important issues.

Glynn offers an incredible range of extra-curricular activities because of community and parental support: volunteers take football, hockey and rugby coaching in a school of some 50 pupils — fortunately, it is a growing school. The school participates in Irish dancing competitions and music festivals; there are Spanish lessons and a wide range of events. Many schools twice its size do not provide such a wide range of extra-curricular activities.

Glynn Primary School was at the advanced stage of gaining approval for an extension. Two mobiles have been in use for a long time — in fact, I used one of them myself more than 40 years ago. That is how long Glynn has had temporary classrooms.

However, as a result of this report, the extension, which was one of the priorities of the North Eastern Education and Library Board, has been put on hold. Such a delay in a school that is excelling, which provides quality education and which is well thought of in the local community, is intolerable.

Interestingly, large patches of ground around the village were recently sold to developers for significant amounts of money. I expect substantial housing development and an increase in the size of the village before too long, which would undoubtedly result in additional need for schooling in the area.

That does not apply just to Glynn Primary School: I could be talking about Carnalbanagh Primary School, Carnlough Controlled Integrated Primary School, Ballyboley Primary School or Toreagh Primary School. All are small rural schools with fewer than 105 pupils, and all are being put at risk by this report. The report must not be accepted.

I wish to highlight the issue of Islandmagee Primary School. The Island Magee Peninsula had three rural primary schools, which, five years ago, agreed to amalgamate on a new school site. The community was led to believe that a new school site would be purchased in August 2003, but that did not happen until November 2006. The Minister, the Department and the education authority must look carefully at the procedure for amalgamation where local communities agree that that is the best way forward. It is intolerable

that it has taken so long. Delays in planning and in economic appraisal have added considerably to the time that it should have taken to complete the change. I ask the Minister to look carefully at the process and not only grant money to purchase the school but tell us when we will hear that the amalgamation, which was agreed more than five years ago, will receive money for the new build. It is intolerable that it is taking so long.

While I was researching this, I came across some interesting information from America. Dr Wenfan Yan carried out a study in Pennsylvania entitled 'Is Bigger Better? A Comparison of Rural School Districts'. He concludes:

"This study, like many others, did not find consistent evidence to support the idea that bigger is better or, conversely, that smaller is better."

He also states:

"The results indicate that school district size might not be the direct reason for lower or higher academic performance of students."

3.45 pm

Therefore, bigger schools are not necessarily better. There is a wide range of schools in Northern Ireland. Given the correct support and high-quality teaching, small rural schools can provide a broad curriculum and successful educational environment for their pupils. Size must not be the sole determination of whether a school continues to exist. I was struck by the amendment's emphasis on quality, which ought to be an important element in determining the future of schools. If it is recognised that successful schools are providing quality education, that should be taken into consideration when providing quality education for all students in the future.

Many small rural schools continue to operate within budget. If a school provides quality education within budget, why on earth would anyone change it? I hope that all Members will join me in supporting the amendment.

Mr Brolly: Go raibh maith agat, a Cheann Comhairle. I was not in the original starting line-up for Sinn Féin today, so my contribution is a hastily adapted version of another Member's speech. I thought that I should at least change the first paragraph in which my colleague describes herself as a mother of young children.

[Laughter.]

Madam Speaker: I congratulate Mr Brolly on his honesty.

Mr Brolly: I, and many other Members from rural constituencies, continue to spend considerable time working with rural schools, and particularly with primary schools that face closure — be they in our constituencies or schools in other constituencies that have asked for our support.

The debate on the threat facing rural schools underlines — as has every debate in the Transitional Assembly — the importance of ending British direct rule and having locally elected and, therefore, locally empowered and accountable Ministers. All parties must rise to that challenge, particularly the party opposite that brought the issue of rural schools to the Floor. In the real world, people are tired of hot-air debates. Although serious issues are discussed, the debates serve only to highlight that the parties are powerless to effect any change. A local, enlightened Education Minister is urgently required — someone like Martin McGuinness. *[Laughter.]*

During his period in office, Mr McGuinness demonstrated a genuine commitment to rural schools and had the power to make things happen. The four bullet points outlined by my hon Friend from West Tyrone Mr McElduff marked his reasonable approach. In December 2000, Mr McGuinness intervened to protect small rural schools such as Churchtown and Toberlane, two co-educational primary schools just north of Cookstown with enrolments of 25 and 24 pupils respectively.

A good example of the Minister's innovative thinking was his creation of a federation of two primary schools at Glenullin and Tirkeeran, which are located, as I am sure all Members know, just outside Garvagh in my constituency. The federation involved the children from primary 1 to primary 4 being taught in Glenullin and the senior pupils being taught in Tirkeeran, and the principal of the latter was appointed principal of the federation.

The Department of Education and CCMS opposed Mr McGuinness's idea, but he persuaded them to try it for a year. The federation has now been in place for five years and has been incredibly successful in every regard. I do not believe that direct-rule Minister Eagle would have been similarly motivated or determined.

An example of the serious ill effects that the closure of a rural school can have is the experience of St Mary's Primary School in Aghadowey. After a long struggle, in which all the area's elected representatives fought for two years to keep the school open with 20 pupils, it was closed. Five pupils went to St John's Primary School in Coleraine; five went to one of the schools that I mentioned; and another five went to a school in Ballerin. The children were separated from one another, as well as being taken out of their own community. That is a stark example of what can happen when a rural school closes.

The Bain Report, and Maria Eagle's immediate response to it, has caused deep concern in many rural schools. In the future, we need to work together as political leaders to ensure that we get the balance right. The threat facing rural schools is part of a broader threat to rural communities, which has been mentioned

regularly. We should be aiming for statutory guidance that includes a presumption against the closure of rural primary schools. I share my Sinn Féin colleagues' belief that the best educational and social interests of the child must be our primary consideration in considering a strategic response to threats to the viability of rural schools.

Other key factors must also be recognised. Like other Members, I believe that school policies, and those concerning small rural schools in particular, must recognise the valuable role that schools play in sustaining rural communities. We must also recognise that small rural schools with a good teacher-pupil ratio can bring out the very best in children. Collaborative working arrangements between neighbouring schools that are struggling for numbers should be considered an essential option.

It is also essential that a strong network of rural schools be preserved as part of the infrastructure required to reinforce rural communities and to ensure equality of opportunity and accessibility to education. At the same time, however, I am aware of the difficulties and challenges faced by small secondary schools in delivering good-quality education. Often, small schools must rely to an unreasonable degree on the commitment and dedication of too few teachers and cannot provide the same breadth of curriculum, teaching skills and opportunities for social interaction for pupils as larger schools. Such schools should be given additional support over a sustained period in order to minimise any educational disadvantages faced by their pupils.

Like other colleagues, I wish to pay tribute to the dedication and commitment of teachers over the years. They and their predecessors have put in enormous efforts to provide a firm educational foundation for children. Often, those schools were attended by the parents, grandparents and even great-grandparents of current pupils. The entire community knows and identifies with their local school and understandably cherishes and supports it.

All the research shows that partnerships between parents, schools and the wider community are the key to a successful education for our children. The aim must be to build on those relationships.

Members must also accept that in some circumstances, where schools are in a poor physical condition, the burden on teachers to deliver the curriculum — across a wide range of age groups and abilities — is excessive. Sometimes, change is needed, perhaps through amalgamation, as has been described or — sadly — through closure.

I refer once more to the approach of Martin McGuinness. We need flexibility, and we must consider each case on its own merits to ensure that schools are not closed without full engagement with the local

community and without having explored fully every possibility of keeping them open.

I support the motion.

Mr S Wilson: Like the Member who spoke before me, I have not written a speech. However, I congratulate and thank the Members opposite for raising points that have given me the basis of one.

For many members of the public, debates in this place seem to involve a lot of tired hot air, because we have no responsibility to take decisions on the basis of the resolutions that we make at the end of each plenary sitting. The obligation, therefore, is on the party opposite to do what it has to do to ensure that the Assembly can get up and running. All other Members are united in the belief that there cannot be an Executive and a functioning Assembly while one party refuses to support the courts, the police and the functions of law and order. If Members want to get away from tired old debates, we must ask the party opposite, which has said that it is time to do the right thing on policing, to do precisely that. That is all that I want to say about that.

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

I will not rehearse all the arguments in favour of small rural primary schools. Members have done that well already. I want to speak about what can be done to ensure the survival of at least some rural schools. Members know what the issues are: the costs; the quality of the educational experience; and the width of that experience. If schools were to share principals, or principals were appointed to look after a number of schools, the burden of management could be shared. Similarly, through sharing teachers — and employing peripatetic teachers — the educational experience could be widened. Of course, facilities should be shared between schools.

Recently, I attended the opening of the University of Ulster Sports Academy. There I met many youngsters from small primary schools. The only physical education that they received was through university students visiting their schools and training them in football, basketball, and so on. The students were able to give that additional help in schools to widen the youngsters' educational experience.

However, even when we have done all that, there will still be the problem of surplus places and additional costs. Mr Gallagher implied that we should not have to worry about finance. Were they not having hot-air debates but making real decisions, Members would have to worry about finance. Whether they like it or not, per pupil, the smallest primary school costs three times — about £6,000 — the amount of schools that have over 150 pupils. In still larger schools, the costs even out. That is not a case for closing down all the small schools, but, since there are additional costs

involved in keeping them open, we must consider how the extra finance can be raised. That is exactly what the motion says. Many of these policies should be subject to rural proofing to ensure that small rural primary schools are kept open.

Consider some of the solutions proposed in this debate and the attitudes adopted by the parties opposite. Rather than engaging on the issues of how money may be saved and how the communities may be encouraged to share schools and facilities and to co-operate, there is, among those parties, resistance to those policies.

4.00 pm

I intervened when a Member opposite referred to co-operation among schools. One of the difficulties with co-operation among schools, and one of the problems with not co-operating, is the cost involved. The Bain Report states that supporting five sectors of education — controlled, maintained, voluntary, grammar, integrated and Irish medium — incurs significant costs. However, when it comes to addressing that problem, no value is added by having five separate administrative structures. If we want to keep schools open, we must accept that money should not be spent on expensive administrative structures. That must be faced up to, and Members should not forget that the boards will have to go.

There is, however, the suggestion that that would impact on CCMS, and, according to 'The Irish News' last Friday, the Church is ready to go to battle on the issue. It does not want to lose control of its schools. The Church would prefer to keep CCMS, with the control of teachers, schools and the cost of that administration, rather than face up to the financial consequences.

That also has a second impact, and it is not just the cost of administration. There will be painful choices for every Member. People in the North Eastern Education and Library Board are already lobbying me and asking if I realise the impact that the closure of the boards will have on jobs. Members in the Chamber will have to face hard decisions about the boards, and, if that is the case, Members opposite will have to face up to the consequences that that may have for CCMS and for the Northern Ireland Council for Integrated Education (NICIE). We cannot have it one way for one set of administrators and a different way for another set of administrators.

Another consequence of not facing up to those issues is that the solution suggested by Dominic Bradley — to have greater collaboration, co-operation and sharing of premises to try to keep a local school — would be made much more difficult. People in the unionist community would be unhappy and hard to convince that their children should be educated in some kind of shared educational facility, half of which would be in the grip of the Church. CCMS and the

Church must realise that, and they may realise it too late. Having embraced the Costello Report, the Burns Report and the idea of local collaboration, they are now beginning to realise the consequences. If Members opposite are so enthusiastic about that kind of model of co-operation, they must realise the consequences for the structures that will administer that model.

I noticed that Sinn Féin supports — as one would expect — locally elected “enlightened” Ministers such as Martin McGuinness, and I suspect that that is part of the reason for the amendment. Look at one of the policies that the “enlightened” Minister, Martin McGuinness, instigated. Against the background of falling rolls, surplus places and rising costs, the enlightened Minister introduced a policy under which Irish-medium schools and integrated schools with an intake as low as 12 pupils could be opened and financed by the state. The Bain Report states:

“The establishment of new Integrated and Irish-medium schools ... increases the number of schools at a time of falling pupil numbers and, therefore, contributes to the incidence of small schools and the level of surplus capacity.”

Save us from enlightened Ministers like that is all that I can say. *[Interruption.]*

I am nearly finished.

If we persist with a policy of opening new, small integrated or Irish-medium schools because it happens to be the political flavour of the month for a particular party, there will be knock-on consequences for other schools. That is another issue that this Assembly has to face up to. In this debate there has been no evidence of that. We have heard Members saying that they want all the rural schools to be kept open, but they have not been prepared to look at the hard consequences of such a policy.

(Madam Speaker in the Chair)

Mr Armstrong: I am the chairman of the board of governors at Stewartstown Primary School and a governor of Coagh Primary School.

This issue is close to the heart of many of us in Mid Ulster. There are numerous small rural schools in the constituency that achieve excellent educational results, but they face the threat of closure as yet another Minister or professor produces a report or continues to roll out the Labour Government's policies. It seems that the current policy is to concentrate on cities and towns, moving people's homes out of the countryside by imposing the implementation of Draft PPS 14, and forcing people out of jobs in the countryside, whether in farming, rural post offices or rural schools, as proposed by Sir George Bain.

It is obvious that the Government are out of touch with realities in Northern Ireland, a predominantly rural region of the United Kingdom whose character is defined by precisely the things that the Government

are trying to remove from our rural way of life. This is yet another issue that would benefit from the restoration of a devolved Assembly, which is essential for the future of Northern Ireland. It is time that we progressed to a fully democratic Assembly without delay.

There has been a lot of hot air today, but it has all fallen on deaf ears. Many policy-makers seem to work on the assumption that the typical primary school is urban, with a relatively large enrolment. This tunnel vision has encouraged the view that small primary schools are somehow deficient and should be rationalised into larger units. Northern Ireland has always had many small schools, mostly because of the rural character of the area. If we continue to lose these schools, there is great danger of weakening rural communities.

The Bain Report, published in December 2006, dealt a further blow to rural communities in Northern Ireland and created further doubt and uncertainty for parents, pupils and teachers. Sir George Bain recommended that rural primary schools with fewer than 105 pupils, and post-primary schools with fewer than 500 pupils should be considered for closure.

He also called for a radical reform of the school planning system to find ways of dealing with the problem of more than 53,000 empty desks in schools across Northern Ireland. There is no doubt that changes in the provision of education are required as that number continues to rise. However, a one-size-fits-all approach will not work across the Province, as it fails to take into account the particular characteristics of the area.

The difficulties faced by small schools as pupil numbers decline are not only a rural problem. Small urban schools are faced with similar problems. Demographic changes are having a strong impact on the long-term viability, both financial and educational, of schools across the board. The greatest impact of these recommendations will be felt in rural areas. The region could soon be facing the sort of depopulation of the countryside that has scarred central France.

We have seen time and again that the closing of the village primary school is the death knell of the community. It makes it more difficult for people to live in those areas; they are forced to transport their children considerable distances, and many are not prepared to do it.

A school that parents can trust to educate their children keeps people from moving away from villages, farms and rural businesses, of which there are many in Northern Ireland. Those schools can offer vital development and maintenance of rural communities. If a school disappears, along with other services, so eventually will the inhabitants.

The Rural Development Council has reported that there are at least 312 rural primary schools in Northern Ireland with fewer than 105 pupils, and 37 post-

primary schools with fewer than 300 pupils. In my constituency of Mid Ulster, 13 of the 25 primary schools in the Cookstown District Council area and 15 of the 30 primary schools in the Magherafelt District Council area will face review under the Bain criteria.

Seven primary schools in Mid Ulster have fewer than 40 pupils, but they each form the bedrock of the community in their respective areas. Recently, I have been working in support of the Queen Elizabeth II Primary School in Pomeroy, which is fighting against closure. In October, I received a recommendation from the Southern Education and Library Board that closure was not an acceptable option and that the board would consider how it could find financial support so that the school could continue to operate in that isolated area. Should that school close, the result would be unacceptable travelling times to other schools. Likewise, schools in areas such as Stewartstown and Donaghmore face uncertainty and are working continuously to ward off the threat of closure.

There is enormous long-term significance in the worth of keeping early education close to home. It enhances the connection between rural schools and the community, creating a curriculum that is locally relevant and that links education in the school with the surrounding area. That, in turn, helps pupils to appreciate their local community and makes them more likely to settle there when they grow up.

A village school is not only a place to impart knowledge to pupils; it is a place for all of the community to learn, to act and to participate in local life. It has been assumed that bigger is always better, but that is not sustained by the hard evidence, and the case for the quality of education that is provided by small schools is indisputable.

The 2006 report of the chief inspector of the Education and Training Inspectorate shows that many schools with 60 or 70 pupils performed outstandingly for successive years — better than many larger schools. Small schools can offer a warm, family-like atmosphere within which there are better opportunities than in large schools to address individual needs, experience mixed-age classes, and give opportunities to enhance individual learning, co-operation and group work.

We should examine the experiences of other European countries, such as Finland, which is a large country with only 5 million people but is the country with the most rural area in Europe. There are about 3,400 primary schools in Finland, more than half of which are considered to be small rural schools. Most of those schools have two or three teachers and between 11 and 60 pupils.

I wish to place on record my appreciation of the excellent work of the principals and teachers in all of the rural schools in Mid Ulster and across Northern Ireland. They continue to face doubts over their future,

yet strive to provide education and guidance to our children and grandchildren that is second to none. They work very hard to transform barriers into opportunities. I urge the Government to put in place a strategy to protect the viability of those schools, similar to that in countries such as Finland and Sweden.

Mr Hussey: I declare an interest as a member of the Western Education and Library Board's controlled schools working group, which was once called the small schools working group; as a member of the boards of governors of Gortin Primary School and Erganagh Primary School — both small rural schools; and as a former teacher in a rural secondary school, namely, Castlederg High School.

We have held some very interesting debates recently on agriculture, the Fire Service and post offices. I have welcomed those debates.

4.15 pm

Surely it is obvious to everyone in the House that our Civil Service mandarins do not understand the reality of rurality. That is because they are financially driven and think about what is economically viable rather than about what is right and good for our people.

I see that Mr McElduff and Mr O'Reilly have joined us. They may realise that in the Western Education and Library Board area, for example, the main impact of rural-school closures will be on the maintained sector. They cannot deny that that is a fact. The demographics of the west mean that falling numbers are having an impact on that sector, particularly on primary schools. We have seen the impact that falling numbers have had on the secondary sector. For example, when a major school in Strabane was created, a secondary school in Plumbridge felt the impact.

Mr Gallagher would not take an intervention earlier when he was lauding CCMS — or the maintained sector, which is how he described the Catholic sector. I was planning to challenge him on the dictatorial nature of CCMS, particularly at diocesan level, and on the way in which it acted on the closure of a Plumbridge secondary school. The people of that area were not properly consulted, even though they fought bravely and sincerely to retain their secondary school.

As I have said, we are not necessarily referring only to primary schools: the proposals will have an impact on the secondary sector in many areas. As many Members have said, those schools are essential elements of hamlets, villages and parishes in the rural community: they are part of the rural hub.

I think that it was Mr Buchanan who talked about the lengths of time that our young kids spend on buses getting to and from school. Our schools are spread over a wide area. If we thin that number, imagine the amount of time that we will expect young primary-school kids and those who are going to secondary

school for the first time to spend travelling to and from school. I am sure that some children in my area spend as long waiting for, getting into and transferring onto school buses as I do driving to get here. Kids might spend an hour and a half or perhaps two hours on school buses in the morning and again after school. Think of the impact that that has on extra-curricular activities. School is not just a 9.00 am to 3.00 pm operation; there are after-school activities. If we thin out the number of our schools even further, the distances mean that children cannot benefit from those additions to the curriculum that are available to many others.

Staffing is a major issue in the school budget. Many people forget that our small rural schools have loyal staff who remain there for a long time. In some cases, staff remain in those schools for their entire teaching life. Many of the staff are on the higher rate of pay. Think of the impact that that has on the school budget. Surely the sensible thing to do is to pay all teachers centrally. That would mean that teachers' salaries would be removed from the school budget, which would then be properly distributed among the kids who attend that school.

To conclude, I will attempt to paraphrase Voltaire — I cannot translate directly from the French. He said that success does not necessarily go to the big battalions, rather to the best shots. Let us give our rural children the best shot that we can at a good educational start in their own rural communities and in their own local schools. Small, with imagination, can be best.

Mr Dallat: This has been a useful debate, which has been pitched at the right level. Arlene Foster began the debate by making the very important point that rural schools that continue to be successful are capped in numbers. That situation is like a two-sided coin: heads, I lose; tails, I lose. A school in Kilrea at which I taught is an example of one such school. That school had excellent examination results and full enrolment but was not allowed to increase its pupil numbers.

As a former teacher, I admit to a certain amount of nostalgia about the teaching profession. I began my teaching career in a school in north Donegal, which was surrounded by the mountains, the lakes, the sea and lovely places such as Malin Head, Culdaff, Gleneely, Moville, Clonmany and Ballyliffin. Madam Speaker, I cannot leave out the area that you frequent, which is Fahan.

Dominic Bradley told us that schools are part of the history of a place and that the closure of a school destroys the history of that place. That is true. I thank David McNarry for pointing out that the purpose of our amendment is not to rubbish the motion but to add to it. Barry McElduff told us that he is a school governor, and there will now be a demand for new road maps to that area. No doubt, one of those seeking a map will be the Duchess of Abercorn.

Kieran McCarthy asked the DUP and Sinn Féin to get off their high horses. I am pleased that he did not bring back the pantomime horse. Ken Robinson upstaged Barry McElduff by saying that he is a governor of two schools. He made very important points and acknowledged the contribution made by the education and library boards.

Sammy Wilson — if he is still listening to the debate — attacked the Catholic Church for its support of Catholic education. Tommy Gallagher pointed out that in every other part of the civilised world, that is not a problem. I was disappointed that Sammy Wilson later said that if the Catholic Church were in charge of schools, people from the Protestant community would have difficulty. That is absolute rubbish. The vast majority of Protestants are not bigots and they would have no difficulty with that. In my area, the involvement of the Catholic Church in education is an enhancement and an enrichment of children's lives, and the Church has been involved for a very long time.

As a young father, Roy Beggs pointed out the difficulties that have arisen in his part of the North, and he mentioned research in the United States. Francie Brolly immediately admitted that he was cogging his speech. That is always a very dangerous practice, because if the speech contains mistakes, one has to take the rap for it. The small school in Aghadowey that was closed is called St Mary's Primary School, not St John's, which is still open.

Billy Armstrong talked about the rural part of his constituency, and Derek Hussey told us about Plumbridge, although he has probably heard just one side of the story.

The argument that small rural schools are not viable made its appearance in an Organization for Economic Co-operation and Development (OECD) report in 1991. However, within two years, it was withdrawn because it was fatally flawed. Most of us were surprised that the same old findings reappeared in the Bain Report.

Several Members have accepted that there is always a need for some rationalisation. That is part of life. However, that should not entail turning the whole education system upside down. A cull on the scale that is proposed is outright madness and a direct attack on every rural community. In my constituency, that would undo all the good work that has been done to regenerate towns and villages that almost died during the long, dark years of the Troubles. For that to happen to them during peacetime when we are supposed to be progressive, thoughtful and committed to equality for all, would make a complete mockery of democracy.

The debate has relied on much research from England. I hope that I do not offend anyone by mentioning a recent report that was published in the Republic, which shows that small rural schools still take in 50% of pupils and a similar percentage of

teachers. I know that some Assembly Members do not like to talk about our neighbours. However, the reality of life, North and South, is that we are still largely a rural people with similar needs and, of course, similar threats. As several Members have pointed out, that was true of post offices, schools and many other facets of life.

The report also recognises that smaller schools have several positive features and few of the drawbacks that have been traditionally attributed to them. I should, of course, mention studies in the UK, which show that curriculum provision in smaller schools is similar to that which emerged in studies of larger schools. There is no indication of greater social cohesiveness among children in larger schools. I should point out that, frequently, children of different ages work and play together and that the differentiation between those groups is not as pronounced as it is in large schools. Most importantly, research on the effects of class size has shown that pupils become more engaged academically and socially when class size is reduced and that increased engagement in the classroom is likely to lead to increased learning.

Teachers tend to find management easier in smaller classes, with fewer behavioural problems. They also feel more proactive and less reactive in their approach to managing student behaviour in smaller classes. Several Members raised that point. The research carried out by Veenman in 1996 suggests that multi-grade, consecutive-grade settings provide teachers with opportunities to use innovative teaching approaches that are associated with enhanced pupil learning.

Mr S Wilson: Will the Member give way?

Mr Dallat: I will give way, even though I am making my winding-up speech.

Mr S Wilson: I appreciate that, and I thank the Member for giving way. Does the Member accept that although youngsters are more engaged in smaller classes — provided that they are not too small — one of the difficulties in some small rural schools is that problems can arise in classes where children of three or four different levels, perhaps primary 1 to primary 4, are being taught together?

Mr Dallat: I am glad that Sammy Wilson has raised that point. There are many devices and support mechanisms that can be used to overcome difficulties in small rural schools. Simply to cull rural schools is not the answer. Quite frankly, if a fraction of the energy that has recently been expended on some of those issues was channelled into the future of small rural primary schools and, indeed, small secondary schools — to which other Members have referred — threats to schools would not be gaining credibility but would be on the rubbish heap where they belong. Children are not battery hens. They do not have to be forced into large schools.

I want to finish on a positive note. I have absolutely no doubt that a new Assembly will be elected on 26 March. No one can be sure which parties will be biggest. I hope that the public uses its common sense when voting, because that crisis and others cannot continue.

It is wrong to allow the direct rulers to systematically strip this part of the island of its greatest asset — its children and its rural schools, whether they be primary or secondary.

4.30 pm

Lord Morrow: It has been said many times that the rural primary school is the heartbeat of a rural community; when the rural school is taken away, that community starts to die. My colleague Tom Buchanan said that the Government seem to want to attack everything rural: post offices; planning; police stations; stores; churches; and now schools. It seems that the Government are making a determined effort to take on everything that is rural, decimate it and leave it a desolate place.

Some interesting comments were made around the Chamber today, particularly by Mr McElduff. He eulogised the former Minister of Education — I think that he had him at sainthood status at one stage. He said that Mr McGuinness, when he was Minister, listened to what everybody had to say before he made a decision. I am sure that the House will note how attentive and deliberate Mr McGuinness was when it came to abolishing the 11-plus. On the last day that the Northern Ireland Assembly was in place, he walked into the Chamber and, with a fell stroke of his dictatorial pen, he stroked out the 11-plus. Whether Members are in favour of the 11-plus or against it is not the argument or debate — the dictatorial attitude adopted by the Minister got many people annoyed. Mr McElduff, you should put that in your pipe and smoke it.

Madam Speaker: Please speak through the Chair, Lord Morrow.

Lord Morrow: Madam Speaker, I was not aware that you smoked a pipe. That is why I did not address the comment through you.

I have some interesting matters to bring to the attention of the House. Six days before Christmas, the NIO Minister David Hanson made an interesting comment to my party colleagues in the House of Commons. I will quote what he said so that we can put it up his nose too:

“Government recognise the important role that rural schools play both in children’s education and in the cohesion of rural communities.”

I am sure that many Members will forgive me if I am a bit cynical about those comments. It is not in my make-up to be cynical, as most people know. However, when I read such remarks, my cynicism begins to take over. Mr Hanson will be kept in mind of what he has said, because the DUP intends to hold the Government to that commitment.

I will proceed with my speech now that I have made the introduction — those were merely remarks. It is important that rural children are not disadvantaged by the Department's plans for post-primary transfer. The needs of rural schoolchildren should not be overlooked when tie-breakers are being determined to resolve the allocation of pupils to oversubscribed schools.

Ronan Gorman is the chief executive of Countryside Alliance Ireland (CAI), the organisation that does such wonderful work for our countryside, rural sports and the rural way of life. I place on record my appreciation — and, I suspect, that of the whole House, with perhaps one exception, and he is not here — for what the Countryside Alliance does for the rural community. It was no less a person than Mr Gorman who said that the Education (Northern Ireland) Order 2006:

“has major implications for local children and their education. We welcome many of the proposals aimed at ensuring that all pupils must have the opportunity to acquire and develop specific cross-curricular skills and approve of the Department's requirements for schools to provide access to a wider range of courses for older pupils.

However, the key for many rural children will be the criteria used to select pupils for particular schools.”

Mr Gorman continues and, as I found his remarks interesting, I want to quote him accurately:

“CAI is fundamentally opposed to selection criteria based primarily on the distance that rural pupils live from particular schools. This would unfairly discriminate against rural pupils who may live considerable distances from any school. We intend to ... ensure every pupil has equitable access to appropriate education facilities.”

That is a true and timely remark, and such a situation must not be allowed to develop.

Children who live in rural areas and travel to schools in local market towns enrich and bring added value to those schools. The closure of rural schools is not a phenomenon peculiar to Northern Ireland. Members should consider what happens in other parts of the world. Mr Armstrong mentioned Finland, and I want Members to consider what has been said in America about the threat to rural schools that, believe it or not, is also faced there. A study of rural schools in all 50 US states was conducted, and they face the same challenges as here: students with disabilities, students who cannot speak English particularly well and students from ethnic minorities.

Those problems are all relevant in Northern Ireland, and there are many students from ethnic minorities in the town from which I come — probably the largest ethnic community in Northern Ireland resides in Dungannon. In the American study, rural schools in Nebraska, South Dakota, Montana and Wyoming all proved — relative to poverty levels and other challenges that they face — to be doing well. Rural education in those states is characterised by a smaller organisational scale, including a lower student-teacher

ratio, smaller schools and smaller districts. Nonetheless, rural schools are still at risk.

My colleague Arlene Foster referred to an example of the risk to rural schools in Northern Ireland. In one district electoral area in South Tyrone, six rural or village primary schools are under threat. The decision has already been taken to close two of them, and the remaining four are equally vulnerable. Can anyone imagine the devastating impact that the closure of six village or rural primary schools will have on that community, which is part of a small district electoral area in Northern Ireland? If the Government proceed with closing down those schools, the impact will be devastating.

If the Northern Ireland Assembly is restored, difficult decisions will have to be taken. Not every single rural or village primary school will survive. No one on this side of the House, or anyone who supports the motion, says that that should happen. Realistically, a different approach must be taken to rural schools. My colleague Sammy Wilson said that other matters must be considered and that there should be closer co-operation in some cases. Why can that not happen?

I was amazed that the SDLP went off on a tangent and tried to say that that represented an irresponsible attack on its ethos and the Catholic education system — it is anything but. It was an attempt to bring a degree of realism into the education debate and particularly the future of rural primary schools.

I hope that the House will unite in agreeing the DUP's motion and that parties will clearly say to the Government, and particularly to Mr Hanson, whose remarks I have quoted, that they will no longer put up with the decimation and closure of rural primary schools. The DUP intends to make a stand and will not allow that to continue month in, month out, year in, year out.

Mr Hanson does not pick up a single vote in Northern Ireland, yet he thinks that he can step in with impunity and, with the stroke of a pen, abolish rural schools that have provided some of the best students who could ever be expected of any education system. I appeal to the House to forget its pettiness and unite behind the motion to save and maintain the future of rural primary schools, and, vitally, rural communities.

Question, That the amendment be made, put and negatived.

Main Question put and agreed to.

Resolved:

That this Assembly notes the threat to rural schools in Northern Ireland; calls upon the Government to recognise the vital role that such schools play in the community; and urges the Government to put in place a strategy, where possible, to protect the viability of these schools.

Adjourned at 4.41 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 16 January 2007

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

Members observed two minutes' silence.

PRIVATE MEMBERS' BUSINESS

Social Disadvantage and Educational Attainment

Madam Speaker: The Business Committee has agreed to allow two hours for each of today's debates: the Member moving each motion will have 15 minutes, with a further 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Two amendments have been selected and published on the Marshalled List. They will be moved in the order in which they appear on the list. When the debate is concluded, I shall put the Question in turn that each amendment be made. If that is clear, I shall proceed.

Mr McElduff: I beg to move

That this Assembly recognises the link between social disadvantage and educational attainment and recognises the sterling work of educationalists in addressing this situation; and further calls on an incoming Executive to develop a strategic approach to raising the attainment levels for the most disadvantaged in our society.

Go raibh maith agat, a Cheann Comhairle. Ba mhaith liom an rún seo a mholadh, agus tá áthas orm é a chur os comhair an Tionóil.

I note that two separate amendments have been tabled; I am happy to accept both, because they add substance to the original motion.

First and foremost, I call on the Assembly to acknowledge the direct link between social disadvantage and educational attainment. The Department of Education's business plan for 2006-07 concedes that those from disadvantaged backgrounds do not gain the full benefits of education. The anti-poverty and social exclusion strategy 'Lifetime Opportunities' concurs, stating that:

"Research shows that chances of escaping from poverty are greatly improved by educational attainment. Therefore the focus is and will remain on breaking the link between poverty and educational underperformance."

An interesting point was raised at a seminar organised by the Association of Teachers and Lecturers (ATL) in Grosvenor House on Friday last. There was a debate on whether there was such a thing as a good school or a bad school.

Would it be in order to regulate the clock in order to guide me through my 15 minutes?

Mr Brolly: Your time is up.

Mr McElduff: My time is up, according to Francie Brolly.

A spokesperson for NASUWT (The National Association of Schoolmasters Union of Women Teachers) said that there was no such thing as a bad school but that there was such a thing as a school with large numbers of children from socially disadvantaged backgrounds. That was a very interesting statement.

Educational disadvantage starts from an early age — often by the time children reach primary school. The strongest predictors of an individual's educational attainment level — class background, parental income levels and social and economic background as a key barrier to social mobility — have long been recognised.

Social disadvantage, as experienced by children in education, operates at many different levels. Household income, presently represented in the North by entitlement to free school meals, has been shown consistently to be a significant determinant of educational outcomes. There is a direct correlation between free school meal entitlement and average GCSE score, according to research carried out by Ian Shuttleworth and Peter Daly. In one particular survey, it was found that those entitled to free school meals achieved an average GCSE score of 34.8%, while those not entitled to free school meals achieved an average GCSE score of 52.5%.

At school, disadvantage is shown by the percentage of children from lower-income families and socially deprived areas. I draw the attention of Members to an answer given by Maria Eagle on 11 January to my colleague Sammy Wilson, a Member for East Antrim. He had asked how many children from Protestant and Catholic family backgrounds left school with fewer than five GCSE qualifications at grades A to C in the last year for which figures were available. The answer was as follows:

"The requested information relates to the 2004-05 school year and is as follows: (a) 4,232 (39.3 per cent of Protestant school leavers) (b) 4,566 (35.9 per cent of Roman Catholic school leavers)."

In the North, then, almost 9,000 children left school without five GCSEs.

There is the famous example of the small percentage — despite the very best efforts of the teachers — of children from controlled schools in the Shankill area of Belfast who tend to pass the transfer test and progress

to third-level education. I emphasise that there is no such thing as a bad school. Unionist political leaders should show more leadership in helping to address the issue. That is the message that we consistently pick up from educationalists in that area.

In September 2000, a report by Tony Gallagher and Alan Smith — ‘The Effects of the Selective System of Secondary Education in Northern Ireland’ — investigated the 11-plus and the link between social disadvantage and educational attainment, and it showed that children of parents who could afford coaching and home tuition, in a pleasant home environment conducive to study, were better placed to do well in the transfer test.

Gallagher and Smith’s report stated that:

“Our evidence suggests that parents pay up to £15 per coaching session.”

It further stated that teachers feel that there is an unfairness in the procedure —

“... compounded by the fact that not all parents are able to afford out-of-school coaching.”

Inequality is therefore present at the personal level, at school level and at the third level. Research from Patrick Clancy of University College Dublin, written in 2001 and entitled ‘College Entry in Focus: A Fourth National Survey of Access to Higher Education’, confirms that there is a huge gap between access levels to third-level education in the Twenty-six Counties. He found that while 70% of students in fee-paying schools went on to third level, only 38% of vocational school students did so. It is also clear that that situation did not improve greatly during the recent economic boom and, in some respects, even worsened. Participation rates within third level in some working-class areas of Dublin, such as Dublin 11, which is Finglass and Ballymun, and Dublin 22, which is Clondalkin, already among the lowest in the state, fell by 3% between 1992 and 1998, when participation rates in third-level institutions were generally rising by 6%.

Educationalists are working hard at all of that, but they need support and help. I want Members to note that education takes place not only in formal settings, but at home and in the community. Educationalists involved in early childhood education have described as “a mental wasteland” the early developmental and educational experiences of some very young children in disadvantaged circumstances.

The great problem in all of that is that the consequences in later life of low educational attainment are significant and central to maintaining the cycle of deprivation and poverty. Low attainment can lead to unemployment and worklessness; and the cycle continues. To reinforce the point that there is a direct link between educational attainment and social deprivation, I draw Members’ attention to a study undertaken by the New Policy Institute, produced with

support from the Joseph Rowntree Foundation, which draws on the latest available data to monitor indicators of poverty and social exclusion. It highlights many statistics regarding educational attainment. I will not cite those statistics now, but I direct the attention of Members to that study.

Educationalists, as I have said, work extremely hard to help disadvantaged pupils to achieve. I know this to be the case, for it was brought home to me at a seminar in Dundalk, where there were representatives present from Sinn Féin, the SDLP, the Ulster Unionist Party, the DUP, the Alliance Party, Fianna Fáil, Fine Gael and the Labour Party. It was an excellent initiative, taken by a number of school principals under the auspices of the Primary Principals’ Association. It addressed the link between educational attainment and social disadvantage. There I discovered that teachers deserve every support because they themselves are highly motivated in very difficult circumstances. I heard a story from a school in inner-city Dublin: a female teacher had occasion to open the schoolbag of a pupil and found a syringe in the schoolbag. I also heard stories from loyalist areas of Belfast of how, in recent times, feuding between loyalist groups impacted hugely on schools. It is difficult in such environments for educationalists to do their work.

In rural communities too, distance from essential services is an indicator of poverty, and I acknowledge the great work that educationalists do in these circumstances.

The Executive — no, I will be an optimist and say the “incoming” Executive — must develop a strategic approach to raising attainment levels for the most disadvantaged in society. That should be a constant theme and an identified priority. There must be a demonstrable and real determination to tackle inequality and place that at the centre of education policy and planning. The Department of Education and the incoming Executive must focus on that.

10.45 am

There must be significant increases in funding. Concerted, targeted action will be needed to impact positively on the quality of the education experience in the areas of greatest social need and in traditionally marginalised groups such as Irish Travellers, people with disabilities and those from ethnic minorities. That money must be targeted. It is not a matter of making a few million pounds available to trickle down as £5,000 here and £5,000 there: there must be real investment.

The Department of Education must be directed to consult beyond the normal suspects, such as education and library boards and sectoral providers. We should seek to include individuals from trade union backgrounds and non-governmental organisations.

Not every Member is a supporter of the civic forum concept, as I am. Provision was made in the Good Friday Agreement for an all-Ireland consultative civic authority or body. The Civic Forum produced a good report on social disadvantage and educational attainment that would be worth revisiting, even for those Members who might be sceptical about the value of hearing what civic society has to say.

There must be creative thinking. It will be the Executive's business to ensure that there is cross-cutting relevance of departmental responsibility.

Mr Storey: Will the Member give way?

Mr McElduff: I normally would, Mervyn, but I have only two minutes left. I have a substantial conclusion to make, so, in this instance, I will not give way.

I call for an integrated approach to address the environmental and social factors impacting on children's ability. Sure Start is an excellent initiative and needs to be resourced properly. It is making a difference, and it must be expanded in the crucial area of earliest possible intervention and strategies, so that children can gain the full benefit of the initiative as they move forward into formal education.

We need improved working arrangements between education — both the voluntary and statutory sectors — social services, health and housing. How, otherwise, will we reduce illiteracy and innumeracy, which are so prevalent? Do Members need reminding of the Public Accounts Committee (PAC) report at Westminster on improving the levels of numeracy and literacy and how it should be tackled?

How will we lift up the expectations of communities blighted by deprivation without an integrated approach? We should be serving the educational interests of the child — every child, not just those from more advantaged backgrounds. There is a direct link between social disadvantage and educational attainment. Our educationalists are doing a great job and doing their best, but they need support. That support will come in the form of political will and major investment. Although the Department of Education has a list of reform initiatives aimed at addressing this issue, the Executive and all of the relevant Departments must work together. Go raibh míle maith agat, a Cheann Comhairle.

Mr D Bradley: I beg to move amendment No 1: At end insert

“, including an investigation of the reasons why this link exists, and to implement effective existing and new measures to address this problem.”

Go raibh maith agat, a Cheann Comhairle. Is ceist ollmhór é seo, agus is é an dúshlán is mó, b'fhéidir, atá romhainn i gcúrsaí oideachais sa taobh seo tíre. Molaim an Comhalta ó Iarthar Thír Eoghain agus fáiltímh roimh

an chinneadh s'aige glacadh leis an dá leasú, nó ceapaim go gcuireann siad tuilleadh nirt leis an rún.

This issue is perhaps the biggest challenge facing education in Northern Ireland. I congratulate the Member for West Tyrone on moving the motion, and welcome the fact that he has agreed to the two amendments, as they both add strength to the motion.

Research clearly shows that there is a link between social disadvantage and educational underachievement. Low educational attainment is a result of social deprivation. Therefore, if we are to address the problem of low educational achievement, we must also address social deprivation. Attempting to address educational attainment without taking cognisance of, and addressing, social deprivation could be likened to addressing the symptoms without trying to address the root cause.

Only 37% of school-leavers from the most deprived areas leave with five or more GCSEs; the Northern Ireland average is 61%. The skills base in neighbourhood renewal areas also compares unfavourably when measured against the rest of Northern Ireland, with only 28% of people from age 16 to pensionable age qualified to level 2. The Northern Ireland average is 45%.

Social deprivation is a complex problem with many different elements. Several key background variables are associated with the impact of social deprivation on educational attainment. These include: pupils' personal characteristics; prior attainment; gender; health; low income; parental unemployment; housing conditions; family size; fluency in English; availability of stimulating reading materials in the home; parental interest; and involvement in, and encouragement of, literacy and numeracy. There are also local factors such as the attitude of the local community and peer groups to education and its value, and the feelings of alienation and social exclusion felt by many.

A report into the Northern Ireland literacy strategy, which was carried out on behalf of the Northern Ireland literacy steering group and published in October 2006, illustrated substantial research on the neighbourhood effects on educational attainment.

Tests for the existence of the effects on educational attainment of 2,500 young people in Scotland found significant negative effects linked to deprivation in the home and neighbourhood and educational attainment. The study concluded that policies to alleviate educational disadvantage cannot focus on schooling alone but must form part of a broader initiative to tackle social deprivation in society at large.

It is now generally accepted that the children who face the greatest obstacles to raising attainment are those who come from a disadvantaged family, live in a disadvantaged neighbourhood or attend a school with many disadvantaged children. Over 102,000 children

in Northern Ireland live in poverty. That gives an idea of the scale of the problem.

If social deprivation, as one of the major causes of educational underachievement, is not addressed as part of a coherent strategy, it will simply ensure that the vicious circle of underachievement continues unabated into the next generation. The Office of the First Minister and the Deputy First Minister's anti-poverty strategy makes that point about poverty itself.

Reviewing the factors that account for the variance in educational attainment, it is evident that combinations of social disadvantage powerfully affect performance, with a variation of up to 75% among schools in attainment by 16-year-olds at GCSE associated with pupil intake factors. It is important that we research the influence that those, and other factors, have on educational attainment. We must formulate policy and strategy to change attitudes and raise awareness about the role and value of education to the individual and to provide parents and communities with the resources and skills to change attitudes locally and to support the efforts of teachers and other educationalists in tackling the problem.

Tackling the multiple deprivation factors that have persisted in many areas for decades is a priority of the anti-poverty strategy. Education has a major role to play in that process, not only through the formal education system, but in the home and community. The Department of Education's role should be taken forward in conjunction with the Department of Health, Social Services and Public Safety, the Department for Social Development and the Department of Culture, Arts and Leisure.

Academic selection has further compounded the problem. Research by Gallagher and Smith highlights that academic selection tends to produce:

"a disproportionate number of schools which combine low ability and social disadvantage in their enrolments, thereby compounding the educational disadvantages of both factors."

School factors can raise the levels of educational attainment, sometimes by as many as 14 GCSE points for average pupils. Hence, schools are a good place to improve children's skills. However, a strategy that focuses solely on the improvement of average school performance is likely to be a less effective means of reducing educational underachievement than one that additionally includes communities, families, teachers and educationalists in a cross-cutting departmental approach that also addresses the causes of social deprivation.

There is a broad consensus that intervention in the early years is among the most effective means of improving educational performance and outcomes. Such interventions are likely to be an important facet of strategies that help to lift children out of cycles of deprivation and on to positive pathways. Promising

evidence suggests that well-designed programmes are successful in raising levels of educational attainment and creating further positive outcomes in later adult life. The most successful programmes are defined by early and intensive intervention and include a follow-through component in the later stages of the child's development.

The Nobel laureate in economic sciences, Dr James J Heckman states that:

"Investments in social policies that intervene in the early years have very high rates of return while social policies that intervene at later stages in the life cycle have low economic returns. A large body of scientific evidence shows a "persistent pattern of strong effects" derived from early interventions. Significantly, these substantial, long-term benefits are not necessarily limited to intellectual gains, but are most clearly seen by measures of "social performance" and "lifetime achievement". In other words, people who participate in enriched early childhood programmes are more likely to complete school and much less likely to require welfare benefits, become teen parents or participate in criminal activities. Rather, they become productive adults."

In general, research studies suggest that, in comparison to having no pre-school experience, all forms of pre-school experience have a positive impact on the levels of attainment in national assessment tests taken at age seven. In addition, pre-school attendance has been found to improve school commitment, reducing the risk of disaffection and delinquency during later schooling. However, the quality of that provision is a significant determinant of the effects on educational attainment. High-quality provision involves small groups of children, high adult-child ratios, a balanced curriculum and well-trained staff.

As the Member for West Tyrone Mr McElduff mentioned, all Members are aware that the Northern Ireland Audit Office (NIAO) report 'Improving Literacy and Numeracy in Schools' and the House of Commons Committee of Public Accounts report 'Improving literacy and numeracy in schools (Northern Ireland)' —

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

Mr D Bradley: — show that there are serious problems with the current literacy and numeracy strategy. I will not go through all the points made in that report but conclude by saying that the Department of Education has undertaken to carry out a review of the strategy. The opportunity should be taken to include any new strategy —

Madam Speaker: Mr Bradley, I must ask you to finish.

Mr D Bradley: — and any strategy that attempts to address educational attainment without tackling the underlying social deprivation at the same time will be doomed to failure. Thank you, a Cheann Comhairle.

11.00 am

Mr McCausland: I beg to move amendment No 2:
At end insert

"The Assembly also notes the recent report on 'Improving literacy and numeracy in schools' in Northern Ireland by the House of Commons Committee of Public Accounts; and calls on the Department of Education to fully fund and implement an effective literacy and numeracy strategy; and further calls for the setting up of Education Action Zones in areas of high educational disadvantage."

Across much of Northern Ireland our educational performance is high. Our system produces some of the best-qualified and educated young people in the United Kingdom. However, it is also true that there are significant areas of low educational attainment and disadvantage. It is imperative that special attention be given to the children and schools in communities where low educational attainment exists.

The Member for West Tyrone, Mr McElduff, referred specifically to the levels of disadvantage in the Shankill area and called for the area's politicians to give leadership. In response, I point out that those of us who represent that area have been giving leadership, and my colleague from West Belfast will speak presently on that.

In fact, with regard to education, it is an area that I am particularly interested in having spent my teaching career in the Shankill area during the 70s and early 80s. Furthermore, having sat for many years on various schools' boards of governors in those areas, I am familiar with the situation.

Therefore, when it comes to advising people, perhaps the Member for West Tyrone should give advice to colleagues from his own party on the Belfast Education and Library Board, so that when we propose that there be a more equitable allocation of resources so that areas such as the Shankill get their fair share, his colleagues will not vote against that.

Some Members: Hear, hear.

Mr McElduff: Will the Member give way?

Mr McCausland: No, because my time is quite limited.

When one realises that the Belfast Educational and Library Board spends only a few hundred pounds on youth services in areas such as lower Shankill, where there are large numbers of young people, and greater Ballysillan, where several thousand young people live, while approximately £80,000 is spent on an adjacent community, one realises that this is not a matter of objective need, but rather of disadvantage and discrimination.

It is right to highlight the commitment and dedication of the teachers in the schools, but often their task is made more difficult by decisions that are taken elsewhere. Having spoken to teachers in many

schools and visited them on a regular basis, I cannot adequately express the appreciation that they deserve for their commitment and dedication. However, their task is often made more difficult by decisions made elsewhere, particularly in the Department of Education.

Quite often, decisions are made without properly consulting those who are actually teaching and working in the communities; they are the people who have a better insight into what is needed. The task of teachers and especially of principals in areas of educational disadvantage is often made harder by an ad hoc approach to tackling educational disadvantage.

For example, instead of a coherent approach to funding schools, principals are faced with a plethora of extra funding packages outside their core funding, with different criteria, mechanisms, timescales and accounting rules to draw down the money. The end result is that, while the resources are welcome, they may not be as effectively used as they might be. The system increases the administrative demands on principals already overstretched and under pressure, so if the Department of Education simply carried out its work in a more effective and systematic way, it could relieve some of the pressures on the principals and teachers in those schools, thereby freeing up more time for principals to deal with educational issues instead.

All children deserve a good start in life, and we have a responsibility to ensure that everything possible is done towards that objective. However, 20% of children leave school in Northern Ireland without achieving the required standard in numeracy and literacy. We talk about educational disadvantage and underachievement, but numeric and literary skills are essential for life. We need to understand why the problems arise and the factors that contribute to them.

The SDLP's amendment is, therefore, valuable; it proposes that there should be a full investigation into the core issue of why the link exists. Unless the problem is known, there is no chance of solving it. It is important to identify the factors.

This is about more than simply financial disadvantage; it is about community and family issues, aspirations, ambitions, role models and the value that communities and societies place on education. All those factors feed into the difficulties that arise in these communities. Identifying the problems is, therefore, an initial and important step.

We also need a coherent and comprehensive strategy to address the situation and resolve the problems. That must be a sustained strategy, rather than one that lasts for 18 months or two years. To turn a community or a problem around is often a 10-year process.

There is a link between social disadvantage and educational disadvantage. My amendment proposes that:

"The Assembly also notes the recent report on 'Improving literacy and numeracy in schools' in Northern Ireland by the House of Commons Committee of Public Accounts".

That report was published in November 2006. The amendment calls on the Department of Education to address this issue and to:

"fully fund and implement an effective literacy and numeracy strategy; and ... for the setting up of Education Action Zones in areas of high educational disadvantage."

The Public Accounts Committee (PAC) report notes that literacy and numeracy are key skills and that children who do not acquire an appropriate level of competence in those skills are seriously disadvantaged, possibly for the rest of their lives. The report highlights underachievement among boys, which constitutes a cultural challenge. It urges the Department to give particular attention to the worrying performance of boys in the Belfast Education and Library Board area. Educational underachievement is a widespread problem. However, it is particularly acute among boys in inner-city areas. There is a higher level of achievement among girls. The reasons for that disparity must be identified and tackled.

The report also highlights the evidence it received that:

"among socially deprived communities in Belfast, significant differences between Protestant and Roman Catholic children exist in GCSE English and Mathematics ... This raises a concern that children in Protestant working-class areas may not be enjoying equal educational opportunities."

This issue comes through strongly in the report. The problem is across the board; it is more acute among boys than girls; and it is particularly acute in Protestant areas — especially among boys in working-class Protestant areas.

The differential in educational disadvantage between Protestant and Roman Catholic communities, even where there are similar levels of social disadvantage, was also highlighted in the report of the Government's Taskforce on Protestant Working Class Communities. At the time of its publication, much attention was focused on the actions that were to follow from it. It was remiss of society not to pick up on the core problem of educational disadvantage in those areas, as highlighted in that report and in the PAC report.

The differential is influenced by more than the deprivation that is measured by the Noble indices. There are social factors that are almost impossible to measure, such as the value that a community or society places on education and the nature of the relationship between communities and schools. Those are complex problems that demand a comprehensive approach.

The PAC report goes on to say that the Department of Education is the lead body for education and, therefore, has a responsibility to ensure that an effective literacy and numeracy strategy is properly resourced and

implemented. We must acknowledge the report because it is strong and specific in its criticisms and recommendations. When it appeared in November 2006, it did not receive the publicity that it should have. It would be remiss of the Assembly not to take this opportunity to draw attention to the report and to call on the Department of Education to respond to it in a meaningful and effective way.

Mr McNarry: The link between social disadvantage and poor educational attainment is, regrettably, clear and unambiguous. However, the failure of society to reverse the extent of social disadvantage — which, in turn, contributes to poor levels of educational attainment — is not a problem that is unique to Northern Ireland, nor should it be used as an excuse. That problem is common throughout the United Kingdom, and some people, therefore, do not believe that it is a priority that must be dealt with. Correspondingly, it should be acknowledged that the problem of poor educational achievement cannot and should not be laid at the feet of academic selection, which is used in Northern Ireland, or blamed on the non-selective system used in other parts of the United Kingdom.

I wonder whether the motion, which quite rightly commends the work of teachers, is entirely fair in calling for a strategic educational approach as the central means for raising academic achievement. Are we part of an enabling process? Are we more likely to get closer to the solution by seeking strategic approaches and investigations on the causes of social disadvantage and the impact that social deprivation has on children who are preparing for the first day when they enter a learning environment? Without such an enabling process, there is no doubt that children will — and do — suffer.

I believe that a child's preparation for school begins at home, under parental influence. That influence endures through partnership between parents and teaching professionals during the child's school life. I do not accept any rule of thumb or social measure that states that, because a child is not from an upwardly mobile background, or has unemployed parents, or has a single parent, or receives free school dinners, that young person should automatically be branded as socially disadvantaged and therefore expected to fail academically.

The solution to this problem cannot rest entirely within an education system or in its application. It is alarming that so many young people are leaving school without basic qualifications and remain dependent on the state for income support. The savings to be made by getting people off the unemployed list and into gainful employment would make it worthwhile to carefully examine expenditure aimed at dealing with numeracy and literacy failings at the youngest possible age — not long afterwards when young people are about

to leave school. We make a mistake by addressing the issue only when children are about to leave school with no qualifications, rather than when they are beginning school. Putting additional resources into early-years learning would make sense. The rewards would be priceless, and society would benefit in real terms.

Members will recall with concern and disappointment the 2006 House of Commons Public Accounts Committee report on improving literacy and numeracy in our schools. I believe that one comment in that report stands out:

“The Department’s record on literacy and numeracy suggests to us that it has lacked commitment to and confidence in its target setting.”

The report also stated:

“We also expect the Department to maintain a consistent approach to targets rather than adjust them when results are falling short.”

Moreover, the report spells out the depth of the problem and where educational responsibility ultimately lies:

“The Committee expects the Department for Education to take urgent steps to improve the teaching of literacy and numeracy within schools. This is essential if we are to ensure that deficiencies in literacy and numeracy do not continue to be a major handicap for future generations of young adults after they leave school.”

Is that not it? That is the core element of the strategic approach required to ensure that future generations do not leave school deficient in numeracy and literacy skills.

11.15 am

The Department’s response to the House of Commons Public Accounts Committee was that work is under way to address the plethora of challenges issued by the Committee. If Members are to believe that, how long do we have to wait for ideas, suggestions and reasons — or even excuses — that can explain how children in Protestant working-class areas may not be enjoying equal educational opportunities? How will the facts that more Protestant 19 to 24 year olds than Roman Catholic 19 to 24 year olds lack basic qualifications and that Protestant males make up the highest proportion in that age group be explained?

I do not ask these questions to suggest that Roman Catholic children are subjected any less to social deprivation and the resultant deficiency in numeracy and literacy skills; that is not the case. Rather I wonder why the evidence shows that marked difference between Protestants and Roman Catholics. For the problem to be resolved, the approach simply must acknowledge that and concentrate on dealing with the problem cutting across our community. There is no sectarian or religious divide in this issue.

The motion draws attention to the issue, and both amendments go some way towards seeking out further

matters that need to be addressed urgently. However, what is missing — and perhaps we will hear it later — is a firm indication that this House more than cares about young people who live in socially disadvantaged conditions and young people who leave school educationally disadvantaged. Those are two distinct issues, but they are linked by shared consequences for some — although not all — young people.

If we can explore that commonality and resolve those dual issues that result in disadvantage at home and at school, we will be able to devise strategies for implementation. If we just sit back and talk about the issue, we simply add to the growing list of young people without basic qualifications. The motion and the amendments are a start. I hope that this is the beginning of the end of the talking, and I support the motion accordingly.

Mr Campbell: This topic is important, and I wish to address my brief remarks to elements of both amendments, which were tabled in the names of SDLP Members and my colleague Mr McCausland.

There is no doubt that much research has been carried out on underachievement, and the underachievement of urban working-class Protestant children has become part of folklore, with the children on the Shankill Road being singled out for particular attention. Efforts have been made to establish why that is the case and to consider what improvements can be made.

I particularly support both amendments, the first of which calls for an investigation into the reasons why social disadvantage is linked to educational underachievement.

Mr O’Dowd: On a point of order, Madam Speaker. On behalf of my party, it is my duty to wind on the motion. However, if Members are not prepared to say whether they support the substantive motion, it is difficult to ascertain whether they are supporting it or are speaking against it. Is it in order for Members to state their position at the start of their address?

Madam Speaker: Mr O’Dowd, my understanding is that Members do not necessarily have to comment on the motion at the start of their speech — they can do so at any time during the speech. The content of Members’ speeches is obviously a matter for Members, but usual convention is that they comment on the motion at some stage during their address.

Mr Campbell: Thank you for that freedom, Madam Speaker. I am glad that we have the liberty to speak and elaborate on the subject matter. If there was some concern among Sinn Féin circles at the start of my speech, I am sure that there will be even more as I reach the end.

The links are there and are well documented. The Department of Education must produce a full report

that establishes how literacy and numeracy skills can be increased in those sections of the community where the problem is greatest.

In these few minutes, I will dwell on an issue that to date has not been brought to the fore, namely a parental issue in Protestant working-class areas. It has been suggested in recent years that due to the loss of the heavy-engineering capacity of the 1960s and 1970s and the employment opportunities that arose from it, some parents do not assist and persevere with their children through education. Many urban working-class parents do not take that line.

Those employment opportunities have not been available in Northern Ireland for 15 or 20 years. However, the public sector in Northern Ireland has continued to employ around 60% of the workforce. If children are to get employment, promotion and all that is best for them, most parents know that that is statistically more likely in the public sector. There is a perception among many parents in urban working-class Protestant areas that that is a closed shop for their children. Therefore there is no incentive for them to get the qualifications required for employment in an area that statistics have shown to be more difficult for them. I applaud the SDLP amendment for that reason and because it is necessary to establish the links that exist between social disadvantage and educational attainment.

I have tabled a motion with regard to the public sector workforce that, hopefully, will come up in the weeks ahead. Effectively, this would enable us to reassure parents in working-class areas that there are openings and incentives for their children and that if the education establishment can ensure that children attain the numeracy and literacy skills and qualifications to go on to higher education and then into the public sector, there would be no closed door. Currently, there is a closed door to many from Protestant working-class communities in agencies such as the Housing Executive and the Child Support Agency. When that door is seen to be opened, parents from those areas will ensure that their children are incentivised to get the education they need. However, the Department for Education must draw out the links that exist between under-attainment and socially disadvantaged areas.

That is why I support the motion, and why, if the amendments are accepted, the entire House should be able to support the motion. If so, we can make progress. If the reasons for these links are established, it will open up not just educational attainment but the prospects for better employment across the community. That will be advantageous and positive for the entire community. Given that, I am delighted to add my name not just to the motion, but also to the motion as amended.

Mr K Robinson: I congratulate the Members who brought the timely motion and the amendments to the

attention of the House. I will begin by declaring an interest: I am a governor in two primary schools in Newtownabbey. One is set in a leafy suburban avenue, and the other is in the middle of a public housing estate. Both schools are served by dedicated teaching staff, are led by energetic and visionary principals, are supported by interested parents and have the confidence of their communities. However, there the similarities begin to disappear.

One of the schools has a stable budget, an enrolment figure of almost 100% and a settled and experienced teaching staff. It does not have any composite classes. The other has composite classes, an unpredictable and inadequate budget, and it is forced to shed a member of staff annually. In many cases, the most experienced staff offer themselves since, in budgetary terms, they are the most expensive, and, by emulating Captain Oates, they sacrifice themselves to save the school the greatest amount of money.

Therefore the system, as currently operated by the Department, increases the risk of failure for some children and adds to the educational disadvantage of an entire community. It is little wonder that sections of society undervalue education when the educational establishment so obviously undervalues them.

The link between social disadvantage and educational attainment is clearly seen on examination of two wards in greater Belfast. The Hillfoot ward is apparently the least deprived in Belfast. In that ward, some 75% of school leavers achieve five or more GCSEs at grade C or above, 75% enter further or higher education, and fewer than 2% are entitled to free school meals. By contrast, the Shankill ward is the most deprived. In that ward, 26% of school leavers achieve five or more GCSEs at grade C or above, and fewer than 20% go on to third-level education. It is also worth noting that a massive 54% of post-primary pupils are entitled to free school meals in the most deprived of wards.

At primary level, 37% of 11-year-olds in the more deprived wards failed to reach level 4 English, and the comparable figure for Northern Ireland is 23% overall. Thirty three per cent of 11-year-olds in those wards failed to reach level 4 maths, compared with 21% across Northern Ireland. Those children were failing before they reached the age of 11; they were not failed by a selective system. Rather, there are inherent weaknesses in the system from its earliest years and before formal schooling even begins.

There are community influences that cause one in every five women to have no formal qualifications and one in every four men to be without basic qualifications. There are also stark differences between the two communities. In the 19 to 24 age cohort, 27% of Protestant males lack qualifications and 19% of Roman Catholic females are without basic qualifications. Gender,

community and location have a bearing and influence on the potential outcomes of our young people and what they can expect to experience.

The House of Commons Public Accounts Committee published a report in December 2006 entitled 'Improving literacy and numeracy in schools (Northern Ireland)', and it makes many observations. Most of them question the role of the Department of Education, and rightly so. If any school had received such a scathing report from the inspectorate, the principal would have been replaced, the staff retrained and the governors retired. The report found "disturbing differences" in achievement between pupils of different religious backgrounds in the Belfast area. Among the socially deprived, the report found that there were "significant differences" between the attainment of Protestant and Roman Catholic children in GCSE English and Maths. The report further noted that the Committee "expects" the Department of Education to take urgent steps to improve the teaching of literacy and numeracy in schools, and that:

"The Department has a pressing responsibility to take the lead in identifying and championing best practice in literacy and numeracy teaching in schools."

The report also stated that the Department needs to provide "a clear direction and impetus" in the promotion of literacy and numeracy performance.

The Public Accounts Committee report states:

"The Committee will be interested to learn what steps the Department takes to address the issue."

The report further notes that the Committee was extremely disappointed that targets had been frequently adjusted.

11.30 am

As Members of the House, we also expect the Department to maintain targets rather than to adjust them when results are falling short. Does that not suggest a Department that was so busy focusing time, effort and funding on tilting at the windmill of selection that it failed to address its most basic function? That function is to ensure that all pupils complete their primary education armed with the two essential skills on which the rest of their educational progress depends — adequate levels of literacy and numeracy.

The failure of the Department to grasp that fact is as startling as it is inexcusable. It must now seriously address the factors that inhibit progress in deprived areas rather than galloping off on a crusade of social engineering. The Department should examine current pupil-teacher ratios in the areas that the report highlighted. The Department could do that by forming a task force from the current high number of unemployed young teachers whose enthusiasm could be merged with the expertise of staff already in schools who understand the needs of deprived communities.

Let the Department expand and properly fund initiatives such as the Sure Start and Reading Recovery programmes. Reading Recovery programmes have proved to improve a child's reading ability by 20 months within a calendar year; if that is not available in a school, a child's reading ability may only improve by five months, and the child may thereby fall further behind. What happens in Northern Ireland? The funding is cut. What happens in England? They seek to expand such initiatives. Such schemes are designed to raise standards in schools; instead of being stop-start, they should be mainstreamed where the need to raise standards is obvious rather than the current crazy system, where expertise is pushed back into a classroom and financial support is removed.

If a school succeeds, how is it rewarded? The money is taken away. Teachers are trained to teach these fairly skilled operations, but what happens? The school cannot afford to have teachers out there and pushes them back into a classroom. That inexplicable process infuriates the school principal and staff, and who knows what danger it causes a child or parent whose expectations have been raised only to be dashed?

Finally, Madam Speaker, I wish to repeat — and I am sure that you will object — my plea for 50:50 recruitment among the teaching force. Since 1998, male applicants to the primary-school-teacher course at Stranmillis University College have dropped from 23% to 17%. At the same time, male intake to the post-primary teaching course has slumped from 41% to 28%. That is a serious reflection on how men view the teaching profession and the career structure that it provides.

In modern society, especially in many deprived areas, the one-parent family is becoming more prevalent. Young boys growing up in such a situation are denied the opportunity of finding a positive male role model in the home. Increasingly, they are also failing to find a positive male role model in school, especially during the formative early years of primary education. That situation must be addressed if we are to interest boys in education.

If the Government can manipulate the recruitment of policing and attempt to justify it as being in the interests of the community, they can introduce the same principle into teacher training in the interests of society. Failure to do so will reinforce other socially undesirable routes to status that are, unfortunately, available in marginalised communities. However, such routes ultimately lead not only to ruin for an individual but ruin for the area concerned.

As you will know, Madam Speaker, the Committee for Education discussed this issue when this body functioned properly in the past. We brought the issue to the attention of previous Ministers and sought advice from across the United Kingdom. Eight years

later, I cannot understand why decisive steps have still not been taken to ensure that those children who are most marginalised and deprived, who, time and again, have been readily identified as such, cannot be served by a decent education system.

Mr Brolly: Go raibh maith agat, a Cheann Comhairle. I support the motion and the amendments tabled to it. Poverty is one of the greatest issues that British direct rule has failed to tackle.

All the evidence demonstrates that child poverty must be addressed through early intervention. However, the loss of both teaching and support staff, particularly from schools that operate in areas of multiple deprivation, only further undermines support for those most at risk from poverty. That is why I support the motion and the proposed amendments.

In November 2006, the Joseph Rowntree Foundation launched a report that monitored poverty and social exclusion in the North. In chapter 8, which considered education, the findings on outcomes for younger children were:

“On average, the higher the level of deprivation in a school, the less likely it is that its children will have reached level 4 at age 11.”

In the most deprived fifth of schools, however, about one third of children do not reach that level.

The findings also revealed:

“In English, 37 per cent of 11-year-olds in the most deprived fifth of primary schools failed to reach level 4 in 2005. This compares with an average of 23 per cent for all schools. In maths, the figures were similar but slightly lower: 33 per cent in the most deprived fifth of primary schools failing to reach level 4 compared to 21 per cent for all schools.”

The findings on 16-year-olds lacking reasonable GCSEs showed:

“In 2004/05, 5 per cent of 16-year-olds obtained no GCSEs, 9 per cent obtained some but fewer than five GCSEs and a further 23 per cent obtained five GCSEs but not all at grade C.”

The findings continued:

“As a whole, this headline measure has come down, from 47 per cent in 1994/95 to 37 per cent in 2004/05. But almost all of this fall has been in the group getting five GCSEs but not at grades A-C. By contrast, there has been no fall in the numbers getting no GCSEs and no fall since 1997/98 in the numbers getting fewer than five. Rather, as the headline measure has gradually improved, the proportion getting few or no GCSEs at all has remained largely unchanged at around 15 per cent, or one in seven of all 16-year-olds.”

Of those children who are entitled to free school meals, the report states:

“the proportion getting few or no GCSEs has remained at around 30 per cent over the decade, double the rate for all 16-year-olds on average.”

The report highlights young people who have been in care as a particularly disadvantaged group. It states:

“In 2003, 50 per cent of those young people who leave care had no qualifications at all on leaving school — 10 times the national

average — and only 10 per cent got 5 or more GCSEs grades A-C compared to a national average of 60 per cent.”

The findings on the destination of school-leavers revealed:

“On average, the higher a local area’s level of deprivation, the lower will be the proportion of its school leavers going on to further or higher education. For example, over the four years to 2001/02, some 45 per cent of school leavers living in the most deprived fifth of wards went on to further or higher education compared with 65 per cent in wards with average levels of deprivation.”

The report states that about 10% of 16-year-olds to 18-year-olds in the North — some 10,000 people — are not in education, employment or training. Among 19-year-olds to 24-year-olds, more young men than young women — 24% compared with 20% — lack basic qualifications.

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

Among young men and young women, more Protestants than Catholics lack basic qualifications. The group with the highest proportion lacking basic qualifications is young Protestant men, at 27%, and the group with the smallest proportion lacking such qualifications is young Catholic women, at 19%.

It is a matter of regret that some politicians refuse to support change to a system that has not served our children, particularly the most needy, well. I again commend my colleague Martin McGuinness for having relieved us of the embarrassment of the 11-plus, a system that condemns 75% of 11-year-olds to the educational and social scrap heap, demoralising many who are already deeply demoralised.

Twenty-two per cent of the working-age population in the North lack any qualifications. That proportion is far higher than anywhere else in Britain or Ireland. The anti-poverty strategy Lifetime Opportunities has proposed four cross-cutting themes in relation to children, sustainability and a shared future. The goal for early-years, which covers the ages of 0 to 4 years is:

“to ensure that every child should have a chance to develop their full potential in infancy regardless of social background.”

The goal for children aged between 5 and 16 is:

“to allow all children and young people to experience a happy and fulfilling childhood, while equipping them with the education, skills and experience to achieve their potential to be citizens of tomorrow.”

Again, unless we truly recognise the link between social disadvantage and educational attainment, and are radical and brave enough to change the old status quo, we will be failing our children.

The anti-poverty strategy’s goal for people of working age is:

“to ensure that everyone has the opportunity to fully participate in economic, social and cultural life.”

Tell that to children in care who leave school with no qualifications or to many of the North's citizens who see employment as the route out of poverty. However, employment is not an option for those with disabilities, for example, or for people caring for young children or older relatives. We must consider all our people.

Through its skills strategy, the Department for Employment and Learning is committed to ensuring that the workforce is literate and numerate by 2015. However, many will not achieve that or reach an acceptable level of competence unless this Assembly recognises the link between social disadvantage and educational attainment and sets itself to do something about it. Go raibh míle maith agat, a Cheann Comhairle.

Ms Farrell: Other Members have highlighted the links between social disadvantage and educational achievement in children. I shall take this opportunity to briefly consider how the situation applies to adults and 16- to 19-year-olds — the people whom the education system has failed.

I have spent all my working life in education. Until the Christmas holidays just past, I was involved in the implementation of the Department for Employment and Learning's essential skills programme. That programme was introduced by my colleague Carmel Hanna when she was Minister for that Department.

The United Kingdom has the highest rate of literacy problems in Europe, and Northern Ireland has the highest such rate in the United Kingdom.

It is estimated that one in four of the adult population of Northern Ireland lacks the basic skills essential to function fully in our society — they cannot read a bus or train timetable; they cannot complete everyday forms; they cannot read to their children or help them with their homework; and, in some instances, they cannot read the instructions on prescription medicines.

11.45 am

We are all familiar with the “gremlins” advertisement on television, which encourages adults to take advantage of the excellent provision available under the essential skills programme. The Department for Employment and Learning is to be congratulated on this initiative and on the funding that has been made available through it; however, it was long overdue.

Fifteen years ago, I was seconded from my further education college to the Southern Education and Library Board in order to develop its paltry adult education provision. At that time, adult literacy classes were totally underfunded. They were generally held in cold, leaky mobile classrooms at the edge of college campuses using volunteer tutors and learning material that was designed for young children. There was a stigma attached to attending those classes. Many adults spent years trying to pluck up the courage to take the first

step across the door. Where transport was available, they would often travel to another town for fear of being spotted attending literacy classes by someone they knew.

Although there was little or no money, dedicated staff throughout the North dreamed up innovative ways of addressing the problem and removing the stigma. I think of the exciting “cook the books” project in Whiterock adult education centre, where women learned literacy and numeracy skills through the medium of cookery classes, thereby removing the stigma of going to learn to read and count. There are other examples throughout the country. Eventually, the introduction of computers lent dignity to the situation, with adult learners able to say that they were going to computer classes rather than to adult literacy classes.

This motion recognises the sterling work of educationalists, and there are many unsung heroes and heroines out there who have worked to help adults overcome social disadvantage through basic education. Tribute must be paid to the Educational Guidance Service for Adults, to the adult provision in the further education colleges and to the many voluntary organisations in the field.

Throughout the North there are groups and centres battling away daily to address the issue of overcoming social deprivation through adult education. That can be seen particularly in the area of women's education. Again, tribute must be paid to the Training for Women Network, which, through EU funding mechanisms, has supported a wide range of women's education programmes throughout the North. We see them in our cities, towns and villages. In my own constituency of Lagan Valley, wonderful work is being done by the Footprints Women's Centre in Poleglass and the Atlas project in Lisburn.

I could relate countless tales of adults', particularly women's, journeys through education and of how they have grown, gained confidence, found fulfilment and ended their cycle of poverty. Unfortunately, I do not have the time, but local newspapers regularly carry photographs of mature students on graduation day proudly holding the degrees that they have obtained, having worked their way through the adult progression route, through access provision and finally to a degree.

Amendment No 1 calls for an investigation into the reasons for the link between social disadvantage and educational attainment. Of particular concern to educationalists in the field of adult education is the difficulty in attracting men into the provision. That is not peculiar to Northern Ireland and is probably linked to the fact that girls are, as some Members mentioned earlier, outperforming boys throughout the education system. However, some research into the lack of male participation in adult education would be welcomed.

I started by saying that one aspect of my recent work involved the embedding of essential skills in further education. Specifically, this work was with young men in the construction trades — boys who, under the new guidelines, have to attain level 2 in literacy and numeracy, the equivalent of grade C at GCSE. Many of them are reluctant learners in further education. They have joined the construction industry and do not quite understand why they still have to do mathematics and English; they thought that they had left all that behind them at the school gate. However, they give examples, from their work experience on building sites, of mature men in their communities who carry the burden of illiteracy and are prevented from achieving their full potential in a society where the basic skills are so necessary in this day and age.

Although sterling work has been done, some people in Northern Ireland are still caught in the trap of social disadvantage. That trap has been brought about through lack of education. Let us investigate the links, highlight the good practice and develop measures to address the issue.

I support the motion.

Mr Copeland: As I have done previously, I am speaking to a motion for which there is an absence of muscle that can transmit the thoughts of the House into legislation. At this stage, there is little point in doing anything else. We are involved in a process that could be described as political speed-dating: we are not quite sure of the outcome, but its function will be to meet interesting people in the hope that something else in the future might occur.

I must declare an interest based on the fact that a substantial number of the citizens of my constituency fall into those categories that are bandied about: the “socially deprived” and the “disadvantaged”. I am not comfortable with apportioning those titles to any of our citizens, but I must do so because of the way in which statistical information on this matter is gathered.

It is probably patently obvious to all Members that I did not receive the benefit of a grammar-school or a third-level education. A few days ago, the Speaker of the House and I shared what I can only describe as a wonderful and moving experience in the Senate Chamber. Two groups of children, one from Holy Cross Boys' Primary School in North Belfast and the other from Beechfield Primary School on the interface of my own constituency, came together for a debate. They had prepared an Order Paper, apportioned speakers, the Speaker presided over the debate and Hansard reported it. They had their speeches prepared, and their points and arguments were well made. They eventually resolved that, in future, children would not be required to wear school uniforms.

Members might think that that is a minor event, but those children come from two areas that have similar housing, aspirational and unemployment circumstances. They are also similar in that those terms that we use, “disadvantage” and “underachievement”, can be applied to them. They are identical in every respect apart from where they choose or choose not to go to church on Sundays. They put their points forcefully, eloquently and intelligently, and I found it humbling. At the end of the debate, I explained to them that if any of them had been MLAs, what they had proposed and agreed on would in a few short weeks be a matter of law. I hope that somewhere, in some of those kids, a seed was planted that will convince them that change can be occasioned by words.

My son is an interesting case. When he was nine years old, we were told that he would never be able to read and write. Consequently, we did not subject him to the vagaries of the transfer procedure, and he went instead to Lagan College. He entered the lowest academic stream of that school. Although the alphabet that described his class was constructed in such a way that he was not supposed to know about the stream that he was in, he did know. By work, by luck and by growing older, he managed to move up through the school's system to such a degree that he got four As, two Bs and a C. He wants to be a doctor, and he is on course to be so. However, it will take him until he is 27 to achieve that because he did single- instead of double-award science.

The truth is that the brightest gems are found in the darkest mines, the richest coal in the deepest seas, and the most precious metals are the hardest and most expensive to extract. We must not permit the postcode area in which a child is born to affect his or her entire life. Education makes people free, but there is a cost.

I am a simple person. At one stage, I concluded that the primary responsibilities of education boards were to ensure that everyone had access to the possibility of change that could be brought about through education.

Imagine my shock and horror when I discovered that the primary legislative requirement on education boards is to live within their budgets.

The answer to all of the questions that have been raised during this debate can be summed up in just a few words: the funding of need. This House and this society must value education and believe in our heart of hearts that education can create change. We must take steps to ensure that those at one end of the spectrum — those who enjoy the benefits of grammar schools; who go to universities; and who go to London and elsewhere in England, Wales, Scotland, or around the world — return to this Province the investment that we have made in them.

Mrs D Dodds: There is no doubt that there are distinct connections between social deprivation and poor educational attainment. However, it is very important that we do not automatically place all children from socially disadvantaged backgrounds in one category. Some schools with pupils from such backgrounds prove that excellence in education is possible for all.

Although there is much good work being done in individual schools, there is a growing recognition that the Department of Education has not served our children well. I agree with the Member for Strangford David McNarry, who cited the failure of the Department's 1998 literacy and numeracy strategy. Instead of implementing targets, the Department simply shifted the goalposts and allowed targets to slip. That type of leadership is partly responsible for the lack of success that has led us to where we are today.

The 2006 report of the Westminster Public Accounts Committee on improving literacy and numeracy in schools draws serious conclusions that are of specific concern to those of us who represent socially deprived areas, particularly in the greater Belfast area. The report states that:

"among socially deprived communities in Belfast, significant differences between Protestant and Roman Catholic children exist in GCSE English and Mathematics. This raises a concern that children in Protestant working-class areas may not be enjoying equal educational opportunities."

That conclusion mirrors the findings presented in the Department for Social Development's 'Renewing Communities' document, which stated that a lack of educational attainment is a serious concern for Protestant communities.

Wards in my constituency, such as Shankill, Crumlin, Woodvale, Highfield and Glencairn, show high levels of deprivation and are among the most deprived areas in terms of education and skills. By focusing on these areas, I am neither denying nor condoning the existence of educational deprivation in other areas. However, these areas of my constituency are often cited as examples of deprivation, and perhaps it will be useful for this House to examine how the Department of Education has let children down in those communities.

In October 2003, the then Education Minister, Jane Kennedy, visited the Shankill area. She subsequently announced that £2.7 million would be made available for education action zones, which, she claimed, would be:

"child-centred, multi-agency responses based in local schools and working with the local community to improve services [that will] complement existing successful structures, such as the North-West and West Belfast & Greater Shankill Task Forces ... I would see the first Education Action Zone coming on stream by September 2004."

That sounded good, but by the autumn of 2004, with no education action zone in sight, I made further representations to that very forgettable Education

Minister, Barry Gardiner. He wrote back to say that the goalposts had been moved and that there was no requirement for an education action zone to be based in a particular area, but that it could be thematic, and that education and library boards would be invited to submit bids for such funding.

It is to the shame of the Department of Education and a series of Education Ministers that no such education action zone has materialised in that educationally disadvantaged area of Northern Ireland.

12.00 noon

At a recent meeting with the current Minister a couple of weeks ago, she admitted that education action zones in her own constituency have proved to have a positive effect, when managed well and working to specific targets for improvement. Here, however, it seems that such specific, targeted action is well beyond the capabilities of the Department of Education.

Today, I demand that the Minister take immediate steps to introduce an education action zone in the greater Shankill area. She must ensure that there is sufficient funding to improve teacher-pupil ratios and to provide extra special-needs teachers. She must also take steps to improve access to healthcare professionals such as speech and language therapists, who are in such short supply.

With no progress on an education action zone, local teachers and community workers in the Shankill area got together with the Belfast Education and Library Board and the North and West Belfast Health Action Zone to submit a bid to the Integrated Development Fund, which administers a pot of money generated by the West Belfast and Greater Shankill Task Forces. Almost four years later, that has not resulted in any funding being made available to hard-pressed teachers and communities in the greater Shankill and west Belfast areas.

Perhaps we should consider recent statements and initiatives. Following consultation with school principals in the greater Shankill and in north Belfast, several initiatives that could aid the education sector were identified in the renewing communities action plan. Recent meetings that my colleague for North Belfast and I attended with school principals from north Belfast showed that they are experiencing a slow, backlogged system that finds it almost impossible to release funding to schools on time, leaving principals with too much bureaucracy and the additional burden of finding alternative finance for schemes until the necessary funding is released.

Last year, the Secretary of State announced the children and young people's fund, with money becoming available for extended schools. To date, the Belfast Education and Library Board has released only 25% of the funds for this year, and it is almost the end of

January. How can school principals deliver a service when such action clogs the system?

Children with special educational needs are particularly affected in areas of social disadvantage. The complicated system of obtaining adequate healthcare and education provision often means that parents find it difficult to access services. Parents find the statementing system complicated and intimidating. I fear that it disadvantages children from deprived backgrounds whose parents do not have the support or clout to demand extra provision for their children.

The current system of funding for special needs disadvantages children in Belfast. The city has a disproportionately high number of children with educational and emotional needs but does not receive extra funding to support them. The difference in approach from one education and library board to another means a difference in the service provided to children. A common approach should be a priority for the new single education authority, and there should be strong criteria for funding to ensure that provision for special needs is applied to all areas equitably.

Another aspect of educational disadvantage that particularly affects children with special needs is the shortage of educational psychologists. Last year, the Belfast Education and Library Board had the equivalent of 26 full-time educational psychologists, servicing a growing list of demands from children in the area.

This year it is 23, and, because of difficulties with offering long-term contracts, they are finding it very difficult to recruit extra educational psychologists into the system. If a child does not see an educational psychologist, he will not get a statement of needs and his rights will be infringed. That also needs to be urgently addressed.

I have confined myself to my own constituency for a very important reason: too often Education Ministers, the Secretary of State and every other politician have used the Shankill for a cheap headline about the lack of educational attainment or, indeed, the fuzzy feel-good picture that announces some initiative. Today I have tried to explain to the House why these areas continue to fail. They continue to fail because in spite of plenty of announcements, we have little sustained follow-up action. If we are to break the cycle of deprivation in these communities, we need to pay attention to that action and ensure that it is sustained over a long and specific period of time.

I support the amendment in the name of my party colleague and urge the House to do likewise.

Mr Dallat: I am delighted with the debate that we have had here this morning. I hope that every new Member who turns up to the Assembly on 26 March is given a copy of the Hansard report of this debate, because it will hold all the solutions to the problems that afflict

so many people in society. I do not want to be repetitive, but 25% of people between the ages of 16 and 64 suffer from serious levels of illiteracy and innumeracy. My new colleague, Marietta Farrell, spoke very well about that.

Barry McElduff opened the debate and ventured into the heartlands of unionism. Of course, he got a response to that, but the issues we are addressing this morning do not know any political boundaries. They exist everywhere, and I will touch on that later.

Dominic Bradley highlighted the neighbourhood effects of social deprivation and urged us to focus on a broader initiative. He also talked about multiple deprivation. Nelson McCausland, who represents North Belfast, has spoken in the past about this. I certainly think that he made a convincing argument for greater equality. Norman McNarry made a very valuable contribution —

Mr Kennedy: His name is David.

Mr Dallat: My apologies. He was the first to mention the most recent Public Accounts Committee report.

Gregory Campbell ventured into the old sectarian issues and mentioned the closed door on public jobs. I should like to remind him that the door for public jobs in Coleraine is open at the moment, but it is open outwards, whether you are Siobhan or Sammy, Silvia or Sean. That is the door to County Hall, to HM Revenue and Customs and, shortly, to the Social Security Agency. Those people who will be losing their jobs in the public service will have nowhere to go because Coleraine has an extremely narrow industrial base. That is very sad; it is not something to laugh about.

Francie Brolly pointed out that while the number of children leaving school with five or more GCSEs is rising, the number leaving with none has not changed; that is a matter for regret.

I listened carefully to Michael Copeland, who spoke about his son; all of us could learn something from that. If all children were given the right support, they could achieve the best.

Diane Dodds confined her contribution to issues that affect north Belfast, and other Members have also covered that area. She rightly pointed out that the £2.7 million that was promised for the action zone was not delivered. Since the introduction of direct rule, that is the type of diet on which we have been fed.

Mr Adams: Will the Member give way?

Mr Dallat: I will not give way while I am making my winding-up speech. On second thoughts, since it is yourself, Gerry, I will give way.

Mr Adams: Maith thú. Tá mé buíoch den Chomhalta. Tá brón orm nach raibh mé anseo ar maidin nuair a bhí an Teach ag plé an ábhair thábhachtaigh seo.

I thank the Member for giving way, and I apologise that I was not here earlier for the debate.

By the way, I was late in arriving to the Chamber because I was meeting the direct-rule Minister with responsibility for education; we met specifically on the need to establish an educational initiative for the Shankill. Does the Member agree that all our young people have a right to equality of opportunity, based on objective need, including the best educational standards for the Shankill as well as for the Falls, and for all places in between?

Mr Dallat: I could not agree more, which is why I was somewhat disappointed when, on two occasions during the mandate of the Northern Ireland Assembly, the then Minister of Education lowered the attainment targets for Key Stage 2 and Key Stage 3; on a third occasion, he extended the time limit. Manipulating, and tampering with, targets is not the way to achieve the kind of success about which Gerry Adams has just spoken.

A previous Public Accounts Committee quizzed representatives from the Education and Training Inspectorate. I asked them why they were not screaming from the roof tops about the lack of support that there is for teachers in many schools in socially deprived areas. The officials wrote up glossy reports and persecuted good teachers, forcing them out of the profession early, but they did not address the issues.

This issue was discussed in previous Assemblies. One of the most influential contributions was made by our deceased colleague David Ervine, who, time and again, spoke passionately about educational poverty in loyalist areas of Belfast. He also spoke about the low number of children who pass the 11-plus in those districts and about the absolute need to tackle social disadvantage by ensuring that every child has an equal chance of maximising his or her educational potential.

I have no doubt that David Ervine understood that education is the greatest weapon to give to any child; my mother, God rest her, repeatedly told me that. Education is a far more powerful weapon than a gun or anything else that may have been used in the past to change our society. It remains so, and I am glad that everyone accepts that fact.

Social disadvantage is not confined to those areas about which David Ervine spoke; it is everywhere in Northern Ireland. Today, the threat is not about being sucked into paramilitarism but into drugs, crime and the other evils that compound the very social disadvantage that we are discussing. Social disadvantage is regional, as is illustrated by the various indicators that are used by the Government and their agencies. In Coleraine, the most affluent wards sit cheek by jowl with the most socially deprived wards. The same applies elsewhere, but it applies particularly in the north-west and in other border regions. Recent announcements that have been made by various Departments to centralise Civil Service

jobs, either in Belfast or in marginal constituencies across the water, do nothing to address social disadvantage. I suspect that the jobs that are being lost in Coleraine and other places are being relocated for the wrong reasons.

12.15 pm

I worry about the capacity of any future Assembly to address those — and other — issues that have arisen for historical reasons or as a result of neglect by direct-rule Ministers who have been here for 30 years too long.

I am no longer certain that all political parties are committed to decentralisation. I hope that I am not giving away any secrets by saying that the Subgroup on Workplace 2010 and Public Sector Job Location had considerable trouble finding a form of words that suited the DUP. However, I hope that decentralisation becomes a major issue in the new Assembly.

We need to move on and get the Assembly up and running. It needs to be not a piece of window dressing to stabilise democracy but a vehicle that will, without difference, introduce policies that will address genuinely the inequalities, injustices and discrimination that affect the lives of so many people in both communities and, indeed, in ethnic minority communities.

For too long, the twin evils of poor education and social disadvantage have been used not to fix, but to exploit, the problem. That has been unhelpful and, dare I say it, disgraceful. I hope that the time has come when our only reason to talk about the crisis is to fix it. The best way that we can reach that point is to tell the world that we are no longer sitting on the fence playing funny wee games; we are going after the real issues that affect people who have suffered grievously and who have borne the worst brunt of the instability and violence that I hope is part of history. I hope that the Assembly exists on 26 March so that we can take action as a result of today's debate.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle.

In making my winding-up speech, I commend my party colleague for tabling the motion. I support the amendments, both of which he has accepted. That shows political maturity on his part and on the part of my party. It has been disappointing that recently in the Chamber, regardless of the value of amendments, they are opposed because they have been tabled by Sinn Féin. There is no need for Members to go into their safe zones just because a political party to which they may be politically or diametrically opposed tables a motion or amendment.

Many interesting contributions have been made today. The debate has been good, given the extent to which any debate in this Assembly can be useful. However, it has been interesting to hear the various

views from around the Chamber on social disadvantage and educational underachievement. I listened carefully to Nelson McCausland's contribution. It was interesting because he quoted from various reports that have identified underachievement in Protestant areas. That underachievement clearly exists. To paraphrase him, he said that a report is needed on the reasons for that underachievement. I could not agree with him more. As has been said, if 27% of young Protestant males leave school with no qualifications, that means that we as a society have collectively failed them. We must identify the reasons for that.

(Madam Speaker in the Chair)

There are many interesting reasons for that. John Dallat spoke about David Ervine, whose contribution is missed today. David Ervine spoke at length on this matter and on the attitudes in the Protestant/loyalist community to itself, to education and to its sense of a lack of pride. Far be it from me to discuss a report that has not been written, but as an outsider looking in, I see that the influence of role models is one reason for those attitudes. As politicians, we are all role models. If a politician continues to tell his or her community that there is no confidence, that we are on the road to rack and ruin and that there is no future, generations coming after him or her will listen and garner no hope from that message. However, if that politician tells his or her community that there is a future, that we can work our way through those difficulties and that we can collectively build a new future on this island, surely hope and optimism will be instilled in that community. That will then filter down to the young people, who will see education as the way out of poverty.

It is remarkable that those on the Benches opposite continue to support the 11-plus, despite all the evidence that we have heard —

Mr McNarry: The Member is misrepresenting it. Withdraw that.

Mr O'Dowd: David, with respect, I will come to your comments in a moment.

The Members opposite continue to support the 11-plus, which has clearly been shown to discriminate against those in disadvantaged areas. However, the system has to be approved —

Mr Kennedy: I thank the Member for giving way, but he needs to do more research. It is clear that the 11-plus no longer enjoys widespread political support, but that is separate, and entirely different, from academic selection. The Member had better understand the difference between the two.

Mr O'Dowd: The UUP once told us that we need more than words. Changing the words does not alter the fact that there is still a selection process.

Michael Copeland, who spoke well this morning, told us about his son who was told at nine years of age that he was a failure. His son is now training to be a doctor, and I wish him success for his future. Will we tell our children at 11 or 14 that they are failures? No. We should ensure that all children — regardless of their social background — are given the same opportunities as everyone else and that we can educate our way out of poverty and social disadvantage.

Mr McElduff: Would the Member be surprised if I informed the House that, in the Subgroup on Schools Admission Policy, my proposal that the subgroup oppose the 11-plus received the following response: Sinn Féin and the SDLP supported the proposal; the DUP and UUP opposed it?

Mr O'Dowd: I thank my colleague for that piece of research; he has saved me the bother of having to look it up.

In relation to deprivation and social attainment —

Mr McNarry: Will the Member ask his colleague — who is giving out information from a closed subgroup, the minutes of which have not yet been approved and which he should not disclose, even to the Assembly — to tell the truth, the whole truth and nothing but the truth of his story?

Mr McElduff: Will the Member give way?

Mr O'Dowd: Certainly.

Mr McNarry: There is a subgroup meeting at 12.30.

Madam Speaker: Order.

Mr McElduff: I will join David in the afternoon for further discussion on the matter.

Mr O'Dowd: I thank Members for those interesting contributions.

I represent a constituency that has areas of high deprivation, one of which is an estate called Ardowen. Three years ago, Ardowen had been practically demolished by hoods — a small minority came into the estate and almost destroyed it. The local people said, "Enough is enough; we have had all we can take" and they stood up to the hoods. The hoods left and the estate was rebuilt. However, the most amazing thing that came from that project was that people set up a homework club in a derelict house, for which they received small amounts of funding. That small homework club includes people from all communities: the travelling community, ethnic minorities, and the Protestant and Catholic communities.

For the first time in that area there is a possibility that children will leave secondary school to go to university. Up until now, only one person from that area graduated from university. Due to the work of the local community, other children in the area have a future.

My colleague Barry McElduff spoke about the need for civic society to be involved in educational attainment. That is a classic example of communities coming together, facing their difficulties and noting that the way out of the poverty and disadvantage that we face is through education. They did it themselves, and I congratulate them for it.

If we are to achieve anything in relation to the motion and the amendments — I have been accused of making the same speech on a different day, and I will do that again today — we need a local Minister who is accountable to the Assembly to make decisions. As Michael Copeland told us, when he was at the debate in the Senate Chamber — *[Interruption.]*

Is that confirmation on power sharing? Sorry, I missed that. Is that a yes to power sharing?

Mr Weir: Will you tell that to your Ard-Fheis?

Mr O'Dowd: Sorry, I thought that that was a yes to power sharing; I picked it up wrong.

Mr Weir: Are you supporting policing?

Mr O'Dowd: Was that a yes to power sharing?

Madam Speaker: Order.

Mr O'Dowd: I will check Hansard to see what the Member said.

As Michael Copeland told us, he attended a debate in the Senate Chamber between two north Belfast primary schools. It was a brilliant debate, from which both schools emerged empowered. They had decided against the wearing of school uniforms; unfortunately for them, however, debating the issue was all that they were able to do. *[Interruption.]*

Madam Speaker: Order.

Mr O'Dowd: We are similar in that we are having an excellent debate with worthwhile contributions from both sides of the House, but we cannot make decisions. I hope that Mr Dallat is right, and that we return on 26 March. When I check Hansard, I hope to find that my colleague Mr Weir said yes to power sharing; that we can ensure that we are the decision-makers on education; and that this Assembly can hold to account the former education Ministers who let down Diane Dodds and the Shankill community.

Mr McNarry: That includes yours.

Mr Kennedy: He is here.

Mr O'Dowd: I do not believe that our Minister of Education let anyone down. If an education Minister is not doing his or her job or any party is not doing its job, the electorate will deselect them.

Some Members: Oh!

Mr O'Dowd: On that note, I will end my remarks. Go raibh maith agat, a Cheann Comhairle.

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

Question, That amendment No 2 be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly recognises the link between social disadvantage and educational attainment and recognises the sterling work of educationalists in addressing this situation; and further calls on an incoming Executive to develop a strategic approach to raising the attainment levels for the most disadvantaged in our society, including an investigation of the reasons why this link exists, and to implement effective existing and new measures to address this problem. The Assembly also notes the recent report on 'Improving literacy and numeracy in schools' in Northern Ireland by the House of Commons Committee of Public Accounts; and calls on the Department of Education to fully fund and implement an effective literacy and numeracy strategy; and further calls for the setting up of Education Action Zones in areas of high educational disadvantage.

Madam Speaker: Members will know that the Business Committee has arranged to meet as usual at lunchtime today. I propose therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm.

The sitting was suspended at 12.27 pm.

On resuming (Madam Speaker in the Chair) —
2.00 pm

Sudan

Madam Speaker: The Business Committee has agreed to allow two hours for the debate. The Member proposing the motion has 15 minutes to speak, with 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Mrs Hanna: I beg to move

Bearing in mind the appalling human tragedy in Darfur, this Assembly calls on all democratic governments, especially the Irish and British Governments with which this Assembly has particular interaction, to use all their influence on the Government of Sudan to accept immediate deployment of the United Nations force in Darfur, as mandated by the United Nations Security Council.

This is the first motion dealing with matters outside Northern Ireland to be tabled in the Transitional Assembly. I will explain briefly why I have tabled it even though the Assembly has no power over matters in Northern Ireland, let alone thousands of miles away in east Africa. International development is a reserved matter, but international development and awareness-raising are functions of a devolved Assembly.

The International Development All Party Assembly Group, set up in the Assembly in late 1998, was one of the most successful of all-party groups, and it continued to meet during suspension. It has hosted many functions, such as the Make Poverty History campaign and the report of the Commission for Africa. It has held meetings with the Secretary of State for International Development, Hilary Benn; the Republic of Ireland Minister of State with special responsibility for Overseas Development and Human Rights, Conor Lenihan; and Patricia Ferguson in the Scottish Executive. The group has had several meetings with the all-party groups in Scotland and Wales. It was made clear to the group at its meetings with Mr Benn and Mr Lenihan that the door is ajar for it to become much more involved. At the meeting with Patricia Ferguson, we learned how much the Scottish Parliament is doing for international development and how much Members could achieve in that respect, if only progress could be made in restoring the Assembly.

Most Members will be aware of the response of our Lord when he was asked: "Who is my neighbour?" He told the parable of the good Samaritan, the lesson of which is that none of us can walk past on the other side of the road. Members cannot ignore what is happening in the rest of the world. The Assembly should use whatever influence it has with the British and Irish Governments, both of which — in fairness to them — have been active in relation to the crisis in Darfur.

On their own, the people of Northern Ireland were unable to solve their political problems until the issues were internationalised. At that point, not only did the

Irish and British Governments become involved, but so too did the European Union and the United States. We have benefited enormously from the hundreds of millions of pounds contributed by the International Fund for Ireland, by Jacques Delors's Special Support Programme for Peace and Reconciliation and by EU structural funds. Northern Ireland has also benefited immensely from the time, energy and commitment of people such as Senator George Mitchell and many others. They did not walk by on the other side of the road; rather, they gave us significant chunks of their lives to help us sort ourselves out.

I am grateful to Dr James Uhomoibhi of the African Development Centre in Northern Ireland for information. We know of more than 100 Sudanese families living here, many of whom have been displaced. The human fallout from what is happening in Darfur has already reached our shores.

Darfur, along with Iraq, Burma and the Democratic Republic of Congo, has some of the worst examples of starvation and mass abuse of human rights taking place in the world today. Sudan, of which Darfur is a western province, is broadly divided between the Muslim north and the Christian and animist south. The Government in Khartoum have been waging ferocious warfare for four years against rebels from black African tribes who took up arms, accusing the Khartoum Government of discrimination and oppression. That conflict has now spilled over into Darfur, and the cost of that warfare is immense.

Darfur is approximately two thirds of the size of France, with a population of around 7.5 million people, most of whom are engaged in subsistence agriculture. Between 200,000 and 300,000 people have been killed — people who, even in the best of times, were among the poorest on the earth. It can be very hard to get our heads around those numbers and imagine that they are people like us. Imagine the number of bodies that are piled up dead in that place.

Around 2.5 million people have been displaced and forced to keep continually on the move in a very harsh equatorial, arid climate. Even worse, the combatants in the conflict have been using human rights abuses and violations of the worst kind as weapons of war: systematic targeting of individuals; the deliberate destruction of homes, grain stores and water sources; abductions; mutilations; and the systematic use of rape in ethnic cleansing of the worst kind, with the aim of driving out the non-Arab ethnic groups from their villages.

I welcome the role that the UK Government have played at the United Nations in supporting the special session of the Human Rights Council on Darfur and in securing United Nations Security Council Resolution 1706, which has extended the UN mission in Sudan, mandating it to cover Darfur and calling for 22,500 UN

troops and police officers to support the 7,000 members of the African Union Mission already in Sudan.

All that work done at the United Nations is right and good. The problem is that the Sudanese Government have delayed and prevaricated on the deployment of an effective UN peacekeeping force in Darfur and imposed preposterous demands, such as limiting the UN force to African participants only, not wearing the blue UN helmets, etc.

It should be accepted that the African Union force is too small to deal effectively with the situation in Darfur on its own. The only effective force would be a United Nations force. If and when that force is deployed — and I hope to God that it happens soon — its priorities must include effective human rights protection and security for those who are most at risk in the camps, towns and villages; ensuring the safe and voluntary assisted return for the very many displaced people and refugees; and the disarmament of the Janjaweed Arab militia.

The Irish Government do not have the same influence as the British Government; nonetheless they have used all their influence, particularly in the European Union. The work of Irish-based agencies such as Concern has been exceptional.

Darfur, as Members probably know, borders on Chad and the Central African Republic. One of the grave dangers of Darfur's conflict is the destabilisation of other countries in the region. We have already seen some conflict in Ethiopia and Somalia. A second danger — hopefully less likely — is that the international community will turn a blind eye, as happened in Rwanda. I hope that that will not happen.

We in Northern Ireland have to be aware that the scale of what has happened and is happening in Darfur far exceeds anything that we can imagine. The sheer numbers of people and deaths make the situation difficult to understand.

I want to mention the humanitarian work and the courage of the Northern Ireland-based aid agencies, which I know are represented here today. Banded together they are known as the Coalition of Aid and Development Agencies (CADA). I am talking about the development and human rights agencies. I will list them alphabetically: Amnesty International, Christian Aid, Concern, Oxfam, Save the Children, the Red Cross, Trócaire and War on Want. I apologise if I have left any out.

Most of those agencies, which engage in humanitarian relief work, have been forced out of Darfur by the sheer ferocity of the conflict and, indeed, by the Government. Some of them have now returned, and I hope that we can achieve more stability so that they can all go back. They are desperately needed. Nearly three million people depend on international aid for food, shelter

and medicine. All we can do is support the work of the agencies through our own financial contributions.

In conclusion, I hope that the parties in this Assembly will back the motion. The people of Northern Ireland are not lacking in compassion and sympathy for those worse off than themselves. This was evident in our response to the tsunami disaster two years ago. We are consistently among the highest contributors to charitable and international development relief work. The role played by the agencies, by faith-based missionaries and by those without any faith, over generations, is a magnificent story that has yet to be told.

We, the elected representatives of the people of Northern Ireland, can express what is best in our community by supporting this motion today. To paraphrase the poet, no community is an island. We all walk in each other's shadows, whether it is the farmer, the worker, the businessman, the student, the child, the homemaker or the homeless. We share our common humanity with the wretched of the earth in Darfur, where completely helpless people are being destroyed by a conflict that is not of their making. Please support this motion.

Some Members: Hear, hear.

Mr Moutray: The Republic of Sudan is the largest country by area in Africa, and is bordered by nine other African nations. It has had a troubled relationship with many of its neighbours due to what is viewed as its aggressive Islamic stance.

Omar al-Bashir led a military coup in 1989, and since then has controlled the country, aligning himself with Islamists and others, including Saddam Hussein and the Taliban. Sudan has an authoritarian Government, with all effective power in the hands of Bashir. For 20 years, until 2005, he waged a civil war with Christians in the south of the country that displaced more than four million people and killed an estimated two million. A peace treaty was eventually signed in 2005, when it became clear that the south could not be overrun.

Sadly, as this conflict abated, another was brewing in the neglected western region of Darfur, where Arab Janjaweed militia have attempted to ethnically cleanse the region of its native inhabitants.

On 9 September 2004, US Secretary of State Colin Powell called the Darfur conflict "genocide", acknowledging it as one of the worst humanitarian crises of the twenty-first century. To date, two million people have been displaced and possibly up to 400,000 killed. Despite a peace agreement, brokered by the African Union and signed in May 2006, the Sudanese Government and Government-sponsored militias have continued to launch attacks on the citizens of Darfur.

I had the privilege of visiting Sudan in 2004 as part of a delegation of politicians. We met many of the

Government and opposition groups, including the Democratic Unionist Party of Sudan. Any similarity was in name only. *[Laughter.]*

I found Sudan to be a country rich in mineral resources. However, Sudan is ruled by an authoritarian, fundamentalist Islamic Government that is content to inflict Sharia law on the entire population to the extent of executing juveniles for non-capital crimes. As recently as last New Year's Eve, police fired tear gas into the Anglican cathedral in Khartoum and proceeded to attack worshippers with whips and sticks and to damage cathedral property — that is indicative of the levels of tolerance and religious freedom in Sudan.

2.15 pm

A small contingent of African Union peacekeeping troops is in Darfur but is largely ineffective. A deployment of United Nations troops is needed, as advocated by the former United Nations Secretary-General Kofi Annan. As recently as last weekend, there were reports of the Sudanese Government unleashing aerial bombing raids on refugee camps in the Darfur region. Time is of the essence. I call upon the UK Government, and all democratically elected Governments, to bring their entire combined influence to bear on the Government of Sudan to accept a deployment of United Nations troops now. I support the motion.

Dr Birnie: I welcome the debate and congratulate my colleague from South Belfast Carmel Hanna on introducing the motion.

Western Governments, and perhaps other Governments, should intervene in Sudan. The UK Government have a particular responsibility for two reasons: first, the United Kingdom is a permanent member of the UN Security Council; and, secondly, because of the UK's significant historical links with Sudan. It must be remembered that, for much of the last century, Sudan was, in effect, a protectorate of the British Empire.

Mr Kennedy: Hear, hear. At the time of General Gordon.

Dr Birnie: That is going back even further. *[Laughter.]*

Mrs Hanna and Mr Moutray have outlined much of the strong moral argument for intervention. The statistics are frightening: between 200,000 and 400,000 people have died in Darfur, and over two million have been displaced from their homes. An enormous population has moved into refugee camps.

As outlined by the proposer of the motion, non-governmental organisations (NGOs), including charities such as Oxfam, Save the Children, and many others, have been doing good work in bringing humanitarian relief to those people living that extremely precarious existence. However, their work is seriously hindered by the extent of the ongoing violence in the area. It is a

complex triangular conflict involving the Sudanese Government, as mentioned by Mr Moutray, the Janjaweed militia and a fragmented series of rebel groups. Some peace arrangements are in place, but they have proved patchy so far. As Mrs Hanna noted, Darfur is an enormous tract of land — almost the size of a large European country.

The continued failure to co-ordinate an adequate international intervention to support the stabilisation of Darfur and allow humanitarian efforts to proceed unhindered represents a failure to learn from history. The record of the twentieth century in that regard is dismal. The international community was silent as Turkey launched what many regard as the first genocide of modern times against the Armenian population during the First World War. In 1945, as everyone should know, the discovery of Nazi death camps produced the very understandable reaction of “never again.”

Yet by 1994, in the space of barely 100 days, 800,000 people were massacred in Rwanda, largely along tribal lines. That has already been referred to this afternoon. It is significant that a UN stabilisation force was deployed to deal with that, but, numerically, that force was tiny and was hobbled by inadequate support and equipment. Indeed, some might say that it was hobbled deliberately. Its remit, as given by the UN Security Council, was always going to be extremely limited.

The difficulties that were faced at that time have been movingly described in a book called ‘Shake Hands with the Devil: The Failure of Humanity in Rwanda’ by the Canadian General Dallaire, who was the commander of the UN peacekeeping force in Rwanda. It is worth reading that book to ponder the implications that that situation has for places such as Darfur.

We could say, as some people might when they hear about today's motion, that the part of Sudan that we are debating is a faraway land of which we know nothing. Of course, those words should be familiar: Neville Chamberlain said the same of Czechoslovakia in 1938. We all know what that subsequently led to.

On 17 September last year, representatives of various international aid charities and some Churches in Ireland — and, indeed others — said in Belfast that adequate and timely intervention in the region is necessary. We should take note of that and remember that it was said on the designated day for Darfur.

Furthermore, we should ponder the pledge that the United Nations made on 17 September 2005. That said that the international community has a responsibility to protect people. That applies even to Governments that menace the lives and liberties of their own citizens.

The UK Government secured the passing of UN Security Council Resolution 1706, which proposed sending a UN stabilisation force of roughly 22,500 people to that part of Sudan. That resolution should be

implemented as a matter of urgency because, although Members have referred to the African Union, which comprises the roughly 7,000 troops who are already in the region, those numbers are clearly not adequate to perform the task that is in hand.

In recent years, Prime Minister Blair referred to Africa as a:

“scar on the conscience of the world.”

It is time to heal that scar, and by supporting the motion we at least make a contribution to that, however small.

Ms Ruane: Go raibh maith agat, a Cheann Comhairle. I welcome today's motion, and I thank Carmel for tabling it. I also welcome the fact that we are debating such a serious issue.

Cuirim fáilte roimh an rún, nó is ábhar an-tábhachtach é seo.

Sinn Féin is deeply concerned about the grave situation in the Darfur region of Sudan. It is particularly concerned about the continued attacks of the Janjaweed militia against the civilian population. That militia group is supported by the Sudanese Government. Sinn Féin is also concerned about other human rights abuses and about the humanitarian crisis.

Sinn Féin supports the central role played by the African Union and the United Nations in seeking to resolve the Darfur crisis. As Esmond said, to date 7,000 African Union troops have been deployed, but, despite their best efforts, they have not been able to prevent the conflict worsening. The conflict in Sudan needs a political, not a military, solution.

The conflict began in 1955, the year before Sudan gained its independence. It has been going on for all but 11 of the 48 years that Sudan has been independent. To date, the Sudanese Government have failed to protect their people. Until the signing of the comprehensive peace agreement, the Sudanese Government and the Janjaweed — that Government's militia — and the Sudan People's Liberation Movement, spent the previous 21 years fighting a bloody war. Over two million people died, four million were displaced and over 600,000 people fled the country as refugees.

The United Nations has supported a peace process to try to ensure that there is a political solution and to protect the people of Sudan, particularly the civilian population. In August 2006, the UN Security Council passed a resolution to support the deployment of a UN peacekeeping force to protect the civilian population and to implement the peace agreement.

Sinn Féin welcomes the announcement in December that the Sudanese Government accept a UN force, although my party is concerned that they appear to be pulling back from commitments given. Given the gravity of the situation, it is essential that the international community continues to exert pressure on the Sudanese Government

to disarm the Janjaweed militia immediately and create the conditions in which there can be a peaceful resolution to the conflict.

The UN programme is dynamic and includes a comprehensive human rights programme, which includes the establishment of 12 human rights institutions and a national human rights centre, monitoring the police and visiting detention centres to prevent torture and ill-treatment. It also includes specific training for the police, promotion of the rule of law and an independent judiciary.

The international community must act decisively and ensure that the humanitarian programme is facilitated and reaches the poorest, most affected people. It is essential that aid agencies are supported and their work facilitated. Along with other Members, I commend the work that Irish aid agencies have done in Sudan and urge them to continue their efforts. It is worth noting that despite its being a small country, Ireland contributed more than €16 million in support of Darfur during 2004-06.

In the 1980s, I worked for three and a half years in El Salvador, Guatemala and Nicaragua. I saw the suffering that people endure during conflict, particularly women and children. I saw sights that I never want to see again. When I came home from central America, I worked with Trócaire and met some amazing Irish and British people who were totally committed to alleviating the suffering of people in various countries throughout the world. I want to pay tribute to people from across these islands who work abroad for peace and justice, international development, human rights and conflict resolution.

The UN has an essential role in resolving the Sudanese conflict. During the 1990s, I was proud to be part of the UN-led observer mission in South Africa when the first free and fair elections were held and Nelson Mandela was elected President. I remember feeling proud to wear the blue and white colours of the UN, knowing that on that occasion, the international community had played an important role.

I also want to pay tribute to Mary Robinson, who has done tremendous work throughout the world as President of Ireland and as UN High Commissioner for Human Rights. She was so effective that some more powerful Governments did not support her continued role. I know from experience in many of those countries that she had tremendous support among the men, women and children who were suffering from conflict and whose human rights she actively supported.

One of the most important things that the Assembly can do as part of the international community is support aid agencies and create awareness of the root causes of conflict. There is no point in ending a war and not dealing with its causes and finding ways to resolve it. The international community must shine a light on the suffering people in Sudan and help create the conditions

for rebuilding, rather than destruction and death, during the next 50 years.

Go gcuirtear deireadh leis an chogadh seo sula bhfaigheann níos mó daoine bás. Tá sé uafásach go bhfuil a leithéid seo ag titim amach agus sinn inár seasamh thart gan rud ar bith á dhéanamh againn.

My party supports the motion. It looks forward to when the new Assembly and all-Ireland institutions are restored and able to play their part in the international community. Go raibh maith agat.

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

2.30 pm

Mr McCarthy: I support this important motion and commend Carmel Hanna for bringing it to the House today. Anyone who has witnessed the appalling scenes in this desperate region of the world cannot be anything but horrified at the suffering of so many people. These are human beings, God's creatures the same as ourselves. They are inhabitants of our world, and it is important that we try to help in whatever small way we can.

In our own country we have many disagreements and arguments. However, the misery of Darfur and other places makes our squabble seem almost obscene. I pay tribute to the organisations based throughout these islands that are working flat out to make things better for those people in Darfur and in other dark areas of the world.

I know that the British and Irish Governments are working to aid this region. However, there needs to be more pressure for the deployment of a United Nations force in Darfur. What is happening there is an affront to the rest of the human race, and immediate action is required. The Alliance Party fully supports the motion.

Mr Dawson: Throughout human history there are countless cases of the unimaginable horrors that man can inflict upon his fellow man. The Holocaust, Cambodia, the former Yugoslavia, Rwanda — the list is as endless as it is horrific. The Africa Inland Mission — a missionary organisation well known to, and supported by, many people in Northern Ireland — has said that the situation in Darfur is the world's greatest humanitarian crisis, that the situation in the region is one of genocide, and that the insecurity orchestrated by Khartoum impedes the delivery of aid. That view is supported by a House of Commons research paper which states that:

"no independent observer disputes that war crimes or crimes against humanity took place."

I was struck by the words of the 'New York Times' journalist Nicholas Kristof:

"In my years as a journalist, I thought I had seen a full kaleidoscope of horrors, from babies dying of malaria to Chinese troops shooting students to Indonesian mobs beheading people. But nothing prepared me for Darfur, where systematic murder, rape, and mutilation are taking place on a vast scale, based simply on the tribe

of the victim. What I saw reminded me why people say that genocide is the worst evil of which human beings are capable."

The little that we know about death and destruction in this country is too much. However, our experiences cannot compare to the pure terror that the people of Darfur are enduring, or match the sheer scale of the situation in Sudan. The number of deaths in Darfur has been impossible to accurately estimate. The United Nations estimated in September 2006 that 400,000 people had lost their lives. In a region of six million souls, that represents 7% of the population. Translated into a Northern Ireland context, that would mean the death of nearly 120,000 people.

The horror stretches far beyond that butchery. Some two million people are believed to have been driven from their homes and forced to live as displaced persons in camps in Sudan or across the border in Chad. More than 3.5 million people are completely dependent on international assistance for their survival. The misery of millions forced to live in the squalid conditions of a refugee camp is compounded by the fact that there is no peace or security there either. Reports are rife of people being killed, raped and attacked in and around refugee camps, yet that horror is preferable to returning home, where starvation and slaughter await.

It was statistics such as those that prompted the United Nations resolution of 31 August 2006. However, it is an indictment of the United Nations, and its member states, that almost five months later, this African region has had neither the peacekeepers nor the adequate humanitarian aid that it requires. Sadly, the record of the global community in instances of genocide is poor, and Darfur is no different.

What is it about the African continent that puts it beyond the limits of the international community? We have witnessed the troubles in Rwanda, Zimbabwe and now the Sudan, and the international community has signally failed the peoples of those regions by failing to act for their protection.

Why are the people of that continent — and their rights — of less importance than the people of Kosovo, Afghanistan or Iraq? The international community has had no difficulty taking action, up to and including military action, in those areas, but in Africa, and in the Sudan in particular, no effective action has been taken.

This is in spite of the UN's own legal construct — namely its "responsibility to protect". This responsibility was described in the resolution adopted by the UN General Assembly in September 2005, which indicated that states are:

"prepared to take collective action, in a timely and decisive manner, through the Security Council, in accordance with the Charter, including Chapter VII, on a case-by-case basis and in cooperation with relevant regional organizations as appropriate, should peaceful means be inadequate and national authorities are manifestly failing to protect their populations from genocide, war

crimes, ethnic cleansing and crimes against humanity....and its implications, bearing in mind the principles of the Charter and international law.”

I realise that there are nearly as many caveats in that statement as in the recent Ard-Fheis motion published by Sinn Féin, albeit that the UN statement is shorter. However, if ever there was a case for international collective action, Darfur is it.

The situation in Darfur is all the more hopeless given that, thanks to its oil reserves, Sudan is potentially one of Africa's richest countries. That it continues to have some of the worst development indicators is a disgrace. However, we need to take note that the Joint Assessment Mission for the Sudan has warned that:

“Unless the absorptive capacity of the GoSS to handle reserves is quickly increased, and unless accountable and transparent governance is developed, oil revenues could — as happened in Angola and other post-conflict states — result in corruption and the entrenchment of unaccountable elites.”

Currently, much of the oil is traded with China. Some see that as one of the reasons why the UN has been unwilling to act. If that is the case, it is a further indictment of the international community's inability to take action.

It seems that while Africa is incapable of being helped, China is incapable of being touched: it can continue with human rights abuses, destruction of the environment and the obstruction of an end to genocide while the international community simply stands idly by. In Sudan, China takes the oil and pays lip service to UN involvement, but it stands by the Sudanese Government in resisting the UN peacekeeping force.

In Darfur, the failure to implement properly the will of the world community is undermining the excellent humanitarian effort, to which Members have referred. Humanitarian organisations have been constructing shelters, building and restoring schools, constructing clinics and hospitals and providing people with life's essentials, and that work is in constant jeopardy. Those relief efforts will undoubtedly collapse if security cannot be established. As the Africa Inland Mission reminded us, the Government in Khartoum is impeding that work.

In conclusion, although I am always reluctant to encourage foreign states to involve themselves in the affairs of other states, the world cannot simply turn a blind eye to the plight of the people in Darfur. Immediate international action is required. The deployment of the UN peacekeeping force, the support of the African Union's troops in the meantime and the enforcement of a no-fly zone can, and will, improve security.

The pursuit of a diplomatic solution to the conflict must step up a gear, and the international community must back up its security commitment with aid that can

help the people of the Darfur region to build some semblance of a normal life.

I support the motion.

Ms Gildernew: Go raibh maith agat, a LeasCheann Comhairle. I welcome this motion and hope that it receives unanimous support from the parties in this House.

For a number of years, Sinn Féin has called for the Dublin and British Governments to use whatever influence they have in whatever forums they participate, whether that be the United Nations or the European Parliament, to help bring to an end the tragedy that is Darfur.

In 2005 and 2006, the Sinn Féin Ard-Fheiseanna passed motions that called on the Sudanese Government and all other combatants to comply with the Humanitarian Cease Fire Agreement on the Conflict in Darfur of 8 April 2004. Sinn Féin TDs signed an all-party motion in Leinster House that called for the support for peacekeeping and humanitarian efforts in the region, and Sinn Féin MEPs, Bairbre de Brún and Mary Lou McDonald, co-sponsored a similar motion in the European Parliament. It goes without saying that Sinn Féin will wholeheartedly support the motion before the House today.

I repeat that call for the Sudanese Government to honour their promises to facilitate the access of humanitarian relief organisations to the affected populations; to support the work of the African Union to provide security to internally displaced peoples; and to allow ceasefire monitors.

In addition, the international community must continue to provide humanitarian assistance to the region and support demands for the establishment of a pan-African criminal and human rights commission. The purpose of that commission would be to investigate and prosecute the forces, Government-supported militias and officials that were responsible for the Darfur massacre.

I call for the Dublin and London Governments and all Governments worldwide to act decisively to support the people of that region. There must be an end to the genocide, and the Sudanese Government must not be allowed to prevent humanitarian efforts to assist the people of the region.

The conflict between Government forces, pro-Government militias and rebels in the Darfur region of Sudan has led to more than 200,000 casualties and over two million internally displaced persons and refugees, despite the Darfur Peace Agreement of 5 May 2006.

The huge political and media interest in the occupation of Iraq and Afghanistan has overshadowed the ongoing humanitarian tragedy in Darfur. Attacks on humanitarian workers have meant that in many areas their work has ground to a halt, ensuring that the civilian population continues to suffer. It is imperative that all Governments

impress on the Sudanese Government that they must accommodate and not hinder peacekeeping and humanitarian efforts in the region.

Every effort must be made to ensure that Sudan does not slip back into full-scale conflict. I wish to commend the work that has taken place in an attempt to bring an end to this conflict, and I particularly commend the efforts of the African Union. It is essential that that work continues and is built upon and bolstered by the United Nations.

The international community must focus on assisting a political resolution to the conflict. As with our own conflict, that is crucial if a sustainable peace is to be built, and every effort should be made to realise the power-sharing provisions of the Darfur Peace Agreement in a meaningful way.

The United Nations Security Council Report of the Secretary-General on children and armed conflict in the Sudan, covering May to July 2006, details incidents of human rights abuses against children. It focuses on:

“the killing and maiming of children, their recruitment and use as soldiers, grave sexual violence, abductions and denial of humanitarian access to children, and indicates that these violations continue in the Sudan largely unabated.”

The international community must make every appropriate effort to protect all vulnerable children in areas of conflict such as this and bring an end to these serious abuses. It should also use every opportunity to remind the Sudanese Government of their responsibility to protect their citizens from violence and to guarantee respect for human rights.

In recognition of that responsibility, members of the international community should support UN Security Council resolution 1706 (2006) of 31 August 2006 and its implementation; support the deployment of a United Nations peacekeeping force to ensure the protection of the civilian population; and support the implementation of the Darfur Peace Agreement.

I encourage those Governments that have influence over the Sudanese regime to persuade it to meet its humanitarian obligations and to respond to the wishes of the international community by committing itself to taking all appropriate measures to advance the Darfur Peace Agreement. The violation of children, women and other people in Sudan must stop. Go raibh míle maith agat.

2.45 pm

Dr Farren: Almost 60 years ago, just three years after the most genocidal conflict in human history, the United Nations General Assembly adopted the Convention on the Prevention and Punishment of the Crime of Genocide by declaring genocide to be a crime under international law that the civilised world must seek to prevent.

Today's motion directs Members' attention to an instance of ongoing genocide of tragic proportions. As other Members have said, it is good for us to raise our horizons above our own sordid squabble from time to time, and to direct our attention to the tragedies that are happening in places such as Darfur and other parts of Africa, where the scale of human suffering is way beyond anything that has been experienced here.

Members know that the Darfur region of Sudan is but one example of where that has been most evident. Tragically, there is a long list of instances, particularly in Africa, in which similar atrocities have recently occurred. In countries such as the Congo, Rwanda, Angola, Sierra Leone, Liberia and Somalia, the plight of ordinary people has been ignored by those who are determined to dominate politically and to exploit and plunder their natural resources.

The Darfur region of Sudan has been embroiled in a deadly conflict that has been at its most intense over the last few years, but it has stretched back over several decades. The stated political aim of the rebels is to compel the Sudanese Government to address the underdevelopment and political marginalisation of their region and to allow it to share in the considerable wealth that the country is capable of generating. In response, the Sudanese Government, through its regular armed forces and, as mentioned by several Members, the Janjaweed, have targeted civilian populations and ethnic groups from which the rebels principally draw their support.

Article 3 of the United Nations Declaration of Human Rights — itself almost 60 years old — promises that:

“Everyone has the right to life, liberty and security of person.”

However, hundreds of thousands of civilians have been murdered, and more than 2.5 million people have been displaced into unprotected camps throughout Sudan and into neighbouring Chad. Article 5 of the declaration also states that:

“No one shall be subjected to torture or to cruel, inhuman or degrading treatment”.

However, hundreds of women are raped or sexually assaulted every week with no force to protect them. Not since the Rwandan genocide of 1994 has the world seen such a calculated campaign of displacement, starvation, rape and mass slaughter.

The international community has recognised those atrocities as genocide. The United Nations High Commissioner for Refugees has described the situation in Sudan and Chad as:

“the largest and most complex humanitarian problem on the globe.”

The Darfur Peace Agreement, which was brokered in May 2006 between the Government of Sudan and one faction of Darfur rebels, has not been implemented.

Deadlines have been ignored, and violence has escalated. Infighting between rebel groups and factions has dramatically increased, adding a new layer of complexity to the conflict.

As other Members have said, the violence has made it dangerous, if not impossible, for most of the millions of displaced people to return to their homes. Humanitarian aid agencies face growing obstacles to their attempts to bring widespread relief to the region. In August 2006, the United Nations' top humanitarian official described the situation in Darfur as "catastrophic". As a consequence, some of the aid agencies have been compelled to withdraw, from parts of the region at least. Only the most courageous remain.

More than two years ago, the UN Security Council adopted resolution 1556, which demanded that the Government of Sudan disarm the Janjaweed. The same demand is also an important part of the 2006 Darfur Peace Agreement. In August 2006, the UN Security Council took the further step, as others have said, of authorising a strong UN peacekeeping force for Darfur. Despite those actions, the Janjaweed is still active and free to commit the same genocidal crimes against civilians in Darfur, aided by — indeed, complicit with — the Sudanese Government.

International experts agree that the UN Security Council must deploy a peacekeeping force with a mandate to protect civilians immediately. Until it arrives, however, the underfunded and almost overwhelmed African Union Mission in Sudan must be bolstered. At present, it is almost incapable of offering any real and sustained forms of protection. Governments and international institutions must provide and ensure access to sufficient humanitarian aid for all those in need.

Despite the grand talk and all the calls for it, we are still seeing insufficient action. That lack of international action has allowed the Sudanese Government to continue with what USAID and the United Nations have called "ethnic cleaning" in the region. It is obvious that the Sudanese Government have no intention of stopping their indiscriminate massacre of the Darfuri people.

Although the UN regards the Universal Declaration of Human Rights and the Convention on the Prevention and Punishment of the Crime of Genocide as major statements of principles to which its member states claim to be committed, those principles ring hollow and offer no consolation to the people of Darfur if they remain only on paper and are ignored by the world's major powers.

We have very little influence; we have no direct responsibility. We should, however, try to ensure that the British and Irish Governments at least heed what is being said here. We call on them, particularly through the European Union, to put economic pressure on the Sudanese by placing travel restrictions on individuals who are strongly suspected of involvement in genocide

in Darfur. Revenue flows from the petroleum sector in Sudan should be specifically targeted, and a proportion of them redirected to provide relief in the Darfur region.

Furthermore, the International Criminal Court (ICC) should pursue and extend its present investigations into crimes against humanity that have already been committed, and should threaten that robust action will be taken against anyone who commits atrocity crimes in future, in order to maintain legal pressure on the Khartoum regime. On the military front, the UN Security Council should back demands that the Sudanese Government cease offensive military flights over Darfur, with the immediate establishment of a no-fly zone to deter aerial attacks on civilians.

It is time to champion the Universal Declaration of Human Rights and the Convention on the Prevention and Punishment of the Crime of Genocide, not by words, but, insofar as we can, by actions. We are compelled by the conscience of the world at least to highlight this humanitarian disaster and so help restore dignity and hope to the suffering people of Darfur. If we do not, we betray our commitment to human rights and risk compromising the very nature of our own conscience.

Mr Shannon: A wean bes tould tae gae tae the pump fer watter, Eh cairts es tin can an' danners wi' es sister. They heir a noise an' gleekin far aff, sicht a bhoy oan a horse. The laddie leuks aa es sister an' guldies aa hir tae rin awa an' leuks oan, no fit tae gie hir onie hefts, es the bhoy wi' the mask taks ap es sister, the laddie bes threw tae the grun an' lies i the clabber guyhles es greetin sister bes cairted awa'. An' sae bes set i es hairt the furst seeds o' hatred, at wul floore es eh graws, at neir aits him es eh heids hame tae es mither empy handit – wi'oot watter an' wi'oot es sister, an sae the cycle o' hatin' gaes oani this kintra wracked bae waar. The UN hes alloood hoo the waar i Sudan bes the "Worst Humanitarian hannlin i the worl"

A child is sent to the pump for water. He carries his tin can, as he walks with his sister. They hear a noise, and, looking into the distance, they see a man on a horse. The boy turns to his sister and shouts for her to run. He watches helplessly as the man with a mask lifts his sister. The boy is knocked to the ground and lies in the dirt while his sobbing sister is carried away. Planted in his heart, the first seeds of hatred, which will blossom as he grows, threaten to consume him as he returns to his mother empty-handed, without the water and without his sister, and so the cycle of hatred continues in this war-torn country.

The UN has said that the war in Sudan is the worst humanitarian crisis in the world. Darfur is a region the size of France and has seen, since 2003, the deaths of more than 200,000 people and the displacement of four million refugees to other regions and other countries such as Chad and the Central African Republic, which

cannot take the strain or the attacks from the Sudanese Government-assisted arm of terrorism — the Janjaweed — who are now beyond the control of that Government.

Sudan is in real danger of exploding and destroying bordering nations, as refugees flood into countries that have neither the resources nor structure to support them. They flee up to 300 miles on foot. They walk and run while dragging their children along with them. They have no food and only whatever water they can scoop up as they go along, while all the time they are in fear of soldiers from both sides of the divide. They arrive at the refugee camps exhausted and ill to the point of death, only to find that there is not enough food, water or medicine.

In the past week alone, it has been reported that there have been 200 deaths in Darfur; however, anyone who knows the reality of the situation there will be aware that the figure is probably closer to 1,000. For every one skirmish reported, another five take place. That cannot continue. As the nation focuses on the glaringly obvious catastrophe in Darfur, it must also be remembered that the rest of Sudan is in crisis. There is little food and a shortage of medical supplies. The only education that children receive comes from what they see around them: their mothers and sisters taken and raped; their food and clothing stolen; and the rampant spread of disease. What kind of graduates does such an education produce? It produces graduates filled with hatred, anger and resentment. It produces a new and even more embittered generation of men and women who understand only violence and degradation, who know no other way, who have no hope, and who feel little other than rage and anguish. That is the future of Sudan — north, south, east and west — if something drastic is not done to end what has been referred to as genocide.

A former Sudanese slave, abducted as a child, spoke recently at a rally outside the United Nations headquarters in New York. She said:

“Immediate action must be taken to end the genocide in Darfur. The international community cannot allow another Rwanda to take place.”

3.00 pm

Members have spoken of other countries where similar problems have arisen, such as Uganda and Rwanda. This is as relevant to us in the Province and in the UK as a whole as it was to the Americans at that rally. There is a duty upon the right-thinking people of the strong nations to ensure that no people is made extinct and that no children are made to see, much less suffer, the atrocities that are rife in Africa.

We should have learned that standing by, wringing our hands and tutting, will not induce dictators and evil men to repent. We must take a stand for those who have no voices, speak out for the rights of the oppressed, seek truth and justice, defend the poor and needy, lift up the weak and do what is right. Sudan is full of needy people,

not just in Darfur but in the poverty-stricken south, which is in desperate need of structure and stability, and grossly affected by the crippling events in Darfur.

There has been a peace accord since 2005 uniting the north and south of Sudan. This made provisions in which the rich north made commitments to share the oil profits and bring the south out of poverty and disease, but the leadership has since continued to ignore the needs of the south. The UN has a responsibility to enforce the commitments made.

The crisis in Darfur has distracted attention from the fact that the whole of Sudan is suffering. Christians in the south are being persecuted by Muslims, their churches burnt and their clergy arrested. No infrastructure has been created, and the people are continuing to die of starvation and disease, exacerbated by the problem of refugees from the west and escapees from war-torn Darfur.

The African Union has deployed 7,000 soldiers in an attempt to curb the process, but it has sent them out in smatterings of 100 here and 100 there, with the result that they can make no impact whatsoever on what is happening in this huge region. The rebels remain determined to fight against the Government, and the Government seem powerless to dissuade their terrorist army from rape and pillage. That further inflames anger until there can be no hope of the nation repairing itself. There can be no hope of the southern province having a more secure future or a chance of regeneration as long as this level of conflict is maintained. The monster has gone far beyond the control of those who created it.

An estimated one million people in Darfur have no access to clean, disease-free water, food, medication and education. A further one million have only limited access, and that number will continue to grow as more and more aid agencies are forced to withdraw from the area. Concern has recently announced that it has been forced to pull out its aid workers due to uncertainty over their future, and other organisations have also been removing their workers. That means that less food, medication and clothing is getting in than ever before. There is also no one to distribute it. Conflict between rioting factions arises over control of the food, and no one is there to ensure that those in need receive help. The strong use their weapons to take from the weak what was sent especially for them. That cannot continue; aid must be allowed in, and the UN must be allowed to step up and fulfil its obligations to these needy people.

The UN has stated its wish to send approximately 20,000 peacekeepers into Sudan, but the Government of Sudan have refused. The British and Irish Governments cannot and must not accept this. The Assembly too has a responsibility to do all in its power to ensure that this is not just taken lying down. We must push to do the right thing and send in the peacekeepers to ensure that

vital aid is delivered to the critical areas to begin the process of rebuilding the nation and to enforce the commitments of the 2005 peace accord.

The southern and western parts of Darfur are entitled to the food, medication and education that have been promised to them. For far too long they have lived with the stench of death in every corner. The time has come for the UN to proactively ensure that the people of Darfur — and Sudan as a whole — have that little bit of security that the force can bring.

The time of waiting to see whether the Government in Khartoum will fulfil their obligations is long past. We have seen how they turned a blind eye and gave backhanders to a terrorist organisation as it carried out countless atrocities. We understand that the terrorists are now a complete law unto themselves, doing whatever they please and accountable to no one — especially not those in Government who once supported them. Now is the time for the UN to do what it was formed to do; to step up to the mark and stand firm against evil men, no matter what form they take.

As an Assembly, it is our duty to do so, and we cannot, and must not, shirk that responsibility. The lessons of the past must be learnt well. We must ensure that the 70% of the people of Sudan who do not have the medication that they need receive it; that the children receive the education that they need to rebuild the country; that the whole of Sudan benefits from its rich oil reserves; that focus is placed on the nation as a whole; and that the full horrors of Rwanda, and other genocides, do not occur in Sudan.

I support the motion, but we must keep in mind the valid saying:

“Evil triumphs when good men do nothing”.

The Assembly must do something and ensure that something is done.

Ms Ritchie: We have heard much about the genocide, horror and human rights abuses that continue to be perpetrated against the people of Sudan. Continued urgent action is required by the British and Irish Governments to ensure immediate international political action through the African Commission on Human and Peoples' Rights, the European Union and the United Nations. They must address the ongoing conflict, death and destruction in Darfur and the crises caused through the displacement of families, creating extreme poverty, denying people access to scarce water supplies, and continuing famine and malnutrition.

More than 200,000 people have died, and over two million people have been forced to flee their homes and are living in makeshift shelters in crowded camps or massed on the edges of towns and villages in Darfur and eastern Chad.

The current crisis started in 2003, when ethnic African rebels took up arms against the central Khartoum Government, charging them with neglect. In Sudan, the Government have been accused of unleashing the Janjaweed paramilitary group of Arab nomads, which has been blamed for the worst atrocities in the conflict. Several other tribal militias also plague this vast arid region of Sudan, where scarce resources regularly pit nomadic tribes against sedentary ones. Many more people have been affected by the conflict and are now extremely dependent on humanitarian assistance, as traditional means of livelihoods have been destroyed by the war, which has been raging for over four years.

Only last week, the crisis deepened when more than 200 people died in clashes between ethnic African farmers and nomadic Arabs in southern Darfur. That led the Sudanese Government to send emissaries to try to reconcile the tribes involved.

Survival remains difficult and dangerous for the displaced people of Darfur. The same Government that funded, supported and participated with the Janjaweed militias to drive the displaced people out of their villages and lands now refuse to allow the transition from the current African Union Mission in Sudan peacekeeping force to a larger and better equipped United Nations peacekeeping mission in Darfur, which has been mandated by the United Nations Security Council to protect civilians. The very Government whose obligation should be to protect their people are denying them protection.

Since 2004, after several African Union Mission in Sudan-brokered agreements, the Government in Sudan have failed to take effective steps to disarm the Janjaweed. Worse still, the Janjaweed militias are not only being incorporated into paramilitary organisations, such as the Sudanese Popular Defence Forces and the Border Intelligence Guard, but it is alleged that they are being brought into the regular army. Instead of being disarmed, they are being rearmed. Some observers, such as the victims of the attacks in Jebel Moon, have described those who attacked them as being armed with brand new weapons and wearing new Sudanese army uniforms. It has been suggested that the African Union forces now face mistrust on the part of the internally displaced people of Darfur.

What can the international community do to assist the beleaguered people of Darfur? First, all Members of the Transitional Assembly should unite to condemn attacks that various parties to the conflict have perpetrated against the civilian population, the personnel of the African Union Mission in the Sudan, and humanitarian agencies.

Secondly, we must urge those parties to the conflict that have not done so to sign the Darfur Peace Agreement and cease the armed conflict. Thirdly, we must press the Government of the Republic of Sudan to implement without further delay the terms agreed to in Addis Ababa

on 16 November 2006 for the deployment of a joint United Nations and African Union peacekeeping force in Darfur.

We commend the African Union Mission in Sudan for its work in the Darfur region and recommend that it continue with its efforts to resolve the conflict. We urge the Government of Sudan to acknowledge the report of the African Commission on Human and Peoples' Rights 2004 fact-finding mission to Darfur and submit its response to the commission.

If Members believe in challenging human-rights abuses in Ireland and Britain, in upholding the principles of equality and social justice, and in upholding the rights of those who are oppressed, marginalised, attacked or assaulted in our own country, we must urge the international community and the British and Irish Governments to ensure that action is taken in Darfur to protect those who are being maimed, pilloried, raped and displaced daily in Sudan.

Without a Government to protect them, the displaced people of Darfur must look to regional and international organisations to help them. The Irish and British Governments, the American Administration and the European Union must not be found wanting. The African Union and the United Nations must help. At its thirty-eighth ordinary session, the African Commission on Human and Peoples' Rights adopted a very important resolution that called on the Government of Sudan to comply with their obligations under the African Charter on Human and Peoples' Rights. I am conscious that the Minister for Foreign Affairs, Dermot Ahern, said last year that Ireland would continue to do all that it could at an international level to bring the violations to an end. The United Kingdom Government are committed to the Darfur Peace Agreement and maintain that Sudan should accept a UN peacekeeping force.

I suggest that the African Commission on Human and Peoples' Rights should continue to exert its authority by urging the Government of Sudan to ensure the effective protection of civilians in Darfur and to consent to the deployment of a UN peacekeeping mission. That is now required, and both the British and Irish Governments must continue to press for that.

My colleague Carmel Hanna referred to meetings that my party has had with the Scottish Executive, the Irish Government and with the Secretary of State for International Development, Hilary Benn. When restoration of the Assembly is achieved, we must ensure that we can use some of the money that is given to us to assist projects in Africa, particularly those in Sudan. We must be able to demonstrate practical and pragmatic assistance to those people, albeit in a small way. That would be our commitment.

I commend the work of the non-governmental organisations and Third World agencies on the island

of Ireland for their work in Africa, particularly in Sudan. It has been an uphill struggle for those organisations, but they have shone a beacon of light on the displacement and abuses that have been perpetrated against the ordinary people.

3.15 pm

Mr Donaldson: I commend the Member for South Belfast Carmel Hanna for tabling the motion. As a Transitional Assembly, it is important that we give thought to the issues that confront Northern Ireland, which will be priorities for Members and any incoming Executive. Nonetheless, it is good that we take time out from that to consider the needs of people in other parts of the world, where clearly there is suffering. The level of their deprivation as a result of conflict is so much greater and more pressing than our needs in Northern Ireland.

It is a human tragedy, and I will not repeat the many incidents and atrocities that have already been catalogued by other Members during the debate. In another place, I am a member of the executive of the all-party group on Africa. We have considered conflict situations in Africa, the impacts that they have on the economies of countries and the manner in which they undermine democracy. In Sudan, we have also seen how tribal and regional interests deteriorate into very dangerous conflict situations, with tragic loss of life.

I recently read a book about the siege of Khartoum. It was interesting to reflect that even then, when the Sudanese appeared to be united in some respects against the colonial forces, there were tribal and regional tensions, and that is evident today. In Africa, it is so often the case that although democratic countries have emerged from the colonial past, those democracies are fragile. They are coalitions of various tribal and political interests that in ordinary situations would be resolvable by dialogue. Sadly, they deteriorate into violence and conflict, possibly for historical, tribal reasons.

So it is with the tragic situation in Darfur, which we have heard so much about this afternoon. At times — I am sure that many Members feel likewise — I am left wondering why it is that in such conflict situations, the international community at times seems to be powerless to do anything to prevent them. When such situations do occur, it is powerless to prevent their escalation. Tragically, we have seen that in Rwanda and in other parts of Africa, and the situation in Darfur has again highlighted the inadequacies of the international community and the deficiencies of the international institutions to cope with conflict situations. We should be in the business of conflict prevention and not just conflict resolution. As part of an international community, we should also try to identify where there is potential for conflict and do what we can to resolve problems

before any situation deteriorates into the sad state that we see today in Sudan.

We must re-examine those international institutions that have been tested, time after time, in eastern Europe, the Balkans, Kosovo and Rwanda, and have been found seriously wanting. Some argue that there are limits within which the international community must work and that there is a limit to how much involvement it can have. However, we need to re-examine those institutions and find out where there is a need to create or enhance conflict-prevention mechanisms, which ought to be designed to identify regional and international conflicts, or the potential for them. Systems, procedures and resources must be available to help those regions and countries to try to overcome their difficulties without having to resort to conflict.

The debate should not only be concerned with what we should do in Darfur to try to resolve a situation that has got out of hand and become a human tragedy but with the lessons that we should have learnt after Rwanda and Kosovo. In reality, however, we have not learnt that much at all about conflict prevention.

In the years ahead, we, as an Assembly, would do well to consider what contribution we can make. As a region, our influence is limited, but we have had our own conflict. Slowly but surely, we are creating the institutions that we hope will not only lead us beyond the transition from that conflict, but will help to prevent conflict in the future. If that is the case, and those mechanisms prove to be successful, we surely have a duty to share our experiences with other parts of the world in promoting conflict prevention as well as resolution.

Northern Ireland has its part to play, as does this Assembly. In due course, I would like an all-party Assembly group to be formed to consider these issues. There is no doubt that there is consensus in the Chamber on this issue, and the hon Member for South Belfast Mrs Hanna should know that this side of the House would be happy to co-operate in forming an all-party group that could examine such issues and consider how our experiences might be shared with other regions in potential conflict situations.

I hope that the Darfur Peace Agreement will result in a peaceful outcome, but I suspect that there is some way to go before the problems are resolved. We have heard of instances of the agreement being breached and how factions are still engaged in dreadful acts of violence and atrocities against men, women and children. In time, I hope that those atrocities will be documented. If war crimes have been committed, I hope that those responsible will be brought before the international courts and dealt with in the proper way that helps to resolve conflict, not to exacerbate or repeat it. That is not retribution; it is about establishing the mechanisms

and agreements that will prevent the conflict in Darfur from resuming.

I hope that the lessons learnt from Sudan can be replicated in other areas. There is a need for stronger international institutions — not to interfere, necessarily, but to offer, help, guidance and support in resolving and preventing conflict.

This debate is a valuable opportunity for us to show that, in tune with the spirit of the people of Northern Ireland, we have an interest in what happens in other parts of the world. The generosity of our people never ceases to amaze me when it comes to giving money, resources and time to help those in need. Many Members have mentioned the humanitarian aid agencies from this island and within these islands, especially those in Northern Ireland, which have made a major contribution in conflict situations to bring aid and humanitarian care to those in need.

We in the political realm ought to follow that spirit and example and consider what we can do to make a contribution in the international community towards conflict prevention in the future. That would be the best legacy that we could offer to the embattled and beleaguered people of Darfur.

Mr Dallat: I am honoured to take part in this debate. It is more important than we realise. I hope that the people of Darfur, and their families in Northern Ireland, will know that it is taking place. Given the speed at which the modern media send messages across the world, I believe that those people will know.

On a lighter note, I remember that 10 minutes after the little incident that is known as the “brawl in the Hall” — in which I had no part — I received a text message that read:

“Saw you on TV in Cambodia.”

Therefore, people will find out about the debate.

Mr Kennedy: What were you doing in Cambodia?
[Laughter.]

Mr Dallat: I hope one day to go there. It is a beautiful country that has been through terrible conflict. However, it is now one of the most popular tourist destinations in the world.

I take the opportunity to thank the International Development All Party Assembly Group, which was the only Assembly group to meet during suspension. I pay tribute to Carmel Hanna, not because she is a party colleague, but because she rose above party politics and co-operated on that group with other political parties. I pay the same tribute to the Speaker, Eileen Bell, who was a tremendous support and who was most helpful in trying to keep it functioning. Indeed, she was also a member of the group.

Mrs Hanna: The Deputy Speaker was also a member.

Mr Dallat: I am told that the Deputy Speaker was also a member. That is the last that prompt I am taking. *[Laughter.]*

One of the most important things to come out of today's debate is not simply the call for action on Darfur but the need to plan ahead for a new Assembly and to ensure, as Jeffrey Donaldson suggested, that a properly resourced international development group is established. That group must be allowed to project the high level of humanity that exists on these islands.

Other parts of the world suffer as a result of conflict. Every day I receive messages from Zimbabwe, which was mentioned earlier. I hope that the people who are responsible for atrocities there are made answerable for their war crimes.

My own experience of Africa is centred on Malawi. As Members of the previous Assembly, David McClarty of the Ulster Unionist Party and I had the opportunity to go to Malawi and sign an agreement in the former capital of that country, Zomba. Arising out of that visit, the University of Ulster, the University of Malawi, local fire brigades, schools, churches and farming groups came together to identify projects and parallel committees in their respective parts of the world. I tell that story to encourage others to promote similar activities.

My wife spent six weeks last year in Blantyre in Malawi working as a classroom assistant, and her experience shows that all that work was beneficial. The local schoolchildren had no pens, no desks, no chairs and no running water: they had nothing but a desire to be educated. They benefited from that arrangement. I am sure that a future Assembly would encourage Northern Ireland's local councils and other organisations to establish a similar arrangement. That was a model for perfection, and I hope that it is emulated.

Next week Members will have the honour of inviting the Chief Executive of the Zomba Municipal Assembly to this House. That shows that Members should not underestimate the influence that they have in other parts of the world.

Once again I pay tribute to those who, in difficult times, have managed to retain an international dimension. Referring to Jeffrey Donaldson's speech once more, while in Malawi I was asked: "What's in this for you?" That was one of the hardest questions that I have ever been asked. I had to think carefully about it, but Jeffrey Donaldson has perhaps provided an answer: Northern Ireland has had its conflicts and its own problems in the past, but we can learn from other parts of the world, for example, about their respect for the environment and the way in which they go about treating scarce resources — we can learn a lot from that.

3.30 pm

We must not forget our young people. Linkages of the kind I have already mentioned create opportunities for our young people to engage with the wider world. Increasingly, many of them go to Africa, and other developing countries, to build hospitals and schools, and to work on other community projects. It allows people to get beyond the old mite box, where one simply gave the money and forgot about it. The world is now a smaller place. We cannot escape what is happening in Darfur, Zimbabwe, Malawi and the other countries, and we can play a very useful role. Hopefully, after today, we will have laid the foundation stone, not only for acknowledging the inhumanity that exists in Sudan, but also for making firm resolutions for a future Assembly and ensuring that, as in the past, it does everything humanly possible to narrow the division between the haves and the have-nots.

This morning we spoke about the correlation between social deprivation and education here at home. The same principles apply in every other part of the world. I know from experience that in Malawi and Zomba, in particular, where schools have been supported financially to buy textbooks, school equipment and to bore holes for water, children have the tools to allow them to go on to further education, to begin to address the problems for themselves and to share their experiences with us. I cannot think of a more honourable role in life than to be engaged in that. Once again I congratulate Carmel Hanna, who kept this subject alive through thick and thin.

Mr A Maginness: There is not very much more that can be said in this debate. I am reminded of the words of Einstein, who said:

"A sure sign of madness was doing the same thing over and over again and expecting a different result."

That has been the history of mankind. We have resorted to war, violence, tribalism and sectarianism over and over again, and we have looked for a different result. However, we are simply mad to expect a different result. Violence and sectarian division — whether here or in Africa — will end up in tragedy. We have heard a lot about the tragedies of Darfur and Sudan, which have impeded the growth of that great country for many decades.

This debate has shed a lot of light on the situation. It has been tremendously well informed, and Members who have listened to the debate have learned a lot. The contributions from all sides of the House have been outstanding, and all parties have created a consensus to try to do something to assist the people of Darfur in their plight.

I congratulate my colleague Carmel Hanna for moving the motion, as have colleagues in different parties. She has done a tremendous service to the House, and reminded Members of the International Development

All-Party Assembly Group, which has remained intact despite suspension. As Jeffrey Donaldson said, whenever we get back to a full working Assembly, that group must be encouraged to reform and make a contribution to the work of the House.

Through local government and the Administration that we will establish, we can make a contribution to all parts of the developing world, as John Dallat has pointed out. This is particularly relevant to areas such as Darfur and its regions, because they need practical assistance. We can give that because we have good people, in all different walks of life, who are interested in assisting the people in the developing world. We have expertise in the Water Service, housing, education and medical services, and we can make contributions on such matters to certain parts of the developing world. We can contribute in this way to Darfur. We can help to rebuild the infrastructure in that part of Sudan. Just handing over money is not good enough.

Many people throughout the world have been very generous towards us here in Northern Ireland. The European Union, Canada, New Zealand, Australia and the United States have all been generous to us. We should repay their generosity.

A genuine consensus of concern for the developing world, and Darfur in particular, is evident today right across the House. There is a generosity of spirit, which is renowned amongst Irish people, whether they come from the North or the South. That spirit can be seen in the missionary work that Irish people have embarked upon throughout the world for many decades, for example. That missionary work, not just confined to evangelising, brought about great benefits in education, medical and other services, which uplifted people. The contribution was not simply about religion or proselytization. It tried to contribute something to many different parts of the world and in particular to Africa.

As George Dawson has said, why is it that the world has failed Africa? I cannot give an answer to that, but he is right to highlight that failure. We have not mentioned the Congo today, which witnessed the loss of four million people in a short period of time. The complexity of the problem there makes it potentially a worse situation than that in Darfur, although some progress has been made in restoring some form of normality to that particular country.

We do owe our help to the people of Africa, because it is our duty as citizens of the world, and as Christians, to assist those in need. We cannot walk on the other side of the road. We must help our brothers and sisters throughout the world, as Carmel Hanna has said.

Caitríona Ruane pointed out the importance of the United Nations and how important it is that we support its work. We must support the creation of a stable and secure region in Sudan, where people can live in peace.

Military and security must be established in that region. It is also important, and I must emphasise this, to remember that the International Commission of Enquiry pointed out in 2005 that there were many violations of human rights and humanitarian law in this conflict. Indeed, the General Secretary of the United Nations has a select list of suspects who could well be charged with crimes against humanity, perhaps even genocide. That select list has been given to the International Criminal Court. This is an important process.

If worldwide legal and humanitarian standards are to be established, those who have committed crimes against humanity or against the laws of war — particularly those responsible for genocide — must be pursued. As Carmel Hanna said, turning a blind eye to genocide, or to any crimes against humanity, would be a disservice to humanity. Such crimes cannot be tolerated. Therefore if, as I hope, prosecutions are brought in the International Criminal Court, that process must be supported. There must be no horse-trading between the United Nations and the Sudanese Government or anyone else involved in such crimes. The UN must not go easy on offenders or withdraw charges that it has brought before the International Criminal Court.

Any political solution must include the prosecution of those who have committed the foulest of offences — and some horrible offences have been committed. Seán Farren mentioned the systematic rape of women in Darfur. That is an act of mass terrorism. It is not simply incidental to a battle or the aftermath of a battle: it is a deliberate policy of terrorism that cannot be tolerated. Therefore it is important that where there is sufficient evidence against individuals, prosecutions are brought.

The International Commission of Inquiry on Darfur discovered violations of law not only by the regular Sudanese army but also by Arab militias associated with the central Government, the army and the rebel forces. No group that is part of the highly complex conflict in Darfur is innocent of crimes against humanity; therefore it is important to take a balanced approach. Everyone supports a political settlement in Darfur and will work to bring that about. However, justice for those who have been so victimised by the conflict must not be jettisoned. It is important that that message come from the House. Parties must play their part in trying to bring about a resolution to the problems in Darfur.

As Jim Shannon said, the situation in Darfur is the worst humanitarian crisis in the world today. If so, Members have a solemn duty to try, in our own small way, to assist. We will not change the situation overnight. However, if we, as part of the political process, albeit a small part, make some small contribution, we can achieve a good result. I agree with Jim Shannon that evil triumphs when good men do nothing.

As good men, we must not do nothing; we must work to achieve a just and proper settlement to the problem in Darfur. I was alarmed when Margaret Ritchie said that the Sudanese Government are in the process of integrating the Arab militia, the Janjaweed, into the regular army. That sinister development must be highlighted and opposed.

It is important to bear in mind the substance of the motion, which is support for the United Nations Security Council resolution that UN and African Union forces be deployed in Darfur. That is the only guarantee of the peace and stability necessary to allow a political solution to be devised.

We must remember the lessons of Rwanda and of the former Yugoslavia, and we must remember in dealing with the situation that the people who committed crimes in those countries are being brought to justice.

I commend the motion to the House on behalf of its proposer, and I commend the House for its patience and generosity of spirit in dealing with the motion and for creating and developing a consensus around the issue. I am sure that those who have suffered deeply in Darfur will appreciate it.

Question put and agreed to.

Resolved:

Bearing in mind the appalling human tragedy in Darfur, this Assembly calls on all democratic governments, especially the Irish and British Governments with which this Assembly has particular interaction, to use all their influence on the Government of Sudan to accept immediate deployment of the United Nations force in Darfur, as mandated by the United Nations Security Council.

Adjourned at 3.46 pm.

THE TRANSITIONAL ASSEMBLY

Monday 22 January 2007

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Additional Debating Time (Muckamore Abbey Hospital)

Rev Dr Ian Paisley: On a point of order, Madam Speaker. What arrangements are you prepared to make to allow the House to discuss some matters that should be debated before this Assembly is dissolved next week? I refer to the serious problems at Muckamore Abbey Hospital. When people are locked away because there is no accommodation elsewhere to allow them to be at liberty, the House should have an opportunity to discuss the matter.

Is there any reason why we cannot take more time next week to debate a motion on the situation? That would allow any Members who wished to speak 10 minutes in which to make their case.

Extra Sitting (Police Ombudsman's Report)

Mr McElduff: Further to that point of order, Madam Speaker. I support Dr Paisley's request for a debate on Muckamore Abbey Hospital. Will the Business Committee consider holding an extra sitting this week — perhaps on Wednesday — to discuss Nuala O'Loan's latest report, which is on the murder of Raymond McCord and others as a result of state collusion between the RUC and loyalist paramilitaries?

Madam Speaker: If I may answer Dr Paisley first, we are all extremely concerned about the situation at Muckamore Abbey Hospital. As he knows, for the House to debate the issue, a motion must be tabled in the Business Office so that the Business Committee, which will meet on Wednesday, can consider it for inclusion in next week's business.

I remind Members that Monday 29 January is the only day next week on which we may have a sitting. I

hope that Lord Morrow, or another DUP Member, will bring a motion to the Business Committee on Wednesday, so that we can consider the matter seriously.

Mr McElduff's point will also be discussed by the Whips at the Business Committee meeting. If he wishes to inform his party Whip of the matter, we will discuss it on Wednesday as well.

Rev Dr Ian Paisley: Further to that point of order, Madam Speaker. Would you be in favour of having an extra sitting some day this week?

Madam Speaker: Thank you, Dr Paisley. As you know, it would be wrong for me to express a view on that. I will take what comes. The Business Office will consider any proposals put to it. We will discuss the matter tomorrow and bring it to the Business Committee on Wednesday for full discussion. If the Business Committee decides that a sitting should be held on Wednesday, we will do that. I thank the Member for his interest.

Declaration of Interests

Madam Speaker: Before we move to today's business, I will deal with a point of order that was raised by Mr McElduff on Monday 15 January 2007 about the declaration of interests relevant to the debate on rural schools that took place that day.

I take this opportunity to remind Members of their obligation to declare relevant interests when they are participating in debates or proceedings of this Assembly. In accordance with the Standing Orders of the 2006 Assembly, all Members were required to inform the Clerk to the Assembly of the particulars of their registrable interests for inclusion in the Register of Members' Interests. The register has been published and copied to Members. A copy containing subsequent and up-to-date revisions is available for inspection in room 244 and on the Assembly website. *[Interruption.]*

I cannot hear myself speak, which is perhaps one of the reasons why I did not pronounce the word "registrable" correctly. I ask Members to please listen to what I am saying.

Standing Order 29(e) of this Transitional Assembly requires every Member to inform the Clerk to the Assembly of any alterations to his or her registrable interests within four weeks of each change occurring. However, in addition, Members are required, by virtue of Standing Order 29(f), before taking part in any debate or proceeding of the Assembly, to declare any interest, financial or otherwise, which is relevant to that debate or proceeding, where such interest is held by the Member or an immediate relative. I believe that that is the point to which Mr McElduff referred last Monday.

It is important that Members understand the distinction between the declaration of interests and the registration of interests. This distinction is set out in general terms in paragraphs 38 to 42 of the 'Guide to the Rules Relating to the Conduct of Members'. The guide is clear that Members are required to declare relevant current, past and future interests.

I am grateful to Mr McElduff for raising this point, as it provides me with an opportunity to assist Members. I remind Members that, as always, the Clerks will offer advice on any queries that Members may have about the registration or declaration of interests. Therefore, if Members have any doubts, I recommend that they check with the Clerks.

PRIVATE MEMBERS' BUSINESS

The Bain Report

Madam Speaker: The Business Committee has agreed to allow two and a half hours for each of today's debates. The Member moving each motion will have 15 minutes to speak, with 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Mr McNarry: I beg to move

That this Assembly notes the recommendations made by Professor Sir George Bain in the Report of the Independent Strategic Review of Education and calls on the Minister for Education to defer any decisions on the Report until the Northern Ireland Assembly is restored.

I have no vested interest in this matter, except as a constituent living under direct rule.

Regrettably, there is evidence that the Government are not listening to the Transitional Assembly's voice on any issue that we have debated and agreed on recently.

Perhaps that can be altered today. If this is a legally constitutional Transitional Assembly, it is, therefore, a legitimate point that the direct-rule Minister for education must also be transitional. If she was able to suspend a decision on academic selection pending the restoration of a devolved Executive, why should not all of her decisions be suspended awaiting the restoration of devolution? She has recently legislated for a new devolved Assembly to continue with a form of academic selection, yet she has responded to the Bain Report as though the selection issue has been resolved, which Members know is not the case.

Is she confused? I want to illustrate just how confused the transitional Minister is. I refer to her statement of 12 December 2006, which was accompanied by a letter addressed to Members of the Legislative Assembly. In that letter, the Minister welcomed the review without hesitation and firmly signalled the Government's endorsement of the report's recommendations. If, as she says, her endorsement of the review was not intended to launch a drive on school rationalisation, then she is confused again. The review's chairman, Sir George Bain, states categorically in his foreword that:

"as the work advanced, the economic case for rationalisation remained important".

The crux of the matter is whether the Transitional Assembly is justified in calling for the Bain Report to be deferred until a devolved Assembly decides upon its implementation or otherwise. I believe that it is justified. We must not rush to endorse the report. By tabling this motion, and by asking colleagues to support a deferment, my party is seeking time for all parties to consider the impact that the report will have and, essentially, what difference it will bring to at least eight

priority education issues that are the current policy benchmarks facing children who are at school and those who are soon to commence school. Those priorities are under-achievement; equality of opportunity; special needs provision; parental preference; admissions policy; a sustainable schools policy; an alternative to the 11-plus test; and transfer procedure.

Let me return to the vexed question of rationalisation. My party will not argue with Bain if he plans to rationalise the five main school sectors. Sooner rather than later, survival will dictate that those five sectors will be reduced to three or even two. My party's argument is not that Northern Ireland has too many schools or too many small schools but that its system is congested by too many players.

That brings me to the transfer process and admissions criteria. Unfortunately, the review has not fully considered, strategically or otherwise, the effect of moving the transfer age from 11 to 14. Had it done so, I suspect that its findings on sustainability, the schools' estate and collaboration, budget requirements and, in particular, area-based planning could have been extremely significant in moving people away from the fears of selection at age 11 to age 14.

I hope that all will not be lost. Now that its minutes have been signed off, I am at liberty to advise the House of the advanced thinking that emanates from the Subgroup to Consider the Schools Admission Policy, which concluded its report last Tuesday. Despite its difficulties and the obvious differences on the selection issue, the subgroup reached agreement on 21 recommendations, including one important practical issue. It agreed that further research should be commissioned urgently on the experience of transfer at age 14, including the Dickson plan in Craigavon and other systems elsewhere in Europe. This should include an assessment of the resource implications of restructuring schools to accommodate such a system as an area-based solution.

My party — and I am sure that I can also speak for the DUP on this occasion — is extremely grateful to the subgroup's representatives from the SDLP and Sinn Féin for their helpful consideration of the practicalities, and their agreement to make the proposals unanimous recommendations. We, in turn, recognised that their actions did not imply their consent to the continuation of academic selection.

12.15 pm

If this recommendation were to be actioned by an incoming Executive, and work initiated to consider school transfers at the age of 14, the desired effect would be to make the Government sit up and pay attention to the business of this House today. Therefore, to proceed on the basis that the report gives a balanced and authoritative account of the need to change Northern

Ireland's school system for educational, economic and social reasons would be an unwise decision by the direct-rule Minister.

There are many anxieties about the report. The UUP is concerned about the impact on schools that fall through the numerical safety net and face either closure or constant review. Figures from the 2005-06 Northern Ireland school census, cross-referenced with what the report dictates as the minimum — not optimal — enrolment numbers for primary, post-primary and sixth-form situations, are revealing. For primary schools in urban areas with fewer than 140 pupils, 84 out of 391, or 21.5%, would be for the chop; 385 out of 512 primary schools in rural areas with fewer than 105 pupils, or a whopping 60%, would be knocked out; in the category of post-primary schools with fewer than 500 pupils, 92 secondary schools, of which 34 are rural and 58 are urban, or 57%, face a threat; and 14 grammar schools, four rural and 10 urban, representing over 20% of grammar schools, would be under review. To round off the depression, over 66% of secondary schools are likely to be under the strain of review because they have sixth forms with fewer than 100 pupils. As yet, there are no grammar schools with fewer than 100 pupils in the sixth form.

Those figures are staggering, and they expose the extent of the cull that the Bain Report will impose on schools — a massive blitz that will hit secondary and primary schools. The schools involved know the fate that awaits them if the direct-rulers follow up on their enthusiasm to endorse the action demanded by the report's recommendations.

I am glad that, over the summer and autumn, I pressed colleagues on the Subgroup on the Economic Challenges Facing Northern Ireland to argue for an extra £20 million for schools, with some to be allocated to special-needs provision. I am also pleased to report that the four main parties on the subgroup genuinely backed me on that request. I know that we have not got that money, but it is there as a marker to be argued for with the Chancellor. If the will is there to go and get it, it is there to be got.

Apart from special needs, I had it in mind that a sizeable cut of the £20 million should be used to resource a speciality approach to reducing underachievement — a dedicated resource strategy that aims to catch children who show signs of learning difficulties as early as possible. That is why the UUP is keen to see support for resources that are directed at that speciality approach to guide and develop underachievers through primary and secondary school, and to give credence to an opportunity to dramatically reduce the number of pupils who leave school without basic qualifications.

If the intention of the Bain Report was to stimulate, encourage and quality-assure the school environment,

then it has failed. On the other hand, if the desired effect was to shock, threaten and destabilise the school environment, then it has succeeded with distinction. Somehow, Transitional or not, this House must positively signal to those in the school environment that, in asking for a deferment, its intention is to take time in a new devolved Executive to fully consider the implications and ramifications of this report and, in so doing, to prevent the Department of Education under the direct-rule Minister Maria Eagle from carrying out what she set out in her letter and public statement of 12 December 2006.

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

Mr Deputy Speaker, if the motion is passed, will you ask the Speaker to inform the Secretary of State of its success and to convey to him the feelings of Assembly Members? I commend the motion to the House, along with the SDLP amendment, which we are happy to incorporate.

Mr D Bradley: I beg to move the following amendment: At end insert

“; and in the meantime, to work with all of the education providers to develop a draft sustainable schools’ policy for consideration by the restored Assembly.”

Go raibh maith agat, a LeasCheann Comhairle. Tá áthas orm seans a fháil chun an tuairisc seo a phlé, nó ceapaim go bhfuil an-tábhacht léi i dtaobh thodhchaí an oideachais sa chuid seo den tír.

I am pleased to have the opportunity to participate in this debate, as the Bain Report has serious implications for the future of education in Northern Ireland. At the outset, I declare an interest as a member of staff at St Paul’s High School, Bessbrook and a member of the board of governors at Bunscoil an Iúir. I commend Mr McNarry for tabling the motion, and I am pleased that he has accepted the SDLP amendment.

The reorganisation of the schools’ estate is one of the biggest challenges facing the education authorities in this part of the country. It presents the opportunity to co-ordinate planning on such issues as the new entitlement framework, extended schools, special educational needs and school transport. We must face up to the challenge, and the final decisions relating to it must be made by a local education Minister and restored Assembly.

In the meantime, the Department and the education providers can do much to develop a sustainable schools policy. For instance, the concept of area-based planning for education can be worked on as a key element of that. General agreement exists on that approach, and there is no reason why that work cannot begin immediately with the aim of reaching agreement in those areas.

In carrying out that work, it is important that existing sectors work in collaboration with one another while continuing to represent the needs, expectations and

ethos of their respective sectors. It is also important that the sectors consider options for cross-community collaboration and sharing, while ensuring that the principle of parental choice is preserved in any new arrangements. Care must be taken to ensure that the areas are delineated in such a way that they are equally balanced and one planning area does not detrimentally impact upon another.

The Bain Report proposes that future education planning should be co-ordinated with planning in other areas, such as health, social services, adult education, youth provision, sports, arts and recreation, and community regeneration and development. The potential exists to extend core school functions, develop learning communities, foster increased parental interest in education — particularly in areas of social deprivation — and encourage such communities to value education more highly.

The extended schools initiative can also be integrated into that area; it is a proposal that reflects some of the themes that emerged from the debate in the Assembly last week. I said then that educational underachievement cannot be tackled solely on an educational basis but must be part of a broader strategy that tackles the underlying causes of social deprivation.

It will be evident to anyone who has read the Bain Report that the closure of small schools is one of its major themes, despite the fact that the report states that most surplus places are not found in small schools, but in larger schools. I do not wish to rehearse the arguments and points that I raised last week during the debate on the threat to rural schools, but the core issue of the report is the future of smaller schools in Northern Ireland.

The viability quotas set by Bain for rural and urban schools will, if acted upon, lead to a large number of closures. I thank Mr McNarry for outlining the salient statistics. Education providers regard the quotas set by Bain as unsuitable. That issue must be addressed in any draft sustainable schools policy. We must ensure that smaller schools do not become the scapegoat for mass rationalisation.

The Bain Report proposes ways in which smaller schools can work together, including confederation, federation, co-location, shared campuses, and extended schools. A draft sustainable schools policy must fully explore those options and include better modelling of the possibilities that each option offers, and how each option might work in particular circumstances.

A strategic forum that is representative of all educational providers should explore models of association in a non-threatening environment that does not prejudice any interests. Such a forum would be helpful to the Department of Education. It may be that the traditional image of the local school — based on one site, with one principal and one board of governors

— needs to be modified to accommodate a new view that may be based on several sites, more than one principal, and more than one board of governors.

Several examples of that type of association already exist and operate successfully to the benefit of pupils and to the satisfaction of parents and the community. Those arrangements have been more cost effective than the closure of existing schools and their replacement by amalgamated new builds. Rather than act on the raw proposals of the Bain Report, the Department of Education must encourage creative and innovative thinking that will aid the rationalisation of the schools' estate, without the mass closures that the Bain Report implies.

The Department of Education should reward creative and innovative solutions that address the situation effectively, and it should provide the necessary resources to allow measures to be implemented and bed down over a reasonable period. If the Department, in co-operation with education providers, begins to work on those issues with a view to developing realistic and viable forms of association, there is every possibility that the raw proposals of the Bain Report can be fashioned into a sustainable schools policy. Such a policy would address the future of the schools' estate in a way that would ensure its future and guarantee that each pupil continued high quality of education, rather than threatening the mass closure of smaller schools. Go raibh míle maith agat, a LeasCheann Comhairle.

Mr S Wilson: I am somewhat surprised at the wording of the motion because the Bain Report does not actually demand any immediate action by Ministers. Whether we like it or not, the report highlights many issues that the Assembly, direct-rule Ministers, or some other bodies in the future, must address. The report does not only highlight those issues, it suggests some solutions.

12.30 pm

I understand where the proposer of the motion is coming from, because the focus of attention has been on the Bain Report's rather strange conclusion at the end of chapter 7. It specifies minimum enrolment figures for new primary schools, sixth-form colleges and secondary schools. However, the report hardly substantiates the fact that the specified minimum could be adhered to in every case. The report cites many qualifications, such as how it is impossible to make long-term projections for a school without knowing the impact of new leadership or whether economic development or immigration may lead to radical changes. Therefore those numbers, in practice, must be flexible.

The Bain Report may have put forward those numbers to provoke thought. Nevertheless, the issue is more blurred than the specification of those absolute numbers suggests. It also contradicts the report's continual

references to sustainable schools, the criteria for which include not only enrolment figures but also the:

“finances, school leadership and management, accessibility, and ... the quality of the educational experience”,

and so forth. Enrolment figures must be flexible because those criteria vary from one school to another.

The report highlights several educational facts of life from which no policy-maker or public representative can run away. The huge surplus of school places is a drain on resources. During Assembly debates, parties have always held out their hands for more money — and rightly so, because that is the job of public representatives. However, at some stage, parties must make a case for that money.

As the Bain Report points out, education in Northern Ireland is not under-resourced compared with other parts of the United Kingdom. The problem simply is that resources are not used as efficiently as they should be. I hark back to what I said last week, when some Members opposite jumped up and down: one reason that the report offers for the inefficient use of resources is that there is a plethora of education providers and:

“supporting five sectors ... incurs significant costs.” — [*Official Report, Bound Volume 21, p317, col 2*].

Money goes to administration rather than the classroom. Parties must address that issue, which means making hard choices. In last week's debate, I pointed out the impact that the report may have on the Council for Catholic Maintained Schools (CCMS). Suddenly it has dawned on CCMS what that means, and people are jumping up and down saying that they will organise a massive petition across the Province.

The report also points out that money is being spent unnecessarily because the Sinn Féin Minister in the Northern Ireland Assembly established two new educational sectors, on favourable terms. The Minister permitted integrated schools and Irish-medium schools to start up with as few as 12 pupils. The report states that that has led to a significant dissipation of resources and a resulting decrease in efficiencies. The report is right to highlight those issues, and they must be addressed.

I agree with some aspects of the Bain Report. The DUP will not oppose the motion because, although it was not reflected in the tone of the proposer's speech, change should not happen too quickly.

The Bain Report points out that its recommendations do not need to be implemented suddenly or in one fell swoop. In fact, the report states:

“The change cannot, and should not, be achieved hastily.”

Prof Bain recognises, as the previous contributor said, that his recommendations must be implemented against a background of a sustainable schools policy and long-term investment. Some changes will require investment over a long period of time and changes in

educational administration if they are to be effective. I welcome the Bain Report's recognition that we are dealing with issues that cannot be immediately resolved at the stroke of a Minister's pen.

I also support the report's view of area-based planning, which cannot work under current structures. Members opposite may have some difficulty with that because, without education and library boards, which are to be done away with, area-based structures in the controlled sector will be easier to set up. Education and library boards will no longer control particular areas. One cannot have area-based planning if, simultaneously, an Irish-medium sector, an integrated sector and the CCMS are all planning for their areas of responsibility.

Area-based planning will require as much autonomy as possible for individual schools in setting budgets, planning, and co-operation with other schools. The DUP has advocated that policy for a long time. That alone will present a challenge to many of the existing education structures. If schools that are largely responsible for their own budgets are faced with a £200,000 or £500,000 deficit — and if they cannot fall back on someone else to bail them out — better local decisions may be made.

Agreement is more likely when decisions are made by local boards of governors and local schools that interface with communities as part of holistic community planning, which will, I hope, be devolved to the new councils. That will create much greater local input. The recommendation of the Bain Report for area-based structures is important.

Although he does not quite have the courage to say it explicitly, I welcome Prof Bain's hint that we must do away with the current policy of allowing new small schools to open because they happen to be the political favourite of the day, whether they are Irish-medium or integrated schools. I am glad to see that the Minister has already taken that matter into account. She has annoyed the Irish-medium and integrated sectors, but I believe that she took necessary steps to ensure that we do not see a plethora of new schools as we examine long-term needs.

The Bain Report highlights the facts of life. We must take some of its recommendations with a pinch of salt, but it includes some good solutions. This matter will be the bane of our lives for the next number of years. *[Laughter.]*

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh an díospóireacht seo, nó táimid ag plé tuairisic thar a bheith tábhachtach ó thaobh oideachais de. Tá sé ceart agus fóirsteanach dúinn, i mo bharúil féin, an díospóireacht seo a bheith againn ag an am seo.

I wish to declare an interest as a governor of St Patrick's Primary School in Eskra, as a governor of St

Patrick's Primary School in Garvally, and as a member of the Western Education and Library Board.

I welcome the debate on the Report of the Independent Strategic Review of Education conducted by Prof Bain and supported by his colleague Matthew Murray and two consultants. Page 3 of the report details the terms of reference.

The motion moved by David McNarry calls for decision-making and the implementation of the Bain Report to await the restoration of the Assembly. David McNarry says that a local Minister would be best placed to take the report forward, and I agree. I tabled an amendment that was not accepted by the Business Committee. However, if it had been accepted it would have read that:

"This Assembly further calls on the British and Irish Governments and all of the local political parties to work to ensure that the Assembly is restored by 26th March, so that necessary decisions can be taken in the best educational interests of our children without undue delay."

That amendment would have helped, because it would have injected the necessary urgency into the debate and not just suspended decision-making indefinitely.

Mr Kennedy: On a point of order, Mr Deputy Speaker. The Speaker's Office declined to take Mr McElduff's amendment. However, Mr McElduff is now rehearsing the amendment and is clearly intent on speaking to it. Are you, Mr Deputy Speaker, able to make a ruling on that? It seems unsatisfactory that when an amendment is rejected, a Member can ignore that and proceed effectively to propose — or at least talk to — it.

Mr Deputy Speaker: The Member can refer to those issues. However, he does not have an amendment before the House, so he is technically in order, although I suspect that he is about to raise issues that he should not raise, and, therefore, I ask Mr McElduff to be careful.

Mr McElduff: I am grateful that the clock stopped when Mr Kennedy began to speak, and I hope that he is keeping well.

My comments mirror my party's view on education. Education is central to Sinn Féin's vision of a society of equals. Everybody has a basic entitlement to equality of opportunity, access and educational provision. We should be addressing and redressing generational and educational disadvantage and community networks of learning, and the report looks closely at them. Education should also be about liberating the potential of every young person, child or learner.

The best educational interests of a child, young person or learner must underpin this and every other educational decision. As everyone knows, a lot is happening in education at this time with new policy developments, often referred to as the context of change. A friend of mine referred to it as the perfect

100-year storm, where everything is happening now in education. Some of the changes include curriculum reform, "Entitled to Succeed" arrangements for post-primary education, specialist schools, the development of the pupil profile concept alongside parental preference and greater collaboration in and across sectors. *[Interruption.]*

Mr Deputy Speaker, it is hard to hear myself speak with Gregory Campbell and Maurice Morrow conducting a full-scale conversation.

Mr Kennedy: Lord Morrow to you.

Mr McElduff: I heard that. I will focus directly on the Bain Report and the strategic context of demographic change.

Everyone knows that there has been a major reduction in the pupil population and that falling school enrolments present major challenges. Prof Bain reckons that there are 50,000 surplus places in the North, and that is expected to rise to 80,000. There are various arguments about the accuracy of those statistics, but there is universal acceptance that there is overprovision. There is merit to the argument that unused teaching spaces amount to an inefficient use of resources. Change lies ahead, and nobody is arguing for the status quo.

Other Members have stated that Prof Bain courts controversy. He specifies 105 pupils as the minimum enrolment threshold — or viability quota as referred to by Dominic Bradley; 105 pupils for new rural primary schools; 140 for new urban primary schools; 500 for new post-primary schools — no distinction between rural and urban there — and 100 pupils for sixth-form enrolment.

12.45 pm

Of course, that is said by Bain not to be the optimal but rather the minimum threshold, and it provides as many questions as it does answers. Will that be mirrored by the Department of Education and ministerial thinking? I call on Maria Eagle to make very clear the statement that is expected in the near future on sustainable schools. That statement is anxiously awaited and should be made now. People are looking on from the rest of Ireland, where there is also a small-school culture, and the policy must be developed with children's best educational interests at heart.

Another question is this: what is to happen when a school's population falls below the numbers specified? Bain argues that small schools do not provide the best education given curriculum breadth and quality, specialist teacher provision, modern facilities and social interaction. He makes it clear that future composite classes should be made up of no more than two year groups. That is one aspect of the argument, but there is another aspect, which is underdeveloped in George

Bain's Report, and it is a complete absence to the advantages — *[Interruption.]*

I must say, Mr Deputy Speaker, that it is extremely difficult to make a statement here.

Mr Deputy Speaker: Order, order. I am sure, Lord Morrow, that you are hanging onto every word that Mr McElduff is saying, but perhaps it would be best to give the Member a chance to be heard.

Mr McElduff: Mr Deputy Speaker, I must say that there is a high degree of disrespect and even contempt emanating from Maurice Morrow. I have to say that that is the bottom line.

The advantages of small schools have not been spelled out in the report given pupil-teacher ratio, school ethos and community involvement. I point to a very good article in last Tuesday's 'Belfast Telegraph' in which Colin Berry, the new principal of Aughnacloy College, spelled out the benefits of a small post-primary school in his experience.

Any informed debate will look closely at the merits and demerits of the argument, and there has to be some rural proofing of a sustainable schools policy, so that properly balanced decisions are made in the future.

The section of the report on collaboration between schools and further education, recommendations 43 to 51, contains much creative thinking. It reminds us all of our commitment to a shared future and of the fact that all schools have a role to play, not in what is called integrated schools, but in integrating education.

I note that NICIE (Northern Ireland Council for Integrated Education) has said that this should not become a tick-box exercise with mere contact between schools, but that some accreditation should be given to schools that enter into the spirit properly.

There is talk of area-based planning and closer links between post-primary schools and further education colleges as well as with other training providers, so that 14 to 19 year olds can enjoy the broadest possible curriculum and the best education experience possible. At this point I commend those forward-looking communities in Limavady, Ballycastle, Omagh and other places that are already involved in this type of collaborative working partnership.

Furthermore, Bain points us towards new models of clustering, sharing, school management and governance between primary schools, which contain merit and require further exploration. One size does not fit all with area-based planning. An extreme example of that is Rathlin Island, where there is a very small number of children attending a primary school; I certainly am not arguing for that to discontinue. The children on Rathlin Island deserve a small rural school in a small rural setting, which will last into the future; that is why flexibility is needed.

I note the concerns voiced by church leaders about the need to protect the religious ethos of individual schools within the context of sharing and collaboration. It will be interesting to see how the Minister deals with that, as well as with concerns that private finance will limit the school estate.

I will now conclude my speech; Maurice Morrow will be delighted at that. The amendment, a leas Cheann Comhairle, attracts my party's favour and support. Go raibh míle maith agat.

Mrs Long: I welcome the opportunity to discuss the report of the Independent Strategic Review of Education. However, I share Sammy Wilson's view that, in its current form, the motion is pointless.

Mr McNarry voiced his disgust that the Assembly is often not listened to. Mr Bradley reinforced that, and said that this report was one of the greatest challenges facing education. It is therefore bizarre to find, at the end of the report, that the only political party that responded to the review was the Alliance Party. No other party in the Chamber managed — despite huge resources for research and policy development, supplemented by Government at the expense of the taxpayer — to respond to what they see as a fundamental and important review. By contrast, with a limited staff and budget, the Alliance Party managed to do so.

A Member: Will the Member give way?

Mrs Long: No, thank you.

It is important to act on the report. I have called consistently for a coherent and strategic approach to the education problems that face society. I have criticised the current Minister for taking decisions based purely on financial considerations in a strategic vacuum. Such decisions could prejudice the viability of future education strategy and provision.

At present, school closures are driven entirely and exclusively by budgetary considerations. That is wrong. We must not decide the future of education on the basis of end-of-year deficits. That is not a good system. People may be uncomfortable with the alternatives being suggested in the Assembly, but making decisions purely and simply on the basis of end-of-year deficits is not the way forward. I will develop that argument further.

Simply asking the Government to defer decisions on the report will not stop the process of rationalisation. It will merely allow the process to proceed in an ad hoc and unstructured way, which would be to the detriment of education provision and of young people. The danger is that schools will continue to be rationalised through death by a thousand cuts, which schools in my constituency and across Northern Ireland are already suffering. That is unfair on parents, pupils and staff. The agony of slow decline that many schools currently

are experiencing, driven purely by budgets, is unfair and detrimental to education.

Mr S Wilson: I accept that strategy should not be driven purely by budgets. However, does the Member agree that when a school runs into massive deficits — sometimes as much as 45% of its total budget — then inevitably, because of the decisions that the school has to make, there will be death by a thousand cuts, as classroom assistants and key teachers are lost?

Mrs Long: That is the case. However, if there is a proper strategy for review of education provision, decisions can be taken on the basis of information more substantive than end-of-year deficits. Decisions should be taken on the basis of quality of provision and access to good-quality education. Those should be the drivers that determine where schools should be located and how they should be managed.

There is a further issue. Rationalisation is an ongoing process; it has not halted until the Assembly gets up and running. Rather, it will continue on a sectoral basis, rather than along geographical lines, and will further damage the coherence and cohesion of local communities and increase, rather than decrease, the degree of segregation in the community. That is not helpful.

David McNarry read a partial quotation from the report. The full quotation lends more to the debate. Partial quotations and half-truths always make it difficult to get a feel for the situation.

In the foreword to the report, Sir George Bain states:

“At the beginning of the Review's work, I thought it would be mainly concerned with the issue of ‘surplus places’ and the economic case — cost-effective provision that gives good value for money — for rationalising the schools' estate. As the work advanced, the economic case for rationalisation remained important, but two other arguments for rationalisation became even more important”.

Sir George goes on to outline the educational and social cases, which encompassed:

“access for pupils to the full range of the curriculum, to high quality teaching, and to modern facilities ... and ... societal well-being by promoting a culture of tolerance, mutual understanding, and inter-relationship”.

To use a partial quote and to maintain that the report is economically driven is most unfair on what actually emerged during its formulation.

Mr McNarry: Will the Member give way?

Mrs Long: No, I will not give way.

The figures highlighted by Mr McNarry simply indicate the depth of the current crisis for schools provision. The figures do not suggest a solution, and neither does Mr McNarry. We may not agree that a purely numbers-based formula is an appropriate way to determine the outcomes for schools. However, in fairness, neither does the Bain Report. Its list of recommendations states that when a school's enrolment

falls below the relevant level, it should be reviewed; it does not say that the school should be closed.

Mr McNarry: Will the Member give way?

Mrs Long: No, I will not give way. Mr McNarry had adequate time to put his case when he moved the motion. I want to put my case.

Mr McNarry: On a point of order, Mr Deputy Speaker. I will probably not get away with this —

Mr Kennedy: Try us.

Mr McNarry: It is misinformation. The Member is accusing me of misquoting and not going the whole hog. However, her last point concerned post-primary schools, not primary schools, which is what I was talking about.

Mr Deputy Speaker : That is not a point of order.

Mrs Long: The figures that have been highlighted simply point to the depth of the crisis that must be addressed. We must establish a bottom line for any future review. At the moment, end-of-year deficits are driving the education boards and the Department of Education; we must have a more structured method. A numbers-only method is not appropriate either; that is referred to in the report, which further contends that elements such as management and social issues should be considered only in addition to the numbers argument. If we do not look at the complete picture, we are in danger of whipping up hysteria where none need exist.

The overarching message of the report is the need to move away from a fragmented system towards a single, shared, fit-for-purpose education arrangement that is open to everyone and is flexible and inclusive enough to accommodate the religious, social, cultural and, most importantly, educational needs of all pupils.

I welcome Sammy Wilson's assertion that this issue will be the bane of his life as well as ours. I suspect that his assertion is built on a confidence that we will be back here, not in a Transitional Assembly but, as the result of a positive turn of events, in a more stable form. That is to be welcomed. However, to delay progress on this issue until there is a functioning Assembly is not realistic. Despite Sammy Wilson's confidence, there is no certainty in the public consciousness that devolution is a matter of weeks away. Rather, there is a great deal of deliberate ambiguity and obfuscation on the issue.

I am a committed devolutionist; I believe that the best kind of governance is local governance. However, until such time as the parties in the Chamber are willing to step up to the plate, take responsibility for their decisions and do the job, the direct-rule Administration does not simply have the right to govern, but it has the responsibility and the obligation to do so and to do it well.

Last week, the Northern Ireland Council for Voluntary Action (NICVA) highlighted the damage done to Northern Ireland by the years of the direct-rule Administration's caretaker mentality. The policy vacuums created by that mentality led to unresponsive government and, at times, punishment government, where policy was used as a stick to beat local parties.

1.00 pm

That cannot continue. It is a matter for the parties in the Chamber whether a devolved Administration is established. However, the need to deal with education is in the hands of the direct-rule Ministers, and they must act. I hope that, one day, education will be in the hands of people in the Chamber and that they will act on it. Education has already been made a hostage to political progress — carrots in the shape of academic selection have been dangled in front of various parties. That must stop: it is no way to develop an education system.

We need to move from analysis towards proper engagement so that at some point, and, I hope, under a local Administration, firm, strategic decisions on education issues are made. That is better than allowing our current mess to continue.

Mrs D Dodds: In line with the warnings that Madam Speaker gave at the commencement of the debate, I declare that I am a member of the Belfast Education and Library Board.

Mr S Wilson: I would not declare that, if it were me. *[Laughter.]*

Mrs D Dodds: I do so for my sins, whether for good or for ill.

I welcome the debate. It is valuable, and it is important for our children's future and education. The Bain Report raises questions, but it does not answer them all. It sets out difficulties and suggests possible solutions. Some parts of the document are unsatisfactory because they are not particularly clear and do not grasp the nettle of the difficulties sufficiently to give us clear guidance on possible solutions.

(Madam Speaker in the Chair)

For those of us who have taken an interest in education, some parts of the Bain Report are extremely thought provoking. One is its suggestion to establish an area plan for schools in a particular geographical area. However, the report is unsatisfactory because it is unclear what that plan will mean. Will it include all schools in a given area, or will we simply have a continuation of the current system, allowing the different sectors in that area to draw up their own plans for their own sectors? Interestingly — and I do not think that many Members have mentioned this point — we need to know how that area plan would engage with local communities and how it would provide for their sustainability. Population movements, particularly

in Belfast, have led to the formation of highly polarised communities. How will the Bain Report's area-plan concept help sustain those communities and provide educational services for them? Given that schools are the hub and lifeblood of communities, we need to know how area plans will engage with those polarised communities. That problem is particularly relevant to urban areas and to small rural schools.

The Bain Report has the potential to be helpful, but, as I have already said, in many cases it has not grasped the nettle of the problems and has not offered specific solutions. Reorganisation of the system needs to be set alongside the reorganisation of local government, the new education authority and the need for local government to engage in the development of communities and to help them move into the future.

The Bain Report has considered overcapacity in schools. Nowhere else in the United Kingdom or the world can match the number of different types of school management that there are in Northern Ireland. In other parts of the world there are private, faith and specialist schools. However, they are not all state funded: that is the difference between those schools and ours. Different management schemes inevitably mean extra costs. Education and training costs in Northern Ireland are 30% more per capita than anywhere else in the United Kingdom. Although we spend more, the existence of multiple sectors means that less money reaches pupils in Northern Ireland.

Despite education spending representing 10% of GDP compared with 5% for the rest of the UK, the actual spend per pupil is 14.5% less for primary schools and 2.5% less for post-primary schools here than in England and Wales.

The dramatic fall in numbers across all sectors must also be considered. In Belfast, the most significant drop has been in the maintained sector, although there is also a gradual decline in numbers in the controlled sector.

Surplus places in education in Northern Ireland rose by 14% over the past decade, and we now have 47,000 surplus places. The Department of Education, in its doomsday scenario, has predicted that there will be 80,000 surplus places in 10 years' time.

Northern Ireland has a higher proportion of small schools. Nineteen per cent of schools have 60 pupils or fewer, compared with 12% in Great Britain. The level of single-sex schools here is also higher — 31% of secondary schools, compared with 11.5% in England and 2.5% in Wales.

The persistence of large numbers of different education systems, with their multiple sets of bureaucracy, is no longer acceptable, particularly given the severely restricted education budgets. There have been two parallel systems, enshrined since 1922, educating

pupils in the controlled and maintained sectors. Since then, we have added the integrated and Irish-medium sectors. The costs of the different sectors are being felt, and I would like to illustrate that: recent figures for transport costs put before the Belfast Education and Library Board (BELB) showed that schools such as St Gemma's High School, the Belfast Boys' Model School and the Belfast Model School for Girls had no transport costs, while the transport costs for integrated education were £191,330.

That is only one aspect of the cost of different sectors in the education system. The Member for East Belfast Mrs Long talked about rationalisation being driven by end-of-year deficits. In the BELB area, because of traditional methods for making payments to schools, the biggest deficit for a post-primary school is held by a Catholic maintained school. BELB has no control over the rationalisation policy of the CCMS, although there are plans for a meeting this week. The cuts that will be used to service that deficit are being borne by children in the controlled sector. We are seeing a situation in which the education system is actively discriminating against one particular sector.

Schools from different sectors work effectively at local level through collaboration, joint planning and joint working to meet the needs of the pupils around the Province. Many examples have been quoted in the debate. However, we need to grasp the issue. We need to decide how best to service the education of an individual child. Maintaining different sectors in the education system, and the high and disproportionate costs of the bureaucracy connected with those sectors, does not help an individual child in pursuit of educational excellence.

Thankfully, under the new provisions, an unaccountable Sinn Féin Minister will never again be able, because of a political decision, to give a disproportionate advantage to a system in which a school can be opened with as few as 12 pupils. Again, pupils in the controlled sector are bearing the burden of the deficits of schools in the Irish-medium sector. Many of those newly set up already have significant deficits and surplus places.

The Bain Report has identified a number of issues that will not go away. The report will ensure that those who are in charge of education must make hard choices. Education authorities and local communities must decide their priorities for the future provision of education.

Mr K Robinson: I declare an interest as a governor of two primary schools in Newtownabbey.

I am grateful to my colleague —

Mrs Long: On a point of order, Madam Speaker. Mr Robinson has reminded me that, when I made my contribution, I failed to declare any interests. I am a member of the Belfast Education and Library Board

and of the board of governors of Sydenham Infants' School. I apologise for my oversight.

Madam Speaker: It is sometimes difficult for Members to remember whether they need to declare certain interests but, at the beginning of the debate, I did say that they should do so. I thank Mr Robinson for his reminder.

Mr K Robinson: I am sorry that I embarrassed my colleagues. *[Laughter.]*

I am grateful to my colleague Mr McNarry for bringing this issue before the Assembly. The Bain Report has immense implications, not only for our educational system, but for the future well-being of our entire society. Unless it is carefully analysed in a coherent manner, it has the potential to destabilise our rural community while simultaneously speeding up the educational retreat from the most marginalised communities in urban areas.

The Bain Report includes 61 recommendations, each worthy of intense scrutiny. However, due to the time constraints of this debate, the House will be relieved to hear that it is not my intention to go through them, line by line.

Mr S Wilson: Aw, go on.

Mr K Robinson: I know that you are disappointed, Sammy. *[Laughter.]*

During recent debates on rural schools and the links between poor educational attainment and social disadvantage, many Members highlighted the problems that beset rural communities. The common denominator between poor educational achievement and social disadvantage is the need to ensure that our schools deliver on the basics of literacy and numeracy. The recent Westminster Public Accounts Committee's report on the Department of Education's performance did not inspire confidence in that body's ability to deliver that core function effectively. Therefore, I do not share the report's confidence in either the Department of Education or in the proposed education and skills authority, which sounds suspiciously like another quango, to effectively address this issue rather than tilting at the windmills of social engineering.

Recommendations 6 and 7, under the heading 'Effectiveness and Efficiency', focus on school sustainability. The minimum enrolment stipulation of 105 pupils for new primary schools raises some issues for pupil-teacher ratios. If we assume that there would be seven class levels, from primary 1 to primary 7, comprising 105 pupils, are we to envisage seven classes, with 15 children in each — which would represent progress — or would there be a non-teaching principal, with six staff and some composite classes, or would there continue to be a 30:1 pupil-teacher ratio, allowing for three to four teachers? The basic staff entitlement

for such a new school would need to be clarified by the teachers' unions to ensure that a proper and effective staff is in place.

We must also consider the social and psychological impact on small primary 1 pupils who would have to face a bigger, more distant school, with unknown teachers and children from outside their circles, who may display different values and behaviour patterns from those of their parents and host communities. How would that situation impact on their attitudes and development? In time and distance, how great would be the acceptable norm to transport those impressionable children on school buses where, daily, they could observe behaviour from their fellow travellers that would not, in many instances, be tolerated in their homes?

In urban settings, the continuing denudation of marginalised areas will, no doubt, increase, leaving large swathes of our cities and towns with no local schools with which communities can identify.

How many teaching staff would be required, as of right, for a school that is subject to a minimum of 140 pupils? Will there be seven classes, each of 20 pupils? That might begin to address the major problems. What special educational provision will be available to those pupils? I somehow doubt that their educational opportunities will be enhanced.

1.15 pm

Recommendation 1 of the Bain Report, on allocating the education budget, caught my attention, particularly the following phrase:

"The degree to which schools have control of their own budgets should be maximised".

As a former school principal, the phrase "free at last" ran through my mind. However, I then noted recommendation 2, which states that:

"schools should receive financial and other incentives to share resources and deliver improved provision in collaboration with other schools."

Principals will be free to control more — but not all — of their budgets. There is a continuing myth that principals and governors can manage their schools locally. In fact — as you and I know well, Madam Speaker — most of our schools have a minimal amount under their control from inadequate budgets after staff costs, which sometimes amount to more than 90% of the budget, are taken out. Perhaps recommendation 4 might offer some hope for the future. It states that:

"the Common Funding Formula should be reviewed to ensure that delegations under the formula reflect the costs of the main needs of schools."

Recommendation 9 states that surplus should be no more than 10% of the schools' estate's total capacity. However, that may be outside the control of the school. For example, when I was a school principal on the

Shankill, streets of family homes were demolished and their population dispersed. The result was that, when school numbers declined, the Housing Executive responded by building bungalows for pensioners. The displaced families were rehoused in out-of-town estates. New schools were built in the centre of those estates, and mobile classrooms were often required to cope with the numbers of pupils. Those estates have all matured at the same time: the young people have left; the populations are aging; and school numbers have declined. What a way to plan.

Currently, planners are giving permission for private developments without any corresponding infrastructure being in place. The result is that existing schools are swamped, mobile classrooms are brought back into service, and children are sometimes turned away, while nearby estate schools have many empty places. I have, therefore, limited faith in the Department of Education, the new education and skills authority, or the planners to get it right this time.

A new Administration in Northern Ireland must ensure that joined-up government is a reality, no longer simply a convenient catchphrase. Recommendation 13 urges the Department of Education, before the new education and skills authority acquires estate-planning capacity, to:

“act quickly and decisively to take forward area-based planning as soon as possible in the year 2007”.

Are we in for another mad rush to get it wrong? I contend that the Department of Education should not act in haste, lest it is required, yet again, by a future Public Accounts Committee (PAC) report to repent at leisure. It would be much more satisfactory if the existing education and library boards were to review the current information in a coherent manner. That would provide a sounder basis for identifying what constitutes a local area, identify local provision, identify proposals that would lead to a comprehensive understanding of the possibilities and the provisos, and ensure that a realistic and achievable timeframe could be put in place.

I have grave misgivings about the motivation that underpins the various moves towards the sharing of resources and staff. There are excellent examples of practical co-operation and sharing of resources and staff in many areas, including my constituency. Those measures are based on a genuine awareness of the need to maximise educational opportunities for all our children. I commend those projects and encourage them. However, I am concerned about the carrot-and-stick approach that is designed to cause schools — which may, in many cases, face local difficulties — to move in a particular direction in order to acquire extra funding or extra staff. That reminds me of how the education for mutual understanding (EMU) scheme was promoted in the past and how many schools became involved merely to access funding, while other natural schemes

to involve children from different education sectors received no official recognition at all.

Schools and the Department of Education are charged with ensuring that all our children succeed in numeracy, literacy and those other basic skills that will enable them to become self-confident and self-sustaining members of society.

All evidence up to now indicates that that core objective has not been reached. The policy on special educational needs is also clearly failing to deal with the problems faced by pupils, parents and schools. The planning of the schools' estate, mentioned in recommendation 42 of the report, may be helpful in developing that policy, but only if the school base supports specialist staff, is properly funded and staffing levels are adequate to tackle the task in hand.

Although my contribution has dwelt on the primary-school sector, I welcome recommendations 43 to 51, which concern collaboration between schools and the further education sector. As a former governor of a further education college, I feel that such co-operation is long overdue. It was, however, delayed by the introduction by Government of the competitive, rather than the co-operative, environment between colleges and schools. If our economy is to get up and running to its full potential, colleges need flexibility to promote courses, to respond to the needs of industry and, in the secondary and grammar sectors, to benefit from fair and factual careers advice on future employment prospects.

I note that the integrated education sector and the Irish-medium sector are specifically mentioned in the report.

Madam Speaker: Can the Member draw his remarks to a close?

Mr K Robinson: Yet again, that reinforces in the maintained and controlled sectors — which represent the overwhelming majority of pupils, teachers and staff — a continuing sense of being second-class citizens. I support the motion and the amendment.

Mrs O'Rawe: Thank you, a Cheann Comhairle. I support the amendment. As quite a lot of figures and statistics have been mentioned in the debate, rather than being repetitive, I intend to be brief.

As we all know, the education of all our children and young people is of the utmost importance. It is therefore crucial that sufficient budgets reflect the changing nature of schools provision in an environment that supports sharing and collaboration. Quite a few Members have mentioned that.

We all know that working partnerships are the way forward. However, it is essential that parental choice is not undermined. Our children and young people must be given the opportunities to enable them to reach their full potential in order to equip them with the necessary

skills for their futures. Although it is crucial that criteria exist to protect learners' needs, there must also be criteria that safeguard teachers' needs.

Community educational networks have already been mentioned. Schools and their resources, especially in rural communities, should be used by the entire community. There are two good examples of community engagement in the Armagh area. In St Patrick's High School in Keady, the council, the school and the community work in partnership, whereby both sections of the community use the school's sporting and gym facilities because there are no other facilities of that nature in the area. A similar project is nearing completion in the Richhill area in County Armagh. That is another good example of community involvement and shared partnership. That is the obvious way forward to ensure that communities as a whole benefit from the resources in their areas.

Diane Dodds mentioned area plans and how they would engage with the community. Engagement with the community is crucial to any community plan and should be carried out through a community planning process. A good example of community planning is the 'Planning for Real' model. I am sure that other Members will have heard of that, and how, by using a large-scale model of their area made by pupils in their local schools, communities can identify the area's needs.

I wanted to mention those projects in addition to what had already been said. In conclusion, a Cheann Comhairle, I welcome the debate on the Bain Report and commend David McNarry for tabling the motion and Dominic Bradley for tabling the amendment.

Ms Farrell: I wish to concentrate on the section of the Bain Report that deals with collaboration between schools and the further education sector, to which reference has already been made by Barry McElduff and Ken Robinson. I must declare that I have been a further education teacher for more than 20 years in Newry Institute.

The Bain Report states that collaboration between schools and the further education sector, and a more flexible and less prescriptive curriculum, are the key components in educational arrangements for 14- to 19-year-olds. That will be vital in order to avoid school closures in the post-primary sector, particularly schools that do not have a viable sixth form. Even if a school has a healthy sixth form, collaboration can offer a depth and range of subjects and programmes that a traditional stand-alone school may be unable to offer.

The Bain Report emphasises that collaborative, co-operative arrangements cannot be seen as an alternative to avoiding decisions that must be taken to reorganise Northern Ireland's post-primary system of sustainable schools. However, the mutual benefits of partnership

may militate against some school closures and enhance the opportunities available to students and teachers.

The post-primary review working group, which published the Costello Report, introduced the concept of the "entitlement framework". That framework was developed to give pupils a broader and more flexible curriculum, so that a blend of courses, including academic and vocational courses, can be offered to meet pupils' needs, aptitudes and interests. It is anticipated that the entitlement framework will be implemented by September 2009. By that time, pupils at Key Stage 4 should have had at least one third academic provision and one third vocational/technical/professional provision available to them. All courses must be accredited in the national qualifications framework.

The introduction of the entitlement framework is intended to address inequalities of access to educational opportunities, an issue that was debated in the House last week. As was stated across the Chamber, the current educational provision and choices available depend largely on where pupils live and the type and size of the school that they attend. The choices available to pupils after the age of 16, and their access to curriculum entitlement, depend on whether schools have a viable sixth form. Therefore, it is clear that the proper implementation of the entitlement framework will require co-operation and collaboration among schools, and among schools, further education colleges and approved training organisations. That is reinforced by the requirement that at least one third of courses must be of an applied nature and one third must be of an academic nature.

Any collaborative arrangements will require engagement and commitment at a local level. Strong leadership and co-ordination will also be required. The Costello Report urges that, from the outset, all parties involved be equal partners. That has not always been the case; post-primary providers, in particular, are often in competition for numbers rather than putting the individual needs of the child as the central concern.

The Bain Report endorses the Costello Report in calling for a strategic dimension to local planning for curriculum provision and institutional roles. The Bain Report states that it would not be acceptable to have a series of loosely coupled arrangements between individual schools and colleges of further education.

The Bain Report stresses that the quality of courses depends on the quality of teaching, the suitability and use of resources, and the viability of the teaching group. All courses require suitably qualified and experienced teachers, including, for some courses, teachers with appropriate industrial experience.

At this point, I wish to highlight the discrepancy in salaries between schoolteachers and further education lecturers, who are currently taking action in their

demand for pay parity with schoolteachers. Although the Bain Report calls for collaboration, co-operation and the sharing of resources, why is it that the best resources that we have — namely, our teachers — are treated differently and unequally? I know of several lecturers in further education who are “lent” from their institute to local grammar schools, teaching A-level subjects that otherwise would not be financially viable for schools to offer. Those lecturers often have industrial backgrounds and, in their own institutions, teach their subjects to Higher National Diploma (HND) or degree level.

1.30 pm

They bring their experience and knowledge of their subjects and professional working lives to the classrooms, which can only be of benefit to pupils. Nevertheless, on average, they receive £3,000 a year less — and I stress that that is on average — than the grammar-school teachers in the classrooms next door. Recently, the Secretary of State met further education (FE) lecturers' representatives. I appeal to Minister Eagle to ensure that, in the interests of fairness and equity, FE employers address this anomaly immediately.

As the House proposes new and innovative arrangements for post-primary education, and urges collaboration and equity among providers, the injustice of the pay gap between schoolteachers and FE teachers must be addressed as a priority. If — and I hope that this is not the case — the matter is not resolved before a devolved Government is established, I call on the incoming Assembly to deal urgently with this unfair anomaly.

Some of the courses proposed under the new arrangements require specialist equipment and facilities, meaning that there will be a need to share accommodation and facilities across schools, particularly in further education, and between training providers.

Following the Government's acceptance of the Costello recommendations, the Department of Education and the Department for Employment and Learning launched a pilot vocational enhancement programme (VEP). VEP involves all the FE colleges working with approximately 190 schools, providing professional and technical courses for more than 14,000 pupils. The pilot is entering its fourth year, and, to date, the evidence shows that there very positive aspects to the collaboration. There are also several obstacles, such as timetabling, pastoral care, and problems with the funding systems across the two sectors.

In preparation for today's debate, I talked to the head of vocational education in a school involved in the VEP pilot. She told me that seven local schools, from both the maintained and controlled sectors, one FE institute, local employers offering work experience, a training provider and the Youth Service are all

involved in her programme. Before the introduction of the programme over three years ago, her pupils studied traditional academic GCSE subjects, with many failing to receive at least a grade C. Pupils were disaffected and underachieving, and this manifested itself in behavioural problems and an increase in school dropout numbers. The teacher told me that several years ago, those pupils would have felt alienated and excluded, even though they were of mixed ability, and that they were often seen as disruptive, problem pupils by teachers and fellow pupils. They were not being offered the educational provision that was right for them.

In Northern Ireland, we have a certain amount of academic snobbery, valuing the academic child and academic courses. Although we should maintain high academic standards, we must begin to value vocational courses and vocational excellence and welcome the opportunity to mix and match the vocational and the academic. My teacher friend told me that there was a great deal of work involved in getting VEP established and that it had had teething problems. However, in her professional judgement, it is proving to be a huge success. It gives pupils excellent CCEA qualifications, a sense of worth, a sense of achievement, and a sense of direction.

Each pupil has an individually tailored learning programme, which can include work experience, time in school, time at an FE institute or a training organisation, and time on educational visits.

The VEP to which I am referring covers a wide variety of areas, including retail, business, travel and tourism, media studies, catering, beauty therapy, hairdressing, childcare, ICT, and the building trades — a number of which the Department for Employment and Learning's Northern Ireland skills monitoring service has identified as areas in which there is a skills shortage. The motivated students are now working hard, with concrete progression routes in sight, and the school is amazed at the turnaround in pupils' attitudes and goals, with large numbers going on to further education, valuing themselves and their vocational choices.

My friend told me an interesting story about a particular student whom she saw working with Flash animation during an occupational studies programme. I do not know what that is, and I am sure that many Members do not know either. When she returned to school and asked her colleagues about it, the only teacher who recognised Flash animation was completing a Masters degree in computers.

Bain says that the Education and Training Inspectorate believes that collaboration works best when organisations are not in competition and provision in an area is strategically planned.

Madam Speaker: Your time is up.

Ms Farrell: I commend the motion and the amendment to the House.

Madam Speaker: Before I call the next Member, I remind Members that the use of electronic devices in the Chamber is not permitted, as it interferes with the acoustics. This has been said in the Business Committee, but it does not seem to be getting through.

Mr Shannon: I declare that I am a member of the board of governors at Glashury College.

George Bain's report makes some 60 recommendations, some obvious, some complex and some cautious. Each region will find both positives and negatives in the report. Consequently, different sections will be highlighted. I would like to highlight a few that relate to my own area, and perhaps to show where the Bain Report has fallen down in that regard.

In the Strangford constituency, there are 39 primary schools, eight secondary schools and one grammar school. Of the primary schools, 12 fall below Bain's suggested minimum enrolment; eight in rural areas and four Catholic maintained primaries in urban areas. Under the Bain Report, these schools will automatically be reviewed, taking into account the quality of education being delivered, the cost of running the schools and their viability. The wording of the report makes it obvious that the schools should not be closed merely because of their low enrolments; that should serve only as a flag to show whether the school is performing.

I have to say that beneath the surface I fear that the Labour policy of disintegrating the rural community and rural way of life could flourish under the pretext of financial inefficiency and ineffective teaching and learning, rather than the real reason, which is the dislike of the rural community that has been shown so decisively, determinedly and disturbingly by the current Government at any and — almost — every opportunity.

On page seven of the report, Bain refers to demographic trends. Rather than show declining figures for the whole Province, he should be looking at areas such as Strangford, where pupil numbers have risen and levelled off. Why should the area that I represent be subject to the Bain Report when the report's rationale does not seem to apply to that area?

This is clearly an attack on rural life. Will our small schools, full of character and heritage as well as the provision of sound education, be sacrificed in favour of larger, more impersonal schools in towns and cities? Will the teachers who knew each pupil — and their parents — be a thing of the past as we move full steam ahead into a cosmopolitan way of life where we live mutually exclusive of others, our children not knowing their neighbours?

Will children have the same chances as we did to go to school and university with the friends whom they grew

up around the corner from, or will they have acquaintances whom they do not have the time to truly mesh with as they cannot spend time together outside the classroom? These friendships, formed at primary schools and retained through the adolescent years, are an important part of the education process that every child goes through. They should not be sacrificed because children live huge distances apart and their parents are consequently unable to bring them together regularly.

Members will wholeheartedly agree with me that much more worrying and, indeed, costlier in terms of a child's health is the 25-minute drive to school that will be required if the Bain Report is implemented and the schools are all centralised in cities and towns. We should also take into account the prevalence of childminders and how this is going to affect them. Is it one journey to school or two? Is it different times for different children? All these issues have to be considered.

The combination of after-school activities and quality education cannot be disregarded because children live in the country, and it should not be so easily sacrificed. After-school activities and the formation of friendships are part of growth and development and must be taken into account when assessing the quality of education that a school provides. As vital as basic good teaching and the three Rs are, we cannot forgo the social aspects that define a child as much as academic abilities. The Bain Report takes away a lot of the social interests of children at school.

This is why it must be part of the decision-making process when it comes to the potential closures of rural primary schools. Secondary-school children should be able to stay behind for after-school activities, yet this is not an option for younger primary-school children. Children in rural areas deserve no less a chance to enjoy after-school activities than those in urban areas and should not be discriminated against because of where they live.

We must also ensure that when taking the sizes of schools into account, we take on board the possibility of growth in areas. I refer to demographic trends. With 7,500 houses being earmarked for the Ards Borough Council and Strangford areas, there is potential for growth and for more children, and that has to be taken into account. According to the Bain Report, that is not being considered at the moment.

Some smaller schools in my constituency are located in Killyleagh and Derryboy. Has any consideration been given to Derryboy? What about Killyleagh, where the numbers are almost at the magical 105 and 110?

Derryboy Primary School has just had a large extension completed, and parents want to send their children there, so it must be considered. The Bain Report has not done that, and it concerns me, as it

could be replicated throughout the Strangford area — indeed, I suspect, throughout the Ards borough — and I am sure that other Members could give other instances of where it is happening as well. Clearly, where there is a good progressive school with good teaching and potential for growth, it must become part of the decision-making process. In Derryboy, there is a potential development for 30 family homes in the pipeline. They will not be bungalows, which Ken Robinson mentioned as an example of where things went wrong before. They will be family homes, with families living there, and there will be the potential for more children to attend the school.

That small school provides quality education in the academic, practical and sporting areas, and the fact that the enrolment figure is below that in the Bain Report must not be allowed to be used as the deciding factor determining its future. Indeed, a meeting has been arranged for later this week to discuss this with Irene Knox, and that is something that we want to do as well.

Lack of funding should never be a reason for closing a school that is doing its job and giving a superior education to the children who attend it — no matter the size of the school. The Bain Report has made it abundantly clear that there must be radical change to the schooling system with less money being wasted, more use being made of existing facilities, and under-performing schools being changed, but the focus must not be on that aspect alone: we must be able to make decisions.

A while ago, we met with the teachers and members of the board of governors of Dundonald High School. They emphasised the fact that the feeder primary schools are there to ensure that the school attracts the Bain number of about 500 pupils. We must have a policy that enables us to respond quickly, and unfortunately that is not happening in many cases.

Recently, I wrote a letter in relation to Glastry College. I was told that there was going to be new building there. However, we have since been told in a letter from Tom Walsh at the education and library board that there has been a complication since the release of the Bain Report. The Department of Education has said that even projects that had been announced — and Glastry College is one such project — will have to be reviewed. There is something wrong when the future of a school of that size, with over 600 pupils, has to be reviewed because of the Bain Report. The decision has been taken, and surely it is time to move ahead. The land has been identified, and school numbers ensure its long-term viability.

It seems to me that it is clearly the task of the Assembly to decide on the implementation of this report and its recommendations. It has been said that only those who understand the workings of an engine should ever

lift the hood of a car never mind fiddle with it. Similarly, only those who understand the rural community and its needs, or those who want to learn about them, should be involved with their workings. The Bain Report has fallen short. There are many things in it that should be done, but it is clearly a matter for the Assembly, and for those who have been elected to it, to implement something, which has the potential to affect drastically the future lives of our children.

1.45 pm

Mr Weir: I wish to declare two interests. First, I am a governor of Ballyholme Primary School and of Bloomfield Primary School in Bangor, both of which's pupil numbers, I hasten to add, are well above the required minimum that is suggested in the Bain Report. I hope, therefore, that I can bring a degree of objectivity to the debate.

Secondly, I am a member — that may be an odd way in which to put it — of the South Eastern Education and Library Board (SEELB), which is currently in suspension.

Mr Shannon: It is in limbo.

Mr Weir: Yes, it is in limbo. A principal reason why the SEELB is suspended is because its political members refused to put up with the draconian cuts that the Department of Education was planning to impose on the board. I am proud to say that we would not accept the level of cutbacks that was being proposed for the most vulnerable in our society. As a result, the board was suspended.

However, the issue is not simply about how that financial situation arose; we must accept a degree of responsibility for what has been happening overall. Although the Department of Education's failure to support the board led to the crisis, another factor that led to the financial situation in which the board found itself was the falling surpluses and increasing deficits of pupil numbers. That has been the case in all our education and library boards. We must realise that a real problem exists with spare capacity.

Many of the points that have been raised have highlighted that we must treat the issue with a degree of sensitivity. To preserve the status quo is not an option — it is certainly not a cost-free option. The SEELB found that the money that it was losing — for which the board had to pick up the tab — was having a heavy impact on central board budgets.

I assume that the percentages for other boards were similar, but we were spending about 55% to 60% of our budget on special-needs education; therefore, our spending tended to be slightly higher than that of some of the other boards. When money is taken away from a board because of increased deficits in pupil numbers, which happen because of existing problems, the people

who will inevitably suffer from budget cutbacks are those with special needs — perhaps the most vulnerable in our society. We must bear that in mind whenever we are examining the report's findings.

Although I have reservations about the Bain Report, I welcome the fact that we can have this debate. At least we have a report at which to look. Other Members have raised that point. The Department of Education and the boards knew for years that there was a problem with the sustainability of schools, but — to a degree — a blind eye was turned to that problem on many occasions. We are in crisis at present partly because there was failure at a central level to grasp the severity of the problem much earlier. Therefore the opportunity to have a report that looks at sustainability is at least a step forward to some degree.

As my colleague Sammy Wilson said, much in the report highlights some of the problems. My problem with the Bain Report is that it failed to grasp a number of issues. At times, its findings were contradictory. One obvious example of that relates to the level of sustainability of schools, which several Members have mentioned. The report fudges that issue a bit, even though it refers to specific numbers. A key paragraph in the report appears to contradict itself. Paragraph 27 in the executive summary of chapter 7 on effectiveness and efficiency states:

“A clear policy on school sustainability needs to be developed. School sustainability means a number of things but its governing principle should be educational sustainability.”

To put educational sustainability at the heart of school sustainability, only to tie that in later to an arbitrary minimum enrolment figure of 105 pupils for rural primary schools, 140 for non-rural primary schools and 500 for secondary schools, appears to contradict the report's ethos. As other Members have indicated, when examining the impact that the Bain Report will have, we cannot simply single out the level of draconian cuts that would be applied to communities if the report's recommendations were implemented. Indeed, we must examine the local circumstances and be imaginative in how we look forward.

A Member who spoke earlier indicated that, in doing so, we must take into account the impact of new leadership when considering educational sustainability. Conlig Primary School in my constituency — one of the schools that is under threat — has been experiencing a decline in pupil numbers for many years. It should have a large catchment area, yet because there has been ineffectual leadership at times — for a long period it had no headmaster — it has witnessed a long-term decline. In the past year, however, a new headmistress has taken over at the school. New proposals have been put forward, and a very proactive group in Conlig is looking to expand the school's boundaries. According to the Bain Report, if one looked purely at

school numbers, the school would not meet the required level of sustainability. However, it is clearly benefiting from the input of new leadership, new thinking and wider reach-out.

Kilcooley Primary School, which will be close to your heart, Madam Speaker, would also be under threat, according to the Bain Report. Based on pupil numbers, it is in decline, yet that school, in addition to its educational position, plays a key role in the community and, in partnership with other organisations, is very much at the heart of the community. Therefore a wider examination of the whole issue must take place.

As has been indicated, several things need to happen to prevent closures. We must concentrate on the idea of area-based planning to ensure that there is proper collaboration between schools. However, that must be done on the basis of all the sectors working together. I must express a particular degree of concern that, faced with the threat of the Bain Report, rather than looking at a much wider level of involvement, CCMS has pulled up the drawbridge in order to protect its sector.

The Bain Report highlights the low numbers in the integrated and Irish-medium sectors but fails to grasp the nettle to take the next step forward and say that, at the very least, all schools should be treated on the basis of equality of opportunity. I was struck by Mr McElduff's reference to the fact that Sinn Féin is very keen on equality of opportunity. If that is the case, I presume that it will no longer support the policy that allowed Irish-medium schools to be set up with a minimum enrolment of 12 pupils, when other sectors had to adhere to a different policy. Unfortunately, since 1998 —

Mr McElduff: Will the Member give way?

Mr Weir: As time is short, I will not give way.

There must be equality of opportunity — the false favouring of the integrated and Irish-medium sectors should be removed from the system. All schools must be treated equally. I have no objection if any existing school wishes to seek transformation to integrated status, provided that that is the desire of the parents. However, I have a problem with, for example, the integrated sector putting forward a proposal for a new build, which the Minister then takes the politically courageous step of saying no to, only to find out that NICIE has provided funding for it. If we are to tackle the problem of too many schools and too many sectors chasing too few pupils, we should not add to the problem by opening additional schools where the numbers do not demand them.

As Jim Shannon pointed out, we must also provide people with a degree of certainty about the way forward. I have spoken to headmasters from across the sectors who tell me that too often when a ministerial announcement about capital build has been made, they find themselves waiting for additional funds to reach

their schools three, four or five years down the line. There must be certainty. The future lies in adopting a more imaginative approach, in having a more locally-based system and in having a schools policy that is properly sustainable. Having criticised the Department for waiting around for this report, which goes only so far, I must say that local input is needed.

Consequently, having not dealt with the problem for many years, we can at least ensure that democratically elected politicians deal with the issue. We should not seek implementation now, but the next Assembly must grasp the issue. I support the motion and the amendment.

Mr D Bradley: We have had a constructive and unified debate today. It helped that all parties agreed with the motion and the amendment. I welcome that unity, because this is an important issue and the House must speak on it with one voice.

I have already commended Mr McNarry for bringing the motion before the House. He spoke of some of the findings of the Subgroup on Schools Admission Policy, one of which was to initiate research around transfer at 14 and to explore the implications of a system such as the Dickson plan and how it might be applied to other areas. Mr McNarry regretted that that research had not been fed into the Bain mix, as it were. If the Department were to set up a group involving various education providers to formulate a sustainable schools policy, it might want to consider adding that research to the mix.

Mr McNarry gave us a detailed statistical analysis of the effects that the Bain proposals might have on schools based on the viability quotas mentioned in the report. He described those effects as staggering. Most Members, especially those from rural areas, would agree with him; there is huge anxiety about quotas.

Sammy Wilson tried to alleviate that anxiety when he called for flexibility in the quotas, and he suggested that they should be adjustable to suit certain local circumstances. He also said that sustainability does not depend on numbers alone, but also on the quality of education provided and the quality of educational leadership in a school. He saw a conflict between the Bain Report's emphasis on quotas even though it underlined quality of education and leadership as important elements of sustainability.

Mr Wilson also mentioned the huge number of surplus places, which are currently estimated at 50,000 — although there are various interpretations of their accuracy and how they were arrived at — and which are predicted to rise to 80,000 in 10 years' time. He said that that was an issue that no public representative or administrator could run away from. He agreed with Bain that change must take place slowly rather than be rushed into immediately.

Mr McElduff regretted that his amendment was not accepted. He outlined briefly Sinn Féin's policy on

education, which I will not repeat, and he will forgive me for that. He also mentioned the need to address overprovision in the system. He too was anxious about quotas, and he questioned how they were arrived at.

He also called on the Minister of Education to make a statement on sustainable schools as soon as possible. He outlined the advantages of smaller schools, and he commented that the report is slightly biased in that it does not deal with the positive aspects of smaller schools. He also underlined the need for the rural proofing of any policies arising from the report, and he commended attempts at collaboration in such places as Ballymoney, Omagh and Limavady.

2.00 pm

Mrs Long informed us that the Alliance Party was the only party to respond to the consultation on the Bain Report. However, according to my information, parties were not invited to respond, so I hope that she will stand corrected on that issue. I know that my party was very eager to take part in the consultation, as I am sure other parties were.

Mrs Long was concerned that budgetary issues are driving rationalisation and that other important considerations, including the quality of education, are not being given due consideration. She expressed her lack of confidence in the possibility of an early return to devolution, and she said that, in the absence of devolution, direct-rule Ministers have a duty to rule. She disagreed with the Government's policy of dangling carrots in front of certain political parties — as happened, for example, over academic selection — in order to make progress politically.

Mrs Dodds wanted further information on what was meant by area planning and how it would engage with local communities. She wondered how the proposals in the Bain Report would help to sustain education in local communities.

Mr Ken Robinson said that the report had immense implications and could severely affect rural and urban communities. He referred to the failure of literacy and numeracy policies, and he said that that did not inspire confidence in the ability of the Department or the new skills body to deal with the major issues that will confront us in the future. He was concerned that large swathes of rural and urban areas could be left without local schools.

Mrs O'Rawe supported the amendment, and she called for budgets to support collaboration between schools, but she underlined her belief that parental choice must not be undermined. She talked about community networks that were beneficial to schools and local communities, and she mentioned the case of St Patrick's High School in Keady.

Ms Farrell concentrated on the implications of the report for further education, and she said that collaboration could offer a breadth of choice that a normal stand-alone school cannot. She also told us that the entitlement framework could not be delivered without engagement and commitment to co-operation between schools and further education colleges. She also mentioned the need for quality teaching courses and resources, and she unselfishly highlighted the disparity in pay between further education lecturers and the general teaching population. She said that this disparity is, on average, around £3,000 per annum. She called on an incoming Assembly to deal with that issue.

She also mentioned positive aspects of the vocational enhancement programme and quoted the experience of one co-ordinator who witnessed how the programme engaged pupils who might have felt alienated in a more academic setting. She outlined the range of courses involved and how those courses can help to address the skills deficit in Northern Ireland.

Mr Shannon maintains that many Government policies have demonstrated an anti-rural bias. He sees the Bain proposals as a threat to rural schools and, indeed, to the rural way of life. He expressed his concern that rural children will have to be bussed into towns in order to get an education, and pointed out that that militates against after-school activities for those children. He called for decisions on the future of education to be left to those who are elected to take them.

Peter Weir reminded the House that the status quo is not an option. He mentioned the vulnerability of children with special educational needs.

In conclusion, I underline the sentiments of the amendment and the motion that the matter be deferred until the Assembly is restored and that, in the meantime, the educational providers, in co-operation with the Department of Education, draft a sustainable schools policy to be considered by a restored Assembly. Go raibh míle maith agat, a Cheann Comhairle.

Mr Kennedy: Thank you, Madam Speaker, for the opportunity to conclude this important debate. I feel that I am at a huge disadvantage as Mr Bradley has provided a summary of Members' speeches. It is rather like being a spectator or eyewitness at an important event — if one assumes that Assembly debates are important events — and discovering through the Hansard report whose speech was the most accurate, who believed what they heard, and what their interpretations were.

The debate was useful. I thank all Members who contributed to it. I thank my colleague Mr McNarry for bringing this important matter to the notice of the House. One of the first questions that he posed was whether the Government would listen to the debate and to the contributions of political parties and individual Members.

One hopes that they will, although Assembly Members' history and experience tells us that we are largely ignored — certainly by the Government if not by the general public. We, therefore, start at a serious disadvantage.

Nonetheless, it is important that the Assembly's views on the Bain Report are put on record. The motion simply seeks that the Assembly note the recommendations. That is an important clarification. The Assembly will simply examine the report as a work in progress — work that, it is hoped, will be undertaken by a future Assembly and Executive.

Mr McNarry said that there are too many education sectors, which are all competing for a limited share of available finance. More work is required to ensure that the limited amount of money is more equally and fairly spread. That may mean that the number of sectors will be reduced, which is a serious issue for those who are affected. The potential impact on both urban and rural schools of the review that has been advocated by Sir George Bain, and on the long-term sustainability of those schools, must be highlighted as a matter of concern.

I welcome Dominic Bradley's comments on behalf of the SDLP that the future work of the Assembly or, indeed, any draft sustainable schools initiative should include careful examination of the Dickson plan as a means of progress and, perhaps, of solving the issues of transfer and selection.

Mr Sammy Wilson, who, unfortunately, is not in the Chamber, was careful not to reject the proposals made by Prof Sir George Bain, but simply indicated that these issues must be addressed, that they will require careful consideration, and that things will not happen quickly. Prof Bain has outlined a timetable for the report to be considered. The report will challenge existing structures.

Mr McElduff, who is still in the Chamber, made a contribution that reminded me of what King Charles I is alleged to have said about a person who made a long speech in either the Long or the Rump Parliament; that his speech, like the love of God, was beyond all human understanding. I could not make head or tail of Mr McElduff's contribution — perhaps that was the design of it. He spoke of changes in education, and said that Prof Bain's report asked as many questions as it answered. That is also the conclusion that I came to regarding Mr McElduff's contribution.

Naomi Long took the opportunity to lecture the larger parties — a trait beloved by Alliance Party representatives — and berated us for all manner of failures. At one stage, she even became clairvoyant. That was in the presence of the Assembly's chief clairvoyant, Lord Morrow, who has considerable achievements in that field. He is the undisputed champion of this Assembly, in my view. Mystic Maurice has yet to pronounce on current events, but no doubt we will hear, as Miss Long of the Alliance Party —

Mr Ford: Mrs Long.

Mr Kennedy: Mrs Long, on behalf of the Alliance Party, seeks to become a worthy successor, or partner perhaps, of the clairvoyant in this House. We wait with interest to see how that will happen. I am reminded of the old music-hall joke: I used to be a clairvoyant, but I gave it up because I could not see any future in it. *[Interruption.]* They do not get any better.

Diane Dodds made an important contribution. She said that the significance of the Bain recommendations would be in how they impacted on the review of public administration and the creation of the new education authority. In particular, she highlighted the travel costs associated with one sector in one education and library board. The cost of funding the smaller integrated and Irish-language sectors in education made an interesting comparison and raised concerns.

My party colleague, Mr Ken Robinson, made a careful analysis of the situation and rightly highlighted the myth of locally managed schools when staff costs amount to 90% of the budget and allow no flexibility to boards of governors. As I mention boards of governors, it would be unwise, lest the Speaker take action against me, not to indicate my membership of the boards of governors of Bessbrook Primary School and Newry High School — I am trying to avoid the Tower of London.

2.15 pm

Ken Robinson said that people's confidence in the Department of Education was limited, and that there was increased frustration at the lack of joined-up government. Those issues must be addressed in any new Assembly.

Pat O'Rawe is one of the few Sinn Féin Members who, having been deselected by her party, still wants to be associated with party policy, and she may wish to be commended for that. However, it seems that the jury on selection is still out, so that is possibly why she made her contribution today.

Marietta Farrell spoke of the deserving issue of the wage claim and the differentials between schoolteachers and lecturers in further education colleges. She also made some important points about the Costello Report and collaborative arrangements. Barry McElduff mentioned collaboration earlier in the debate, but I am unsure whether he was referring to educational or political collaboration.

Jim Shannon said that Prof George Bain's report amounted to a curate's egg: it was good in parts. One suspects that Prof George Bain will produce further leaflets and pamphlets in his future career; perhaps his next will deal with the rural communities that it is no longer safe for him to visit. Jim Shannon seemed to recommend that the best way of addressing any

shortfall in school numbers, particularly in the Ards and Strangford area, was to go on an accelerated breeding campaign. The local constituency can look forward to —

Mr S Wilson: All by himself?

Mr Kennedy: How Mr Shannon will seek to achieve that remains unanswered. *[Laughter.]*

Madam Speaker: Order.

Mr Kennedy: Members will want to read Mr Shannon's election manifesto with careful interest to see how he will bring this forward. However, a breeding campaign seemed to be the solution that he was most fondly advocating. Mr Weir mentioned the changing patterns in school numbers, and stated that the status quo was not an option. He also said that educational sustainability was the most important issue to consider.

That is a brief summary of what I heard this morning in what was an important debate. Prof Bain made important points, and they are worthy of consideration in the longer term. It is likely that it will be a lengthy transition, and political considerations will impact on whether the recommendations of the Bain Report are looked at by a new Assembly and re-formed Executive or by direct rule Ministers under RPA and the new educational arrangements. The issues at stake are the future management of schools, the potential pooling and sharing of resources, and issues in the urban and rural communities.

The Bain Report is, at best, a starting point, but it will require full and careful consideration and consultation, and I hope that parties here will make a full input to that. In the event that the Assembly survives and we have the opportunity to do the work that we have been elected to do, it will be a mark of Members' maturity and the maturity of any new Assembly to give practical expression to the report and also retain public support from parents, teachers and pupils.

That is a challenge that faces us all. I hope that Members can rise to it, and I commend the motion to the House.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes the recommendations made by Professor Sir George Bain in the Report of the Independent Strategic Review of Education and calls on the Minister for Education to defer any decisions on the Report until the Northern Ireland Assembly is restored; and in the meantime, to work with all of the education providers to develop a draft sustainable schools' policy for consideration by the restored Assembly.

Madam Speaker: I shall give Members a few moments, after which we will move on to the next item of business.

Equality Commission

Madam Speaker: Order. The Business Committee has agreed to allow two and a half hours for this debate. The Member moving the motion will have 15 minutes to speak and there will be 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Three amendments have been selected and published on the Marshalled List. The amendments will be moved in the order in which they appear on the Marshalled List, which reflects the order in which, if they were agreed to, they would stand in the resolution. When the debate has concluded, I shall put the Question on amendment No 1. If amendment No 1 is made, amendments No 2 and No 3 will fall. If amendment No 1 is not made, I shall put the Question on amendment No 2. If amendment No 2 is made, amendment No 3 will fall. If amendment No 2 is not made, I shall put the Question on amendment No 3.

If that is clear — [*Laughter.*] Members will understand as we go on. I shall proceed.

Mr Campbell: I beg to move

That this Assembly notes the recent publication by the Equality Commission of its Annual Monitoring Report on the Northern Ireland workforce, and calls on the Commission to investigate trends in recruitment, particularly in the public sector, in order to ensure that the workforce being recruited is a reasonable reflection of the working age population in Northern Ireland.

This debate is on one of the most relevant and important of all aspects of life in Northern Ireland today. The reason that the motion mentions the public sector specifically is that over 60% of our entire workforce is employed in the sector, making it far and away the largest employer in the country. I hope that this debate does not turn into various declarations of under-representation in one part of Northern Ireland being countered by another.

The essence of the motion relates to trends in recruitment, particularly in the public sector. I hope that that will mean that we can avoid repetitive worn out clichés regarding past alleged disparities when there were no equality or fair employment guidelines or legislation — now we have one of the most tightly regulated and monitored workforces in Europe.

If there is under-representation in such a highly regulated regime — and I will demonstrate that there is — serious questions must be asked and changes made to resolve the problem. The Equality Commission is the statutory agency responsible for overseeing that. The Fair Employment (Northern Ireland) Act 1989 introduced compulsory workforce monitoring, which means that the Equality Commission publishes the annual returns of all public and private sector firms in a document.

The current one is entitled ‘Monitoring Report No. 16 A Profile of the Northern Ireland Workforce’.

Some Members have quoted figures for the numbers employed by a particular firm to deflect attention from under-representation — and I note that at least one amendment does so. However, the DUP’s motion draws attention to current recruitment practice.

The SDLP’s amendment also avoids issues relating to recent recruitment. Therefore, the DUP will oppose that amendment, but will support the Ulster Unionist Party’s amendment. The overall workforce includes those who were recruited decades ago, many of whom are about to retire. The Equality Commission keeps defending its abysmal record by using the changing patterns of the working-age population and of the workforce to counter the charges made by those of us who represent a community that feels badly let down by current recruitment practices. The Equality Commission frequently mentions that those who have retired from the public sector are predominantly Protestant, whereas the breakdown of those being recruited is more of a mix between Protestants and Catholics. However, that misses the point. No one disputes the religious breakdown of those who are retiring, and no allegations have been made about why that is the case. The core of the matter is what is happening at the entrance to, not the exit from, employment.

Slightly more than 50% of the working-age population in Northern Ireland is Protestant. If there is equality of opportunity and an absence of chill factors, there should be a broadly similar ratio of Protestants being recruited to the public sector across Northern Ireland. That brings me to the security-related sector, which employs more than 17,000 people. There was, and remains, a chill factor that was not created by anything that the employers did, but by what the terrorists did. Intimidation of those who want to join the police is the ultimate chill factor.

The DUP looks forward to when those who used to carry out the intimidation, and much worse, hand over those who are now carrying out acts of intimidation and committing other illegal acts. The number of Roman Catholics who are joining the police force is increasing. However, there would be some such increase even if the state did not discriminate against Protestants to achieve it. The under-representation in the security-related field is the fault of violent republicans, not the State.

Despite intimidation, the recruitment picture for Catholics in the security-related field is improving. On the other hand, the recruitment picture for Protestants in the Northern Ireland Housing Executive (NIHE) is worsening. The figures that I obtained through Parliament several months ago show that only 34.7% of those recruited to NIHE in the past year were Protestants, which is less than the figure for five years ago. That

makes the Equality Commission guilty in the eyes of many Protestants. It, and the agencies that preceded it, have concentrated on addressing areas in which Catholics have been under-represented, but where the figures have been steadily improving. They have not done likewise in areas where Protestants have been under-represented.

That under-representation is getting worse. Republican and nationalist public representatives are also guilty of that charge. They have consistently complained that there is an imbalance in the ranks of the Senior Civil Service. They are right: there is. However, recruitment to the Senior Civil Service is rapidly improving, with more Catholics being employed in that small sector of 200 staff.

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

2.30 pm

However, in the general grades in that same Civil Service, there is an under-representation of Protestants that is not improving. That is in a sector of 20,000 employees. Those who build a political platform under the banner of equality draw attention to a section of the Civil Service where 200 people are employed and Catholic under-representation is improving, yet studiously ignore another part that employs 100 times more people and where Protestant under-representation is getting worse. Those people still maintain the banner of equality over their platform. The word "hypocrisy" is best used to describe that platform.

There are a number of other areas, such as the Child Support Agency and a plethora of localised problem areas, where similar situations prevail. Of course, the ineffective and inactive Equality Commission hovers in the background. I do not wish to pursue localised problems at this juncture, although I hope that there will be another opportunity for us to do so in a future debate, if the matter is not resolved in the interim.

The Equality Commission must begin to establish the trends that are occurring in recruitment, report them to Government and put them in the public domain. The commission must then outline an ongoing plan to deal with any significant under-representation that it has uncovered. I hope that all democrats agree that, if there are varying degrees of under-representation, the area where under-representation is getting worse should be tackled before concentrating on the area where under-representation is improving. Logic would seem to drive us to that conclusion.

The facts, and the Equality Commission's plans to finally deal with those problem areas, should be put in the public domain. Some of us have been highlighting the problems for more than 20 years. The situation has not arisen overnight; it has been in the public domain since the late 1970s, yet the Equality Commission does

not seem to want to deal with the facts as it finds them as much as some of us who elaborate on them.

Once the facts and the Equality Commission's plans to deal with the problems are in the public domain, the wider community can begin to have confidence that the merit principle and equity will be the guiding lights to careers, particularly in the public sector — not the officially sponsored discrimination that currently exists in the police and the unofficial disadvantage in the areas that I have outlined. Those guiding lights will provide the basis on which a public sector in which everyone can have confidence can be built, and to which people in every section of our community believe that they can apply and be confident that they will be recruited on merit.

Mrs D Kelly: I beg to move amendment No 1: Leave out from "calls" to "order" and insert:

"welcomes its continuing analysis of trends in recruitment and its work".

Complaints of religious discrimination in employment, alongside issues such as housing, electoral arrangements and policing, were a recurring theme during the devolved Government at Stormont from 1921 to 1972. It was on many of those issues, and the principles therein, that the SDLP was formed and on which it has fought for equality to be embedded in society over the past 30 years. The SDLP is not embarrassed by equality, but believes in equality for all.

The SDLP welcomes the work of the Equality Commission. Its 2005 monitoring report showed the extent of progress since effective fair employment laws were introduced in the North in 1989 — 21 years after the civil rights movement highlighted systemic discrimination. Thanks to effective fair employment laws and many other reforms, the Catholic share of the monitored workforce is 43%, but a gap still remains, with the Catholic share of the economically active estimated at 45.4% in 2004.

The work of our fair employment laws is not yet finished. Despite progress, we have still not closed the gap between what is and what ought to be. Catholics are still more likely to experience unemployment, with the 2001 census putting that figure at 1.7 times more likely. However, that is an improvement on 1971, when Catholics were 2.5 times more likely to be unemployed. Thankfully, unemployment is reaching record lows. However, that differential must be taken seriously, and the commitment made in the Good Friday Agreement to its elimination must be honoured.

There are serious differentials in economic inactivity, as well as unemployment. Catholics are more likely to be economically inactive — a particular concern when one considers the findings of an excellent report by the Committee on the Administration of Justice that found that there were far more people who were economically

inactive, but who would like to work, than there were people who were unemployed.

The gap between what is and what ought to be has not yet been closed. We should not pretend that equality laws alone can close that gap. Tackling differentials in unemployment and economic inactivity requires clear and coherent socio-economic strategies, of which the direct-rule Administration has none.

TSN was the Government's policy for explicitly reducing differentials, and New TSN retained a heavy emphasis on that effort. However, the Government's new anti-poverty strategy barely touches on that matter. The Government have no strategy papers on how they intend to realise their commitment to eliminate differentials, as set out in the agreement, and that is another reason for ending direct rule.

Thankfully, the Equality Commission is not so lax and has done good work in its area of responsibility, which is ensuring fair participation in the workforce. The public and private sectors have changed remarkably since the 1980s; both are now far more reflective of the community as a whole in the North. However, more must be done.

Catholics comprise over 30% of the Senior Civil Service — not 5%, as it was in 1985 — but that figure is a long way from where it should be. The same problem appears at higher levels in the Civil Service, excluding the Senior Civil Service, even in areas where Catholics are over-represented at lower levels, such as health and education. Catholics remain seriously under-represented in security occupations — at only 12.5%. While the PSNI is making fast progress, other areas such as the Prison Service, which remains almost 90% Protestant, have made none at all.

Mr Campbell referred to the Police Service and the impact of terrorist activity in the past. Nuala O'Loan's report on the investigation into the death of Raymond McCord was published today, and I did not see any unionist representation at its launch. That shows why many Catholics did not join the police.

Lord Morrow: On a point of order, Mr Deputy Speaker, what is the relevance of Mrs Kelly's last point to today's discussion? That goes over my head. The Member should keep to the motion.

Mr Deputy Speaker: I do not accept that that was a point of order. However, I am sure that Mrs Kelly will elaborate.

Mrs D Kelly: I did not introduce the issue of why Catholics did not join the RUC. That was the Member who spoke previously, Mr Campbell.

There is an emerging under-representation of Protestants in some parts of the public sector — especially in health and education — and that must also be tackled. The DUP's motion singles out the

public sector. However, future growth will be in the private sector, where Catholics are less well represented. People working in areas such as health and education face voluntary redundancies and are threatened with potential lay-offs as a result of the review of public administration.

That is not to say that under-representation of Protestants in those areas is not serious. However, it would be wrong to single out the public sector and to exclude under-representation of Catholics in many private sector areas.

It is also wrong to suggest that the Equality Commission is not already working on fair participation in the public sector. That is why the SDLP is proposing the amendment; I hope that the DUP will accept it and realise the good work being done by the Equality Commission, instead of occasionally bashing them. Mr Deputy Speaker, I move the amendment.

Mr Nesbitt: I beg to move amendment No 2: Leave out all after "recruitment" and insert:

"... both for a substantial period in the public sector and recently in the private sector, in order to establish if appointments have favoured one section of the community and, if necessary, to take and/or recommend appropriate action."

Thank you, Mr Deputy Speaker. I also thank Mr Campbell for accepting the amendment as a composite motion. He complements much of what I have to say.

Page 1, paragraph 3 of the Agreement reached at St Andrews between the two Governments states a commitment:

"for equality and human rights at the heart of the new dispensation in Northern Ireland."

I often hear Sinn Féin, SDLP and those from the nationalist community referring to the importance of equality. Well, there is a little bit of history surrounding today's topic of monitoring. One has to go back to the Fair Employment (Northern Ireland) Act 1989 to see where the monitoring came from. It came from the Standing Advisory Commission on Human Rights (SACHR) report of 1987, which said that if there were a belief that there was discrimination, there should be monitoring of applicants or people seeking jobs and monitoring of the overall employment proportion.

That is where the monitoring actually came from: a belief in discrimination. Indeed, not satisfied that discrimination was gone in a sense, the SACHR report of 1997 further proposed more strenuous measures, indeed the strongest in Europe, for any legislative basis for equality.

Indeed, the SACHR report charged the then Fair Employment Commission to draw up benchmarks for the reduction in the unemployment differential to be

dealt with. Dolores has mentioned the unemployment differential; that was brought up eight years ago.

So there is the derivation of all the law — 1989 and 1997. When we look at the Equality Commission in the context of those monitoring reports, we see that it has a clear legislative obligation to do what it has not done. It has ducked and weaved and avoided certain responsibilities, as Mr Campbell said.

Schedule 8 of the Northern Ireland Act 1998 makes it very clear that the Commission is to have accounts. Those accounts are to include a financial memorandum, which is to include a corporate plan containing measures of performance in achieving its objectives.

Furthermore, schedule 9 of the 1998 Act said that it should be effectively reviewing section 75 of that Act. Article 8 of the Fair Employment and Treatment (Northern Ireland) Order 1998, said that it should, as it were, disseminate information about what it was about.

There is a clear legislative responsibility for the Equality Commission to address what is viewed as the central concerns: combating discrimination and providing equality of opportunity. That should be measured by the Equality Commission. The fundamental question is: has it been addressing those concerns? One looks at the monitoring returns, and that narrative really gives the facts in another guise. We get the overall position, but the issues that are seemingly pointed up as a problem are not addressed.

Even the unemployment differential that the SDLP person has just mentioned: eight years ago benchmarks were to be drawn up — none have been drawn up. I note that in the return he forwarded to the latest monitoring round, the Chief Commissioner said that the unemployment differential “is or could be” a measure of the lack of equality of opportunity. He is raising the old chestnut again about the unemployment differential, which we may come back to.

Then there was a fair employment report in May 2004; again the Equality Commission ducked the issue on certain aspects that are in the motion. A group of Scottish economists, DTZ Piedad Consulting, was paid £110,000 to deal with issues of equality of opportunity.

On behalf of my party, I made a strong representation to that group. We met for five hours. However, I noticed that in their report the issue addressed by Mr Campbell's motion had been avoided again. I was misled by the Government on that issue.

2.45 pm

Look at the annual report of the Equality Commission for 2004-05, released in February 2006. One reads on page 28 that one of the key strategic objectives of the commission is:

“to combat discrimination and to promote equality of opportunity”.

However, in the body of the report there is no indication as to whether discrimination has been combated. The statistics that are available are not used to assess that issue.

The commission's latest report was produced in November 2006. It might be called the “traffic light” report. It is good; I commend it. Against each performance measure it has a green, amber or red light: green if the target has been met, amber if it has been partially met and red if it has not been met at all. Where does the first red light come up as you flick through the book? It comes up at the statement that the Equality Commission has not been able to establish new performance measures to determine whether there has been discrimination or equality of opportunity.

That brings me to the commission's annual monitoring report. It is important to take note of the data. The report states that the proportion of Roman Catholic appointees is greater than the Roman Catholic proportion of the employee workforce — as it should be. However, it is cautious about the fundamental point that I wish to address: comparing the proportion of applicants with the proportion of appointees. The Equality Commission, the Government, the research agencies and anything else that I have had contact with resolutely refuse to address that. It is the elephant in the room that is being ignored.

The commission says that caution is required because there is overlap between applicants and appointees. One might apply for a job this year, but not be appointed until next year. However, even if that applies to a large amount of people, the point is not statistically relevant.

The problem is that we have a lot of legislation and much rhetoric as to whether there is equality of opportunity or discrimination. In the debate last week there was much talk of disadvantage. Research shows that a key indicator of disadvantage is whether the subject has a job. An important way of getting work is to apply for a job and be successful. However, if you apply, are you appointed?

Comparing the number of applicants with the number of appointments is fundamental to determining whether there is equality of opportunity, yet it is not done. Members who sat on the Committee on the Preparation for Government know that I have put before the SDLP and Sinn Féin a document that explains that. I have asked to meet them, but I have still to receive a response.

The data shows that, generally speaking, for eight out of the past 10 years, a greater proportion of Roman Catholics were appointed in the public sector than one might expect from the number of applicants. That can be demonstrated statistically, using a model provided by the Civil Service. Even more striking and important is the fact that, in the past two years, the private sector has also seen a greater proportion of Catholics

appointed than one might expect. In other words there is a clear trend.

I do not say that there is discrimination. Indeed, the answer might be that the Catholics are better qualified than the Protestants and should, therefore, get the jobs. However, where trends are identified in data, they should be examined. Over eight of the past 10 years in the public sector, and over the past two years in the private sector, the trends show that more Catholics have been appointed than would have been expected. In other words, there is a favourable disposition towards one side of the community as compared with another. My amendment seeks to address that situation — and nothing more than that.

Ms Ruane: I beg to move amendment No 3: Leave out from “particularity” to “sector” and insert:

“and overall composition across all levels and grades in both the public and private sectors”

Go raibh maith agat, a LeasCheann Comhairle. Tá mé ag dul a labhairt ar son an leasaithe.

Ar dtús báire, gabhaim buíochas leis an DUP as ucht an díospóireacht thábhachtach seo a thabhairt chun tosaigh: déileálann sí ní amháin leis an chomhionannas ach leis an Choimisiún Comhionannais.

B'fhéidir go gcloisfimid ón DUP i rith dhíospóireacht an lae inniu tiomantas — nó rún fiú amháin — cumhacht a roinnt le náisiúnaithe agus le poblachtanaigh ar bhonn comhionannais. B'fhéidir go gcloisfimid aontachtaíthe ag admháil gur cuireadh na sé Chontae ar bun mar stát Prostastúnach do mhuintir Phrotastúnach agus gur cothaíodh an stát sin trí leatrom córasch i gcoinne Caitliceach, agus go háirithe i gcoinne náisiúnaithe.

I thank the Members opposite for the equality that they have shown to the native language of Ireland.
[*Interruption.*] Does the Member wish to make a point?

Rev Dr Ian Paisley: It is already made.

Ms Ruane: I thank the DUP for tabling the motion on equality and the Equality Commission. Perhaps during the course of the debate we will hear a commitment and an intention from the DUP to share power with nationalists and republicans on the basis of equality. Perhaps we will hear an acceptance and an acknowledgement from unionists that the Six Counties were developed as a Protestant state for a Protestant people; that they were built and maintained by systematic discrimination against Catholics —

Mr Nesbitt: May I make a point of order?

Mr Deputy Speaker: Order. A number of requests have been made to Madam Speaker in relation to order in the Chamber when Members are speaking, and particularly when female Members are speaking. Everyone will have an opportunity to contribute to the debate, and all are entitled to be listened to. I ask

Members to listen to the speeches and make their comments while maintaining good order in the Chamber.

Ms Ruane: Perhaps we will reach agreement on a comprehensive anti-poverty strategy that targets resources and intervenes positively and proactively for the most vulnerable in society, based on objective need, and objective need alone. Then again, perhaps anti-agreement unionism is still unable and unwilling to accept responsibility for discrimination.

We all need to show political leadership, and that means empowering communities — all communities, whether they are working-class communities on the Shankill, the Falls, Derry, Downpatrick or Kilkeel. However, my concern about the narrowness of the DUP's motion is not that they have been converted to the equality agenda, or, indeed, to any belief in the need for greater resources and powers for the Equality Commission. My concern is that the motivation for the narrowness of the motion is sectarian in itself.

Mr Storey: If the party opposite is so concerned about equality and has become converted to it, will the Member tell the House what equality there was in the murderous campaign that the IRA, in its 2005 statement, said was entirely legitimate? A Member from her party said that the murder of Jean McConville was not a criminal act. Where was the equality in those instances?

Ms Ruane: I was going to say that we had started a direct dialogue, but I will continue with the debate.
[*Interruption.*]

Mr Hay: Answer the question.

Ms Ruane: It is part of a broader attempt to turn the situation on its head.

It is also a rejection of the unemployment differential, which highlights the deep-seated and ongoing employment differences that exist between the communities. That statistic has remained pretty much unchanged, despite decades of fair employment legislation.

However, in order to ensure equality, it is necessary that a fuller investigation takes place, not just of all levels and grades of the public sector, but of the overall composition of the private-sector workforce. That should include an investigation of its recruitment process, promotions and salaries. It is important that we investigate and analyse more deeply all sectors instead of concentrating on recruitment. That will enable us to identify the problems clearly, and, hopefully, we can respond proactively to tackle them.

Child poverty was mentioned earlier, but I thank Sammy Wilson for giving us some particularly important information on it — go raibh maith agat, a Shammy; maith thú. A parliamentary question that Sammy Wilson asked revealed that, in the North, in the year ending 2005, 40,800 Protestant children, 60,600 Catholic children and 5,900 children from other religious

backgrounds were experiencing poverty. Those figures add up to over 100,000 children. It is interesting to note that in 2004, comparable statistics revealed that 41,300 Protestant children, 58,500 Catholic children and 5,100 children from other religious backgrounds were experiencing poverty. Therefore in 2004-05 the number of Protestant children who were experiencing poverty decreased while there was an increase in the number of Catholic children and those from other religious backgrounds who were living with poverty. No one should want to play politics with poverty, not least with child poverty. That is the reason that it is valid to argue for a wider, proper and non-sectarian investigation into the composition of the workforce.

Sinn Féin welcomes the reduction in poverty that Protestant children have experienced. No child should live in poverty. Our job is to eradicate it from this island for good. We need to eradicate poverty from the life of every child, not just some children. Indeed, if the Members on the opposite Benches reject this amendment, on some level that is tantamount to their saying that, as unionists, they are afraid to share power that is based on equality. Sinn Féin has been at the forefront of the challenge to eradicate all forms of discrimination since the foundation of the Northern statelet. The days when Catholics were denied the right to vote, to housing and to employment are over. There can be no more second-class citizens. I know that some unionists in the Chamber want to use the politics of fear against their own people. However, I make it clear that Sinn Féin and republicans have no desire to do to unionists what the unionist establishment did to us.

Although people's lives have changed —
[*Interruption.*]

Mr Deputy Speaker: Order.

Ms Ruane: Although people's lives have changed as a result of the peace process, there is still a considerable distance to travel and a number of barriers to overcome before equality can be achieved. At the heart of Sinn Féin's commitment to equality is the belief that poverty, discrimination and marginalisation must be challenged and eradicated. That is why we put an effective anti-poverty strategy that is based on objective need at the heart of our recent negotiations in St Andrews. The problem of discrimination against Irish nationalists and Catholics in the North of Ireland has not gone away. It demands affirmative action. Disadvantage must be identified, and resources must be directed to reduce it so that people experience equality. There must also be recognition of the fact that particular groups suffer as a result of structural and endemic inequalities that arise as a result of the nature of their society.

The benchmark of the success of anti-discrimination legislation is the difference that it makes to people's

lives. We are a long way from achieving an end to the discrimination from which many sectors of our society suffer; we are a long way from achieving equality of opportunity and outcome. In essence, the problem still remains: the Northern state was founded on and maintained by inequality and discrimination. More than 35 years after the civil rights movement launched its campaign to highlight the nature of the state's structural discrimination in housing, voting and jobs, those issues remain at the core of sustained inequalities, which, in the main, continue to detrimentally affect the nationalist community.

3.00 pm

Thirty-five years on, according to the latest statistics, nationalists are more likely to suffer from poverty; less likely to be in employment; more likely to be unemployed; more likely to be among the long-term unemployed; at greater risk of living in lower-income households; and at greater risk of experiencing multiple deprivation. There are a greater number of Catholics on housing waiting lists, and Catholics —
[*Interruption.*]

There is no need to be a misogynist. Equality for women is part of the equality agenda; perhaps it would be good for the DUP to learn that.

Catholics will also spend on average one and a half times as long on the housing list as Protestants.

We just need to look at high-level strategies and inward investment. In key areas of Government policy, the failure to make equality the benchmark means that inequality continues. There is a great imbalance in assistance within Belfast, west of the Bann and in border areas.

Mr Deputy Speaker: Please draw your remarks to a close.

Ms Ruane: Over the past few months, I have listened to excuse after excuse about how high-level policies cannot be equality-impact assessed and been told in the most patronising way that the programmes that come out of the strategies are equality-impact assessed. Frankly, we find that insulting. Let us test the DUP's new-found selective concern about equality.

Mr Deputy Speaker: Time is up. I am sorry about all of those interruptions, but that is the situation.

Rev Dr Ian Paisley: On a point of order, Mr Deputy Speaker. I was rather surprised at the remarks you made about the House not giving fair play to females. As the leader of the largest party in the House, I would like to know who made that objection and where the evidence is for it.

Mr Deputy Speaker: A number of the Whips, including from the Member's party, put forward objections to the Speaker about order in the Chamber.

Madam Speaker asked for co-operation from the Whips to ensure that there would be good order and proper decorum in relation to Members speaking in the Chamber.

Lord Morrow: Further to that point of order. When I brought this matter to the attention of the House, I was referring to the fact that Members opposite were on their feet when Madam Speaker was addressing the House. As a matter of fact, the point raised this morning related to Mr McElduff — who was never a female Member. I repudiate the idea that there are constant attacks whenever female Members are speaking.

Mr Deputy Speaker: The matter discussed by the Business Committee related to all Members, and to female Members in particular, who tend to come under particular attack from some Members in the Chamber. Good order in the Chamber applies to all Members.

Mr Campbell: Further to that point of order. Is it not the case in this debate that the only Members who have spoken against the motion have been female? No male Members have been speaking against the motion so far.

Ms Ruane: That does not make it right.

Mr Campbell: So it is OK to barrack males and not females?

Mr Deputy Speaker: Order. Members from all parties will be speaking in the debate. I ask for respect for all Members, regardless of which party they come from or whether they are male or female.

Rev Dr Ian Paisley: Further to that point of order. As the matter was discussed outside the House, will the Deputy Speaker talk to Madam Speaker and ask her to inform Members as to what took place? Members are entitled to be informed about the matter in the House, not when some other Member does not like the asides that are being made to her.

Mr Deputy Speaker: The matter will be discussed through the usual channels. The Business Committee will discuss the matter further tomorrow or on Wednesday.

Mrs Foster: I look forward to having the same protection that you afforded to the Member who has just finished her speech, Mr Deputy Speaker. I find it very difficult to take lectures from Sinn Féin about equality, when, at the age of eight, I was forced out of my home by republican terrorism. We have heard a lot today about a Protestant state for a Protestant people. Of course, that is contextualised by the fact that at the same time there was a Catholic state for a Catholic people in the Republic of Ireland, and we know from our Protestant colleagues across the border what they suffered throughout the years.

I want to respond to a point that was made by the SDLP Member for Upper Bann. She told the House that 45% of the workforce is Roman Catholic, and I take her word for that. However, perhaps she could explain why, in the past year, 51·8% of those appointed to the Northern Ireland Civil Service were Roman Catholics, along with 49·3% to the Child Support Agency and 55·3% to the Housing Executive? Those are startling figures, which indicate to me that there are huge difficulties in this area, especially in relation to the Equality Commission.

Although this is a separate issue, this point must go on record: the Equality Commission takes on cases and drops them at the last hurdle. Many people who come to our offices have had cases taken up by the Equality Commission and have been left hanging at the end of the process.

Some Members have referred to public sector bodies west of the Bann. I only wish that they would look at the statistics for Protestants in those bodies. They would see that the numbers are at a low ebb, especially in the health sector.

Recently, a number of my constituents have come to me for advice on systematic harassment and bullying in a public body west of the Bann. If they take their concerns through the appropriate channels, the bully boys in that organisation target them even more on a sectarian basis. Several of my colleagues have been approached by their constituents also. Indeed, some of those who have come to us have suffered ill health, and, unfortunately, in one case, a gentleman endured a breakdown.

Where should these people go? They are not listened to internally by the public body or, indeed, by the Equality Commission, and the reason given is that they need witnesses. Often, however, discrimination is insidious and hidden and carried out purposely when no one else is around. When one person complains, I take notice. When two people come to me from the same public authority, I wonder whether something is going on. However, when 10 people come to my office, with complaints of harassment and bullying about one Government agency based in one area, I have to say: “*res ipsa loquitur*” — the facts speak for themselves.

In cases such as this, the composite nature of the complaints should start alarm bells ringing in Government and, especially, in the Equality Commission, which has a statutory duty to promote good relations. Even if the Equality Commission does not accept the cases that I have mentioned as being discrimination, it has a statutory function to promote good relations and it is not doing so. In addition, the monitoring returns that go to the Equality Commission do not show why people leave employment. Quite a few people, I would say, leave employment because they are pushed out.

Over the past year, while looking into this issue, I have seen many equality strategies. However, if they are not implemented throughout that organisation, they are not worth the paper on which they are written. Indeed, many cases that have been brought to me state that the job criteria were written to favour one person in particular, and there is nothing that Protestants can do about that when they do not get the jobs.

I want to end by referring to the comments — and I have a right to respond to comments — that the SDLP Member for Upper Bann made about “the former RUC”, as she called it. She made sweeping remarks about collusion. Of course, the SDLP would say that collusion took place: Nuala O’Loan has said that it did, and anything that she has to say is all right.

The SDLP Member for Upper Bann has perpetuated the nationalist myth of systemic collusion. If there is evidence about individual officers committing illegal acts, let us have their names; let us have them prosecuted. Members should be certain that the RUC officers who worked tirelessly over the years do not wish the name of the RUC to be brought down to the gutter by the actions of a couple of officers. If their names are known, let us have them. However, she does not have an evidential basis for making those remarks. They are allegations, and she should acknowledge that.

Some Members: Hear, hear.

Ms Stanton: A LeasCheann Comhairle, I support amendment No 3. Its purpose is to ensure, first, that investigation into employment trends is not restricted to the public sector but includes the private sector, and, secondly, that monitoring considers overall staff composition not only at recruitment stage but takes account of promotions and salaries.

The sixteenth Fair Employment Monitoring Report’s analysis of monitoring returns submitted by 121 public bodies and 4,117 private-sector employers found that the monitored workforce totalled almost 518,000 in 2005. That is an increase of 22,000 from 2004. The composition of the monitored workforce was 57% Protestant and 43% Catholic. The number of Protestant and Catholic employees increased overall, with an increase of 0·7% in the Roman Catholic share of the monitored workforce. Private-sector employment levels rose by 5·2% during 2005.

From statistical evidence that has been produced over the years, we all know that the continuing decline in the manufacturing industry has affected Protestants notably. Evidence also shows that public-sector employment rose by 3·2% and that the Catholic share in that sector grew by 0·7%. The part-time workforce increased by 7·2%, and females accounted for 51·8% of all monitored employees. A comparison of the same sections of the monitored workforce in 1990 and 2005 shows that the Catholic share has increased by a mere 7·3%.

Looking at the public sector alone, its recruitment stage is working reasonably well, but many problems remain with its composition, largely as a result of the legacy of previous practices. For example, the latest monitoring report shows that only 9·5% of staff in Castlereagh Borough Council are Catholic.

It is strange that the DUP focuses on recruitment in the public sector, given that, of 24,557 public-sector appointments that were made in 2005, there was a fall of 5·5% on the figures for 2004. The number of Protestant appointees dropped by 6%, while the number of Catholic appointees dropped by 6·7%. Those factors led to an increase of 0·1% in the Protestant share of public-sector appointments to 50·2% overall.

Between 2004 and 2005, overall full-time public-sector employment rose by 2·5% from 156,841 to 160,737, which is an increase of 3,896 employees. That new total consists of 86,669 Protestants, 66,273 Catholics and 7,795 employees of non-determined community. The community composition of full-time public-sector employees, excluding those who were non-determined, was 56·7% Protestant and 43·3% Roman Catholic. In 1990, Roman Catholic full-time representation was 35·3%.

The public sector comprises five main sectors: health, which employs 34·9% of all public-sector full-time employees; the Civil Service, which employs 25·6%; the education sector employs 14%; security-related employment accounts for 10·2%; and district councils employ 5·7%. Sinn Féin wants a broader investigation that will consider all sectors, not only the public sector and recruitment. Such an overall investigation should include promotions, for example.

In the private sector, only those companies with 251 or more employees are monitored for promotion statistics. A total of 3,530 monitored employees were promoted in 2005, representing an increase of 13·7% on 2004. Of those, 57·2% were Protestant and 42·8% were Catholic. In the overall workforce, there was a net rise of 2·4% in the number of monitored Protestant employees; among Roman Catholics, the net increase was 5·5%. Combined, those factors produce a 0·7% increase in the Roman Catholic share from 42·3% in 2004 to 43% in 2005.

I support amendment No 3, a LeasCheann Comhairle. Go raibh maith agat, a LeasCheann Comhairle.

3.15 pm

Mr O’Dowd: Go raibh maith agat, a LeasCheann Comhairle.

I was expecting a few more contributions before my own, but I accept that as there are several amendments, three or four people will be making winding-up speeches, so time is short.

The proposer of the motion started his contribution to the debate by saying — and I paraphrase — that he hoped that the debate would not turn into a counter-argument on discrimination, that parties would not fight their own corners or throw figures back and forth at one another about who was discriminated against. Lo and behold, he then entered into a raft of allegations of discrimination against the Protestant community.

Lord Morrow: Are they not true?

Mr O'Dowd: I am not denying that any of the allegations are true. I am saying that perhaps the debate today should be about whether we can agree that discrimination is wrong, regardless of what quarter it comes from. The DUP and the Ulster Unionist Party will have to remember that they opposed every piece of legislation that was fought for down the years, largely by the nationalist community.

At one stage, youse claimed that discrimination did not take place in this part of Ireland — but you meant that discrimination against the nationalist community did not take place. Now you have realised that there may be some discrimination against the Protestant community, and you are demanding that that be rectified. Youse are absolutely right, but where youse miss out on your argument is —

Mr N Dodds: On a point of order. Every time that the Member refers to “you” and, as he puts it, “youse”, he is of course referring to the Chair. I do not know whether the Chair agrees with his allegations. Certainly, however, the Member should be corrected.

Mr Deputy Speaker: I remind the Member to address his remarks through the Chair.

Mr O'Dowd: I am always keen to learn something from Nigel Dodds. His opinion is always of value to me, as I am sure it is to the DUP executive.

Those on the Benches opposite, and their forefathers etc, opposed all anti-discrimination legislation and continued to do so right up until this summer in the Preparation for Government Committee. When that Committee was discussing equality, discrimination, etc, Sinn Féin put forward several proposals to enhance the powers of the Equality Commission, which may have actually helped in relation to the cases Arlene Foster mentioned earlier. Each proposal was met with a resounding no from the DUP. How does the DUP propose to ensure that discrimination, no matter by whom, and upon whom, it is inflicted, is eradicated? As each demand comes forward from those involved in equality and anti-discrimination work, the DUP says no. I know that it is the party's favourite word, but if it wants to end discrimination, it must adopt those measures. Sinn Féin — *[Interruption.]*

I am coming to policing, trust me. *[Laughter.]* I would not have risen, a LeasCheann Comhairle, if I was not going to speak about it. Go raibh maith agat, a LeasCheann Comhairle.

Last week, in the Chamber, we debated under-attainment in education, and some Members opposite referred to statistics, such as 27% of young Protestant males leaving school without any qualifications — or perhaps with only one. If Gregory Campbell's figures are correct for people entering the public sector, they speak volumes about why we cannot ensure that young Protestant people are coming up through public organisations. That day, some Members from the Benches opposite referred to the need for an independent report into why that was the case. Surely this is again an example of why we need an independent report.

Sinn Féin is prepared to work with the DUP and the other parties in the Chamber to eradicate discrimination from the face of society. Everyone should have the right to go forward and earn a living in their respective places of work. There is no point in simply saying no to every amendment or proposal that a political party makes to enhance the powers of the Equality Commission, the setting up of which the DUP also opposed. It opposed section 75 of the Northern Ireland Act 1998 too.

No matter how many times we have explained that section 75 and the equality legislation is a double-edged sword and that the DUP should promote its use by its own community, that party still opposes it.

Rev Dr Ian Paisley: The Member is going back into history. During a debate in this House in the old Stormont, it was the Democratic Unionist Party that fought for the Mater Hospital. To come more up to date, in this Assembly, it was the DUP that got a special debate in order that we might put the view that there must be fairness for all and not just for one section of the community. The Member, however, has condemned that and said that we have never done anything of the sort.

Mr O'Dowd: I welcome the contribution from Dr Paisley. I have not at any stage in this debate accused any of the unionist parties of blanket discrimination. What I am saying is that they have always opposed any anti-discrimination measures that have been introduced, from the civil rights movement onwards. I have no doubt that in certain cases there is discrimination against the Protestant and unionist community, and I condemn that. However, if the legislation is not in place to correct that, how do the Members opposite propose that we remove discrimination from society? Proposals put forward by Sinn Féin in the Preparation for Government Committee last summer were met with a resounding no.

In earlier remarks, a LeasCheann Comhairle — and, as this is a winding-up speech, I would like some time to address these points — about policing and the reasons that Catholics did not join the old RUC, the adage came up that they did not join because of armed actions by the IRA. It would be more the case that they did not join the RUC because they had no wish to be associated with their oppressors. If that were taken on board, the

reality of the situation would become clear. Nuala O'Loan's report today outlines why young nationalists and republicans would not wish to be involved.

We have heard from the Benches opposite, a LeasCheann Comhairle, about the need for Sinn Féin to support the structures of law and order. To the best of my knowledge, the Ombudsman's Office is such a structure, but today every unionist politician who mentioned the publication of the report condemned it as a vindictive campaign by Mrs O'Loan. I would have thought that it would have been the duty of the defenders of law and order on the opposite Benches to demand that the truth of the allegations contained in Nuala O'Loan's report be brought before a judicial system and that those guilty of the heinous crimes referred to in the report be dealt with properly. *[Interruption.]*

A LeasCheann Comhairle, I hope that they do ask for it. I have been listening to the radio all morning as I was preparing other work, and I have yet to hear any unionist politicians say that. That is why it is so difficult for republicans to take lectures from them on law and order; they are not qualified to give the lecture.

Rev Dr Ian Paisley: The Ombudsman admits that she does not have the evidence, yet the hon Gentleman is trying to say that we should be blamed for that. That is not fair play; that is pure acceptance of one person's statement. Does the hon Gentleman not believe that people who make allegations should be asked to prove them?

Mrs D Kelly: The reason that Mrs O'Loan does not have the full evidence available to her is that the evidence against those who committed crimes was systematically destroyed.

Mr O'Dowd: I am grateful to both Members for their contributions. I hope that Dr Paisley remembers the remarks that he has directed at me in the Chamber. Many allegations have been levelled at Sinn Féin without any evidence. What about those in the RUC and the PSNI who have destroyed evidence and obstructed the course of justice? I am not a lawyer, but I know that there are a number of barristers on the opposite Benches, and, as far as I am aware, obstruction of justice is a crime.

Ms Ruane: Does Dr Paisley support Raymond McCord's call for an independent inquiry, given the shameful way that he has been treated?

Mr O'Dowd: If we can come out of the Chamber today agreeing on one thing — that we are all opposed to discrimination — the next move is to go forward collectively and put in place proper legislation to remove discrimination.

Mr Nesbitt: I try to base my comments on evidence rather than emotion — on what the data say or do not say. I will comment on what Members have said, primarily those from Sinn Féin and the SDLP.

Mrs Kelly said that the gap between those available to work and those in work is greater than ever. I ask the SDLP spokesperson to read the footnote on page 3 of the Equality Commission's 'Fair Employment Monitoring Report No. 16 - A Profile of the Northern Ireland Workforce', which states clearly that such comparisons cannot be made. They are not made on the same basis. If one is to make any comparison at all, it is between long-term trends, and we find that Government policy has had no effect on those gaps.

Mrs Kelly said, as did Ms Ruane, that we are singling out the public sector. However, my amendment to the DUP motion includes both the private and public sectors.

Caitríona Ruane spoke about a Protestant Parliament for a Protestant People. I noted Arlene Foster's remark on the issue, but let me be precise about that quotation. The comment was initially made in Southern Ireland, and when it was made in Northern Ireland it did not include the word "for". The comment was that just as there was a Catholic Parliament and a Catholic people, there was also a Protestant Parliament and a Protestant people in Northern Ireland.

It should be quoted verbatim in context and not used tritely, misquoted and misrepresented to imply somehow a slight that was not made at the time.

Ms Ruane spoke also about the non-acceptance of discrimination, and she said that we had a long way to go. I have never denied that there was discrimination. Evidence shows that there was discrimination on both sides in Northern Ireland; however, I look for evidence of whether it is still present. Ms Ruane said that we are a long way from achieving an end to discrimination. She should look at the Equality Commission's book 'Fair Employment in Northern Ireland: A Generation On', especially the chapter on social mobility. When the figures were subjected to critical path analysis the conclusion was — and the book describes it as one of the most significant conclusions — that there was no direct reference to religion as a factor.

In other words, in 1996-97, religion had no direct bearing on appointments and promotions. Indirect factors could include a person's father, mother, grandfather, grandmother and number of siblings. The number of siblings affects the years of education, which affects qualifications, which in turn affects whether or not a person can get a job.

Proper analysis does not show that there was discrimination in 1996-97, at the very time when the Secretary of State was talking about combating discrimination. In 1998, legislation was introduced that was stricter than any in Europe.

I do not demur from the legislation; there is a benefit to it in that it ensures that discrimination does not occur. However, let our arguments be based on evidence. Where is the evidence that endemic or

systemic discrimination existed when that legislation was introduced in the 1990s? It does not exist.

3.30 pm

In the same breath, I do not deny that individual cases of discrimination occur. On average, four to six such cases are brought to tribunal every year on religious grounds by Catholics and Protestants and on grounds of gender. However, those figures should be put in context and the actual evidence of proven discrimination upheld by tribunals should be considered. Members must therefore be careful when saying that achieving the elimination of discrimination is a long way off.

I must also add that, yes, disadvantage exists. I do not doubt that; nor do I doubt that unemployment is a measure of disadvantage. Disadvantage can occur for many reasons. However, disadvantage and discrimination are two entirely different elements in the labour market and should not be confused.

I note Ms Stanton's points about the fall in the numbers of Protestant applicants and how numbers of Catholic applicants fell further, resulting in a change of 0.7% in the Catholic share of the workforce. That may be true, but it is not the comparison to make. Instead, we should consider that if 40% of applicants are from one section of the community, with other things being equal, one would expect a similar proportion of appointees from that side of the community. However, agencies have refused to examine that issue.

Mr O'Dowd said that unionists opposed every piece of legislation. I do not oppose equality legislation. Mr O'Dowd also said that there was a whole raft of allegations about discrimination against the Protestant community. I assure Mr O'Dowd that I did not use the word "discrimination". In fact, I was careful to say that the difference between the proportion of applicants and the proportion of appointees does not mean that there is discrimination. The Hansard report will show that I also said that it may be that Catholics are better qualified than Protestants, perhaps because Protestants go abroad for their university education and do not come back.

There are many reasons to explain the disparity between the proportion of applicants and the proportion of appointees. However, I have never said in this Chamber, or in anything that I have written, that this is discrimination, so do not lambaste unionists and say that we go on about discrimination against the Protestant community.

Mr O'Dowd: I certainly would not lambaste any elected representative for going on about discrimination against anyone. My closing remark was that if discrimination exists, let us work together to eradicate it.

Mr Nesbitt: I shall quote the Member's remarks verbatim. He said that there has been:

"a raft of allegations of discrimination against the Protestant community". — [*Official Report, Bound Volume 21, p383, col 1*].

That was the accusation that he levelled at those from this side of the House. I rebut that accusation because there is no evidence that I have ever made such an allegation.

All that we have done, and all that I have tried to do, has been based on evidence. I produced documentation on this issue and invited the SDLP and Sinn Féin to discuss it with me during the summer. My invitation was genuine, but no one responded. I note — and the Hansard report will show — that Sinn Féin said that its representatives were on holiday at the time, but that they would respond on their return. I understand that Caitríona Ruane was on holiday at the time; she has obviously returned, but I have not yet had that dialogue in order to explain my comments on this matter. No response came from either of the two parties sitting to my right.

I make a genuine request: all that I ask is that the apparent disparity between applicants and appointees be examined, so that we can understand why it exists and the Equality Commission can make recommendations or take action to address any disparity. That is not an unreasonable request.

My final comment — and it is very contemporaneous — is that Saturday 20 January 2007 was the closing date for responses to the Council of Europe document on minorities.

The Council of Europe is a body to which we all pay respect. It is the home of the European Convention on Human Rights. The United Kingdom Government were asked for their comments on fair employment in the report, to which they are legally obliged to respond. However, they said that the report has no relevance — yet another example of ducking out of a response. That is my main concern. I ask that the amendment be accepted because I seek a response from the Equality Commission to a genuine trend that must be addressed. Until that happens, the answers to the questions that I have posed will not be known.

Mr Dallat: Mr Deputy Speaker, I have been sitting here for some time trying to get something positive from the debate. Perhaps the fact that the DUP and Sinn Féin talked to each other directly across the Floor was good news, even if it was at some disrespect to you. I am glad that you gave them the latitude to do that. Perhaps that is as much as can be said.

I want to take the opportunity in making my winding-up speech to pay tribute to the Equality Commission.

Mr Deputy Speaker: I want to clarify that a Member had asked another Member to give way, and that caused an altercation to ensue between the two parties.

Lord Morrow: I did not intend to show you any disrespect, Mr Deputy Speaker.

Mr Dallat: I am sure that Lord Morrow will forgive me and that behaviour is better in the upper House than it has been here this afternoon. — *[Interruption.]*

Another Member is showing disrespect to the Deputy Speaker, and he must stop.

I want to pay tribute to the Equality Commission. I will divulge a little personal business. One aspect of the Equality Commission's work relates to land and property. It is three years since I tried to acquire a constituency office in Limavady. The Equality Commission had to go to court last Thursday in order to get the names of the objectors. On a personal basis, therefore, I know a little about what happens. Indeed, while I was sitting here during the crescendos I had flashbacks to my childhood when my father found it extremely difficult to get steady employment. If it had not been for the building of the M2, which went towards Ballymena rather than Derry, he would not have had any long-term employment at all.

Thanks must be given to those people in the Equality Commission who are responsible for monitoring statistics. That is important. It is true that the number of Catholics who are appointed is slightly higher than the percentage of those who apply. That also takes me back. I have had loads of opportunities to reminisce this afternoon. I bought my first new car with great pride. I bought it on the basis that sales had gone up 300% in the previous year. I then discovered that the number of sales the previous year had been 24, which meant that it had gone up to 72. If there are higher percentages of Catholics achieving employment, it is because they are starting from a low base.

Unemployment differentials can be dealt with by targeting areas of high unemployment. Contrary to some theories, the differential is not some magic constant. It has fallen since 1971. However, it has not fallen quickly enough. If Members are to leave the Chamber next week, I hope that they will go into an election that is based not on naked sectarianism but on a desire and a will to lead this part of Ireland out of the dark ages of the last three decades, and to focus on and promote equality not just between Catholics and Protestants, but between male and female and all other categories.

When the new Assembly is restored on 26 March, I hope that it makes full use of the Equality Commission to ensure that all its decisions are based on the principle of equality. I do not believe that there is anyone out there who would complain about that.

Chill factors that dissuade applications remain, and that may explain why some people are under-represented. From personal experience, that is true in local government, where unionist-controlled councils have been reluctant to carry welcoming statements where there is an under-representation of Catholics. That is disappointing.

Looking positively to the future, each Member has a role to ensure that equality in all its forms is paramount. To do that effectively, we need the Equality Commission. It is needed to monitor trends, identify issues and offer advice and solutions. That poses no threat to anyone. The Equality Commission helps to underpin democracy and is one of the cornerstones of a new society that all sensible people have been crying out for during the past, dark ages.

I make a personal appeal to our unionist colleagues opposite. For God's sake, stop trying to undermine your own people and telling them that they have failed. Encourage them to stay at home, because that is one way to ensure that representation of the Protestant community becomes higher than it is. The best brains have left. Sensing hopelessness, they have gone to university across the water and have not returned. We need those people to come back to join their Catholic counterparts, and others, to ensure that, once the next couple of weeks are over, we have a new image and a new era in which the tribal remarks that were heard today are a thing of the past. I have confidence that we can do that, and I hope that we are successful.

(Madam Speaker in the Chair)

Mr McCausland: This is a useful debate because equality is an important issue. I am glad that Members have 'Monitoring Report No. 16: A Profile of the Northern Ireland Workforce (2006)' from the Equality Commission. The Equality Commission for Northern Ireland's 'Annual Report 2005-06' has also been received. It is only when one has the facts that a situation can be analysed sensibly.

My colleague Gregory Campbell mentioned the public sector. It is important that some time is spent on that. One of the best examples of the public sector is the Housing Executive, which, with 3,532 staff, is a major employer in Northern Ireland. In its workforce, not only are people from the Protestant community under-represented, but when the number of recruits that have been appointed in the past year is examined, the situation is exacerbated. Mr Campbell stated that 34.7% of recruits were Protestant. That is lower than the 47.7% in the current staff. Therefore, over the past year, the situation in the Housing Executive has deteriorated. That is also true for a number of other bodies in the public sector.

Mrs Kelly and Mr John O'Dowd commented on the under-representation of Catholics in the security forces. It is true that there is an under-representation, although that does not seem to have prevented members of Sinn Féin from seeking employment with MI5.

Mr Storey: Spooks, spooks.

Mr McCausland: Yes, they are well qualified for that sort of thing.

Several Members have referred to the main reason for that under-representation. For years, the party that is represented across the Chamber had a military wing that carried out a terrorist campaign against members of those security forces. It is no wonder that people from the community that they represent did not want to join: if they had, they would probably have been murdered.

3.45 pm

I am grateful to Dermot Nesbitt for the points that he made about some of the more technical aspects of the equality legislation, how it is implemented and its failures and shortcomings. He is right to say that it is not sufficient to produce reports and facts; we need action.

I am grateful also for his comments about Caitríona Ruane's repetition. Once again, she talked about a Protestant Parliament for a Protestant people, and she continued by saying that this was a state that was founded on discrimination. I must say that Caitríona Ruane does not disappoint. She will always resort to type and rehearse the traditional republican rhetoric.

I think that I am right to say that Ms Ruane comes from Mayo. If one were to think about discrimination, what county would come more to mind than County Mayo? The Mayo library case has gone down in the history of this island. The case was taken because the entire Mayo community — with the exception of the Protestants — deemed it to be totally inappropriate and impossible to have a member of the Protestant community employed as a librarian there, because she might give out books that would corrupt the good, upright, properly reared Catholic people of County Mayo. In the end, the poor woman had to be removed from her job in Mayo and given a job in a back room somewhere in Dublin, well away from the good people of County Mayo.

I remember listening to Ms Ruane on the radio telling us that she had never known discrimination until she came to Northern Ireland. Obviously, the events in County Mayo, where the political and public communities agreed with the council's decision not to appoint a Protestant librarian, have slipped her mind. The people in County Mayo even went so far as to say that it would be inappropriate for them to have a Protestant doctor, because he or she might do things and provide services that were inappropriate for the good Catholic people of County Mayo.

Mr Shannon: Do you mean heal people?

Mr Kennedy: Do what things?

Mr McCausland: That would be too much information, I think.

Madam Speaker: Order.

Mr McCausland: It is time that Sinn Féin, nationalists and republicans woke up to the fact that there were serious flaws in the Republic of Ireland.

Some Members: There still are.

Mr McCausland: Indeed there are. However, Sinn Féin, nationalists and republicans can focus only on the constant justification that they seek for their allegations of discrimination in Northern Ireland.

Mr Storey: It seems that the Members opposite are insinuating that discrimination in the Irish Republic is a thing of the past. The Special EU Programmes Body (SEUPB) recently published a study entitled 'Border Protestant Perspectives'. It states that somewhere in the region of 30% to 35% of Protestants in the border counties of the Irish Republic were discriminated against or felt intimidated, and that remains the case.

Mr McCausland: I am grateful to my colleague for those comments. A couple of years ago, I attended a conference in Monaghan where a person from a Catholic background, who is prominent in peace and reconciliation work in that area, told me that closet sectarianism was a big problem down there. He said that it was not out in the open and that it was not necessarily talked about, but he acknowledged that there continued to be closet sectarianism at the heart of that community. Interestingly, it was not I or someone from the Protestant community in the Republic who said that; it was somebody from a Catholic, nationalist background who endorsed what Mr Storey just mentioned.

Arlene Foster mentioned the situation west of the Bann, and rightly so. That is an important issue that should not be ignored. However, in my remaining time, I want to consider sectors other than the public sector, because we have spent some time on that already.

It is always good to start at home, so I want to refer to the Equality Commission in particular.

Its 2005-06 annual report states:

"The Commission completed its own Article 55 report this year. Although the report demonstrated some improvement in applicant numbers from the Protestant community, the representation of Protestants in our workplace fell over the review period."

If Members look in detail at the Equality Commission's figures, one report states that 40.7% of its workforce is Protestant and almost 60% is Roman Catholic. However, if one looks at the 2005-06 annual report, the table in appendix 2 on page 59 tells us that 35% of its staff is Protestant.

Mrs D Kelly: Will the Member give way?

Mr McCausland: I will give way as soon as I complete the figures. According to the report, out of a staff of 140, 57.1% is Roman Catholic and the religion of 7.9% cannot be determined. It is a serious issue that Protestants are under-represented in the very organisation that is tasked with dealing with equality in recruitment. The Equality Commission is an organisation that is supposed to promote affirmative

action and work to eliminate discrimination, yet it cannot get it right in its own house.

Mrs D Kelly: None of us disputes the Equality Commission's staffing figures — it has been up front about them.

Can the Member tell me how the DUP plans to encourage people from its community to apply for jobs in the Equality Commission?

Mr McCausland: I am happy to respond that I had folk in my office recently who were querying the fact that, having applied for a job in the Equality Commission, they found that their applications had been turned down.

Members should look at the sector to which the Equality Commission belongs — I tend to include it with other organisations that come from what we term "the voluntary sector". NICVA represents community organisations across Northern Ireland. Figures show that 38% of its staff is drawn from the Protestant community and 61·4% comes from the Roman Catholic community. That organisation does not represent people in a particular area, locality or community — it is the "Northern Ireland" Council for Voluntary Action. Therefore it should reflect the general community in Northern Ireland. It should not be an organisation in which people from the Protestant community are seriously under-represented.

If NICVA were the only voluntary-sector organisation that had such Protestant under-representation, one might look for another reason for it. However, look at the Rural Community Network (RCN). The RCN has a total of 33 staff, yet it reports that it has fewer than 10 Protestants working for it. It does not tell us exactly how many; however, if it is fewer than 10, arithmetic tells us that it is nine or fewer. At best, it works out that about 25% of the RCN's staff is drawn from the Protestant community.

I looked at reports from the past three or four years and found that that under-representation is not a one-off blip or an accident with the figures. Year after year, that has been the staffing pattern for those organisations. Where is affirmative action being taken to put right those figures?

Let us consider a few more organisations: the Community Relations Council (CRC), an organisation with which I am involved as a member of its board, has an under-representation of Protestants on its staff. I have raised that issue with the CRC. Protestant employees of the Community Foundation for Northern Ireland total only 41%. Protestants are under-represented across the voluntary sector.

Is that persistent pattern due to discrimination? In some cases, I would say that I do not know, because I do not know the organisation. I suggest that it is not

necessarily down to discrimination but to a differential in the strength of the community sector in the nationalist and unionist communities. In other words, when those large voluntary umbrella organisations recruit, fewer Protestant people are available for them to recruit, but a plethora is available in the nationalist community.

Therefore they probably draw from employment pools that differ in Protestant and Catholic areas but that reflect the differential in community-sector infrastructure in those communities. The figures that I have quoted strengthen the case for greater investment in community and cultural development in Protestant areas, because the outworking of the differential is there for all to see.

However, it cannot be left at that, because those Province-wide voluntary organisations play a prominent role in policy-making, have a consultative role with Government and are even trying to play a part in community planning. Until those organisations get their own houses in order, those roles must be seriously challenged. I welcome the debate and the report, which have enabled Members to speak about the large organisations in the public and voluntary sectors.

Mr Campbell: As a résumé of the debate, does the hon Member agree that, as other Members have said, the under-representation of nationalists, or Catholics, in the voluntary or public sectors has generally been diminishing in recent years? That is true almost everywhere. The converse is equally true: where there is unionist, or Protestant, under-representation, under-representation is getting worse. The Equality Commission must address that situation, yet it has failed to do so.

Some Members: Hear, hear.

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

Mr McCausland: Yes. I thank my colleague for making that point, because it is at the core of the matter. Under-representation of the Protestant community may be being ignored, whitewashed or forgotten, but it is certainly not being dealt with. The Equality Commission's report provides strong evidence as to why that under-representation must be addressed.

Some Members: Hear, hear.

Madam Speaker: I remind Members that if amendment No 1 is made, amendments No 2 and No 3 will fall.

Question, That amendment No 1 be made, put and negatived.

Question, That amendment No 2 be made, put and agreed to.

Mr Kennedy: When the business is concluded, Madam Speaker, may I raise a point of order on a separate matter?

Madam Speaker: I am about to put the Question on the motion as amended.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes the recent publication by the Equality Commission of its Annual Monitoring Report on the Northern Ireland workforce, and calls on the Commission to investigate trends in recruitment, both for a substantial period in the public sector and recently in the private sector, in order to establish if appointments have favoured one section of the community and, if necessary, to take and/or recommend appropriate action.

Mr Kennedy: On a point of order, Madam Speaker. Given recent speculation, will you confirm to the Assembly, at the earliest opportunity, the status of the political affiliation of the Member for Mid Ulster Mrs Geraldine Dougan? Has the Speaker's Office received any confirmation that Mrs Dougan now wishes to be considered an independent Member of the House, and, if so, can that information be relayed to Members?

Madam Speaker: Rather than allow you to continue, Mr Kennedy, I inform you that the political affiliation of a Member is not a matter to be raised in the House. However, I will inform Members of any change to Mrs Dougan's designation as soon as possible.

Adjourned at 3.59 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 23 January 2007

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Madam Speaker: At the start of yesterday's sitting, Members expressed an interest in debating the situation at Muckamore Abbey Hospital and the recent report by the Police Ombudsman. Motions on those issues have now been tabled in the Business Office. The Business Committee will meet today at 12.30 pm to discuss the scheduling of debates on those motions.

COMMITTEE BUSINESS

Report on Workplace 2010 and Public Sector Jobs Location

Madam Speaker: The Business Committee has agreed to allow two hours for each of today's debates. The Member moving each motion will have 15 minutes in which to speak, with 15 minutes being allowed for the winding-up speech. All other Members who wish to speak will be allowed a maximum of 10 minutes.

The Chairperson of the Committee on the Programme for Government (Mr Molloy): I beg to move

That this Assembly notes the report from the Committee on the Programme for Government on Workplace 2010 and Public Sector Jobs Location and endorses the findings and conclusions set out in the Report.

In proposing the motion, I do so not as a member of the Committee on the Programme for Government but as one of the two Chairpersons appointed to the Committee to enable it to conduct its business.

Members should know that the Secretary of State wrote to me yesterday evening about the report that is the subject of this debate, and I understand that copies of that letter are available in the Rotunda. For the benefit of Members, however, I will outline the letter's key messages later in my remarks.

On 24 November 2006, following a direction from the Secretary of State, the Business Committee of the Assembly established a Committee on the Programme for Government to consider priorities for a new Executive and to make preparations for restoration. The Committee on the Programme for Government recognised that there was much to be done, and, although it was extremely busy examining some specific matters, it determined to set up six subgroups to consider a range of other issues. One subgroup was formed to review the progress of the Workplace 2010 initiative, which is part of the reform programme aimed at addressing the urgent accommodation problems of the Northern Ireland Civil Service office estate. Importantly, the subgroup was also required to consider key issues in relation to public-sector jobs location.

It is appropriate to declare that I chaired the first meeting of the subgroup on 7 December 2006, but not as a member of the subgroup. Alternative arrangements for chairing each of the subgroups were agreed on 11 December 2006 and introduced immediately thereafter. When the Committee on the Programme for Government considered the findings and conclusions of the subgroup, there was consensus among the parties that not only should its report be printed, but that it should also be debated in the Assembly. The report is a Committee report, but its substance is, largely, the fruit of the

subgroup's labours. I acknowledge the efforts of the members from the four main parties who served on the subgroup. I am sure that they will participate in the debate.

It is also important to record that the Committee on the Programme for Government was careful to consider the findings and conclusions of the subgroup and added its own value to the report. I have no doubt that some of the Committee members will want to have their say. The members of the subgroup would also want me to acknowledge the support of Assembly staff. It is to their credit that the report was completed over the Christmas period in time for the Committee's consideration. I know how dedicated the Committee office staff were in providing support to the Committee and to all the subgroups, and I thank them for the hard work and long hours that they put in to produce the report.

It is worth reminding the Assembly that the Committee on the Programme for Government agreed the terms of reference for the subgroup as recently as 4 December 2006. The Committee called for a report by 3 January 2007. It is to the credit of the subgroup that it rose to the challenge and reported by the due date. In so doing it called for, and received, written submissions and also heard evidence from witnesses. Having acknowledged the efforts of members, it is also right to recognise the valued contributions made by those who provided written responses and those who appeared, willingly and at short notice, before the subgroup to ensure that members were well informed on the issues.

I shall now highlight some of the key areas in the report. The issues raised proved to be complex and, dare I say it, somewhat controversial; they are recorded on pages 5, 6, 7 and 8 of the report.

Workplace 2010 is a private finance initiative (PFI). I know from experience that the PFI concept can provoke a range of reactions, not all of them positive. It is no surprise therefore that this matter came up as early as the subgroup's first meeting, given the advanced stage of the procurement process, and the fact that the terms of reference required the subgroup to review the progress of the Workplace 2010 initiative.

Members of the subgroup felt somewhat constrained, and they were also concerned about the risks of having direct contact with any of the preferred bidders in relation to a commercially sensitive matter. Nevertheless, it is clear from the report that members have been diligent in their investigations.

The most striking feature of Workplace 2010 is the sheer scale of the initiative, which is a matter of some concern, especially to the members of the subgroup. This large and complex programme will affect about three quarters of the office estate and is expected to impact on some 18,000 civil servants. In return for an upfront capital payment, there will be an asset transfer to the

successful private-sector partner of some 77 buildings out of a total of 202. About half of those 77 buildings are in the greater Belfast area. The remainder are in regional towns and include the jobs and benefits offices.

However, according to my reading of the report, the impact on staff was also given due consideration, particularly the issue of transferring staff from the public to the private sector and the quality of the environment in which civil servants might be expected to work to allow them to provide a much needed range of services to the public. The equality impacts and social and economic effects are also highlighted in the report.

The report also reflects on the importance attached to safeguarding the interests of the taxpayer and the local economy. In this regard, there are associated references to sustainability.

Many Members will want to focus on what the report says in relation to the important issue of the location of public-sector jobs in Northern Ireland. I look forward to hearing what other Members have to say on this issue.

In my opening remarks, I mentioned that the Committee added its own value to the report that the subgroup produced. That value is captured not only in the body of the report, but in summary on the second page of the report, where three specific additions and an amendment are recorded.

The Committee agreed to write to the Secretary of State setting out its views, namely:

"no decision should be made on advancing the Workplace 2010 contract until the concerns expressed by the Committee in its report had been considered;

it does not accept that the proposed consultation on Guiding Principles for the Location of Public Sector Jobs should be confined to the Review of Public Administration consequentials or that Workplace 2010 should be excluded from this consultation; and

the approach being taken to the implementation of Workplace 2010 has the potential to lead to the closure of government offices in non-urban areas, which might in effect result in the centralisation of public sector jobs."

I want to confirm that the Committee sent a letter to the Secretary of State. The Secretary of State has responded, and copies of his reply are available in the Rotunda.

I am encouraged by the Secretary of State's reply, which appears to recognise the validity of the Committee's concerns. On Workplace 2010, he has given an assurance that officials will carefully consider, and will seek to take account of, the concerns expressed by the Committee. He has also indicated that the outcome of those considerations will be conveyed to him before final decisions are taken.

In relation to the proposed consultation on the guiding principles for the location of public-sector jobs, the Secretary of State has indicated that the scope of the consultation will be widened to allow for

comment on the broad, overall policy relating to dispersal, including Workplace 2010 and decisions around the review of public administration. The Secretary of State also wrote that the consultation paper would be published next week.

On the question of whether Workplace 2010 has the potential to lead to the closure of Government offices in non-urban areas, with a resultant centralisation of public-sector jobs, the Secretary of State is most insistent that the Workplace 2010 contract will improve the flexibility to accommodate any future decisions on the dispersal of jobs and will allow the Civil Service to respond quickly as and when those decisions are taken.

10.45 am

Having brought Members up to date with the latest developments, I want to draw my remarks to a close.

Without dismissing the many papers, documents and reports that we read, there is no doubt that the devil is in the detail. This report acknowledges the virtue of making things easy for the reader by providing an executive summary.

Given that the remit of the Committee on the Programme for Government is to consider priorities for the new Executive, Members will want to pay particular attention to paragraphs 7, 8 and 9 on page 2 of the report. There they will see clearly in bold type, three actions, which I wish to commend to the Assembly.

The first shows regard to local businesses. It calls on a restored Executive:

“to monitor the position and consider what interventions might be possible”,

in circumstances where local businesses might suffer as a result of awarding Workplace 2010 to any particular bidder.

The second action appeals, to a greater or lesser extent, to us as politicians. It calls on a restored Executive:

“to undertake an urgent examination of policies, which appear to favour PFI Solutions.”

The third action says much about the challenge of securing benefits for all the people of Northern Ireland, but not at inconsiderate expense to the taxpayer. It calls for the development and implementation of policy for the dispersal of public-sector jobs, which would take account of existing strategies for equality, rural development, sustainable development and targeting social need subject to careful consideration of cost.

I look forward to the rest of the debate, including what Members have to say about the Secretary of State's letter. Thank you.

Mr Buchanan: There is real concern that all the work carried out by the Committee may be rendered worthless,

because the process toward the implementation of Workplace 2010 is so far down the route to completion that no meaningful changes can be made.

There is always a concern that direct-rule Ministers will disregard the views of Northern Ireland politicians; but that concern is more acute in this situation, and it seems to be reinforced by the views given by the Secretary of State in his letter to the subgroup early in its investigations. Obviously, the recent press coverage surrounding some PFI contracts in Northern Ireland has not been positive, and that must inform our views when it comes to examining the proposals at hand.

The press coverage of Balmoral High School highlights the worst possible scenario regarding this kind of arrangement. Although reassurances were given that lessons have been learned from every bad example, we must always guard against the bad practice that has occurred in Northern Ireland and in all other parts of the United Kingdom.

However, there is no doubt that much of the Civil Service estate is in a very poor state of repair. There is an urgent need to ensure that the conditions in which civil servants work are of the best possible standard, and that they allow for efficiency and productivity. To that end, if Workplace 2010 is to go ahead on the current basis, it is vital that there are safeguards to prevent companies making so-called super profits on the back of the purchase and leasing back of the buildings.

There must also be protection for staff across Northern Ireland who are concerned that they will be forced to transfer from the public sector to the private sector, with the accompanying pension, and other, changes that could entail.

If Workplace 2010 is to proceed, there is little doubt that a large multi-national company will win the contract to provide services to the buildings.

Whereas reassurance was given that local companies may be involved in service provision, I am concerned that current local providers of these buildings may be pushed aside in the name of increased profits that will ultimately go to a company based outside Northern Ireland and probably outside the United Kingdom altogether.

With respect to the proposals for decentralisation, no one in the Chamber opposes the redistribution of jobs across Northern Ireland. However, Members must remember that it could not be carried out without cost to the taxpayer. The process must be carried out in such a way that jobs are relocated at appropriate times rather than simply to meet artificial quotas or targets. The relocation of jobs must be on a sustainable basis. The Scottish experience provides a model appropriate for Northern Ireland, should that proposal be acted upon.

Unfortunately, the Committee may be trying to shut stable doors long after the horses have bolted. However, I hope that the Government will take the Committee's concerns on board, since many of the proposals are well on the way to implementation and others have already been completed.

It is important that the voices of Members, as local representatives, are heard by those implementing the proposals and that they take heed of our valid concerns.

Dr Birnie: All Members will be familiar with problems that arose over the past 15 years because of how electricity generation was privatised in the early 1990s. A long-term contract was entered into, which, in the eyes of customers, was too generous to suppliers. That continues to be a problem.

Is history about to repeat itself? I ask that because Workplace 2010 was a part of the Committee's remit. I do not ask solely because, as some Members will have noticed, a former Government Minister, who was around in the early 1990s, has reappeared as part of one of the four companies bidding for the Workplace 2010 contract.

At the heart of the Workplace 2010 initiative lies a 20- or 25-year contract for transferring public assets to private ownership. If, in that process, the financial variables are miscalculated, Members, and Northern Ireland as a whole, will regret it for a very long time.

Mr Buchanan referred to the worst case encountered to date: Balmoral High School. In that instance, the public sector and the taxpayer will have to pay for years for a building that is no longer necessary because of PFI arrangements.

On the basis of evidence reviewed by the Committee, Members cannot be entirely confident that, with respect to Workplace 2010, the financial variables have been correctly calculated.

There are three such variables. The first is initial asset valuation, which, if correctly calculated, will ensure that buildings are sold off at the right price. It is worrying to inspect the websites of various agencies and discover that markedly different figures are quoted. The second variable is the unitary charge, which determines whether the public sector is charged a fair rate to lease back the buildings and use them or an exorbitant rate. What happens if, as is very likely in future, there is a need to change conditions of use? Will the private operator exploit his position? Thirdly, there are clawback arrangements. What if the private operator — or owner — of the Civil Service building chooses to sell it to another private company at a profit? Will a percentage of that profit be clawed back to the taxpayer?

Some will say that all the financial details have been correctly calculated, because the so-called outline

business case demonstrates that the so-called net present value of the Workplace 2010 contract represents a lower-cost way of carrying out necessary repairs and maintenance of the Civil Service estate. That seems to be the official line that was given to the Committee and cited in the evidence submitted; that line is also taken by the Strategic Investment Board (SIB).

However, there are difficulties in evaluating that outline business case. First, having been published in May 2005, it is almost two years out of date. Secondly, the figures in the outline business case cannot be discussed in the public domain because of alleged commercial information sensitivities, thus handicapping any open and transparent debate about their implications. Thirdly, and most importantly when determining how much credence — or otherwise — should be given to the business case, a cost-benefit analysis for a projected 25-year period will always be a hazardous exercise. It is vulnerable to the assumptions that are made, such as the interest and inflation rates that will apply over the 25 years. Therefore, I am not convinced that the outline business case provides a knock-down argument that Workplace 2010 is truly superior to the more traditional methods of operating the Civil Service estate.

The other half of the report's subject matter concerns decentralisation, to which the UUP takes a pragmatic approach. Decentralisation is beneficial in so far as it is consistent with reasonable value for money. It should be remembered that Northern Ireland has extensive experience of decentralisation policies in the 1990s and at the instigation of the 1999-2002 devolved Executive. Several consultancy studies on decentralisation have been carried out by, for example, Pricewaterhouse-Coopers. One estimate is that to move 4,400 Civil Service jobs from the Belfast area to elsewhere in the Province would cost about £40,000 per job in current and capital costs — in other words, a considerable sum of money.

It is also worth examining the experience that other jurisdictions and Administrations have had of decentralisation policies, as the subgroup did when taking evidence and in its consideration. We examined the experiences of Scotland and the Republic of Ireland. Notably, the Scottish Executive adopted a pragmatic approach to ensure that any decentralisation was done in a cost-managed way. The Republic of Ireland has introduced a policy of moving as many as 8,000 jobs out of the Dublin area. So far, the number of civil servants who have moved is in the hundreds, largely because they themselves have been resisting such movements. These examples are worth pondering.

One point about the statistics that were presented to the subgroup is worth noting. They showed that roughly 60% of Northern Ireland's population live in the greater Belfast area. The percentage of Civil Service employees who work in that area is also 60%.

In other words, the two figures more or less match, which hardly indicates any gross inequity in the existing distribution of jobs.

I thank the staff for their work on the report, which was done under great time pressure and even straddled the traditional Christmas holiday. I also thank those who gave evidence, both from the Department of Finance and Personnel and the Northern Ireland Public Service Alliance (NIPSA). I support the motion.

11.00 am

Mr Dallat: I welcome the publication of the report, and I would like to return to the key issue for the SDLP — the decentralisation of public service jobs, which would be in the interests of Northern Ireland as a whole. Esmond Birnie referred to previous attempts to decentralise jobs; however, those were not very successful. The Department of Education generously offered to move jobs from Bangor to Belfast, while the Department of Health, Social Services and Public Safety did not respond at all.

The contract for the provision of Civil Service accommodation is nearing a conclusion, and that creates a new set of circumstances that will enable the disappointments of the past to become the successes of the future. However, that will happen only if there is a concerted effort on many fronts to tackle the problem. It cannot be left to happen in a haphazard way; any new Assembly must have the enthusiasm and commitment to overrule the stubborn attitudes of senior civil servants who create the impression that they cannot see beyond Glengormley when it comes to the location of Civil Service jobs.

In Coleraine, for example, 261 jobs are going to be lost in Driver and Vehicle Licensing Northern Ireland, and there are worries that more will follow. Some 84 jobs have already been lost in HM Revenue and Customs, and a review is ongoing in the Social Security Agency — all in the one town, where the industrial base is extremely narrow. There are further worries about Limavady and Derry, where many of my constituents find work.

No one can tell me that that set of circumstances does not require the intervention of a new Assembly with the power and the commitment to deal with the crisis that is developing, not just in Coleraine but across the North, with the potential to cause particularly nasty destruction in areas that are already experiencing high levels of social deprivation.

Mr McMenamin: Does the Member agree that special emphasis must be placed on decentralisation of jobs to the west? I am talking about west Tyrone, Omagh and Strabane. Hundreds of civil servants — many of them young married women — leave their homes at six in the morning and do not get home until seven in the evening, leaving their children behind. That has been the

story in the west for too long; surely there should be a fair share of jobs, and more jobs should be decentralised.

Mr Dallat: Madam Speaker, I could not agree more. I met civil servants in Coleraine last Friday. It is not just young mothers; many civil servants are also carers, and they cannot afford to be away from home for 16 hours a day. That is another factor that Members need to take into account when calculating the cost of decentralising Civil Service jobs.

There is a mood afoot that there is little opportunity at this late stage to build something into the contract to allow a new focus on decentralisation. I do not accept that. I listened to the figures given by Esmond Birnie — £40,000 to move one job. There has to be flexibility in the new contract to look at new ways in which decentralisation could be done without incurring massive costs.

I am sure that many Members came here today via the M1, the M2 or other arterial routes. One cannot fail to notice the horrendous damage that is done to the environment by sending thousands of civil servants into the greater Belfast area each day. That causes mental strain and adds to the never-ending parking problems.

Some Members have mentioned the defects in the Republic's decentralisation programme, but it seems that people do not want to focus on its successes. Towns in the west of Ireland that could expect only minor improvements in their economic prospects prior to decentralisation are now vibrant and prosperous. That was brought about not only by the decentralisation of central Government jobs; many county council jobs were also decentralised, and the benefits of that are enormous.

More importantly, people have a new confidence in the future. The economies are more stable, and the new wealth has created many more jobs in the private sector, and, God knows, we need them. New industry and commerce are developing in areas that struggled for survival in the past. The emigration buses have stopped running. There is a new focus on education and training, new infrastructures for roads and railways — more about which Members will hear later — and the other support services that make up a prosperous society.

There is no reason for not replicating that in Northern Ireland, but it needs a new dynamism and commitment that have not been present in the past, and that gives one good reason for having a local Assembly. In the months ahead, people across the North will be looking to a new Assembly to bring about real change. That will not happen if decentralisation is not a cornerstone of change, or if senior civil servants continue to dictate where jobs will be located. Now is the time to ensure that winds of change sweep through the corridors of power, bringing new hope to many socially

disadvantaged areas where Civil Service jobs are disappearing like snow off a ditch.

Changes must be made to bring hope where there is despair, happiness where there is gloom, and confidence where insecurity has been the order of the day. That has already happened in Wales and in Scotland. What is good for Aberystwyth and Aberdeen is good for towns outside the greater Belfast area, and, as my esteemed colleague Eugene McMenamin reminded me, that is particularly true of the north-west and the west.

Mr Neeson: I was not a member of the Committee on the Programme for Government, and neither were any members of my party. My colleagues and I gave up most of our summer to serve on the Committee on the Preparation for Government and the Subgroup on the Economic Challenges facing Northern Ireland, and I deeply regret Peter Hain's despicable decision to exclude the Alliance Party from the Committee on the Programme for Government. In many ways, that exclusion was a disservice to the people of Northern Ireland and to the Alliance Party.

The main aim of the report is to create an efficient and effective workforce. Any working environment must be conducive to creating the necessary productivity. The fact that the main concentration of Civil Service jobs is in the south-east corner of the Stormont estate shows how centralised the Civil Service has become, although Civil Service jobs are based in 70 properties in the greater Belfast area. The existing properties leave a lot to be desired.

In the past, too many ad hoc decisions were taken on where to locate jobs in the Civil Service. From 1996-98, when the talks were being held in Castle Buildings, I saw for myself the conditions that Northern Ireland's civil servants had to experience. I thought that it felt like a prison. Therefore there is an urgent need to modernise the buildings and facilities for our civil servants. The new Invest Northern Ireland building on Bedford Street is a good example of modernisation, and it shows what modern facilities can be achieved for our workforce.

I am in favour of decentralisation. I am on record as having stated that one major Government Department should be located in the city of Derry. In many ways, decentralisation provides greater opportunities to develop a more efficient and effective workforce. I agree with Eugene McMenamin that the time that many civil servants spend travelling to and from work should be taken on board. It is important that lessons should be learned from experiences in other areas, such as Scotland, Wales and particularly the Republic of Ireland, where decentralisation has clearly been proven to be successful.

One of my main concerns about the sell-off of properties, particularly in the Stormont estate, is that

we must take rising property prices in Northern Ireland into account. Who will benefit most? Will it be the Government or the private sector? I contend that the private sector stands to make most from the sell-offs. We must also consider whether the refurbishment of existing buildings would be preferable to constructing new buildings.

Like many people, I am not convinced by the PFI argument. Does it provide value for money in the long term, and how can it be guaranteed that there will be good competing bids? One advantage with PFI is the opportunity for decentralisation, and I can think of many excellent sites in east Antrim that would provide facilities for new Civil Service offices.

As regards the review of public administration (RPA), I have said in the Chamber that 10 Government Departments in Northern Ireland is too many and does not provide for efficient and effective government and administration. If devolution is restored, will the Executive be prepared to take the necessary decisions to provide an effective and efficient Government? If that does happen, there will be an impact on staffing, other resources, and on building needs for the future.

A radical approach will be required to cater for the necessary public administration needs in the twenty-first century, and I pose a question that is not addressed by Workplace 2010. What provisions are being made for the provision of e-government? Undoubtedly, that will have major implications for staffing, buildings and other resources.

The restored Assembly will face major challenges, and I hope that it will meet them.

Mr Doherty: A Cheann Comhairle, I welcome today's debate on the Workplace 2010 report produced by the Programme for Government Committee.

I wish to place on record several serious concerns about the current approach by British direct-rule Ministers, particularly on decentralisation. Workplace 2010 is a three-year to five-year programme of work to transform the Civil Service office estate. It involves the introduction of new accommodation standards, including open-plan working, rationalisation of the existing estate and the disposal of surplus accommodation to the private sector.

The Department of Finance and Personnel and the Strategic Investment Board are working together on that. The programme is likely to be delivered through a total property PFI solution, meaning that a private company would own and manage the Civil Service estate.

11.15 am

Civil Service accommodation is substantial, with a value of some £280 million and running costs of around £75 million per annum. The plan is to halve the current number of office buildings — around 70 in the

greater Belfast area — over five to seven years as leases expire and larger buildings are refurbished. Thus some 35 buildings, along with several regional offices, will be included in the first phase of procurement.

Although Sinn Féin has no difficulty with a modernising and reforming agenda that leads to better work practices and accommodation, it has a number of serious concerns. The privatisation agenda — the selling off of public assets to the private sector — is one such issue. It is clear that the entire thrust of British direct-rule Ministers, the British Labour Party and the Treasury in London will have profound and far-reaching consequences. The Strategic Investment Board and the Department of Finance and Personnel both claim that the chosen PFI method will save £200 million. There is absolutely no proof for that claim.

There are also implications for employees, given that private companies will be managing the estate. There are proposals to outsource — privatise — work that is currently being done by the Civil Service. Over 500 jobs will be handed to private-sector contractors. Clearly, that will have implications for conditions of employment and pensions.

Another danger is that this will adversely affect smaller, locally based companies, which will be frozen out. They will find it difficult to compete for such big contracts, which will most likely be won by single suppliers. Local economies will lose that revenue.

Sinn Féin's central concern is about the impact of the policy on decentralisation. Workplace 2010 claims to have addressed the issue by holding some of the Civil Service estate back, while balancing it with the need to deal with pressing accommodation requirements in the Belfast area in phase one.

The second phase will address the regional estate. There is no time frame on that. There are concerns that this actually militates against decentralisation, because the core administrative work of Departments will be consolidated in new offices in the Belfast area. That is particularly pertinent in the context of the review of public administration and the breakdown of councils. This is the rationale for the infrastructure and investment patterns that are clearly benefiting the greater Belfast area to the detriment of other areas. As regards the RPA announcements, it means that although councils in border areas will have increased powers, they will not benefit from Workplace 2010.

Senior civil servants, as the senior policy-makers, have a vested interest in ensuring that little or limited decentralisation takes place. Long-term rent agreements on privatised buildings will ensure that the core work of Departments continues to be done in the Belfast area.

Decentralisation would also have an immediate and long-term economic benefit in that it would bring jobs to the border counties. Decentralisation is one way to

help to develop a better economy and to benefit rural regeneration; the rural population would be better sustained, and there would be an increase in income in many rural towns that would impact on schools, shops, post offices and other facets of rural life.

However, Sinn Féin believes that an opportunity has been lost to truly decentralise the Civil Service; to help to create balanced regional development throughout the North; and to help to kick-start regional economies in line with equality and new targeting social need obligations. It is not enough to say that moving from east Belfast and north Down into Belfast city centre satisfies equality and New TSN criteria.

Sinn Féin is concerned that Workplace 2010 as presently constituted, notwithstanding the flexibility for movement built into the programme, will merely copper-fasten the status quo and replicate current patterns of investment and disadvantage. That is unacceptable.

Although, as an Irish republican party, Sinn Féin has no political or emotional attachment to the Stormont estate, it is nevertheless opposed to the concept of public property being sold to the private sector, and it is opposed to plans to privatise aspects of the work currently being carried out by the public sector. The party remains unconvinced that PFI offers the best option and value for money, and it believes that a privatisation agenda is being rushed through too quickly.

Mr Weir: Will the Member give way?

Mr Doherty: I have concluded my remarks, so the Member has the Floor.

Mr Newton: I support the report. Like some of the Members who have spoken already, I pay tribute to the staff and the civil servants who went out of their way over the Christmas period — a difficult time in the calendar — to produce a balanced report.

As has already been mentioned, the circumstances under which the subgroup met were such that much work had already been carried out on Workplace 2010, and the letting of the Workplace 2010 contract was at an advanced stage. That placed constraints on the subgroup members, and it could be argued that the brief was very narrow and the timescale for the task extremely short.

The subgroup also met at a time when there was much need for investment in public-sector buildings and a recognition that modern and efficient offices were needed to deliver public-sector services effectively. Members have referred to when they were incarcerated — although I do not think that they used that exact word — in Government office buildings during the talks process; they felt as if they were in jail. If they felt that way for that short but intensive period, one can only wonder how the civil servants who spend year after year working in those offices must feel.

However, the Government have taken advice, with the result that the PFI option has been chosen. The subgroup members expressed concern that officials appearing before them were allowed to speak only in support of current ministerial policy.

In supporting the report, I want to consider two distinct areas. The first area is the equality, social and economic effects on the companies and employees who are currently engaged in carrying out maintenance work on the buildings that are listed. The second area is the policy of dispersal and whether employees might be forced to move home if an affirmative policy were put in place. During the subgroup's meetings, I expressed great concerns about the small businesses that are currently undertaking work on behalf of the Civil Service and that will be affected by this initiative. Over the years, small to medium-sized businesses (SMEs) have tendered for business and have built their reputations on offering a service to the Civil Service; those businesses may be the major losers when the maintenance contract is awarded. Local firms employ local people, and I can only assume that they are performing their tasks to the satisfaction of the Departments.

To some extent, I am relieved that, as I understand it, the "big four" multinationals that have tendered for the project have indicated that, should one of them win the contract, they are willing to employ local labour and to involve local companies. I queried how tightly that commitment could be tied down; I was assured that it could be tied down to a limited extent, but whichever company won the contract would have the right to use any labour firm that it wished. However, it is useful to know that those companies are willing to consider the use of local labour. The use of local labour and the economic benefits for Northern Ireland should taken into account when the applications are being considered. I hope that the people who make the final decision will keep those factors uppermost in their minds. The people who are most likely to be hit are those who undertake what are regarded as "lower" jobs — those engaged in cleaning, canteen services and minor maintenance work.

When previous contracts of this nature were awarded to large multinationals, those companies went on to establish themselves in offshore low-tax regimes, thereby minimising the local economy's tax take. That issue concerns me, and it was discussed during the subgroup's deliberations. That factor should also be taken into consideration when the final contract is awarded.

I come now to the policy of dispersal. At one stage in my career, I spent two years being told by my employer that, due to reorganisation, I would be given certain options and would be absorbed into another area of work. However, it was not made clear where that work might be or what type of work I might be

expected to do. Therefore, I can understand how some civil servants might be feeling about the Workplace 2010 initiative.

Mr Weir: Does my Friend share my concern about Rathgael House in Bangor? For some reason — the motivation of Government could be questioned on this issue — Rathgael House has been categorised as a "Belfast" building; no other building outside Belfast has been categorised in that way. Many staff in Rathgael House transferred from Belfast to Bangor because of family commitments, so the potential for dispersal is causing many of them great stress.

11.30 am

Mr Newton: I concur with the Member's comments. I had intended to deal with that matter.

The experience of the Republic of Ireland Government has been mentioned. In their attempts to decentralise jobs, they have met with massive resistance from civil servants. As I understand it from press reports, the decentralisation of Civil Service jobs will become an election issue. Imagine what it must be like for the core of Civil Service employees at present. There must be dissatisfaction and concern among them and also among those small companies that help to service Government buildings.

The Scottish experience has been referred to, and we should learn from the experience of those who have previously engaged in decentralisation. The Scottish Executive, having been around the block once, are now starting to add to their thinking on decentralisation. Indeed, there is revised guidance on the relocation process, which seeks real and tangible benefits for the relocation, provides a rationale for it and is clear about the standards and processes for staff consultation. Information is made available to individuals and to Departments, and the real and total case for rationalisation is put.

We in Northern Ireland must learn from experiences elsewhere in order to ensure that we get cost-effective delivery in all situations. The report notes that 60% of the population live in the Belfast travel-to-work area and that 59% of civil servants are based in that area. To dismiss those figures would be unfair and, indeed, discriminatory.

Mr Elliott: I also wish to express my thanks to the Committee for the work that it has done on this report.

It is no major surprise that some Members have indicated that the Northern Ireland Civil Service estate has been under-resourced in the past few decades, resulting in a limited maintenance of buildings and a general decline in the overall estate. Modern and efficient offices are required to aid the delivery of modern public services, whether in the Department of Agriculture and Rural Development (DARD), in the

Department of Enterprise, Trade and Investment (DETI) or in the areas of health, the arts and education. Whatever the Department or agency, antiquated offices will have a negative impact on efficiency.

The need for vast levels of investment in the estate is given as the reason for the PFI known as Workplace 2010, a scheme that is similar to others in Great Britain. It is somewhat encouraging to hear a Sinn Féin Member express concern at the prospect of Her Majesty's Government selling off some of their buildings.

Mr Weir: Does the Member take encouragement, as I do, from the fact that some progress has been made today? It used to be "no return to Stormont", yet now it is "no sell-off of Stormont".

Mr Elliott: I thank the Member for his comments; I cannot disagree with them. Perhaps the situation is moving on, in spite of what others may think.

Workplace 2010 is not simply about buildings. It is about employees; it involves real people. That is the crux of the matter. The terms used to sell the PFI often belie the very real fears of those that the organisation employs. The most anxious employees are often those in the lowest-paid jobs — those who earn little above the minimum wage.

We often hear consultants and others come out with phrases such as "improve the working environment" or "introduce more efficient arrangements". Those phrases sound good to management and Government, but the fears of those further down the ladder are often deep-rooted.

Last summer, I was contacted by Civil Service support-level employees who were deeply concerned by Workplace 2010's proposals and the pace at which changes were being implemented. They were deeply anxious that there was no supporting business case for making those changes, which looked set to be rolled out even before the two pilot schemes had been completed and analysed.

Those essential staff were worried about how the outworking of Workplace 2010 would affect their status. They were especially worried that they would be forced to move to the private sector. I welcome the fact that the Committee on the Programme for Government has addressed that concern.

Another bone of contention was that pensions were to be "comparable" after the changeover to the private sector. Note that pensions were to be comparable, not the same. Those staff to whom I spoke were worried not only about their own positions but about the impact that those changes could have on the way in which Departments are able to perform their duties to the Northern Ireland public effectively. For example, the influx of agency staff, of which there is potentially a high turnover, could mean no continuity of staffing.

That could lead to a lack of ownership of tasks and, ultimately, to an unsatisfactory outcome for everyone.

Few of us are comfortable with change, particularly when that change is outside of our influence and when it can result in major changes, such as our status as an employee. Outsourcing does not have a good reputation in the Northern Ireland public sector. Many millions were wasted on the Child Support Agency (CSA), which failed to realise any improvement, and there are examples of agencies neither properly staffing their organisations nor training those staff. There is little wonder that the public lack enthusiasm for such a move when the employment of agency cleaning staff in some hospital wards has resulted in poor standards of cleanliness.

The fear of continued centralisation and the relocation of public-sector offices into our towns and cities cannot be allowed to continue to disadvantage those in rural communities, particularly those in the west of the Province. I thank other Members for their contributions on that point.

Representatives from the Public and Commercial Services Union (PCS) recently briefed some of my colleagues on Fermanagh District Council and me on the proposed restructuring of HM Revenue and Customs. That restructuring threatens more than half of the 82 jobs in its Enniskillen offices. The proposed centralisation of those jobs is on top of last year's proposal to remove Northern Ireland Housing Executive (NIHE) staff from the Enniskillen office.

The west is suffering as a result of such proposals, and the agencies concerned appear to show little interest in catering for the needs of employees outside of our main towns and cities. We heard in earlier contributions about employees having to travel long distances to work and about the problems that they have encountered. Public-sector staff in Enniskillen cannot feasibly travel to other sites in Northern Ireland. They will also find it extremely difficult to find alternative roles in their locality.

Moreover, the Workplace 2010 proposals disadvantage the public by removing staff who usually provide face-to-face, front-line services and advice to vulnerable members of our society, such as those on low income and those who find the complex taxation system difficult and intimidating. The loss of those jobs will mean that more than £500,000 will be lost to the local economy, resulting in numerous families struggling to cope financially. Indeed, it will be a major loss to the entire community.

There has been an historical problem of under-investment in the estates, to which a pragmatic approach is certainly required. However, consideration must be given to the loyal staff members in the communities that I have mentioned. I do not want Northern Ireland

to arrive at a situation whereby some areas are almost totally reliant on the public sector for employment. We have local council areas in the Province in which somewhere in the region of 50% of the workforce is employed in the public sector. That is not healthy; we want a fair and reasonable balance.

The success or failure of a major initiative such as Workplace 2010 in large organisations that are similar to the Civil Service invariably lies in the hands of the often overlooked but essential roles that security, catering or cleaning staff play. Employees at all levels must be kept informed and on board if the full potential of any change — particularly those that are outlined in Workplace 2010 — is to be realised.

The need for value for money must be addressed at every stage of the PFI. If the taxpayer is not receiving a good deal from the private firms, that problem will need to be addressed. I am glad that the Committee on the Programme for Government recognised that fact in its conclusions. However, the PFI cannot be allowed to focus solely on upfront costs, and service standards must not be compromised in order to remove the possibility of costly mistakes being made down the line.

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

I am a strong advocate for decentralising public-sector jobs and taking them away from many of the main settlements. Earlier, someone said that there should be one major Department that focuses on Londonderry. It should not just focus on Londonderry; it should focus as well on areas such as Omagh, Dungannon, Strabane and Enniskillen.

The recent centralisation trend is disadvantaging the west of the Province. The final outcome of the review of public administration will result in the largest public-sector change that will have been experienced here, but, pending that outcome, rationalisation is premature. I support the conclusions of the report.

Ms Ritchie: Like the Members who have spoken before me, I commend all those who are associated with the report — the members of the subgroup and the staff who work alongside them.

The location of public-sector jobs must be addressed with respect to the relevant need of a particular community. A remoulded Workplace 2010 strategy should be the driving force for doing that. That means that a mechanism for the centralisation of Government jobs in the greater Belfast area should not be propelled through. However, that seems to be happening at present.

One of the central points that is advocated in the report of the Committee on the Programme for Government is the need for:

“an affirmative policy for the dispersal of public sector jobs which would take account of existing strategies for equality, rural development, sustainable development and targeting social need.”

I concur with that view, and I strongly support the recommendation that a restored Executive needs to proceed to:

“develop and implement such a policy, for the benefit of the whole of Northern Ireland as a matter of priority.”

Families in rural areas and regional towns need existing public-sector jobs to be sustained and secured. Local residents rightly demand the relocation of new jobs to places in which administrative expertise and skills exist in abundance.

Take the Workplace 2010 strategy as an example: it involves a review of current Civil Service office accommodation in Belfast and in regional towns. I am aware that the strategy group has already earmarked some public-service offices in South Down to be part of that review. Those include Rathkeltair House in Downpatrick and the local social security office. Rathkeltair House provides Planning Service and Roads Service functions as well as housing the driver and vehicle licensing office, the county agricultural office and the jobcentre. The building is relatively new — 16 years old — and is considered to be a development opportunity, but no sound reason has been offered for its inclusion in the contract. Many public-sector staff work there and wish to remain there; indeed, the majority of local residents access services there.

Public-sector staff must be provided with working conditions that reflect best practice in health-and-safety requirements.

11.45 am

Why sell a building that is only 16 years old? What is the real rationale for such a proposal? Was it made in the interests of people, the requirements of the local area, the best service delivery, or cost? Clarification is urgently required on that matter. I note the commitment made by Minister Hanson in a recent letter to me, dated 7 November 2006, that:

“the staff providing public services currently within the building would be relocated to another location within the town.”

I welcome that ministerial commitment to sustain existing jobs. I hope that that remains the position and that further opportunities will be created for the decentralisation of new public-sector jobs through the construction of the new Social Security Agency office in Downpatrick and substantial associated offices in other towns in the area. I believe that that task must be fulfilled at an early opportunity in order to provide public and local confidence. I hope that that will be one of the priorities of a restored Assembly and Executive.

Job dispersal and the relocation of new public-sector jobs to regional towns must be an integral part of the Workplace 2010 initiative. The needs of families, the young and the elderly must motivate, propel, and be the driving force of Government policy for the location

of jobs. Furthermore, there is a compelling imperative for a revised Workplace 2010 strategy to ensure the sustainability of existing public-sector jobs and the relocation of new jobs to regional towns in order to fulfil the requirements of the regional development strategy. The Workplace 2010 strategy must quell the current contradictions in Government policy.

My colleague John Dallat, who represents the east Derry constituency, referred to the relocation of motor vehicle testing to Swansea from Coleraine. If that decision were implemented, it would also have an impact on the local vehicle testing offices that are dotted throughout Northern Ireland. If Workplace 2010 is to mean anything for the decentralisation of local jobs to local towns, the relocation of the Coleraine office must be stopped immediately.

In 2000-01, the regional development strategy stated that Downpatrick should develop as a hub town. For that to happen, there must be: a centre of public administration that provides substantial, high-level, public-sector jobs; a thriving retail commercial base; inward investment opportunities; support for local indigenous business, including the tourist centre; and a significant land zone for social and private-sector housing.

I therefore look forward to positive approval for Down District Council's request for the location of a new council headquarters in Downpatrick. Such an administrative centre, with the capacity to accommodate other public-sector and Civil Service jobs, could be the centre of public administration excellence, alongside the divisional police headquarters, the Social Security Agency, the proposed midwifery unit, the new hospital, and the ambulance and emergency services centre. Expertise and skills in medical, health and social services provision and public-sector administration must be sustained and developed.

Moreover, the growing problems of travel to and through the greater Belfast area would suggest that it makes economic and social sense to secure existing jobs and relocate new public-sector jobs to places such as Downpatrick. The Assembly must resist any residual attempts in Workplace 2010 to rob regional towns and rural communities of existing jobs or new employment opportunities.

Economic opportunities in regional towns must be developed and sustained. We must continue to ensure that our children are able to seek employment and career opportunities in towns such as those in my constituency of South Down. We must continue to ensure that public-sector jobs in Northern Ireland are dispersed effectively and equitably. Provision of new public-sector jobs, combined with the development of all possible economic opportunities, investment in roads and transport infrastructure and the enhancement

of the agricultural, fishing and tourism sectors will help to ensure more equitable benefits for families, young people and the elderly.

Workplace 2010 must be a determined strategy to decentralise Government jobs to rural areas. If not, it should be scrapped. It should protect and secure existing jobs, and it should secure the relocation and creation of new jobs in our regional towns so that a positive contribution can be made to the local economy.

It is significant that the Taoiseach is launching the National Development Plan (NDP) today. That is the first such plan with an all-island dimension, and, hopefully, it will provide the necessary funds to give regional towns the infrastructure that will ensure that new jobs can be located in them. If those towns have the links, why can they not have new jobs? That is what balanced regional development is all about.

Mr Beggs: I share the concerns that other Members have about the contract and the huge dangers that exist. Ultimately, those could cost local taxpayers and any devolved Administration dearly for decades. We should remember past mistakes, particularly those made with the electricity contracts, which we are only getting out of now. There is a huge danger that we will repeat those past mistakes.

I wish to concentrate on the effect that the proposed change will have on my constituency of East Antrim. I wish also to highlight the lack of Civil Service job opportunities in that constituency. My points will be relevant, given that I have heard many Members argue that Civil Service jobs should move west. That argument suggests that constituencies in the east are better served. I wish to draw relevant and objective material to the attention of Members and senior civil servants.

According to the claimant-count figures of December 2006, the job density figure for the East Antrim constituency is 0.48. That is the lowest figure for any constituency in Northern Ireland. Essentially, people in East Antrim have relatively few job opportunities. Unemployment levels in East Antrim are listed in the claimant count as being at the Northern Ireland average of 2.4%. What does that mean? It means that to travel to where jobs are located, constituents of mine in places such as Larne, Carrickfergus and Newtownabbey must get on their bikes, in their cars or onto buses or trains. They must travel to other places at a cost to themselves.

Mr Elliott: Does the Member agree that it would be difficult for someone who lives in Enniskillen to cycle to a job in Belfast?

Mr Beggs: I hope that the Member accepts that it would be equally difficult for someone who lives in Carnlough to travel to work in Belfast. Other areas of East Antrim, in the east of the Province, have relatively few Civil Service job opportunities.

Annex 1 of the 'Report on Workplace 2010 and Public Sector Jobs Location' illustrates civil servants' work locations and from where they travel. It shows that of the constituencies in the east, East Antrim has the second-lowest number of Civil Service jobs in the devolved Departments. It has 215 employees from a total Civil Service workforce of over 27,000; that means that less than 1% of the workforce is employed in the constituency. That translates to only 78 jobs in Carrickfergus, 136 in Larne and 148 in Newtownabbey.

The Carrickfergus Borough Council area has the second lowest number of Civil Service jobs of any Northern Ireland council area. My constituents must travel elsewhere for jobs in the Civil Service. The opportunities do not exist in parts of the east of the Province, just as they do not exist in parts of the west. East Antrim fares badly in terms of job opportunities.

What of the future? We are all aware that the RPA is at a fairly advanced stage, and that other Civil Service reforms are to occur as well. I have noticed changes under way that will adversely affect my constituents' already low level of employment. It is clear that there will be fewer council employees in my constituency. I share the concerns of my constituents that, with Carrickfergus and Newtownabbey being grouped with Lisburn and Antrim, local jobs will be relocated to those towns, where the councils have large, plush new headquarters.

Similarly, Larne has been grouped with Ballymena, Ballymoney, Moyle and Coleraine. Jobs in Larne are likely to be transferred to Ballymena or Coleraine. The Larne offices of the Roads Service and the Water Service have closed in recent years, and I am concerned that other areas that are under review may suffer similarly, especially since the area already has one of the lowest numbers of Civil Service jobs in Northern Ireland.

The Social Security Agency is currently reviewing back-office operations in Carrickfergus and Larne. It has been hinted that these operations will be discontinued, and there is consultation ongoing at present, so what few jobs remain are also at risk. I have also had informal conversations with a relatively senior member of staff of the Housing Executive, and I was asked whether Larne leaned more towards Ballymena or towards other towns in East Antrim. Obviously there is some discussion within the Housing Executive about the possibility of downgrading its office in Larne — perhaps it will become some sort of sub-office, at more cost to local jobs.

There is not just a dearth of jobs in the west; there are areas in the east that need job opportunities to be created, and this is particularly so in my East Antrim constituency. Jobs are at risk in the councils, in the Housing Executive and in the social security offices,

and the constituency could end up with a complete dearth of Civil Service job opportunities.

I ask the Government and any future Administration here to examine areas in the east of Northern Ireland that have not been faring well. I support my colleague from Fermanagh and South Tyrone Mr Elliott in asking for a fair and reasonable balance in any relocation plan for Civil Service jobs. I ask for a fair and reasonable number of jobs to be relocated to East Antrim, so that the large number of civil servants who live there do not have to travel to Belfast or other areas at a cost to the environment and at a personal cost, given the extra travelling distance, to themselves.

Mrs O'Rawe: Go raibh maith agat, a LeasCheann Comhairle.

I welcome the opportunity to speak on the report from the Programme for Government Committee on Workplace 2010. I support the comments that others have made about the timescale involved and about how advanced the project already is. As my party colleague Mr Doherty said earlier, Sinn Féin has no difficulty with a modernising and reforming agenda that leads to better work practices and accommodation. However, we do have concerns on a number of issues around Workplace 2010 and the location of jobs in the public sector, most of which have already been mentioned. Workplace 2010 has implications for employees, given that private-sector companies will be managing the estate.

There are proposals to outsource work currently done by the Civil Service, and NIPSA (Northern Ireland Public Service Alliance) has stated that more than 500 jobs will be handed over to private-sector contractors. Such action would have huge implications for conditions of employment and pensions. Over 300 of those 500 jobs involve the lowest-paid staff in areas such as security provision and mail and messenger services.

12.00 noon

Sinn Féin is concerned that that decision will have an adverse impact on certain groups on whom section 75 will have an effect, including those for whom gender and community background are issues. Although women and Catholics are under-represented in Senior Civil Service grades, they are over-represented in the lower grades, which are the grades most likely to be affected by privatisation.

Sinn Féin is concerned that Workplace 2010 will have an adverse impact on workers who will have to move from the public sector to the private sector, and it shares the concerns of others that The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) will not provide adequate protection. It is not enough for the initial consultation document to state that TUPE should be sufficient to prevent adverse impacts. That is too vague and does nothing to allay

the fears of the workers who would be affected by the transfer. Sinn Féin notes that Britain has experienced difficulties with the transfer of undertakings, and my party is concerned that those are not adequately addressed in Workplace 2010.

Sinn Féin's concerns around dispersal or decentralisation remain, and the equality impact assessment has not addressed them. A LeasCheann Comhairle, I hope that all the concerns raised by the subgroup are given due consideration. I thank the staff from the subgroup and the witnesses who gave evidence. Go raibh maith agat.

The Chairman of the Subgroup on Workplace 2010 and Public Sector Jobs Location (Mr Poots): Although I was not a member of the subgroup, as its nominated Chairman, it falls on me to wind up the debate.

As a result of decisions taken at a meeting of the Committee on the Programme for Government on 11 December 2006, my party was invited to nominate a member to facilitate the work of the subgroup. I was honoured to assume that role, and although I was unable to attend the subgroup's final meeting, at which my party colleague Paul Girvan ably deputised, I was present when the subgroup heard its oral evidence, considered the written submissions and discussed the issues in some detail.

Many of the points that have been made in the debate have therefore come as no surprise, as they referred to issues that exercised the minds of the members of the subgroup. Neither has it surprised me to hear contributions from Members who represent urban, suburban and rural constituencies. The question of where public-sector jobs — or, for that matter, any jobs — might be located is often the subject of discussion, and the prospect of employment opportunities in one's constituency is always attractive.

Thus far, my assessment is that some more Departments will have to be created, because we have had proposals for new offices in the city of Londonderry and in Strabane, Omagh, Dungannon and Enniskillen. Indeed, when she referred to hub towns, Margaret Ritchie appeared to want several Departments to be located in Downpatrick; not in Ballynahinch, Newcastle or Saintfield, but very clearly in Downpatrick.

I found it interesting that officials from the Department appeared reluctant to enter into detailed discussions with the subgroup about the location of public-sector jobs, preferring instead to extol the virtues of Workplace 2010. However, the Hansard report shows that one witness said that:

"The issue has economic, political, staff and public service elements". — [*Official Report, Bound Volume 21, pSG146, col 1*].

In that sense, the location of public-sector jobs is absolutely no different to Workplace 2010, which is a massive project that will impact on the delivery of

public services, as well as affecting civil servants' well-being.

Thomas Buchanan rightly pointed out that local businesses should not lose out as a result of Workplace 2010. Esmond Birnie cautioned against the risk of awarding long-term financial contracts and getting the financial variables wrong.

He identified three key issues: getting the right price, ensuring that the leaseback charges are reasonable, and the risk of additional charges if there is a need to adjust the contract. He also referred to the failure of the PFI project at Balmoral High School and the resulting closure of that building.

John Dallat, like Dr Birnie, pointed to the difficulty of diversifying public-sector jobs. Others said that many people from the north-west of the Province have to leave home in the early hours of the morning to travel to work, and that this results in congestion on the motorways and added stress on the drivers.

Mr Dallat seems to suffer from the deluded misconception that a devolved Executive would be a panacea for all the problems that exist in Northern Ireland. A mantra that has been expressed by many on the opposite side of the House in recent weeks when we come up against a problem of any kind is that if we just had a devolved Executive, everything would be well — there would be sunshine whenever we required it, it would rain only at night when people were sleeping, the grass would be greener and everything would be so much better. Unfortunately, that is not the reality; any new Executive that there might be at some future date would face many of these problems and would not have all the answers that people seem to expect them to have.

Sean Neeson rightly criticised the Secretary of State's decision to exclude the Alliance Party from the Programme for Government Committee. He said that that was a disservice. I was more strongly in agreement with him at the outset of his speech than I was at the conclusion, particularly when he mentioned relocating jobs to Londonderry. I wonder what his colleague the mayor of Lisburn — Northern Ireland's second city — would have to say about the former leader of the Alliance Party's being so keen to take more jobs to Londonderry when there are so few public-sector jobs in Lisburn, which is a larger city. He also criticised the conditions that some civil servants are expected to work in; I think that that criticism was fair.

Mr Neeson also called for modern and efficient public offices. Giving evidence to the subgroup, the Northern Ireland Public Service Alliance made several references to the difficulties that it was having with Clare House. Subsequently I visited Clare House, and the working conditions in that building are much better than in many of the buildings where civil servants

currently work. There is certainly potential to provide better buildings for civil servants under these proposals.

Pat Doherty, of Sinn Féin, broadly supported a programme of modernisation. He was critical of privatisation, especially with regard to employment conditions and pensions. He thought that the proposals that we have militate against decentralisation and that there is a lack of will on the part of senior civil servants to pursue a decentralisation policy. I suspect that that may be correct; civil servants may not necessarily be that inclined to decentralise from their current locations.

Robin Newton spoke of a need for investment in public-sector buildings and a modernisation programme. He expressed concern about the small and medium-sized businesses that are providing services at the moment, but took some comfort from the fact that, even though the four bidders are multinational companies, they have all indicated that they will use local labour and local companies in carrying out their operations.

There were a number of references to the uncertainty in the minds of civil servants about the possibility of relocation and the disruption that it would entail. Tom Elliott said that Workplace 2010 is not just about buildings but about people. He was concerned that not enough time had been taken to consider the lessons from the two pilot projects, and that local economies would suffer. He was also in favour of decentralisation and was one of the individuals who proposed that two Departments should go to Fermanagh and South Tyrone.

Margaret Ritchie called for public-sector job location to take account of the needs and economic states of local communities. She mentioned Downpatrick on several occasions during her speech. Ms Ritchie said that existing jobs should be sustained in local areas and called for an affirmative policy of job dispersal. She also believes that Government policy should be consistent. The regional development strategy promotes hub towns, of which public-sector jobs are an important aspect. While others wish to constrain the growth of the public sector and encourage the growth of the private sector, Margaret Ritchie seeks new public-sector jobs in Downpatrick. She wants a bigger public sector, with more administrators and civil servants, and less money for front-line services, such as doctors, nurses and teachers.

Roy Beggs recalled the privatisation of Northern Ireland Electricity and how the company was undervalued. He is worried that history might repeat itself. Unlike his East Antrim colleague Mr Neeson, he pointed out that it is not only the west that suffers from a dearth of jobs. He also pointed out that the effect of RPA, and the reduction in the number of councils, has the potential for further job reductions in smaller towns, such as Larne and Carrickfergus. If Lisburn City Council and Carrickfergus Borough Council are to be

amalgamated — and who knows what councils will be amalgamated — I think that the folks of Lisburn will be happy to give the folks of Carrick a fair crack of the whip in deciding what might happen.

Mrs O’Rawe was the last Member who spoke for Sinn Féin — perhaps not for Sinn Féin, but she was certainly the last Member to speak. She feels that there will be difficulties in dealing with the section 75 issues in Workplace 2010.

I have my own concerns about the proposals. The logic of selling property only to rent it back is flawed. If people in the private sector who have acquired property in recent years were asked whether they regretted it, remarkably few would say that they do. Indeed, more people want to buy property in order to rent it out because it is a profitable exercise, as opposed to what the Government are doing, which is selling property and renting it back. Usually, property grows in value, as has been reflected over the past number of years.

I am deeply concerned that anyone could propose renovating Dundonald House to current building standards. Dundonald House, which was developed in the 1960s, is well past its sell-by date. One problem with the design and structural quality of that building is that it is a copycat development of something from the Marxist eastern bloc. The original problems with the design and structure of Dundonald House, as highlighted in a report in the 1990s, are the reason that the building now has problems with crumbling concrete and secondary glazing in the structure, and why there is a complete absence of air conditioning.

The cost of the renovation work would far exceed that of a new building. In terms of a building, and a Department, that is ripe for relocation, the Department of Agriculture and Rural Development, which is tasked with dealing with rural issues but is based in a crumbling building in east Belfast, should be the number-one target for any constituency. Members from quite a number of constituencies have said where they think that Department should be relocated.

Arguments can be made for the relocation of DARD, which could be achieved at a reduced cost to the public rather than renovating the existing building. I have been told by people involved in Workplace 2010 that there should not be a problem with that. If it is identified that it would cost more to bring Dundonald House up to acceptable standards than to acquire a new building, the Department could be relocated to another site.

I thank all Members who participated in the debate. It has been useful, and I trust that the contributions will assist the Civil Service in reaching its conclusions. Some people suggest that the proposals represent a fait accompli and that nothing more can be done. Nonetheless, the report has been produced, and I trust

that due consideration will be given to what is contained therein.

Question put and agreed to.

Resolved:

That this Assembly notes the report from the Committee on the Programme for Government on Workplace 2010 and Public Sector Jobs Location and endorses the findings and conclusions set out in the Report.

Mr Deputy Speaker: The Business Committee has agreed to meet at lunchtime today. I therefore propose, by leave of the Assembly, to suspend the House until 2.00 pm.

The sitting was suspended at 12.15 pm.

*On resuming (Madam Speaker in the Chair) —
2.00 pm*

PRIVATE MEMBERS' BUSINESS

Welfare Reform Bill

Madam Speaker: The Business Committee has agreed to allow two hours for the debate. The Member who is proposing the motion has 15 minutes to speak, with 15 minutes for the winding-up speech. All other Members who wish to speak will have a maximum of 10 minutes.

Mr O'Dowd: I beg to move

That this Assembly expresses deep concern about the implications of the Welfare Reform Bill, particularly the introduction of a new coercive regime into benefit administration, and its impact on a number of vulnerable groups, including neurological patients.

I will speak in favour of the motion, but as the day goes on, I may speak in favour of the amendment. Given that the amendment is in the flavour of the motion, I will not speak against it. However, the difference between the motion and the amendment is a technicality that we might clear up as the debate proceeds.

The Welfare Reform Bill was introduced in the British House of Commons in July 2006 and has been carried into the 2006-07 session. The British Government intend to extend the Bill to the North by way of a welfare reform Order — that is, government by undemocratic direction.

The Bill has five main components, but the provisions that we will debate attract the most public attention. First is the introduction of a new style of benefit — the employment and support allowance (ESA) — that is to replace incapacity benefit. The main tenets of that benefit are that during the 13 weeks after first making a claim, claimants will be assessed and placed in one of two groups. Group one, which is the work-related activity group, is for those who are capable of participating in work-focused interviews and activities. Group two, which is the support group, is for those who have been assessed as severely functionally limited — that is a rather regrettable term. People who are in that group will not have to participate in such work-focused activities, but they can choose to do so.

During those first 13 weeks, all new claimants will receive a basic award while their assessment is completed. It is unclear how that assessment will be carried out in the North. In England, private companies are to be used. However, lobby groups in England are uncovering already some disquieting revelations about

those very companies. Claimants in the support group will be entitled to an additional support component payment, which is likely to be higher than that that is given to those who are in the work-related activity group.

Each claimant in the work-related activity group — this is a bit technical, but we will get through it — will have to agree an action plan with their personal adviser. It is not clear what qualifications, if any, are required of personal advisers. In fact, a personal adviser to someone who has severe and complex medical needs may have no medical background whatever.

If a claimant is unable to attend an interview without good cause, a sanction will be imposed. “Good cause” has not been defined, but it appears that the caseworker will determine what is “good cause”. However, as I have said, that caseworker may not have any knowledge of neurological, mental or physical health conditions.

Although today’s debate focuses on the provisions that relate to changes in incapacity benefit, the Bill also proposes changes to several other areas, including housing benefit and council-tax relief in England.

When translated to here, it will mean that when new Labour refers to welfare reform, it means possible cuts in housing benefit and rates relief and a possible increase in taxation.

We are debating the implications of the Bill on vulnerable groups, including neurological patients, people with multiple sclerosis (MS), brain injuries, epilepsy and many other complaints. It will also include people with mental-health issues and those restricted by a physical disability. The Bill will force, coerce and bully such people into compulsory participation in a practice that might see unqualified civil servants making medical decisions about people with complex health and medical issues.

The practice of compulsory participation for such claimants with complex health problems in work-related activity groups is inappropriate in principle, given the fluctuating, and at times unpredictable, nature of some of those health problems. The Bill attempts to cover up the practice of forcing people with complex health and medical needs back to work as an alternative therapy — a crude form of the “work-never-killed-anyone” analysis. The Department for Work and Pensions (DWP) in Britain, which administers the Pathways to Work pilot scheme, admits that its therapists are unfamiliar with neurological conditions.

Are we being told that the section of the local Social Security Agency that deals with incapacity benefit, which will undoubtedly enact the Welfare Reform Bill here, is bursting at the seams with neurological experts? I think not. The Social Security Agency is not qualified in that regard.

Mr S Wilson: The Minister in England has made it clear that there will be extensive training for staff and that he is happy for voluntary groups with expertise in identifying mental-health problems to be involved in that training. Does that not assure the Member that at least some people with expertise from interested groups will be helping the staff who will be making the decisions?

Mr O’Dowd: The Member is correct; the Minister made such a statement. However, are we to say that civil servants working in the Social Security Agency or other Departments that administer benefits will be trained to be psychologists or neurologists?

Mr McCann: Does Mr O’Dowd recall a similar exercise that was carried out four or five years ago? People on long-term benefits, including those who were severely disabled, mentally ill and those with a whole range of medical disabilities, were asked to come to a benefit office only to find that the staff were unqualified. Many of those people found that their benefits were suspended through no fault of their own. Does the Member agree that there is a very strong possibility that, regardless of the level of training, lay people will be working in a medical environment, which will have a knock-on effect right across the community?

Mr O’Dowd: I do agree. It is also clear that there is no regulatory body for therapists. Any voluntary group can set itself up with therapists and be introduced into the system, and that is unfair. Indeed, the Bill refers to “alternative medical treatments”. The Department for Work and Pensions in England is not the Department of Health; the Department for Social Development (DSD) is not the Department of Health here. The DSD is not qualified to hand out treatment. Treatment is not offered by GPs or consultants or by the Department of Health, but by someone appointed by a Department with no medical or health knowledge. Patients are told that, if they do not adhere to advice given by unqualified individuals, their benefits will be cut.

Vulnerable people in our society have been placed in an impossible position, and those with mental-health issues are being put under added pressure. Proposals of conditionality may result in undue pressure being put on claimants to sign up to inappropriate or unachievable action plans rather than risk a reduction in their benefits.

Pilot schemes in Britain have already thrown up cases of vulnerable people being forced into jobs and scenarios that they were not ready for, and, more importantly, for which they were not given any form of proper support and guidance.

The British Government tell us that the main principle of the Welfare Reform Bill is to support and encourage more people in receipt of incapacity benefits to move into employment, where they are able

to do so. No one can argue with that; unfortunately, the Bill's remaining 264 clauses are more to do with reducing the cost of incapacity benefit than a structured and properly managed plan for a return to work.

The Bill does not address the reluctance of employers to accept potential new employees whose records show long-term receipt of incapacity benefit. It does nothing to remove the physical and mental obstacles placed in the way of people who wish to come off incapacity benefits and return to work. Recent statistics confirm that fewer than 40% of employers would hire someone with a mental illness, with 70% stating that to employ someone with schizophrenia would either be impossible or very difficult.

There is little point in encouraging people towards work if employers are unwilling to employ them. Furthermore, encountering such prejudice or discrimination can have a devastating effect on the mental health of an individual who has successfully come off benefits only to have to return to those benefits in a worse state of health. The vast majority of people with disabilities, mental-health issues and neurological conditions want to play their part in the workforce. Some, due to their conditions, may not be able to do so. We should recognise that and legislate for those circumstances in a compassionate manner.

The Government must take further action to reduce the stigma and discrimination faced by people with mental-health problems. Only last week, Rethink (NI) launched a campaign on the steps of Stormont, calling on people to rethink their attitudes to mental health. However, the Government have not played their role, particularly in eradicating prejudices among employers.

People with the conditions that I have described have been to the forefront of campaigning against the discriminatory employment practices that excluded them. They want to remove the barriers to employment; the Government have a duty to act. The Welfare Reform Bill is not about ensuring that those people can play their part in the workforce in a properly structured and managed fashion: it is about forcing people into jobs that may well have a detrimental effect on their health and well-being.

What is required? For a start, we need an Assembly and an Executive to prevent the Welfare Reform Bill becoming reality. Another good starting point would be the enactment of legislation based on the desire to help people back to work, not simply to save money. We must remove the barriers to employment for people with mental-health difficulties and physical and neurological conditions, and make proper provision for those who — we must accept — may not be able to return to work.

Any review of individual cases should be carried out by properly qualified doctors and medical teams —

not civil servants or private companies, as is proposed in the English Bill. Most of all, people should be treated with dignity. Rather than brand them as spongers, any review of the welfare system should ensure that people with mental-health difficulties, disabilities or neurological conditions are made to feel valued. I ask the House to support the motion.

Mrs D Kelly: I beg to move the following amendment: Leave out all after “groups” and insert “, especially those people with mental ill health.”

The SDLP's amendment is not intended to dilute the motion, but to clarify the impact that the Welfare Reform Bill will have on people with mental ill health. The original motion, in specifying neurological patients, was somewhat confusing, as the definition of a neurological patient is wide-ranging in its medical interpretation. However, I thank the Member for Upper Bann Mr O'Dowd for expanding on that in his contribution.

The Welfare Reform Bill introduces the employment and support allowance, which will replace incapacity benefit. The vast majority of ESA claimants will have to take part in work-focused and work-related activities in order to obtain the full rate of benefit. People assessed as severely functionally limited will not have to attend interviews or engage in specified activities to receive the full rate of benefit. This latter group is known as a support group. However, there are concerns that this mechanism will deny people with severe and enduring mental-health conditions opportunities for supported employment.

2.15 pm

Mr S Wilson: Does the Member not accept that the current system does just that? It stigmatises people by implying that those on incapacity benefit are incapable of work. Even though nine out of 10 people go on to incapacity benefit hoping to get back to work, of those who stay on it for two years or more, most stay on it until they retire or die. The real stigma is being presented by the current system, not the one proposed.

Mrs D Kelly: I thank the Member for his point. The SDLP is not opposed to welfare reform. We share the view of many leading charities and others that people who abuse the system must be rooted out. They deprive our society of much needed funding for schools and hospitals and give genuine claimants a bad name.

In setting out the case for reform, the Green Paper states that:

“Ensuring citizens have the right to enter the world of work is a fundamental responsibility of any modern government.”

The SDLP has long recognised the social injustice that is inflicted by the poverty trap of benefit dependency. The fact that one child in three continues

to live in poverty must be a key challenge for a restored Assembly to tackle.

The SDLP welcomes the opportunities for employment in the North presented by the Irish Government in its National Development Plan, much of which mirrors ideas and strategies of the SDLP's 'North South Makes Sense' campaign. However, the motion rightly calls on the House to express deep concern at the implications of the Welfare Reform Bill, a view shared by many leading non-governmental organisations which advocate on behalf of those with disabilities and mental ill-health, including the Royal College of Psychiatrists.

People with mental-health problems are one of the most excluded groups in society. According to the social exclusion unit, only 24% of adults with mental-health problems are in work, which is the lowest employment rate of any of the main groups of disabled people. Added to that, fewer than four in 10 employers say that they would recruit someone with a mental-health problem. Employers are key to the success of welfare reform, but there is nothing in the Bill to encourage them, or ensure that they play as full a role as possible in helping people to move from benefit to work and remain there. Tax incentives could provide such encouragement.

The SDLP is also concerned that staff assessing an individual's capability to work do not have appropriate training in mental health to assess people for employment and support allowance, and for supporting people into work. The Bill has no proposals to increase training for support staff who will have to make important decisions on a person's suitability, nor is there any cross-reference to the role that allied health professionals, especially occupational therapists, could play in making such assessments.

Members know about the current inadequate provision of staff and the long waiting lists. Given the key role of occupational therapists in the rehabilitation of people with mental ill health, this will place increased demands on an already overstretched resource. There is no sign of Government joined-up thinking here.

The use of sanctions is a major cause for concern. If claimants do not comply with the conditionality criteria, which are: attend work-focused interviews; attend work-focused health-related assessments; and engage in work-related activities, they risk losing up to 25% of their benefit right away. Unemployment, and the ensuing financial hardship, is a contributing factor to mental ill health, with increased stress and anxiety, loss of self-esteem and depression.

Mr P Ramsey: Currently, there is no the right of appeal in respect of ESA in the Bill. The Member referred to the support groups who are concerned about the fear and anxiety that people, particularly those with

mental-health problems, will have as a result of these customer-unfriendly forms that they will have to complete. Will the Member support the call for the retention of the independent appeals service?

Mrs D Kelly: I thank the Member for his intervention, and I support his call. The right of appeal is a fundamental concern that many organisations have expressed about the Bill.

The threat to remove benefit without putting proper support in place can only be seen as punitive. There are insufficient guarantees that the right support will be available, and there are not enough vocational training rehabilitation facilities available at accessible locations in Northern Ireland. The community and voluntary sector fights the good fight to fill the gaps, but it has to continuously chase European funding or seek the crumbs from the table of health and social services.

The Welfare Reform Bill is long on regulation but short on evidence-based approaches. There are no guarantees that the staff who will be the decision-makers have the appropriate training and skills, or that the doctors who conduct the medical reviews have the time or even the specialist mental-health training to do so. In the past, doctors were put under pressure to put people onto incapacity benefit in order to reduce the unemployment statistics; now there is a new form of social definition of medical incapacity in order to push doctors the other way.

More needs to be done to seek the support and co-operation of potential employers as the key, and the right of appeal is limited.

Madam Speaker, I support the amendment to the motion and will take advice later on how neurological patients can also be included in it.

Mr N Dodds: This is an important piece of legislation, which has already gone through the legislative process in the House of Commons.

First, the Northern Ireland Assembly decided that there would be parity between Northern Ireland and the rest of the United Kingdom in welfare, benefits and social security legislation. It took that very sensible decision on a consensual basis because the consequences of not implementing parity would be too awful to contemplate. It would create a financial black hole, and the resources of the Department of Finance and Personnel would be taken up almost exclusively in trying to deal with differences between here and the rest of the United Kingdom.

It would cause considerable inconvenience and disadvantage to all communities here in trying to access entitlements compared to the rest of the country. It would have a devastating impact on the ability and ease of people to move freely between different parts of the United Kingdom and to move, live and work

elsewhere. Northern Ireland would have to have new and different computer systems and different administrative arrangements, which would cost a fortune.

Parity was the right thing to do then, and it is the right thing to do now. Any future devolved Administration that does not go down that path would be playing into the hands of the Chancellor of the Exchequer and Her Majesty's Treasury, who would be delighted if Northern Ireland were to go its own way on benefits and social security. Breaking parity would give them the opportunity to consider a great many other issues for a financial package for Northern Ireland.

Mr S Wilson: Does the Member see any irony in the fact that Members opposite, especially Sinn Féin Members, suggest that we should go our own way? Those same Members would violently and vehemently oppose the regionalisation of public-sector pay, for example, but have no difficulty with the regionalisation of public benefits.

Mr N Dodds: The Member is quite right to point out that dichotomy.

In a debate in the Northern Ireland Assembly, an Alliance Party Member proposed that we should increase pensions by £5 per pensioner. We do not need a debate in the House to get consensus that £5 is not enough and that we need to increase it by far more. However, when it was pointed out that the cost would have to come out of our own resources, no one could say where the hundreds of millions of pounds should come from.

The principle of parity is well established; it has been in existence for the social security arrangements between Great Britain and Northern Ireland for decades, and it should continue.

However, it is right and proper that, as the legislation proceeds, Northern Ireland Ministers, whether direct rule or devolved, should express their views to their colleagues about the arrangements that should apply to all our citizens for social security benefits. The same applies to provision in the Bill for incapacity benefit claimants.

The principle has been enunciated that there should be support for those who cannot work and encouragement for those who can and wish to return to work. No artificial barriers should be put in their way, and the system should try to make it worthwhile for those who can work to do so.

Statistics show that the difficulty with the current system is that many of those who go onto incapacity benefit stay on it for many years. At first, claimants do not believe that they will be on benefit for an extended period, but circumstances force them to stay on it. Throughout the country, over half of those on incapacity benefit have been on it for over five years. That

compares to 43% in 1997; so the number on long-term incapacity benefit is rising. The number of under-25-year-olds on incapacity benefit has risen by 71%, almost three quarters, since 1997.

I talk about these and other issues in my constituency advice surgery with many people. I am sure that other Members do likewise. What many people want is to have support when it is needed, but to be able to move forward when they feel they can. The present system does not provide that flexibility.

Mr P Ramsey: Does the Member not accept that support groups are genuinely concerned that the main focus of the Welfare Reform Bill is on a reduction of benefit costs rather than on helping those with chronic medical problems?

Mr N Dodds: I will come to that point. I have already said that while the DUP generally supports the principle of parity, there are issues to be addressed. People are concerned. The issue mentioned is the capacity of advisers to recognise those suffering from mental illness. That point, raised by organisations and charities, is important and needs to be firmly addressed. Over 40% of benefit claimants suffer from mental-health problems. If secondary mental-health effects are included, that number rises to two out of every three claimants. That is very important. It is essential that advisers are properly trained and equipped, and that they get the input and assistance that my hon Friend Mr Wilson, the Member for East Antrim, referred to. My party will push strongly for that.

I am concerned about other aspects of the Bill too. It is unnecessarily complicated. The new employment and support allowance will create six levels or categories into which claimants will fall. Trying to explain to claimants how the benefit system works is already complicated. However, under this proposed legislation, distinction will be made between non-contributory claimants who fail to go to work-focused interviews; contributory claimants who fail to go to work-focused interviews; non-contributory claimants who receive the work-related activity component; contributory claimants who receive that component; those deemed to have limited capability to work who will receive the support component; and severely disabled who currently receive the disablement allowance. It is extremely complicated. One can predict a rise in the number of complaints to constituency offices and other agencies because of that.

These concerns are well-founded, and there needs to be much more information provided. The Bill should have been streamlined. The intent behind it is good, but it is unnecessarily complex, and there are potential pitfalls. I could have made many other points.

The approach of simply sitting back and doing nothing fails the people who are most in need of support and help. I am concerned about parties that

simply take the attitude that the Welfare Reform Bill is no good and that the Assembly should ditch it. Parties must be extremely careful — I have not heard the proposal of a single alternative that would not cost millions of pounds by breaking the parity principle and thereby taking money away from those who need it, namely claimants and others who need that support. Parties must focus on the work that needs to be done, particularly on training and information. Some of the proposals that have been made today concern me.

2.30 pm

Mr Kennedy: This is an important debate — and obviously many of my party colleagues share that view. *[Laughter.]* At least the Marie-Céleste was staffed.

I have no doubt that my colleagues are elsewhere in the Building or in their constituencies, undermining the efforts of those Members who are here. It is —

[Interruption.]

Madam Speaker: Order.

Mr Kennedy: If Members want more time to interrupt me further, that is fine.

The Welfare Reform Bill that is currently going through Parliament will not apply to Northern Ireland. I understand that a separate Order in Council will be made for Northern Ireland, which will be based on the provisions of that Bill. Although the Ulster Unionist Party is concerned that Northern Ireland has the highest rates of economic inactivity in the UK, those rates are comparable with some regions in Great Britain. It is doubtful that the Welfare Reform Bill will address that problem, and pilot schemes in Great Britain have had little impact on the levels of economic inactivity.

A range of mental-health charities and interest groups have criticised the Bill. However, the charities, and the Ulster Unionist Party, are more supportive of those elements of the Bill that seek to empower claimants to return to work. In February 2006, some 112,996 people were claiming incapacity benefits, and 169,691 were claiming disability living allowance in Northern Ireland. Therefore, the Bill affects a considerable number of people.

Rethink, a leading national mental-health charity, has welcomed the provision of more support for people on incapacity benefit because many people with severe mental illness want to work, but have been left without the necessary help and support to do so.

However, Rethink is concerned about the Bill's proposals to disqualify people from benefit or reduce their benefit on certain grounds. Claimants' benefits could be reduced if they do not attend a work-focused interview or undertake work-related activity without good cause. Jobcentre Plus staff do not know enough about severe mental illness to make judgements about

whether someone fails to attend for no good reason or because of a serious deterioration in their condition. That could lead to those on low incomes having their benefits cut unfairly.

Rethink is also concerned about proposals that would effectively disqualify from entitlement to benefit anyone who behaves in an improper fashion or fails to take medical advice for no good reason. The treatment of severe mental illness is often a case of trial and error, and medication often causes severe side effects. If someone stopped or reduced their medication because of such severe side effects, would that be considered a good reason? What would happen if someone disagreed with a psychiatrist's diagnosis or tried complementary therapy instead? Those are the aspects of concern to Rethink.

Under the Pathways to Work rollout many people may require support to work that they have never been offered before. The provision of cognitive behavioural therapy, which is woefully inadequate throughout the NHS, is particularly welcome. However, Rethink is concerned by early research findings commissioned by the Department for Work and Pensions, which states that:

“there is no statistically significant evidence that the policy has any impact on those who report having one health problem that is mental illness.”

The Department for Work and Pensions needs to think more widely about the sort of support that could work for people with mental illness and should consult with service users and carers.

The Government have not taken enough action to reduce the prejudice and real discrimination of employers. There is little point in pushing people towards work if employers are prejudiced against giving jobs to people with severe mental illness. Fewer than 40% of employers say that they would employ someone with mental illness. Some 75% of employers have said that employing someone with schizophrenia would be impossible or very difficult. The Work and Pensions Committee said that the Government's action on employers was “wholly inadequate”. It still is. New Zealand spends 25 times more per head of population than the UK Government on anti-stigma campaigns. We need to challenge the stigma of mental illness if we are going to help people get back to work.

Overall the Welfare Reform Bill focuses on supporting more people into work, and that is a welcome aim. Thirty-five percent of people with long-term mental-health issues, who are economically inactive, would like to get back to work, as compared to 28% of people with other health problems. People with mental-health issues are often keen and willing to return to work but lack the support to be able to achieve that goal. Many proposals in the Bill demonstrate a greater awareness of the needs of people with mental-health issues. However, additional thought needs to be given to the

practical outworking of the Bill and the allocation of resources for appropriate training as necessary. That is to ensure that those with mental-health issues are not stigmatised or penalised by lack of understanding on the part of personal advisers or other professionals involved in the assessment of their ability to participate in compulsory activities. With those brief observations, provided helpfully by someone else, I give broad assent to the motion. *[Laughter.]*

Madam Speaker: I commend the Member for his honesty.

Mr McCarthy: I support the motion. The Bill, although containing many real concerns for a lot of people, aims to support more people back into work, and that has to be welcomed. Members recognise the wishes of many people — particularly those with mental-health issues — to get back into work, but they lack the support to be able to achieve that. Many proposals in the Bill demonstrate a greater awareness of the needs of people with mental-health issues. More thought is required on the practical outworking of the Bill and the allocation of funds for the necessary training. That will ensure that those with mental-health issues are not stigmatised or penalised — as has already been mentioned by other Members — by a lack of understanding on the part of the professionals involved in the assessment of their ability to participate in compulsory activities.

As the Alliance Party's health spokesperson, I have worries that the people already burdened by ill health will find the contents of the Welfare Reform Bill to be an added concern and possibly a disincentive for them to offer themselves once again for employment.

It appears that the Bill will introduce a new coercive benefit-administration regime. I am apprehensive that vulnerable neurological patients will be forced either into work when they are still unfit or they will find themselves on lower benefits.

I am also concerned about the proposed large-scale involvement of private-sector companies, some of which have an established record of incompetence in respect of patients who have long-term mental-health problems. The proposals in the Bill are underpinned by the new ESA, which will replace incapacity benefit and income support that is paid on the grounds of incapacity for new claimants.

Mr P Ramsey: There is a worry that those private companies will be more interested in profits than in the welfare of the customers whom they are supposed to be looking after. Does the Member agree that if private companies are to be involved in any part of the proposed welfare reform, that involvement should be in education and training only?

Mr McCarthy: I agree with Mr Ramsey. That is a concern, and, as I said earlier, the private companies'

record of incompetence in relation to patients who have long-term mental illness is clear.

It is likely that the majority of claimants will have to take part in work-focused interviews and work-related activities in order to qualify for the full benefit rate. The Bill also obliges a claimant to show good cause for having failed to attend a work-focused interview. The explanation for that failure must be given within five days of the day on which the interview was to take place. That timescale is too short and should be increased.

Other aspects of the Bill must also be addressed. The Alliance Party supports the motion and the amendment, and I hope that the powers that be reconsider the real effects that the Welfare Reform Bill may have on many of our constituents.

Mr S Wilson: As the Member for North Belfast Nigel Dodds stated, the DUP supports the Welfare Reform Bill. It does so for good reason: the Bill aims to move people away from benefits and into opportunities for work. When many people who get incapacity benefit first receive it, they state that they do not wish to remain on it.

Economic prosperity in Northern Ireland has been rising over the past number of years, but certain groups have been left behind. I am sure that Members will have witnessed that in their advice centres. Such groups may comprise those people who find themselves on benefits because they have been deemed incapable of working. The situation is black and white: either one can work, or one is incapable of working. There is no recognition or help for the people who want to work, would like the opportunity to work or would like support to get them back to work, but who, due to their incapacity, have been deemed incapable of working. Those people either qualify for benefit and live in poverty — because the benefit is insufficient to give them a decent standard of living, as I am sure all Members accept — or they have to work. There is no in-between.

One important benefit of the Welfare Reform Bill is that it opens up opportunities for those people. However, when the term "welfare reform" is used or when there is an indication that there might be a change in how benefits are assessed, Sinn Féin and, to a lesser extent, the SDLP have a knee-jerk reaction that implies that change must be bad in some way.

Mrs D Kelly: I said that the SDLP welcomes and supports welfare reform. That was not a knee-jerk reaction. The SDLP has stated its concerns about the impact and implications of some of the measures in the Bill, and about some of the glaring gaps. The SDLP is supported in those observations by many leading charities, including such a strong advocate as the Royal College of Psychiatrists.

2.45 pm

Mr S Wilson: When the Member's support for the Bill is hedged about with so many qualifications, one must ask whether she really supports the Bill or wants the best of both worlds. On one hand, she supports it because she wants to see disabled people lifted out of poverty; on the other, she finds a thousand reasons to oppose it. She cannot have it both ways. As the hon Member for North Belfast Mr Dodds said, there are concerns, but the general principle should be supported if Members genuinely wish those who are regarded as disadvantaged to be lifted out of poverty.

There will always be this sort of left-wing, knee-jerk reaction from Sinn Féin. One can only hope that Sinn Féin's rhetoric will be diluted when it is faced with real choices. The former Minister of Education embraced wholeheartedly the private finance initiatives and PPP schemes that he had ranted and raved and railed against before becoming Minister.

If Members do not go down the road of parity as outlined by Mr Dodds, benefit claimants and others in Northern Ireland will arrive at a position of inequality with the rest of the United Kingdom. The Chancellor of the Exchequer, Gordon Brown, would love that, because it would reduce the subvention to Northern Ireland.

It is clear from surveys that many people on incapacity benefit would love the opportunity to go back to work. Some would not be able to go back immediately, and would need support and advice on what work would be available to them: hence the personal capability assessments, the work-focused interviews and the support that would be required once they were employed. Members are right to be concerned that that underpinning support must be of good quality and do the job that it is designed for. I have no difficulty with questions being asked about that or with seeking to ensure that if that is what is promised in the Bill, then that is what is delivered on the ground. Those issues should be the focus of Members' concerns. We should not dismiss the Bill as something that will hurt or disadvantage people who currently receive incapacity benefit.

The other big issue that must be addressed has not been mentioned so far. It is one thing to say that we should support people and put them back into work. That is the supply side of the equation. However, the demand side of the equation must also be addressed. Will there be sufficient demand from employers to facilitate those people? I have checked with officials, and I understand that the Pathways to Work programme in Northern Ireland concentrates on public-sector employers. It is important that there be a variety of options, and Members must find a way to encourage

the voluntary and private sectors to provide places for people to move from receiving benefits into work.

Some of the arguments that have been advanced in the debate are illogical. The logic of what the Member for Strangford Mr McCarthy said escapes me: a Bill that is designed to encourage and, indeed, force people to present themselves for a personal capability assessment, go for work-focused interviews and, if they are not in a support group, eventually go into work, would be a disincentive for people to offer themselves for work. It is not a case of people offering themselves for work; the case is that those who should and could be in a position to help people back into work must do so. People will simply not have the option of whether to do that or not.

According to surveys, nine out of 10 people who are on long-term benefits do not want or intend to stay in that position. They want to get back to work. However, they become stigmatised and end up being victims of the system. Their doctors, who may not make an assessment of their capabilities, simply keep on writing lines for them. Therefore, those people stay in a position where they eventually become dependent and hooked on the benefits system. As a result, 90% of those people are still on benefits when they reach retirement age or death. Apart from the waste of economic potential, that is also a waste of people's lives.

It is also a disadvantage to those people because it keeps them on benefits, on low incomes and in poverty rather than opening the door to productive employment and opportunities for better-paid work. For that reason, I support the Bill. Rather than focusing on people's incapacity and inability to work, and thereby stigmatising them, the Bill allows their capabilities to be assessed and offers them opportunities. That is a much better deal than the current system. Although there may be issues about how that might be administered, it is a good principle that, in the long term, will benefit those who are disadvantaged.

Ms Stanton: Go raibh maith agat. I support the motion, which was tabled by my colleague. I want to reassure Nigel Dodds and Sammy Wilson that the motion is not a knee-jerk reaction. Mr O'Dowd has explained that it does not seek to abolish the Welfare Reform Bill but, rather, questions whether the right structures and mechanisms are in place to ensure that when party offices are inundated, Members can do more than just empathise with people: they can give them a better quality of life.

The Bill does not recognise the major problem of employers' attitudes towards people with long-term health problems or impairments. One of the main barriers to returning to work for people who have a history of mental illness is the attitude of potential employers. Last year, NICVA's (Northern Ireland

Council for Voluntary Action) proposals for an anti-poverty strategy urged the Government to tackle the problem of economic inactivity, which is when people are not working and are defined as being unemployed. Few people realise that there are 500,000 people in that category in the North. The issue is far removed from whether people who have a history of mental distress are unwilling to work: it is of greater concern that employers do not want to employ those people who do want to work. It is a concern that there is nothing in the Bill to oblige or, at least, to encourage employers to play as full a role as possible to assist citizens to move from benefits to work with built-in safeguards, flexible measures and policies to ensure that when people make that move, they will not lose out on benefits and other provisions during periods when they are unable to work.

It is right to give people every help and encouragement to return to work. Many people need advice and assistance, particularly those who have mental health problems.

In my constituency of North Belfast I have had to deal with vulnerable families who were not advised that once they received compensation following the murder or killing of a loved one, they would no longer be entitled to benefits. Many of those constituents had been on prescribed medication or other substances — *[Interruption.]*

Madam Speaker: Will Members please listen to what is being said or at least conduct their conversations outside the Chamber?

Ms Stanton: Many of those constituents were on prescribed medication or other substances to deal with their pain and suffering, and many have no memory of where and on what the compensation was spent. Those constituents did not receive the adequate services or professional help that they should have after experiencing trauma. The lack of available expertise has meant that, years down the line, their mental health has deteriorated and they now face the further distress of having their benefits cut because they received compensation some years earlier.

At the same time, employers have been reluctant to employ people who have been unable to work for extended periods through sickness. It is in employers' interests to recognise that such people have many talents that employers can use. Sinn Féin believes that employers should welcome people with disabilities rather than discriminate against them. The party also believes that the Bill should provide safeguards and flexible policies to ensure that the most vulnerable will not be discriminated against.

I wrote to the Minister about part III of the Bill, which deals with benefit fraud. People are frightened and being placed under unnecessary stress because of

the terminology used in the threatening letters that they receive. Issuing such letters contradicts Government policy, which is to ensure benefit take-up, particularly among the elderly. However, it is the elderly who are most intimidated by those campaigns, which are probably adding to the number of deaths of older people over the winter.

We must get the process right in the first place. However, Sinn Féin does not believe that this Bill is the right approach — vulnerable people should not be left with what may be an inadequate process. We must ensure that flexibility is key in any policy: measures must be in place so that those with serious illnesses who want to return to work can do so without fearing that their benefits will be stopped or docked should their health deteriorate.

Go raibh míle maith agat.

Mrs M Bradley: Although the Bill may be a welcome progression for some people with mental-health problems, it could be the cause of yet more difficulties and uphill struggles for many others. For many genuine mental-health patients, the prospect of a day's work or of simply re-entering a working environment is an additional stress that could be detrimental to whatever balance they have achieved through their medication.

The mental-health sufferer who is willing to try to re-enter the workplace may feel obliged to return to work in order to comply with the Department's regulations — no matter whether or not that is the intention of the regulations — rather than face interviews with staff who have no knowledge, training or experience in working with people who suffer from mental-health issues.

Once in the workplace, those suffering from mental health problems can find themselves unable to cope with the daily pressures, but, by that stage, it is too late. Only appropriate and suitably qualified personnel should decide whether patients are ready and able to re-enter the workforce — those decisions cannot be left to administrators. We cannot, and should not, allow another crisis similar to that created by the disability living allowance (DLA) system, whereby pen-pushers make decisions while ignoring medical and professional opinions. Patients are left to flounder and the decisions are reviewed, appealed and, occasionally, justly reinstated. All the relevant management and staff in the workforce must be suitably trained to facilitate and encourage the mental-health sufferer in order to build a firm foundation that can be improved upon.

It is time for the Government to channel their energies into improving the delivery of services and programmes for mental-health sufferers. I have worked in the mental-health field for more than 20 years, and I have witnessed at first hand how resources, funding

and staffing have always been at the bottom of the scale when it comes to budget allocation.

3.00 pm

Mr P Ramsey: The Member will be aware that the personal capability assessment (PCA) — formerly known as the all-work test — uses a points system and asks questions under the heading of mental health. One question specifically asks people whether they are:

“scared or anxious that work would bring back or worsen ... illness.”

If people answer yes, that will contribute to the number of points that they receive. I agree with what the hon Member has said, and claimants and support groups are worried about the circumstances that she describes, where people's respect and dignity will be lost. The Welfare Reform Bill does not inform people that they will be dealing primarily with mental illness and trying to help that. We know the number of people who have been killed during the Troubles, and we also know that many people suffered physical injuries. However, we do not know the level of psychological damage and trauma that has been suffered by many thousands of people. Those people are caught in a trap. I suggest to the Member, and to my unionist colleagues, that we support welfare reform but not if it strips the customer of respect and dignity.

Some Members: Hear, hear.

Mrs M Bradley: I thank the Member for his intervention.

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

I do not want to think that we are now being forced into finding a quick fix for a problem that has been largely ignored for many years. Unfortunately for the Government, we can no longer use drugs to deal with the issue of mental health, as has been the case in the past. Therein lies the problem that we face.

Today, Members did not oppose the Bill; rather, we all shared our concerns about its contents. The sharing of concerns can only be good for this place.

Lord Morrow: I welcome the aims and objectives of the Bill. I congratulate Danny Kennedy on being able to marshal some UUP Members. At one stage, he was very lonely and looked a wee bit forlorn.

Mr S Wilson: The Members found the debate so significant that they were not here for his speech.
[Laughter.]

Mr Kennedy: I am happy to confirm that, at the end of my speech, all other Members looked unhappy and forlorn.

Mr N Dodds: Can Mr Kennedy confirm that it was not his speech, anyway?

Lord Morrow: At least the Member can console himself that he did not have Back-Benchers sniping behind his back.

Mr Dodds has injected a dose of reality into the debate. Mr O'Dowd came out with that phrase that we hear ad infinitum, that if the Assembly were back, we could all do wonderful things. Mr Dodds reminded us that this is a parity issue about which the Assembly could do precious little. It is the responsibility of any Assembly to highlight issues and to speak on behalf of people, especially those who live on the margins. I have spent the best years of my life as a public representative, trying to improve the lot of those who live on the margins. Therefore, I consider the Welfare Reform Bill to be essential, and I welcome its aims and objectives. I hope that the Bill is enacted, because simply talking about its objectives is not enough.

I am glad that Mr McCarthy, a gentleman whom I hold in very high regard, is in the Chamber. When I was Minister for Social Development, I remember vividly taking some flak when I turned down the Alliance Party's suggestion that all pensions be increased by £5. That was a laudable suggestion, but Mr McCarthy came to agree with me that it was a ridiculous suggestion because it could never be achieved. Northern Ireland has a block grant and that fell outside our allotment; it was a parity issue and could not be done. I was pleased to learn that Mr McCarthy now accepts that fact.

Incidentally, that has nothing to do with what I wish to say. I shall move on to more substantive matters.

According to paragraph 9 of the executive summary of the Green Paper on welfare reform from the Department for Work and Pensions, 'A new deal for welfare: Empowering people to work', the Bill's objectives are to:

“reduce by 1 million the number on incapacity benefits; help 300,000 lone parents into work; and increase by 1 million the number of older workers.”

I am sure that Members have already noticed it, but it is worth recording that paragraph 1 of chapter 4, which is titled “Helping older workers”, states:

“By 2024, an estimated 50 per cent of the adult population will be over the age of 50, due to the combination of increased life expectancy and low birth rates. But although people are living longer than ever before, they are spending a relatively lower proportion of their lives in work than previous generations. Unemployment among people over 50 is low, but inactivity is high and many people leave work early due to ill health.”

That is important to note. As I look around the Chamber, I suspect that we will all be considered older workers by 2024. Mr Shannon is nodding in approval; it includes him, anyway.

All political parties should be seeking to get more adults into employment. The number of people not

working represents a huge problem for the local economy. While the Government have been pursuing Pathways to Work and seeking to reform the welfare system, the Conservative Party has suggested the so-called “payment by results” method. It is claimed that that policy could transform the benefits system by getting one million people who are on incapacity benefit back to work.

The Government have already called in private providers to help such people find work. At present, the providers get a payment up front, plus a larger sum when a person has been in work for 13 weeks. However, that only applies to new claimants. More than 2.6 million people who are already on incapacity benefit — an estimated one million of whom want to get off it and into work — have been sadly ignored. The Government have overspent elsewhere, and those people are low on the priority list.

The Tories’ “payment by results” approach would remove the up-front payment to the provider and increase the amount payable once the claimant is in sustained work. The cash cost would be matched to the benefit savings, so no net outlay would be involved and the benefit savings would be so great that an increased payout would be worth it. Not only would shifting one million people or more back into work provide social and economic benefits, but it would institute a model of risk transfer to the private, community or voluntary sectors that could be used elsewhere in the benefits system.

The problems surrounding benefit fraud have already been highlighted. There can be no better illustration of benefit fraud than the case last week of Paul Appleby from Nottinghamshire, who was sentenced to 10 months in prison at Nottingham Crown Court after being found guilty of benefit fraud in December. What had he done? He claimed to have been crippled for some 13 years, before being pictured participating in marathons. He even completed the 2005 London marathon in a time of three hours and 37 minutes.

Mr Shannon: Maurice could not do it in that time.

Lord Morrow: I could not, and I am not on any benefits.

Mr S Wilson: He is on the lower rate of disability living allowance.

Lord Morrow: That is where the Member is wrong.

At the same time, Mr Appleby was claiming that he needed round-the-clock care, a wheelchair, two walking sticks and a walking frame. Since March 1994, that gentleman had been granted the highest rate of DLA for life, yet he could run marathons and do many other things besides.

Mr Kennedy: He is reflecting on that now.

Lord Morrow: Investigators were stunned to find video coverage of that claimant taking part in road races. He was so fit that he joined an athletics club in 2001, after his back condition improved, illegally pocketing more than £22,300 over the following five years.

I raise that case because it is imperative that people who are genuinely entitled to benefits receive them. That £22,300 should have been directed to those in need who truly deserved it. I welcome the drive to catch benefit fraudsters and to ensure that the money that they have been claiming is directed to those who really need it. The unfortunate gentleman to whom I referred is going to have some time for reflection, as Mr Kennedy said. I suspect that there may be other such cases of abuse of the benefits system in this country and on the mainland. That abuse must be tackled.

One element of the Government’s proposals that should be broadly welcomed is the commitment that repeat benefit-fraud offenders will lose their entitlement to assistance. I believe that they should lose that entitlement for ever. Stringent steps should be taken to ensure that an example is made of those who abuse the system — that will be the best deterrent to those who might be encouraged to go down the road of benefit fraud. There is much more that could and should be said, but my time is up. I agree with the principles behind the Welfare Reform Bill.

Mr Deputy Speaker: The Member who was due to speak next is Mr Copeland. However, because he was not present in the Chamber throughout Lord Morrow’s speech, he is not entitled to speak at this time. Mr Copeland will be permitted to speak later. I therefore call Mr Francie Brolly.

Mr Brolly: Go raibh míle maith agat. I assume that my job is to sum up the debate thus far, at least on behalf of my party. We are somewhat short-staffed.

Sinn Féin cannot support the amendment — not because we are opposed to it in principle, but because we believe that it would have been better as an addition at the end of the original motion. As presented, the amendment would, in effect, delete reference to neurological patients. The proposer of the motion, Mr O’Dowd, said in his speech that vulnerable groups include people with mental-health issues. Fundamentally, we are not in disagreement on that matter.

Mr O’Dowd provided a rundown on the replacing of the old system of disability benefit with the new two-pronged work-related activity and support-group method of classifying those who are, more or less, incapacitated. He mentioned the fact that, for the first 13 weeks, claimants will receive a basic allowance to sustain them until their cases are assessed. Mr O’Dowd also expressed some concern about the qualifications of personal advisers to do the job that is expected of them, particularly in the care of people who suffer

from mental-health difficulties. It has been claimed that money would be set aside to train those advisers, but their job is still very difficult for a layperson, however well trained. If any of us had such difficulties, we would expect to see a qualified doctor.

Sanctions are a difficult issue, but Sinn Féin certainly does not regard them as appropriate at times. The imposition of sanctions is a way of forcing people back to work. The concept of compulsion was mentioned during the debate; however, people who are weak due to health difficulties might find it difficult to stand up against being compelled to go to work. I think that we would describe that as slightly indiscriminate.

3.15 pm

Mr McCann intervened to express concern about laypeople or civil servants having the kinds of responsibilities that this Bill will give them. Dolores Kelly talked about parts of the Bill and about the historic dependence on benefits that there is in this part of Ireland due mainly, of course, to the lack of employment that, for historic reasons, there has been in certain areas. The reluctance of employers to employ mentally ill people was also mentioned. It is difficult for these people to integrate themselves into the workforce because of stigma, discrimination and sometimes even fear.

Sanctions have been mentioned repeatedly. One of the points that was made was that they do not take account of the fluctuating, unsteady nature of mental illness. On one day a person can be quite happy to go to work or attend a tribunal, yet on another they would just not be mentally fit to do so. It appears that there may be a presumption against incapacity benefit, rather than the presumption in favour of it that we had before.

Mr Dodds spoke about the difficulty that there would be if the Bill going through Parliament at Westminster was not accepted here — there would be problems with cost and difficulties with the system here. He also mentioned the important statistic that the number of people over the age of 25 who are receiving incapacity benefit has risen dramatically, for whatever reason.

Mr Ramsey intervened to say that while the stated aim of this Bill is to get people back to work, there is a strong element of penny-pinching. Mr Kennedy spoke again about the provisions of the British Parliament applying here, and he mentioned the names of a good number of mental-health charities and support groups that have expressed concern about this legislation, not least about non-attendance at work-focused interviews resulting in the reduction of benefits. Again, that does not take into account how the condition of a mentally ill person can change from day to day.

A question was also raised about whether, in fact, getting mentally ill people back to work is necessarily beneficial to their condition, and there is no evidence

to show that it is. Perhaps at times it is anything but beneficial. Mr McCarthy welcomed getting ill people back to work. That is what we would like to see, all things being equal. He also mentioned the importance of promoting understanding of mental illness among the general population. We are much better at that than we used to be. We accept and deal with people in a much more politically correct way than we used to. These people should obviously be helped to assimilate into workplaces as well as into society in general. Mr McCarthy also warned about the possibility of this rather stern system forcing people back to work who are not fit for it, and that is likely to happen.

There was general concern about certain aspects of the Bill. Mr Sammy Wilson was very concerned about Sinn Féin's attitude to the Bill, although he was probably more concerned about Sinn Féin than about its Members' remarks. However, he commented that we can either take it or leave. If it is going to be made legislation for this part of Ireland, we either take it or leave it and we really should not express any opinions critical of it. He may have a point.

I am afraid that I ran out of paper at that stage, so I must apologise for giving short shrift to the Members who spoke later in the debate. I must, of course, give Kathy Stanton some time. She raised the interesting point that people who receive compensation in tragic circumstances are precluded from accessing benefits. Perhaps that should be looked at: should such insurance payments interfere with people's entitlements in the normal course of events? She also pointed out that the condition of people who are ill can change from day to day.

Mary Bradley, a former mental-health worker, was critical of funding for the mentally ill, whether it is hospital funding, care funding or, as in this case, benefit funding. She felt that, over the years, mentally ill people and those with chronic health problems have not received the attention that they were due. Mr Morrow was not convinced that a local Assembly would do any better than the very clever people in England who know more about these things than we do.

That is about all that I have to say, except that —

Mr Deputy Speaker: I have to ask the Member to sit down.

Mr Brolly: If I could just, before I finish —

Mr Deputy Speaker: Order. There seems to have been some confusion. The Member's party indicated that Mr O'Dowd was going to make the winding-up speech, and therefore 15 minutes was allocated to him. We are not at that stage yet; there are other Members who have still to speak. Mr Brolly, unfortunately, will have to be restricted to 10 minutes. I propose to call several other Members to speak, and then Mr Alban Maginness, who will have 10 minutes to wind up on

the amendment. After that, Mr O'Dowd can formally wind up the debate — he does not have to take 15 minutes. The indication that we received was that Mr O'Dowd was going to make the winding-up speech, and therefore we put Mr Brolly ahead of other Members. There is no way around this; we have to go by Standing Orders. Therefore, Mr Brolly's time is up.

Mr Brolly: On a point of order, Mr Deputy Speaker. I just want to assure the House that the best was yet to come.

Mr Deputy Speaker: I suggest that you hand the rest of your speech to Mr O'Dowd and let him conclude your remarks.

Mr Shannon: As of February 2006, there were 113,000 people in the Province claiming incapacity benefit, 170,000 claiming disability living allowance, just over 100,000 on income support, and some 63,000 claiming attendance allowance. Unemployment in the Province has fallen by 2% in the past quarter, with a decrease over a year of just under 1,000 people claiming jobseeker's allowance. Northern Ireland has the lowest unemployment rate in the UK and a decline in the rate of those being awarded certain benefits. Why are we being presented with a Welfare Reform Bill that would scrap the old system, and bring in new terms and conditions that are dubious, to say the least?

There's nae point in lettin oan that tha sistam we hae noo is perfect, an that ther er naen whau disnae tak guid o' tha provishun o' tha benefits. But iver aw we er seein deep doon checks an far mare stronger missures tae complete afore tha award.

Tha Weelfaer Refoarm Bill maks — amangst mony ither changes — provishun fer new benefit, tha employment an suppoart allooance fer the tak iver fae tha incapacity benefit. This wull bring tha gither baith allooances an will meen as weel a means tested allooance, which is a mixtur o' incum suppoart, an incapacity benefits. This is missured by a person haein a capability fer woark but is limited by ther fisical er mental conditshun that it wudnae be reasonable fer tae expect them tae woark.

There is no point in pretending that the current system is perfect and that no one is taking advantage of the benefits system. There are now more in-depth checks and more stringent criteria to fulfil before benefits are received. The Welfare Reform Bill makes — among many other changes — provision for a new benefit, the employment and support allowance, to replace incapacity benefit. ESA will incorporate a contributory and a means-tested allowance — a mixture of income support and incapacity benefit — which is assessed by a person's physical or mental position, and it is not reasonable to require him to work.

The assessment of a person's capability to work will take place over an initial 13-week assessment phase

and will include an assessment as to whether that person has the ability to work in work-related activity, thereby making him more useful to society as a whole. Such people will then claim benefits depending on whether they have been assessed as entitled to the "support component" or "limited capacity for work-related activity". If those who are assessing such people find that they have the ability to return to employment, their benefits can be topped up by attending training, trials and interviews and agreeing action plans. Claimants who refuse to take part in such assessments can have their benefits sanctioned and reduced to the basic level.

What happens to a man, with three children, suffering severe depression after an accident? His wounds have healed, but he is left with crippling depression. Getting out of bed to take a test judged by strangers is nearly impossible. His body has healed, but his mind still reels. That man will be penalised by having his benefits reduced. He is still in the same situation and still has three children to feed, but he cannot do that on lower benefits and so the ruthless cycle continues.

It is a fact kent personally by maesel that in tha caes o' heed injury, its a lang process o' rehabilitation, a process which is frustratin an lang drawn oot, an cannae be rushed.

A maun whau hiss' abilities yin dae, caun loas them tha nixt, an laek a waen hiss' tae larn ivery step an actshun agin.

This process shud nae be rushed in a effirt tae git benefits, which is whut is scarinly an in aw proability sumthin that is used as a carrut tae push sumyin awa abin ther capabilities, tae ther detriment in tha lang rin.

People who suffer head injuries face a long process of rehabilitation, and I have personal experience of this. That process is frustrating and drawn out, but it cannot be rushed. A man can possess abilities one day and can lose them the next in a split second, and, like a child, has to learn every step and action again. That learning process should not be rushed just to gain a top-up in benefits. Frighteningly, and in all probability, a top-up in benefits is something that could be used as a carrot to push people beyond their capabilities, which would be to their detriment in the long run.

Pathways to Work was piloted in 2003 in an attempt to help those claiming incapacity benefit to return to work. It is a laudable idea if it is used merely as a tool aimed to assist those who have the desire and ability to get back to work. However, there is a fear that it could be a way of forcing those physically or mentally unable to return to work into the position in which they must work to feed their children, even if their health is weak.

The area of mental health is precarious in any society, but it is especially so in the Province and other

places bombarded by terrorism — as we have been for the past 30 years. There are those among us who have witnessed unspeakable horrors, been traumatised, lost loved ones and never recovered, and there are those who still mourn. Northern Ireland has a high rate of mental-health problems, and all of those issues make it a lot more understandable to those who try to understand. However, given that there are some who only see figures, there is a fear that the people who suffer will be disregarded and overlooked.

It is feared that there will never be a test that could adequately and accurately determine someone's ability to be involved in the working world.

The Northern Ireland Neurological Charities Alliance (NINCA), a coalition of groups that support people with MS, Alzheimer's disease, Parkinson's disease, epilepsy, muscular dystrophy and many other conditions, has stated its fear of the impact that the legislation will have on the groups it represents, and rightly so.

3.30 pm

We have a duty to protect the vulnerable, not to put them through more heartache than they already suffer. Employment is an important factor. What businessman would employ someone whom they knew to have been seriously unwell and who, in all likelihood, is not fully recovered from their illness? Who would employ someone who is being pushed into work before they are able to do a job adequately or who may be unreliable because of a medical problem? Not many businesses can take such risks on such uncertainties. What happens when no one can employ that person? Will that affect the benefit top-up system?

There are too many uncertainties in the proposed legislation. How can a person's mental ability or capability to work be accurately tested? How can we assess whether a person cannot face the workplace or is merely avoiding employment? How do we find the perfect placements that help someone along rather than trail them backwards? How can it be ensured that a workplace environment is suitable for the delicacies of a particular individual? It can never be fair to force a person with mental-health problems back into society when he or she is not ready.

In no way do I accept that people cannot ever recover from mental illness or brain injuries. I am all too aware of the steep road that must be climbed, step by excruciating step. For the state to strong-arm their way in this matter will only load more stress and unhappiness onto sufferers and their families. As it stands, the Province's neurological and mental health care provision is inadequate. There are no centres of excellence, no real aftercare system, and little help for the wounded and their families. We cannot heap yet more stress and tension on them by exposing them to yet more pressure.

This attempt to integrate people into society is, indeed, noble and will be worthwhile, if enacted in the right spirit and at the right time. However, I do not believe that the Welfare Reform Bill provides an adequate framework for that task. Such a sensitive issue should not be tackled in this manner, and we must do all that we can to protect not only the vulnerable, but their husbands, wives and children.

We want people to be working and doing their bit, and we want fewer families to be dependent on the state. We want to get people on benefits who are capable of work into satisfying jobs, but not at the sacrifice of the health of those who are truly unable to work again yet who are being pushed into doing so. As Members of this Assembly, we must make it very clear that that is unacceptable.

Mr Copeland: Mr Deputy Speaker, I apologise for my absence for Mr Shannon's contribution. As you may be aware, there were several bomb scares in Belfast and in my constituency this afternoon. I was called away from the House, but I am pleased to say that the bomb scares were hoaxes. Nevertheless, this afternoon's events serve a salutary warning to Members of what happened in our past and what, God forbid, our future may hold.

I must admit that, before I became an elected representative, I held certain views about those in receipt of what are euphemistically called benefits. Those views were based on little knowledge and a degree of social prejudice. However, working in my constituency office over the past few years has put faces to what I previously judged as mere statistics. For a family to be required to get — in some people's views — something for nothing is a difficult and bitter pill to swallow.

I have had difficulty in completing disability living allowance forms on behalf of constituents because the forms run to 30 or 40 pages.

I have seen cases where two people are ostensibly in the same circumstances, but whose entitlement to the benefit appears to be based, not on their circumstances, but on their ability to fill in the form. I have seen, as have most Members, what I consider to be borderline cases, or people who should not be entitled to the benefit, in receipt of it, while genuine cases are denied it.

A society is judged properly not on how it treats the majority of its citizens, but on how it deals with those who are least able to look after themselves.

Mr Dallat: Does the Member agree that, while there has been much emphasis on fraud in today's debate, precious little has been said about the millions of pounds that go unclaimed every year? That is money to which people at the lowest end of the social spectrum are entitled. Given that the Government have Big Brother computers to catch people who commit

the most minor offences, they seem still to have no capability to discover people who are missing out on millions of pounds of benefits every year.

Mr Copeland: I agree with the Member, and that leads me to a specific case that came to my attention on Saturday. A young man — he is 25; that is young compared to me — earns £85 a week from part-time work. He acquired his home of 14 years through living with his grandfather — the tenancy was transferred to him on his grandfather's death. His income of £85 a week caused him difficulty with paying his rent, and he fell into arrears of £347. He was taken to court by the Housing Executive and appears to be facing eviction. He has received a bill for about 90% of the rent that he owed. However, owing to the cost of his court case, the bill may as well be for £1 million, because he does not have the wherewithal to pay it. Unless I can intervene, it is likely that he will be forced from his home. He will become another statistic, another blip and another difficulty for another Department.

All legislation, whether it has its root here or in Westminster, is designed to deal with the norm, or standard, of the greater number of cases, but it impacts on individual people and families. The Welfare Reform Bill that is making its way through Parliament in Westminster will not apply to Northern Ireland. Fair enough. However, a separate Order in Council will be made for Northern Ireland based on the provisions of the GB Bill. I am not sure that all the heart-rending, tears and angst that we display today will account for anything, because the decision will be made in another place.

The benefits system was designed when children in this country had no shoes, little food and died from cholera because of unclean water. Society has moved on, and some people see benefits as a replacement for work and income. That cannot be sustained. Any legislation must strike a balance between satisfying the needs of those who are able to provide from their taxes to develop a society in which they are proud to live and assisting those who cannot look after themselves.

Specific mention has been made of those who suffer from what is described as mental illness. That encompasses many conditions, some of which, such as extreme tiredness or depression, are thought by some not to exist. I have seen people who are depressed, and those conditions exist. The system is so complex and convoluted that even those who are entitled to benefits sometimes give up their claim.

The young man whom I referred to earns £85 a week — only just the minimum wage. Substantial numbers of people in my constituency earn less than the minimum wage.

I have no doubt that the man on £85 a week may be entitled to support from the state. However, access to

it, and the ability to enquire without being fobbed off, is not available to him.

An enormous number of people view the receipt of state benefits as charity. They live in fear of what they call the “workhouse”, something that is long gone. There is a pride that comes from work and being able to pay your own way.

If legislation does not level out the humps and hollows, give access and entitlement to those who are entitled and take whatever steps are possible to prevent abuse of the system, it is not worth the paper it is written on. I appeal to those who are bringing forward this legislation, particularly those who represent Northern Ireland in the House of Commons and in the House of Lords, to consider all legislation in terms of the citizens it will affect, rather than its impact on the state or its bottom-line cost.

The building blocks of all of this, that each and every one of us in this Chamber should accept and fight for as equals, are the rights of the people who sent us here — whether they voted for us or not.

Some Members: Hear, hear.

Mr A Maginness: One of the greatest achievements in the post-war era, certainly in western Europe, was the establishment of what is now called the European social model. It is based on social democratic principles, so that everyone in society is protected, and there is social security so that those who are vulnerable, or disadvantaged, are given an opportunity at least to maintain their existence and to live as full a life as possible.

The creation of the welfare state, in particular in Britain by the Labour Government in 1945, was an amazing achievement and should be precious to us all. It is certainly precious to us in the SDLP. We will rightly defend that achievement, because it has given the whole of our community some sense of social security when otherwise they would be undermined. Therefore, it is important for the SDLP as a political party to emphasise that.

That does not mean that the SDLP is opposed to the reform of the social security system or the welfare state. We accept the need for reform. All processes and systems need to be reviewed from time to time. However, the basic principle of protecting people, especially vulnerable people, must be affirmed. This House should affirm it.

The SDLP amendment simply emphasises the need to protect sufferers of mental illness. Forty-one per cent of incapacity benefit claimants in Northern Ireland suffer from mental illness. The SDLP has put forward this amendment to safeguard their interests. It is not incompatible with Mr O'Dowd's motion. Members are all grateful to him for bringing it to the attention of

this House today, and are supportive of the motion, which expresses deep concern for the implications of the Welfare Reform Bill. The SDLP is not opposed to that Bill, but the party certainly has deep concerns about some aspects of it.

Mr Dodds, in a clear and forensic contribution, emphasised the importance of parity. My party accepts that there should be parity as a sensible concomitant of the social security system in Northern Ireland. There is consensus in the House that parity should be maintained to protect the integrity of that system. It will help and protect everyone in our society. The SDLP is against neither parity nor welfare reform.

Mr Wilson came into the House today with his verbal shotgun and fired a few rounds across these Benches. He is an expert marksman; of that there is no doubt. Unfortunately, he hit the wrong targets. He expected the SDLP and Sinn Féin to be opposed to the Welfare Reform Bill, but we are not opposed to the Bill or to reform.

I was slightly concerned by some of the comments made by Members on the Benches opposite, particularly the DUP Benches. They overemphasised welfare fraud, made scapegoats of people, and stressed scrounging and exploitation of the system. The vast majority of claimants are decent and in need, and they must be supported. As Mr Dallat emphasised, many who are entitled do not claim. Those unclaimed benefits substantially outweigh the claims that fraudulently exploit the system. Members on this side of the House emphasise the importance of need; we certainly do not approve of greedy people exploiting the system. There is human weakness everywhere in society; greed is one aspect of that, and from time to time it will manifest itself.

Jim Shannon was right, in his compassionate speech, to emphasise the needs of those suffering from mental illness. Recovery from that condition is a steep hill to climb, and we must be compassionate. My colleague Mrs Kelly stressed that those who suffer from such illnesses will become concerned, anxious and fearful if a new system seeks to coerce them into employment at a time when they are unable to enjoy work or be productive.

It is important that Members take note of what has been said by the various charities and organisations. The Royal College of Psychiatrists has warned that, in certain circumstances, those suffering from mental illness can become fearful and anxious; they are easily put under great pressure. It has emphasised to Parliament the importance of protecting the mentally ill, and it speaks with real authority. It acknowledges the benefit of reform, but also sees the downside of forcing people into employment in circumstances where they cannot cope. Members should heed that timely warning from such an authoritative body.

MIND, the organisation for those suffering from mental health, has emphasised that the conditionality requirements under the new legislation could be too onerous. It is important to emphasise that point in the House today. MIND and the Mental Health Foundation also highlight the fact that employers discriminate against people who suffer from mental illness. A survey indicated that 18% of employers would not employ anyone suffering, or recovering from, mental-health illnesses. That statistic serves as a timely warning to every Member, because if those people are to return to employment, a market in which they are welcome must be created.

It has been a good debate in which Members from all sides of the House have stressed important points: we should be caring and considerate; we are not against change; and compassion is an important element of any new welfare system. The system must not be bureaucratic and complex; rather, it must meet people's needs. By applying common sense instead of bureaucracy, the noble goals of bringing people back into the workplace and meeting the needs of the vulnerable in society can be achieved.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle. I am reminded of another occasion in the Assembly: did I, or did I not, indicate that mine was to be the winding-up speech? I do not think that there should be any further statements from the 12 apostles of the DUP. However, we never know what they will do: they may release a statement on something.

The debate is important, because Sinn Féin is trying to ensure that a system is in place to enable those who are currently on incapacity benefit, and capable of returning to work, to do so. Some Members on the Benches opposite said that they agreed with the principle of the Welfare Reform Bill. However, at this stage, simply agreeing with the principle of the Bill is not enough. The question now is whether Members agree with all the Bill's 264 clauses, many of which lobbying and advocate groups for the most vulnerable in society have described as coercive. Many of the clauses would force people back to work.

Mr Morrow spoke at length about a case of benefit fraud in which the guy involved was an athlete, and so on, and so forth. I left the Chamber to find my notes, because I too can cite a case — of a young, single mother of two young children, who has severe mental-health problems. She took part in a pilot scheme in England, under which she was left with the impression that she had to return to work. She duly did so and lasted a week. She lost her job, left home, abandoning her two children, and became homeless — all because she was under the impression that she had failed and had to find work. That case represents the opposite extreme of the misuse of so-called welfare reform.

The Bill is wrong, because it is not concerned with encouraging people to return to work: it is a money-saving exercise designed to slash the number of people on incapacity benefit. Had the Bill been properly thought out, there would be adequately resourced systems and professionally trained and qualified client advisers — as opposed to civil servants being trained to do the jobs of professional medics — and cases such as the one that I have just outlined would not have happened.

Lord Morrow: On a point of order, Mr Deputy Speaker. I am slightly confused: is the Member deeply concerned about the implications of the Bill or opposed to it?

Mr McElduff: On a point of order, Mr Deputy Speaker. Was that a point of order? *[Laughter.]*

Mr Deputy Speaker: Lord Morrow's point of order was certainly not a point of order.

Mr McElduff: I am grateful for that ruling, Mr Deputy Speaker.

Mr O'Dowd: I will not respond to a point of order if it is not a point of order. As Mr Morrow keeps telling Members, the ruling of the Speaker is final.

Everybody agrees that we need a system that encourages and allows people to return to work. However, that system should not penalise people for being mentally ill, for suffering from a disability or for having a neurological condition. The Welfare Reform Bill that is now passing through the British House of Lords does not have that scope. I welcome the comments of Jim Shannon, who also raised deep concerns about the Bill.

The amendment is, without doubt, well intentioned. There was a mix-up that could have been resolved if we had had a chance to talk to the SDLP beforehand. However, were my party to support the amendment, the words "including neurological patients" would be eradicated from the motion, to be replaced with "especially those people with mental ill health".

The mental ill-health lobby's voice has been well heard through the lobbying that has been done this afternoon. Members could include those suffering from mental ill health under "vulnerable groups" in the text of the motion, as we could those with neurological illnesses. I accept that the amendment was made in good faith. However, history will not record it that way. This is one of those cases in which we are damned if we do and damned if we do not. Members will have to see how the vote goes.

(Madam Speaker in the Chair)

Question put, That the amendment be made.

The Assembly divided: Ayes 25; Noes 10.

AYES

Billy Armstrong, Mary Bradley, Wilson Clyde, Robert Coulter, John Dallat, Diane Dodds, Nigel Dodds, Jeffrey Donaldson, Mark Durkan, Alex Easton, Tom Elliott, Seán Farren, Tommy Gallagher, Derek Hussey, Dolores Kelly, Danny Kennedy, Alban Maginness, Nelson McCausland, Lord Morrow, Ian Paisley Jnr, Edwin Poots, Pat Ramsey, Margaret Ritchie, Jim Shannon, Peter Weir.

Tellers for the Ayes: John Dallat and Margaret Ritchie.

NOES

Francie Brolly, Fra McCann, Barry McElduff, Martin McGuinness, Mitchel McLaughlin, Francie Molloy, John O'Dowd, Sue Ramsey, Caitriona Ruane, Kathy Stanton.

Tellers for the Noes: Fra McCann and Kathy Stanton.

Question accordingly agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly expresses deep concern about the implications of the Welfare Reform Bill, particularly the introduction of a new coercive regime into benefit administration, and its impact on a number of vulnerable groups, especially those people with mental ill health.

Adjourned at 4.10 pm.

THE TRANSITIONAL ASSEMBLY

Monday 29 January 2007

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Additional Debating Time (Muckamore Abbey Hospital) and Extra Sitting (Police Ombudsman's Report)

Mr O'Dowd: On a point of order, Madam Speaker. Can you confirm that, last Monday in this Chamber, Dr Paisley placed a request with you for a debate on Muckamore Abbey Hospital and that Barry McElduff placed a request for a debate on collusion? Can you further confirm that a debate on collusion was blocked by both unionist parties at the Business Committee meeting?

Madam Speaker: Thank you, Mr O'Dowd. You are quite right; both debates were requested last Monday morning, and I subsequently took the two motions to the Business Committee. The Committee debated the motions, and the agreement at the end of the meeting was that the motion on Muckamore Abbey Hospital would be debated but that the motion on the Police Ombudsman's report would not. That was the decision of the Business Committee.

Mr Paisley Jnr: Further to that point of order, Madam Speaker. Are you willing to confirm that Sinn Féin was unable to convince the Business Committee of the merits of having a debate on its proposed motion, and that the motion that was chosen for debate today was chosen because people were able to convince the Business Committee of its merits?

Madam Speaker: It is not for me to say what the parties debated in the Business Committee or what their decisions were. All I can say is that I believe that at the end of a thorough debate, it was clear that the two unionist parties did not want the motion to go forward and that the rest of the parties did.

Mr O'Dowd: Further to that point of order, Madam Speaker. Does the fact that Sinn Féin was unable to convince the unionist parties to debate collusion not say much more about the DUP than it does about Sinn Féin?

Madam Speaker: As I said to Mr Paisley, that is not a matter for me or for the House; it is a matter for the Business Committee. I hope that we will get through the business today as agreed. Thank you.

Security Review

Rev Dr Ian Paisley: On a point of order, Madam Speaker. On several occasions, I have raised with you the matter of Members' security in this Chamber. This is the last meeting of this particular Assembly, but will Members be notified of what investigations have been made and will they be given exact information so that they can know where we now stand with regard to security in this Assembly?

Madam Speaker: Thank you, Dr Paisley, for your continued interest in the matter of House security. The review of security is now at an advanced stage. The Commission looked at the draft report last week. As I have said before, I intend to make a statement on the review when it has been completed. In addition, the Commission has agreed that parties will be fully briefed on its outcome at that time. Unfortunately, the report was not ready for today, but you will agree with me, I am sure, that the procedure is correct in that we need to be absolutely sure that the review is comprehensive and efficient.

With regard to current procedures, they are as we have agreed. I explained to the House on 27 November 2006 that we have a party of PSNI officers here to help the Doorkeepers with security. As far as I am aware, it has been adequately dealt with up to now.

Mr Paisley Jnr: Further to that point of order, Madam Speaker. Given that today is the last day of the Assembly, is it in order that we congratulate the members of the PSNI who have provided the service as a stopgap? The PSNI — and, indeed, the House — faced an incredibly awful threat, and we are delighted that the police have been able to step in. We should congratulate the PSNI unanimously.

Madam Speaker: Thank you very much for that point of order, Mr Paisley. It is not for me to do that without discussion at the Business Committee, but I am sure that individual parties and Members will be able to do it in a personal way.

Mr O'Dowd: Further to Dr Paisley's original point of order, Madam Speaker. Is it not somewhat ironic that the DUP wishes to speak about the security of Members in the House but is not prepared to have a debate about the security and well-being of the general public?

Madam Speaker: Thank you, Mr O'Dowd, for that point of order. As I have said, Dr Paisley has been asking me about the review of security for several weeks, and quite rightly I have answered him. The

Madam Speaker: I should like to announce to the Assembly that I have been informed by the Chief Electoral Officer that Ms Dawn Purvis has been returned as a Member of the Assembly for the East Belfast constituency to fill the vacancy resulting from the death of Mr David Ervine. I now invite Ms Purvis to take her seat by signing the Roll of Membership.

Madam Speaker: I am satisfied that the Member has signed the Roll and has confirmed her designation. Ms Dawn Purvis has now taken her seat.

Report on Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform

The Chairperson of the Committee on the Programme for Government (Mr Molloy): I beg to move

I propose this motion not as a member of the Committee but as one of the two Chairpersons appointed to the Committee to enable it to conduct its business. On 24 November 2006, following a direction from the Secretary of State, the Assembly's Business Committee established the Committee on the Programme for Government to consider priorities for the new Executive and make preparations for restoration.

The report under consideration is the work of the Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges; and Water Reform — three separate and substantive issues. The high level of consensus and common cause evident from this report and those of the economic issues subgroup is testimony to the high level of agreement between all the parties. It is not a lowest-common-denominator report; it reflects the collective and determined wishes of all the parties to see a new economic vision realised for Northern Ireland. The Committee on the Programme for Government, which shares this consensus, ordered that the report should be printed and debated in the Assembly.

I acknowledge the efforts of the members of the four main parties who served on the subgroup, and I hope that as many of them as possible will participate in today's debate. I thank all the staff who worked long hours over the holiday period and beyond to produce the report on time. As with the other subgroups, this report was undertaken according to a tight timescale. The subgroup invited written submissions from several organisations and took oral evidence from key organisations in relation to each topic.

I will highlight some of the main findings on each of the three subjects. The 2007 comprehensive spending review is an in-depth examination of Government spending priorities to establish long-term aims and objectives for each Department and to set firm and fixed spending plans for a three-year period starting in April 2008. Northern Ireland's share of the public expenditure allocations arising from the comprehensive spending review will be determined under the Barnett formula. The outcome of the comprehensive spending review is, therefore, particularly important for Northern Ireland and will determine, to a large extent, the resources available to a restored Executive to spend on devolved responsibilities.

The allocation from the comprehensive spending review makes up 90% of the total Northern Ireland budget. The other two main sources of funding for Northern Ireland are the regional rates collected from businesses and households, which contribute about 6% of the total, and the borrowing for capital investment under the reinvestment and reform initiative, which makes up 2%.

The comprehensive spending review process began in July 2005, and the outcome will not be known until the Barnett consequentials for Northern Ireland are announced in July of this year. All the indications are that the comprehensive spending review period will be challenging for Northern Ireland and that the slower economic growth rate in the UK will place increased pressure on budgets here.

The Department of Finance and Personnel told the subgroup that any additional funding from the comprehensive spending review, together with additions from the Chancellor's package, will be required simply to meet pay and price inflation.

The financial outlook suggests that the prospect of the Executive meeting economic challenges, closing the permanent wealth and productivity gaps and catching up with the growing Irish economy, which increasingly leaves us behind, is limited.

10.45 am

The report recognises the economic constraints that the new Executive will face as a result of the comprehensive spending review and concludes that to make resources available for additional spending on priority areas identified by the restored Executive will depend on factors such as more efficient provision of existing services; better use of resources through the disposal of surplus assets; the reduction of annual underspend; increased local revenue efforts; and renegotiation of the Chancellor's package.

Some organisations have been critical of the amount of publicly available information for the comprehensive spending review process and of the limited extent of

local engagement with the community and the voluntary sector.

The report concludes that a major priority for the restored Executive must be to prepare for the outcome of the comprehensive spending review, due in summer 2007, and to develop draft Priorities and Budget proposals through a transparent process of consultation.

The scope for additional spending on priority areas depends to an unacceptable degree on the release of resources through efficiencies. The report notes the efficiency targets set by the Secretary of State and supports the ongoing work by Departments on value-for-money reviews and developing efficiency plans. Efficiency savings of approximately £770 million must be achieved by 2010, and the restored Executive should continue to drive for greater efficiency. However, the report warns that such efficiencies must not be achieved at the expense of cuts in vital front-line services.

On the better use of existing resources, I wish to make a couple of points that others will elaborate on. First, on the disposal of surplus assets, the Department of Finance and Personnel has a target of £1 billion for asset sales over three years and is working with the other Departments to identify those assets. The report cautions that that must be achieved in a joined-up manner, with proper regard for the impact on services and the resource implications of new investment decisions. In its evidence, the Northern Ireland Council for Voluntary Action (NICVA) complained that, too often in the past, departmental spending cuts happened without proper resource allocation to voluntary sector organisations to make the delivery of services more efficient.

My second point is about the problem of underspend, particularly in relation to capital investment. The report highlights that in 2005-06 there was a massive underspend in the capital budget of just over £227 million — more than 18% of the total. At the same time, the Northern Ireland Audit Office's report identified that the Department of Finance and Personnel had borrowed £411 million under the reinvestment and reform initiative (RRI). That wasteful use of public resources must be tackled by Members. Needless loans taken under the RRI incur interest that must be paid for through increased rate bills.

The report identifies several issues that should feature as priorities in a draft Programme for Government. These include investment for economic growth, investment in skills and training, improvement on internal and external transport links and further improvements in the planning process that deals with the financial implications of the review of public administration. The report also identifies the need to take account of equality provisions and the anti-poverty strategy when a draft Programme for Government is

developed. The subgroup concurred with many of the recommendations made by the Subgroup on the Economic Challenges facing Northern Ireland on future investment priorities and supports the investment areas highlighted by that subgroup in its report on an alternative economic package.

The subgroup was conscious of the importance of rates to the Northern Ireland budget and of the revenue from industrial and domestic rates. The burden of rates must be shared in a fair and open manner.

The ability of householders to pay should be considered, and adequate relief must be provided for those over pension age or on low incomes.

The report recognises the importance of a strong manufacturing base in Northern Ireland and the impact that the removal of industrial derating could have on that sector. The report, therefore, calls on the Secretary of State to freeze industrial rates at 25% for a further year, until a planned major review has been carried out.

The report looks at the range of assistance that is available to help domestic householders with their rates bills. It welcomes the further £4 million committed to enhanced relief for pensioners following the discussions by the political parties at St Andrews. The report calls for more study of such issues as transitional relief and discounts for disabled people and single-person households, and it supports the policy of providing assistance for student householders. However, it is concerned that the proposed system will benefit landlords rather than students, and it calls for urgent work to be done to find a better way to deliver that assistance.

The subgroup was asked to consider the capping of domestic rates. The organisations that gave evidence were divided on the issue, as were the parties represented on the subgroup. Nevertheless, there was agreement that something had to be done to help those householders on low incomes who live in high-value homes and who are faced with extremely high rates bills — the so-called asset rich and cash poor. The report recommends a detailed study of the cost and impact of introducing a cap at various levels, including consideration of other ways of helping the asset rich and cash poor.

The report also highlights the serious matter of the uptake of relief schemes for vulnerable and low-income households, which applies to rates and water charges. It matters little how generous the relief schemes are if people do not claim them. The report found that up to 24,000 people who may be entitled to housing benefit — a passport benefit for help towards rates payments — are not claiming it. The report makes clear that the low uptake of passport benefits must be tackled as a priority.

The third substantive issue that the subgroup was asked to address was the introduction of water charges. Members will recall that water charges were debated in the Chamber on 18 December 2006 and that the motion was passed unanimously. The report reaffirms the strong opposition of all parties to water reform and supports the principle that the provision of water services should remain permanently in the public sector. That view was reflected in the written and oral evidence to the subgroup. The report calls for the deferment of the scheme until the restored Assembly is able to consider it. Despite almost universal opposition to the scheme, the Secretary of State has steadfastly set his face against any deferment of water charges, which are to be imposed from April. The subgroup would want me to reaffirm the need for the Assembly to send a clear message to the Government that it rejects their approach.

The report's main conclusion on water reform is that if water charges are to be imposed — as now seems inevitable — the restored Executive must use the planned phasing-in period of three years to undertake a fundamental review of the whole water reform process and examine all available models and options with a view to making any necessary legislative, structural, or other changes from April 2010.

The subgroup also considered the detail of the proposals and had serious concerns about many aspects of the proposals, not least openness and transparency, particularly with regard to the elderly and those who are unable to pay.

Madam Speaker, I know that I am running out of time. A major concern highlighted in the executive summary of the report is the worrying and alarming — and very public — breakdown in relations and trust between the Consumer Council and the Government, in the guise of the Department for Regional Development and the Water Service. The Consumer Council is a statutory body that was set up to promote and safeguard the interests of consumers, and the extent of the frustration and obstruction felt by the council was clearly evident in its oral and written evidence to the subgroup.

I am sure that Members will all agree that this is a situation that cannot be allowed to continue and must be reformed.

I commend the report.

Mr Shannon: I thank all the staff for their help. They certainly give us a lot of guidance and support and answered a lot of questions that we had on the issues.

As a member of the Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, I listened to and read carefully the evidence presented, and considered the policy that I believe to be in the best interests of my constituents and Northern Ireland as a whole.

The report and its recommendations have been well researched, and there are many worthy recommendations that must be implemented as a matter of urgency. Of the 33 recommendations made, I will highlight a select few that have been brought to my attention, especially by my constituents, which I feel must be urgently addressed.

One of these is the rates review, which is the most important one, and the issue that was raised with me by the most people. It is linked to manufacturing and small business in the Province. The Federation of Small Businesses has over 6,000 members in Northern Ireland. These Members do not enjoy the rates relief that their counterparts on the mainland enjoy, never mind the further burdens that will be imposed by the new rates review.

As has been stated in the review, manufacturing provides over 90,000 jobs in the Province, with a further 45,000 jobs supplementing the industry. The fact of the matter is that with no relief, and with business being judged on the size of the building as opposed to the profit size of the company — for example, a warehouse for plastic boxes will take up more space than somewhere that makes computer chips — the ability to pay huge charges is not the same. This is the reason relief for manufacturing and small businesses must be a priority.

As found in the reports for the Preparation for Government Committee on economic development for Northern Ireland, businesses must be encouraged if the Province is to flourish and achieve its potential. The recommendation to freeze industrial rates at 25% is a step on the road of encouraging business growth instead of being a factor which makes companies decide to relocate to overseas destinations that do not tax the life out of businesses that set up there — they recognise that to encourage businesses is to encourage growth and development. It is a sad fact that we must learn from so-called Third World countries that small relief can bring a great deal of change.

I have had many elderly constituents in my advice centre over the past few months who have genuinely been shocked and frightened at the proposed cost of the new rates bills, never mind the added burden of water rates on top of this. I have had widowed pensioners coming in to me who bought their homes 50 years ago in Newtownards for as little as £7,000, according to them and according to a study carried out by the University of Ulster. One pensioner in particular paid off the mortgage when she retired and now lives alone in the house since her husband passed away. She is managing on her state pension of around £80 per week. One morning she got a letter from the Valuation and Lands Agency saying that her property has now been valued at £200,000 and that she will have to pay a

rates bill of over £2,500 per year. The maths do not work out.

This is why charities such as Age Concern have campaigned and lobbied for a rates relief enhancement, not only for pensioners as a right, but also a further enhancement for those living alone, recognising that they are under more financial pressure than those living together. To expect them to pay based on the size and area of their home is not a possibility, and the subsequent recommendation that resources be made available is essential.

Our elderly are already living in a poverty trap in the Province, and to thrust them further down this trail cannot be accepted. The Assembly must ensure that something is done sooner rather than later.

The same must be highlighted for other vulnerable people in our society — the disabled, those in low-income homes and students. Although there is a duty to ensure that the best possible service is provided, this cannot be done at the expense of someone choosing between heating and paying a rates bill for services that they alone could not possibly be generating. This is also the reason that the recommendation for a single-person's discount is valid, as such people do not generate the same amount of service provision, or water and sewerage use, as the six-person household next door.

11.00 am

Much publicity has been given to the fact that there will be relief for low-income families in receipt of housing benefit and other benefits. However, it is estimated that over 200,000 households in the Province are entitled to housing benefit but do not claim it. It follows that those households will be unaware that relief is available for rates and water bills. The Government have found that too many people who should not have to pay the full amount are in fact paying the full amount, to the detriment of their families.

An addendum was added to the report concerning the valuation of homes with agricultural clauses attached. Rates are charged in accordance with the valuation of houses; yet the position is not that simple. Consider the case of a house in the countryside, worth £300,000 but saddled with an agricultural clause. Due to the planning condition that accompanies that clause, while the valuation is calculated at £300,000, the market value of that house is half that. My party tried to highlight such cases in Committee.

I have looked into that matter and taken advice on it. I consulted three estate agents in my constituency, and they confirm that a house with an agricultural clause and a planning condition attached has a market price only 50% of its valuation. Only two organisations in Northern Ireland — one a building society, the other

a bank — are prepared to lend on the strength of such houses. That must be promptly addressed.

The Government maintain that the 20% discount due to all farmers' dwellings in the countryside is sufficient. However, houses with agricultural clauses should be in a class of their own. I do not wish to be trite. Those homes should be considered on their own merits. Application of a 20% discount means that a £300,000 house will be valued at £240,000, yet, as I pointed out earlier, the real value of such a house is £150,000.

Dwellings with agricultural clauses and planning permission restrictions have lost value as a result of legislation; yet for the purposes of rating they are valued at a much higher figure. Why should salt be rubbed in the wound by charging at the higher value for rating? It is neither right nor fair. That must be addressed, as the Committee recommends.

In the Province house prices rise by £1,000 per month, yet incomes do not rise at the same rate. A house worth £200,000 five years ago is now worth vastly more. Northern Ireland is second only to London in terms of rising property prices, and that makes the case for rates to be capped — as they are in Scotland, England and Wales. A great many house buyers in the Province, especially first-time buyers, are aware of the problems of trying to buy at such very high values. I read in the newspaper yesterday that the Halifax Building Society has predicted that, this year, more people than ever before will take a chance with their mortgage payments, as a result of the rises in domestic and water rates. They will either be only just able to meet their mortgage payments, or they will find themselves in financial difficulties. It is atrocious that in Northern Ireland the cap on rates is set at £500,000, while wages are 20% lower than on the mainland.

I could highlight other issues, but I will leave them to other Members. The report's recommendations provide sufficient reasons for action either by the Secretary of State or by the Assembly. I make one other point in support of the worried and groaning middle classes. To buy their houses, they have gone out on a limb; they are now contemplating rising water, domestic and mortgage rates. Members must take a stand on their behalf. People used to be faced with terrorism by the gun; now they face terrorism by taxation. Members must ensure that the necessary reform comes at an affordable price and that there is greater focus on efficiency than on throwing people's hard-earned money like bread on the water. I support the Committee's recommendations.

Mr Cree: I support the report and congratulate the staff who carried out such extensive work in such a short time.

The report falls into three parts; I would like to highlight a few points on water reform. Water charging is something that concerns everyone and, from the outset, the water reform unit and the Water Service have been generally unhelpful in providing the necessary information about what was planned with respect to water charges. This weekend Members will have read further revelations about what is happening with Northern Ireland Water, the new company set up to drive the whole issue forward.

The subgroup was firmly of the opinion that the whole process of water reform should be referred back to the devolved Assembly for consideration — that is the most important thing. This is the only issue that has united all the political parties; they are all totally opposed to the introduction of water charges. When the industry was privatised across the water, it received a green dowry to update the water and sewerage services. That has yet to happen here. After the comprehensive spending review there was a figure of £50 million dedicated to Northern Ireland, but that money was put into the general pot and not ring-fenced for water charges. Now we face the consequences of 30 years of Government underinvestment in these services and we have been asked to pay to bring them up to standard. We believe that there are better ways to modernise water and sewerage services and other models that would be more acceptable than one based on the rateable value of property. That makes no sense whatsoever.

There are many concerns about the details. The subgroup was concerned about the powers of the regulator. That is an issue that needs to be underscored:

“the Regulator must be given full authority and enforcement powers from 1 April 2007, on all matters including issues relating to the setting of charges and the disposal of land or assets.”

Mr Molloy has already referred to the assets and the 130-odd properties that are surplus to requirements. That would be a good dowry for any private company, and it needs to be controlled.

There is also the issue of the operation of the company. Members know that the capital value of the company has been written down from the Water Service's £5.4 billion to £1 billion — there is no particular reason for that. We know that the rate of return has been agreed at 5.8%, which is above what is obtained on the market generally. There is no reason for the £1 billion figure; simple arithmetic suggests that if we reduce it to £500 million there would be half that amount in savings to those who use the water. We also believe that the 5.8% figure should be reduced to something more realistic — 3.5% has been suggested.

The bad-debt provision in this new company is another major concern for anyone involved in business. We know that the figure has been set at 5% and that the figures across the water are many times greater

than that. Companies have been operating across the water for some time, and one in four cases coming before the courts are for the non-payment of water charges. There is a red alert on the debt provision for companies. At the end of the day, those who are going to pay the charges are going to pay for the inefficiencies in the company.

The most important factor in deciding the value of the company was how it would do its business. The subgroup pushed for a long time to have sight of a business plan. The strategic business plan is now at a fairly advanced stage, but the Department and the Minister have refused to make it available. We are told that it is commercially sensitive. I do not see how a Department and a Government-owned company can be commercially sensitive. That is the main building block of Northern Ireland Water. We are heading towards the implementation of water charges from 1 April, and we do not know whether that company will be successful. Remember that the safety net for inefficiencies and additional costs is the poor consumer.

The Consumer Council did not get full co-operation from the water reform unit — the first time that that has happened — and that was a major concern for many members of the subgroup. Northern Ireland Water should have a duty to consult the Consumer Council on all matters that may impact on consumers, including the assessment of policies, which should be subjected to an equality impact assessment.

Mr Molloy referred to the vulnerable in society. We have the assurance of a limited affordability tariff for those claiming benefits. However, we have no guarantee that that will continue after 2010. We need an assurance that that will happen and that it will be funded by HM Treasury.

Unfortunately, it looks increasingly likely that we will not be able to do anything by 1 April. The three-year phasing-in period anticipated by the Government is inadequate. The subgroup and the Committee on the Programme for Government have agreed that the phasing-in period should be extended from three years to five. I would like to see the first year water charges capped until a new Assembly can take the matter forward logically and soundly.

Ms Ritchie: I thank the Chairmen of the Committee for their assistance, kindness and courtesy over the five- to six-week period, and also the staff for their endurance, assistance, support and guidance.

The report should be commended to the Assembly for the work and in-depth research that have gone into three substantial subjects. The comprehensive spending review, the Programme for Government, rates charges and water reform are fundamental priority issues that will provide strategic directions for a future Executive to build and work on. The SDLP believes that for such

work to continue and be built on there is a compelling political imperative to restore the political institutions so that the areas and priorities identified in the report can become the bedrock on which a future Executive builds policies and develops, grows and nurtures them for the betterment of everybody who lives here.

The SDLP wants to take Northern Ireland, as an integral part of the island, in a slightly different direction from that steered by the current direct-rule Administration.

Mr Kennedy: No, thank you.

Ms Ritchie: The SDLP wants to ensure the equitable delivery of services that conform to good equality standards, and to make those services accessible to all, whether one lives in an urban or a rural community. I am sure — despite the catcalls from across the Chamber — that everybody believes in setting those standards and wants the best for their constituents. The SDLP wants to ensure that the fruits of a future restored Executive are enjoyed by all, irrespective of where one lives. We must strive to eradicate regional disparities and uphold the principle of equality for all at every opportunity.

11.15 am

We must ensure that a more robust package from the Chancellor, together with North/South funds, will create the necessary mechanisms to fund the major infrastructure improvements that we have so earnestly sought and that all investment opportunities are investigated and developed. We must rebuild the economy and ensure that young people are equipped with the educational qualifications, skills and training that will enable them to remain here, avoid the brain drain and make their contribution to the development of this place.

Those are the principles on which we must build our future. Urgent political progress is required, which will hopefully be achieved by the end of March. To appreciate fully the real extent of the work of the Committee for the Programme for Government and the nature of the submissions and evidence taken, we must consider the recommendations of its report, some of which are highly technically complicated.

First, in relation to the comprehensive spending review, my party supports the recommendations of the subgroup on economic issues. The Committee on the Programme for Government must present the Chancellor with a robust set of counter-proposals. I regret that we have not been given the opportunity to do so prior to tonight's deadline. I hope that that opportunity will arise following the elections on 7 March.

One of the first priorities of a restored Executive must be to engage in the preparation of the comprehensive spending review by the summer of this year and the urgent development of the draft priorities and Budget

documents for consultation. Various issues have been identified as spending priorities, including the need to expand the private-sector economy by attracting more foreign investment and supporting local businesses. Skills and training should be a priority for future investment, as should internal and external transport links and investment in public transport. The comprehensive spending review should be part of a strategic approach to tackling poverty on a holistic basis.

Direct parallels can be drawn with the previous reports published by the Subgroup on Economic Challenges; however, our economy's problems have been defined in this document. Urgent solutions must be applied, requiring political impetus and support from a restored Executive to ensure that they are carried through and that all investment opportunities are developed.

The report of the Committee on the Programme for Government also dealt with the two contentious issues of rate charges and water reform. The SDLP believe that rates should be based on the ability to pay. We agree with the Committee that the proposed water reform agenda must be deferred. In the debate in this Assembly on 18 December, all parties declared their opposition to the imposition of water charges. However, the Secretary of State stubbornly refused to listen to the wishes of the Assembly. So much for the British direct-rule Administration that refused to listen to the people of Northern Ireland. They have sent the clear message that only the restoration of our own political destiny will allow us to take control.

The SDLP supports the report's recommendations, which press the Government to defer the water reforms until they can be considered by a devolved Administration. We must remember that rating reform and water reform are being used by the direct-rule Administration as mechanisms for the collection of money from the local population in order to invest in the upgrading of a weak infrastructure, which was allowed to crumble over many years. In a very punitive way, working families and people on low incomes are being forced to pay for the deficits of previous direct-rule Administrations that failed to live up to the requirements of the people.

That is a serious matter, because it impacts on many people throughout Northern Ireland. If water charges are introduced without the Assembly being restored, the role of the regulator must be visibly strengthened, the capital valuation of the Government-owned company (Go-co) must be reduced from £1 billion to £500 million and the required rate of return must be lowered from 5.8% to 3.5%.

The subgroup did a considerable amount of work and took a great deal of oral and written evidence — in fact, it heard an entire day of evidence on water reform alone. The subgroup was extremely concerned about

the breakdown of the relationship between the Consumer Council and the Government. However, that was the Government's fault, because they obdurately refused to provide the Consumer Council with detailed information for fear of strengthening its wish to protect the consumer. The Government have no interest in the consumer, and parties must challenge that.

To ensure that the report's recommendations are implemented and that the views of political parties are heard, each party must subscribe fully to the principles of power sharing and policing. That requires the full implementation of power sharing and support for policing, and the restoration of the Executive by 26 March 2007. Restoration would create a pathway that would enable the Assembly later this year to develop further our economy, our infrastructure, and our education, skills and training programme. It would also ensure that investment opportunities, not only on the island of Ireland and in Great Britain but further afield in the global economy, were fully explored for the benefit of all. To do so would create a better life for all the people who live here and for future generations, and it is within the parties' grasp today. Let us seize that opportunity to lead the people to a better future.

Mr Neeson: I received the 582-page report at 9.45 am — that is unacceptable. By the same token, Peter Hain decided to exclude the Alliance Party from the subgroup. If he believes that the political drivelling between the DUP and Sinn Féin is the way forward, I must tell him that a sectarian, political carve-up is not the way forward. Despite receiving the report so late, I intend to make a few comments on its contents.

Several MLAs went to Downing Street to receive the Chancellor's response on the so-called peace dividend. The main peace dividend is based on the £1 billion sale of public-sector assets. To base any economy on the sale of public-sector assets is not the way in which to progress. Recommendation 5 in the report states:

"The sub-group notes the progress in relation to Efficiency Development Plans and the need to achieve efficiency savings of around £770m by 2010/11 for investment in frontline services and recommends that a restored Executive engages in early consultation on the full range and implications of these plans."

I accept that. I also agree with recommendation 6, which states:

"The sub-group recommends that continuing the drive for greater efficiency must be a priority for a restored Executive but that such efficiencies must not be achieved at the cost of cuts to vital frontline services."

If restoration happens, one of the first decisions for an Executive to take will be to reduce the artificially created 10 Departments to a more acceptable and efficient number.

I suggest, as the Secretary of State has suggested, that we return to the six-Department set-up. We have

had a radical review of public administration and local government; the same must now happen to central Government.

I agree with Francie Molloy that, when it comes to rates charges, the interests of vulnerable groups, particularly the elderly and the less well off, must be looked after. That should be a priority.

I spoke in the debate on water reform. I repeat that what is happening at the moment is privatisation of the Water Service through the back door. What is being proposed is not a utility tax but a property tax. That must be a priority.

It has been interesting to listen to various Members this morning. Six months ago they were all saying that there was no way that we were going to have water charges. Everyone that I have listened to this morning seems to have done a U-turn and accepted the whole prospect of water charges being forced upon the people of Northern Ireland this year. That is a convenient way for them to avoid having to make the decision that should have been made by a devolved Government. We all know that certain parties did not want to take on the responsibility of deciding on water charges. It seems that most of the political parties represented here this morning have accepted the principle.

In relation to the priorities that have been identified, there is no doubt that health must be given the necessary resources. This afternoon's debate on Muckamore Abbey Hospital will show the serious shortcomings of the Health Service.

I commend the work of the Committee in relation to the Bain Report and recognise that if education is to move forward, there must be some form of compromise. That was identified in last week's debate.

The economic subgroup met during the summer of last year. One of the big issues that came up time after time was the shortage of skills in the workforce. It must be a priority of a restored Executive to develop the skills that are necessary in a twenty-first century economy. One of the things that the subgroup recognised was that the emergence of the Celtic tiger was based on the development of skills. I welcome that.

Infrastructure is a vital issue in relation not only to the economy, but to the development of society in Northern Ireland as a whole. One thing that can be said about the period of devolution is that it was the Assembly that took the decision to develop the rail infrastructure and purchase new rolling stock. That would not have happened if we had not had devolution. It is desperately important that we see the restoration of devolution.

As for the other priorities, the reduction in EU funding is going to have a major impact on public spending.

When we had Objective 1 status, we wasted the opportunity. The Republic of Ireland also had Objective 1 status and used that to develop its infrastructure. In many ways we are now playing catch-up in the development of infrastructure, and that is why I welcome last week's decision by the Irish Government to provide funds for improving North/South infrastructure.

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

11.30 am

The final priority is to recognise the pressures on social housing. The Housing Executive no longer builds new houses; that is left to housing associations. This must become a priority to be urgently addressed, given the growing population in Northern Ireland.

I am sorry that I have had so little time to go through the report and do it the justice that it deserves. Like other Members, I pay tribute to the staff who worked along with Committee members to produce this substantial report in a very short time.

Mr Weir: I join with others in thanking the staff and the many witnesses who gave oral and written evidence.

As other Members have said, the report does not stand in isolation. It should be read in conjunction with the economic issues report. Some Members, including Mr Neeson, did not have very long to read the report, but I should like to correct one point that he made: he accused parties — and I am speaking particularly for my party — of not being opposed to water charges. We have been consistently opposed to water charges, and I suspect that a number of the other parties also take that view. Had Mr Neeson taken time to read the terms of reference of the report, he would have seen that, because we were dealing with three issues in such a short time, our scope was very limited, particularly with regard to water reform.

We were to consider the arrangements for water reform as set out in the draft Water and Sewerage Services (Northern Ireland) Order 2006, the strategic business plan, the governance of the Go-co, the issue of licence, and the billing and collection of water charges. Whether or not the Committee supported water charges was not within its terms of reference, and it is unfortunate that Mr Neeson did not realise that. The recommendations that we made on that topic were restricted to those areas.

Mr P Robinson: Would it be worth pointing out to the Member from the Alliance Party that the Democratic Unionist Party — not alone on the Committee — believed that the Alliance Party should have had membership? Miracles can happen. It could get enough Members elected to enable it to be represented in a future Executive. It should have had membership, and

the Committee asked the Secretary of State to reconsider that.

Mr Weir: Obviously the Secretary of State hardened his heart against that. Unfortunately, he did not share our level of optimism about the Alliance Party.

A wide range of issues was put to the Committee, and there were three themes: the comprehensive spending review, the rates issue, and water charges. I will deal briefly with each in turn. The comprehensive spending review, as was indicated by a number of people who gave evidence, showed the voodoo economics of the Chancellor's statement. The so-called massive bonus that was supposed to be coming to Northern Ireland — the £50 billion that was trailed when the parties met — when analysed, amounted to almost nothing. The Economic Research Institute of Northern Ireland (ERINI) said that when economic pressures such as inflation and others are taken into account, the money announced by the Chancellor will, at best, only enable us to stand still. Our party has a grave worry that unless the Government put a proper economic package in place, any new institutions will be strangled at birth.

The DUP has said consistently that not only is a proper economic package a requirement — among other requirements, including full support for policing and justice — but that the issue must be properly resolved if we are to have a firm foundation for a way forward for Northern Ireland.

The welcome that we have given to value-for-money studies has been mentioned. The reviews that are to be put in place to identify and deliver efficiency savings are to be welcomed. However, as another Member indicated, a question mark must be put over those efficiency savings. Some £770 million of efficiency savings will supposedly be achieved, but efficiency savings must not become a code word for the removal of front-line services.

During a meeting of the subgroup, it arose that discussions on proposals to reduce the number of pension credit advisers throughout Northern Ireland are taking place. That will be presented as an efficiency saving, but it will impact on front-line services by reducing the level of advice available to pensioners. That, in turn, will lead to fewer pensioners taking up benefits. We must send out a strong warning that the introduction of the most efficient system to Northern Ireland should not come about at the expense of front-line services.

Moreover, unless the Government provide proper investment to restructure the economy in the way in which we all want, movement must be made towards more reliance on the private sector. That will require a certain level of initial investment. An innovation fund was identified, and the subgroup accepted that it was

important that we focus on skills and training. However, if the Government are not prepared to put their money where their mouth is initially, we will not be able to rely more on the private sector.

As Members have stated, we must get away from the ridiculous situation of massive departmental underspend. Reference was made to the amount that Departments have for resources and, in particular, to the failure to spend on capital investment. In the past year, we have borrowed £411 million under the reinvestment and reform initiative, yet there has been a capital underspend of £227 million. To pay interest on a borrowed amount as high as £411 million while not spending £227 million is absolute nonsense. There must be a major examination of the impact of that underspend.

A freeze must be put on the end to industrial derating — the manufacturing base cannot be attacked further. There must be joined-up thinking on the subject. We are constantly lectured on the need for the Northern Ireland economy to be restructured, and we accept that, but the private sector needs to grow substantially. That cannot happen, however, if manufacturing jobs here are attacked. Clear evidence exists that if industrial derating is phased out, rather than developed, the 90,000 manufacturing jobs in Northern Ireland, as well as the 45,000 jobs that depend on manufacturing, will be under threat. Capital is much more fluid than it used to be, and therefore it is relatively easy for businesses simply to leave Northern Ireland and go elsewhere. As such, it is vital that the manufacturing base be protected.

The subgroup was also struck by the manufacturing sector's acceptance of the need to invest in skills and training. The manufacturing sector proposed that there be a 5% compulsory surcharge on industrial rates, provided it is part of an overall freeze. That money would be ring-fenced to promote skills and training. The subgroup welcomed that very helpful suggestion.

The issue of a rates cap divided the subgroup, but my party and one other party indicated that it would be utterly inappropriate if people in Northern Ireland were to end up paying more rates than the richest person with the largest property in any other part of the United Kingdom. The appropriate level of rates cap must be examined to ensure that it properly protects people. Furthermore, at whatever level that cap is set, we must take a greater degree of cognisance of those people who fall below it. We must ensure that the proposed rates hikes are not simply imposed at the level that has been suggested.

I welcome the subgroup's support for a longer phasing-in period for such people. The announcement of rate relief for pensioners is also welcome, although that should go much further.

Members have highlighted the lack of clarity on the issue of water reform. The Consumer Council indicated that there are between 20% and 50% of gross inefficiencies in the system. Surely the Government should tackle those before considering any water reform. We might find that, were those inefficiencies properly tackled, a large amount of the necessary capital for investment would be raised.

The subgroup expressed concern in the report at the circumscribed powers of the regulator, and that matter must be tackled.

Finally, the report indicated the level of bad debt that is expected, even in the absence of an organised campaign to urge people not to pay water charges. There is concern that the additional whammy of the burden of others' bad debt will be placed on those who do their best to pay their rates bills.

The report covers a range of issues, and I commend it to the House.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle. All the political parties on the subgroup have gone over the report. I attended the last three meetings of the subgroup, and I found its work on several factors productive and interesting. The co-operative manner in which it worked has resulted in the report that we now discuss.

I shall be brief, a LeasCheann Comhairle, because the subgroup covered the issues in detail, and most of those issues have also been dealt with today. However, I have a few points to make.

On the economic package that has been discussed with the British Exchequer, it has been agreed that the British Government have failed to produce any new moneys for a peace dividend or for a new start for a Government in this part of Ireland. That continues to be a priority for all political parties. The subgroup's example of a united voice could — and should — be of benefit.

Sinn Féin is concerned that "efficiency savings" is a code for cuts, and cuts made for no other reason than to save money. Every Department must be run efficiently — no one can argue with that. Whether civil servant or politician, there is a duty to ensure that public money is spent efficiently. However, there are deep concerns that the efficiencies mentioned in the CSR are in order to make financial savings rather than to ensure an efficient public service.

Recommendation 10 states that the CSR should be:

"part of a strategic approach to tackle poverty on the basis of objective need as envisaged in the new Anti-Poverty Strategy."

That is important to Sinn Féin. A real opportunity for joined-up thinking and government exists. The CSR can be integral to tackling poverty through the

anti-poverty strategy, and it would be a loss if that did not happen.

Sinn Féin supports the report's recommendations on industrial derating. An incoming Executive must review the matter, and measures must be introduced to ensure that manufacturing operates on a level playing field.

Sinn Féin cannot support domestic capping, and that is outlined in the report. It is not fair and transparent that those who live in the more expensive properties should pay less in rates and be subsidised by those on lower incomes.

11.45 am

Some people who own and live in their properties need assistance. That situation has been referred to as being property rich and income poor. However, Sinn Féin cannot agree with a blanket cap.

Despite the comments of some Members from the Alliance Party, the political parties agreed that the Government's plans to introduce water charging are not the way forward. Although members of the subgroup had a tight remit within which to work, and although there were varying views on how to move forward on water charging, local political parties do not favour the process that direct-rule Ministers outlined. As a result, several possible ways forward are suggested in the report, and any incoming Executive will need to examine them.

However, the report is valuable only if its recommendations are implemented. All the political parties that were involved in producing the report did good work. They managed to reach agreement on the majority of the issues that are discussed in the report. Of course, there was some disagreement: we all come to politics with different views, but difference is not always a bad thing. However, we need an Executive if the report's recommendations are to be implemented. I am sure that all the political parties that are in the Chamber agree that the last thing that we want is for the report to lie on a desk somewhere gathering dust for another two, five or 10 years or for a political lifetime. If that happens, the opportunity that we have been given will have been wasted. Therefore I hope that, in the coming months, we have an Executive and an Assembly that can implement the recommendations that the four main political parties set out. The Committee showed one thing: we can work together and reach agreement on socio-economic issues for the betterment of all. Go raibh maith agat, a LeasCheann Comhairle.

Mr Deputy Speaker: The next Member to speak is Ms Dawn Purvis. As she is making her maiden speech, this will be the first occasion on which the Assembly will have heard from her. I am sure that Members are by now aware that the convention is that such speeches are heard without interruption.

Ms Purvis: It is an honour and a privilege to serve as a Member for East Belfast. However, it would be remiss of me to not refer to the previous holder of that seat, David Ervine. As you know, he was an Assembly Member from 1998 until his death. He spoke in many debates, and I am sure that a lot of banter went on between him and his colleagues.

Many of the motions to which he spoke concerned those in our community who are underprivileged, vulnerable and disadvantaged. The tributes that poured in after his death came from many of those socially excluded groups. However, David was about much more than that. He was a man who took great risks for peace; I remember that on several occasions he was called a traitor, a Lundy and a sell-out merchant. However, that did not deter him from pursuing his vision of creating a better society for all our citizens.

One particular occasion springs to mind: 14 September 1997 in Block B in Castle Buildings. The usual calls of Lundy and traitor were heard, but on that day, political parties both encouraged and showed courage to break the ground, walk the walk and fight, argue and debate for their corners. Many of us would not be sitting in the Chamber today had those courageous steps not been taken.

Many tributes have been paid to David Ervine over the past couple of weeks, particularly from his colleagues and from East Belfast Members. I feel that I should quote one such tribute, which said that David Ervine was:

“an able, energetic and committed representative eager to improve the lives of his constituents”.

That is a fitting tribute to a dedicated east Belfast man who broke the ground on which others walk.

However, East Belfast is a changing constituency. While there is plenty, there is poverty among that plenty. There is an inner city, which is becoming marginalised and apathetic, with demographic changes and declining industries. It is a time of massive change. In such times, as we have seen over the past 10 years, people feel insecure and vulnerable, and it is up to community leaders and politicians, in particular, to manage that change. Managing change is about empowering people and encouraging communities to embrace all that is positive in that change. There are new investments, new developments and new jobs, but there is an increasingly marginalised community that does not have access to them. We need increasing investment in education and skills to empower people to gain that access.

As an Assembly Member for East Belfast, I am duty bound to improve the quality of people's lives. I will continue to provide a service, as David did, to the constituents in East Belfast, especially as regards housing. We have a depleted social housing stock, and

people cannot access the adequate housing that they need; year after year we have increasing numbers of people presenting themselves as homeless; and we have those who cannot afford to buy their own homes, and those who are living in the private rental sector. All of those issues need to be considered.

There is also the matter of welfare benefits. Some Members referred to passport benefits with respect to water rates and domestic rates. As long as there are thousands of people who cannot access those benefits, there is a need for help and advice to be given.

As long as there is poverty, and as long as there is inequality in education, health and gender, it will be my duty to articulate the needs of the working and workless classes in East Belfast. I am delighted that we have a Programme for Government — it is through that programme that people in impoverished areas and those in the voluntary and community sectors can see the policies that the Government intend to implement. However, although words are good, we need action plans. Anti-poverty strategies are fantastic, but we need action plans. We need to be able to measure them to ensure that they reach those who are most in need.

I appeal to all our political leaders, who have it in their gift to give us accountable democracy, to do just that. It is something that we all crave. There have been debates on the Programme for Government and on implementation, but I appeal to those people because we are tantalisingly close to giving our society what it needs — peace and stability. I appeal to everyone to hold their nerve and to leave us a legacy, and to remember those who have gone before.

The Chairperson of the Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform (Dr Birnie): I am very pleased to be winding up the debate. It has all moved a little bit faster than had been anticipated.

There were three parts to the remit of the subgroup, and they are reflected in the report: the comprehensive spending review, rates reform, and the water supply and sewerage industry. As Mr Neeson pointed out, the report is lengthy, running to around 580 pages. It is worth reminding ourselves of the terms of reference. The subgroup was to look at a number of things: major pressures on spending, efficiency possibilities, and investment needs during the comprehensive spending review period.

Additionally, we were to consider any financial or economic package coming from the Treasury. We were assisted on that point by the work of one of the other subgroups, which concentrated largely on the subject. You will see cross-references between our report and the report coming from that subgroup. Ms Purvis referred to some of the social priorities that might be

included in such a financial package, as did other Members during this morning's debate.

The subgroup rapidly ran into the limitations of the timetable within which the CSR is being developed for Northern Ireland. It was too early to identify departmental priorities in detail. In addition, one of the witnesses, Mr Victor Hewitt, Director of ERINI pointed out the "paucity of paper" on the process in Northern Ireland. This created further difficulties for the work of the subgroup.

Sean Neeson has already referred to the importance of efficiency savings. The subgroup was very impressed by evidence from witnesses of the dangers of these and of the past reality that efficiency savings gained in practice were simply cuts in front-line spending.

In a sense, considering CSR is like gazing into a crystal ball. We were looking at various public-spending scenarios for the next three to four years. Subgroup members were struck and concerned by one such scenario. Even if — and this may be optimistic — the final settlement through the Barnett formula and the CSR is that spending over the next three years in Northern Ireland grows at 3.5% nominally every year, all of that and more could be swallowed up and more by cost pressures. That would put even more pressure on gaining efficiency savings and making as much as possible through the sale of assets.

Certainly, the bottom line emerging from the subgroup's consideration was that whereas the previous CSR period, 2004 to the present, saw growth in public spending of the order of 3% in Northern Ireland in real terms — that is, over and above the RPI (retail price index) inflation rate — that will not happen this time. Northern Ireland will be doing well to get 1% above RPI every year. That creates great stringency on what can be done in terms of identifying departmental spending priorities. Mr Weir referred to that point.

Therefore, if the terms of reference implied that the subgroup had to draft the Budget for Northern Ireland and the priorities to go into the Programme for Government, which will appear in December 2007, it did not carry them out. Of course, that was an almost impossible task to complete in a handful of meetings. It is left to a future Assembly to identify some means of judging the merits of the levels of spending within and between the 10 Northern Ireland Departments.

It is worth pointing out that the Department of Health, Social Services and Public Safety (DHSSPS) takes up roughly 45% of the £8 billion or so of block grant for public expenditure. Theoretically, if the level of health spending continued to grow at the rate at which it grew in some recent years — namely 7% to 10% nominal growth per annum — Northern Ireland would eventually get to the ludicrous and absurd position at which almost 100% of the Northern Ireland block grant

was being spent on health and nothing was being spent on schools, roads, industrial development or the environment. That is not to deny the great need for health spending that will be the subject of debate later today.

That illustrates some of the fundamental dilemmas with which, it is to be hoped, a future Executive and Assembly will get to struggle.

12.00 noon

The second area of the subgroup's remit was the reform of domestic and industrial rates. The subgroup's terms of reference refer to its considering possible caps on domestic and industrial rates and how best to increase relief for low-income groups, especially pensioners.

The issue of a possible cap is twofold: whether to impose a cap and, if so, at what level. Following the so-called St Andrews Agreement, the official line from Government seems to be that they might favour a cap on the rateable value of each house set at £500,000. The highest rate currently being paid in Great Britain — £2,950 — is for a band H house in the Sedgefield area, interestingly enough. That is, I believe, the Prime Minister's constituency. However, some members of the subgroup were impressed by witness arguments that Northern Ireland is not the same as England, Scotland and Wales. Some witnesses maintained that, compared to many GB regions, Northern Ireland's citizens have lower levels of disposable income and, in many cases, experience higher costs of living.

The subgroup considered a possible extension of the proposed relief for people with disabilities. Members looked favourably on the possibility of using some proportion, perhaps the highest category, of disability living allowance (DLA) recipients. We were obviously aware that the number of DLA recipients in Northern Ireland — 171,000 — is considerable, but one quarter are in the highest band.

After the St Andrews Agreement proposals, the subgroup considered also the findings of the Government's pensioner rates relief working group, which reported just before Christmas. The subgroup was struck by the fact that, to some degree, that group had worked backwards from a somewhat arbitrary sum of money — £4 million — to determine the maximum possible increase in the allowance figure that could be made to provide pensioners with domestic rates relief.

With respect to the industrial rates, the subgroup noted that if the rating level on manufacturing were to increase from 25% to 35% in the financial year 2007-08, the increase in revenue received by Government would be £7.9 million. Of course, we now see that, as the rate has been frozen at 30%, that will not happen. That example gives Members some feel for the possible cost implications of various proposals in that area.

The subgroup was struck by the argument that whereas, in the past, the Government may have claimed that revenue of up to £80 million could be raised by introducing rating in the manufacturing sector, that would not happen, because companies would adjust either by moving their production entirely out of Northern Ireland if they had the capability, scale and multinational ability to do so, or if they were stuck, as it were, in a Northern Ireland location, by downsizing the physical scale of their factories and plant facilities. By implication, they would not, therefore, have to pay the full £80 million. The Government have been over-optimistic in that projection. Indeed, it was striking also that the Department had made little allowance for the fact that manufacturing employment and scale of production could be reduced because of the impact of industrial rating on its cost competitiveness.

As Jim Shannon said earlier, the subgroup was struck by the argument that the use of rateable value — by implication, floor space — may not have been a particularly fair way to assess the rating liability of various manufacturing enterprises.

The third matter that the subgroup considered was water reform. Peter Weir referred to the subgroup's terms of reference. The subgroup had to examine The Water and Sewerage Services (Northern Ireland) Order 2006 and consider matters such as the strategic business plan, the governance and licensing of the Go-co, billing and the collection of water charges.

As has already been mentioned during the debate, there is, to some degree, a hierarchy of responses in the subgroup's report. We all implicitly agreed that, ideally, water charging should be stopped — full stop. If, however, that does not happen, the second line of response, the default position, is to defer any action until a new Executive is in place and can give careful consideration to the matter. If that is not possible, our report considers how the system currently proposed — if, regrettably, there is charging — could be improved.

As other Members have said, we were greatly hindered by the lack of available information. We did not see any draft business plan for Northern Ireland Water Ltd. We were told that such a draft might be available in April, but we shall wait and see. Leslie Cree referred to that lack of information during his speech. I am tempted to say that we were annoyed by the drip feed of such information — this subject has plenty of scope for appalling puns.

Mr Neeson referred to the possibility that the current policy simply represents privatisation through the back door. I am sure that many Members regard that as more than a possibility. We were concerned by the rate-of-return figure of 5.8% compared to 5.1% for England. That figure seems to be higher here, but some evidence from the Department for Regional Development

suggests that, when one takes into account tax differences in some way that is pretty much incomprehensible to most of us, there is actually equality in the real rate of return. That is another matter that bears careful investigation.

It is not clear, as Leslie Cree mentioned, why the figure of £1 billion was selected as the asset value of Northern Ireland Water Ltd. The subgroup endorsed the Consumer Council's assertion that it is more important to get water reform right than to get it done. We are concerned that, if things go ahead as planned, by 2009-10 — which will represent the end of the tying of charges to England and Wales levels — water consumers and bill payers will be very much tied to whether adequate improvements in efficiency have been made and what has happened to the bad-debt problem, as Peter Weir said.

In conclusion, I again thank the subgroup staff for their massive and admirable efforts at a difficult time of year. I thank my colleague Mr McNarry, who took the Chair on two occasions. There was an impressive level of consensus in the subgroup, as John O'Dowd said. Four parties were represented, but I appreciate the argument of Sean Neeson that it could have been five. There were some differences among the parties, but I stress that the report's proposals are carefully thought out and can inform any future Executive. I support the motion.

Question put and agreed to.

Resolved:

That this Assembly takes note of the Report from the Committee on the Programme for Government on the Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, and calls on the Secretary of State and / or the incoming Executive to take action to implement the recommendations in the Report.

Mr Deputy Speaker: Owing to the debate ending somewhat earlier than expected, I shall allow a few moments for those Members who wish to leave to do so and for arriving Members to take their seats.

PRIVATE MEMBERS' BUSINESS

North/South Co-Operation

Mr Deputy Speaker: Two amendments to the motion have been selected and published on the Marshalled List; the amendments will be proposed in the order in which they appear on that list. When the debate has concluded, I shall put the Question on amendment No 1; if amendment No 1 is made, amendment No 2 will fall. If amendment No 1 is not made, I shall put the Question on amendment No 2. I hope that that is clear.

Dr Farren: I beg to move

That this Assembly recognises the increasing significance of North-South co-operation in a range of sectors such as health, agriculture, education, research and development, and on a range of infrastructure projects such as roads and public transport, energy and tourism; and calls for an intensification of such co-operation to maximise the mutual benefit to the people of the whole island.

I am pleased to have the opportunity to move the motion on all-Ireland co-operation, especially since today is the last chance that I shall have to contribute to debates in the Chamber. As a Southerner — or at least a Southerner for the first 30 years of my life; I am not terribly sure how to classify myself now — who received a warm, perhaps sometimes too warm, welcome wherever I went in Northern Ireland, I have always been anxious for relationships throughout our island to develop in a mutually harmonious and beneficial way. In recent years, particularly since the Good Friday Agreement, the pace of the intensification of North/South co-operation has pleased me. We now speak of an all-island economy in a mutually beneficial, not threatening, way, and there is evidence of that in certain investments and initiatives.

Mr Campbell: It may have been a slip of the tongue, but the Member said:

“We now speak of an all-island economy”.

Whom does he mean by “we”?

Dr Farren: Members can define “we” for themselves. However, many Members on Mr Campbell’s side of the Chamber — perhaps not all Members — are willing to react positively to certain proposals and initiatives. Those Members could be included in the “we” to whom I have referred.

As I was saying, there is evidence of the intensification of North/South co-operation in certain investments and initiatives: the upgrading of the Belfast to Dublin road is almost complete; a single energy market for the entire island will be in place before the end of the year; an integrated North/South gas supply has been created; there is an increasing number of cross-border hospital service contracts; joint research and development projects are being conducted by the island’s

universities; the South has invested in City of Derry Airport; and there have been many smaller, but nonetheless significant, North/South initiatives by voluntary and community groups in both parts of the country.

All those initiatives highlight what can be described as the “normalisation” of practical co-operation with mutually beneficial outcomes.

12.15 pm

Indeed, such is the success of the North/South co-operation in recent years that there is no longer a question over its capacity to deliver economic and social benefits to both sides of the border. Rather, we are now recognising the current scale of North/South co-operation to be only a fraction of its full potential.

Achieving the full potential of the Good Friday Agreement in that respect has been hindered by suspension, and I trust that the days of suspension are rapidly drawing to a close. That is why the SDLP has been determined to ensure that all-Ireland initiatives should not be a hostage to political stalemate. Furthermore, it is why, in the years since suspension, my party developed its ‘North South Makes Sense’ campaign, which is aimed at putting a clear focus on the opportunities that lie in joint initiatives across the entire island.

As we approach devolution, we want North/South co-operation to rise to an even greater level of development, and we want it to be achieved under the auspices of restored political institutions. That is why we particularly, and very warmly, welcome the proposals for enhanced North/South co-operation contained in the Irish Government’s new national development plan, which was published last week.

The plan invites the Assembly and its Executive to engage with their Southern counterparts in realising the potential in those proposals. However, the national development plan is not a set of proposals offered on a take-it-or-leave-it basis; instead, it is a set of proposals to be negotiated and jointly developed. The plan contains proposals for significant Irish Government investment in North/South projects and initiatives for mutual benefit, which must be agreed with a restored Northern Ireland Executive and which will cover the period from 2007 to 2013.

The proposed package includes two quite innovative elements: first, joint investment in new strategic projects to benefit North and South; secondly, to open access to existing development funding on an all-island basis. A further element is the introduction of new agreed joint-funding measures with the Northern Ireland Executive following restoration.

The strategic projects and services highlighted in the Irish Government’s national development plan

encompass such familiar matters as roads; rail; energy; tourism; health; education; telecommunications and so on. However, it is the scale and comprehensiveness of the proposed investments, and the opportunity for an agreed approach to developing and implementing the projects, that are most significant. In other words, it is an approach that should mark the end of back-to-back planning.

The second proposal to open up all-island funding opportunities is one that the SDLP has long urged. That proposal is modelled on the European Union example of funding that transcends political boundaries. The purposes envisaged for the proposed all-island funds could be in the following areas: education; skills; science and innovation; regional development; tourism development; poverty; social inclusion and community infrastructure.

Those funds would address the long-term challenges that the Irish and British Governments, as well as most Members in this House, agree must be faced in the modern global economy. Such funds would be awarded on a competitive basis, thereby rewarding innovation and collaboration and ensuring that funds are allocated to the best projects.

This is the very first time that all-island economic and social dimensions have been so prominently represented in an Irish Government national development plan. The proposals represent a massive opportunity to boost the economy and develop services, taking account of the needs and resources of the whole island. I trust that our restored Executive and Assembly will lose no time in entering negotiations in order to ensure that those proposals are realised.

There can only be a resounding yes to, for example, an integrated road network North and South, as well as east and west, that links Dublin, Belfast, Derry, Letterkenny, Sligo, Armagh and back to Newry; a resounding yes to the further development of all-island business opportunities under the auspices of InterTradeIreland, a North/South body that has already provided support for over 4,000 enterprises North and South; a resounding yes to enhanced developments of hospital, health and emergency services for communities along the border as well as on an all-island basis; a resounding yes to greater North/South investment in research and development in our universities and other centres of research in order to assist economic development in both parts of the country; and a resounding yes to additional funds being made available through the North/South Ministerial Council for projects intended to assist innovation, to help border communities and to promote all-island reconciliation initiatives.

We can do more together, in order to get more together. Our economies, North and South, face common challenges, so it makes sense to find common

solutions. That is what the North/South agenda is, and must be, all about. Beyond the political and practical case for broad-based North/South co-operation there is growing acknowledgement of its importance in building trust and good relations between our communities in the North and across the island. The head of Co-operation Ireland — one of the organisations with the most experience in the area of North/South co-operation — has said that the promotion of effective North/South co-operation is an integral part of building peace on the island of Ireland.

The Good Friday Agreement not only created a framework for political co-operation and partnership in Northern Ireland, but widened and extended the basis for co-operation and partnership to the whole island of Ireland and included a new framework for policy development with partners in a new British-Irish relationship.

I am conscious of the concerns and apprehensions that underlie the two amendments. Those concerns and apprehensions are unwarranted and do not need to be highlighted. There is an opportunity for debate on east-west issues; it was open to the Members opposite to table a motion on that subject. If they had done so, they might have found a positive response to some of their proposals from this side of the Chamber. However, this motion is about the significance of, and the potential for, North/South development.

As we develop the potential of the island as a whole, we must do so in the full knowledge that we are part of a global village in which we must play our proper role. We must be forward-looking in that respect. For far too long our tendencies, particularly here in the North, have been to look inward and to ignore the wider world and its opportunities and challenges, except, I suppose, whenever funds were dangled before us.

Tá seans iontach againn anois comhoibriú agus comhinfeistíocht ar son cómhaitheas ár ndaoine uilig a chur chun cinn. Sin an ghuí a fhágaim agaibh.

We have a wonderful opportunity to promote co-operation through a programme of joint investments and initiatives to the mutual benefit of all our people.

Ní heart go cur le chéile.

Our strength will grow the more we co-operate. The SDLP believes that in taking the opportunities, and in facing the challenges posed by co-operation on an all-island basis, we shall be even better able to face those in the wider world.

I beg to move the motion.

Lord Morrow: I beg to move amendment No 1: Leave out all after “recognises” and insert

“the potential of North-South co-operation in a range of sectors; and calls upon Government to ensure that such co-operation is based upon practical, economic considerations, not politics; and,

that in entering into any co-operative arrangements, the interests of the people of Northern Ireland are the primary consideration; and further notes that the Northern Ireland (St Andrews Agreement) Act 2006 ensures that all North-South structures will be fully accountable to the Northern Ireland Assembly."

I want to say at the outset that it is quite understandable that, down the years, unionists have eyed cross-border co-operation with suspicion. So far today, we have not heard anything that makes us any less suspicious. In fact, the remarks in the opening speech make us even more suspicious, and our suspicions are well founded.

However, our suspicions may be down to the legacy of living with terror and the ever-present threat that bombers and gunmen are trying to force us out of our homes and our heritage. They try to take away the places where people were born and live. That might have something to do with it.

Those suspicions may also be down to the fact that, over the past 35 years — indeed, from the inception of the state of Northern Ireland — the Irish Republic has allowed its territory to be a safe haven for wanted terrorists. That might have something to do with it.

Those suspicions may also be because unionists view the Irish Republic as being hostile to their existence. As a unionist, I believe that that has a lot to do with it. Through the years, when this country was under the cosh of a Sinn Féin/IRA onslaught, we did not get much support or sympathy from the Irish Republic. Any co-operation that existed between the security forces involved the lowest common denominator rather than the highest. All those reasons account for the apprehension, fear and terror that existed in unionism, in particular among those living along the border who were driven from their homes.

Of course, Northern Ireland has much to gain from good relations with the Irish Republic, if they are on a pragmatic and appropriate basis. We are happy to work with, and alongside, our colleagues in the Irish Republic where it is to our mutual benefit and interest.

The work carried out by the elected representatives on behalf of the constituents on both sides of the border is often similar. I suspect that the bread-and-butter issues are similar North and South: roads, housing, hospitals and good schooling.

There is potential, with the future of Northern Ireland secure and all parties working in the interests of Northern Ireland, for a more relaxed, wholehearted co-operation. Such co-operation is possible in a stable environment in which unionists would not be looking over their shoulders, as they have had to do for the past 40 years. However, for that to occur, there must be a responsibility on nationalists not to politicise, or seek to politicise, for narrow party advantage, any sensible low-level co-operation that may go on.

Undoubtedly, on account of our small population, there are matters for which it is not possible for us in Northern Ireland to have all the answers — likewise, for the relatively small population in the Irish Republic.

I note with interest what the Northern Ireland Office Minister of State, Mr Hanson, said in the House of Commons on 21 November, during the debate on the St Andrews legislation. He said:

"The hon. Gentleman also asked the Secretary of State to confirm that, by virtue of the arrangements put in place by the Bill, details relating to the North/South Ministerial Council or any matter involving relationships with the Republic of Ireland will require Executive approval. I can confirm that such matters will be referred to under the ministerial code that applied until suspension, and will require Executive agreement. Under the arrangements provided for in the Bill, decisions taken without Executive agreement would not be legitimate and would be open to legal challenge."

Nothing could be clearer than that, and I note that the SDLP leader, in remarks made later that evening, criticised the Government for allowing the DUP to hollow out the provisions of the 1998 Belfast Agreement to such an extent.

12.30 pm

I want to comment on Tourism Ireland Ltd, one of the cross-border bodies that was established under the Belfast Agreement. If there were no argument against cross-border bodies, Tourism Ireland would certainly provide one. It spends £40 million a year, one third of which comes from Northern Ireland, yet it has a history of failing to promote routes to Northern Ireland and failing to promote the distinctiveness of Northern Ireland's tourism product.

Reading the Tourism Ireland brochures and website and watching its advertisements in the years since its establishment, one could be forgiven for concluding that the only access point to this island is Dublin. As far as Tourism Ireland is concerned, Dublin is the only access point to Ireland. Tourism Ireland may need a little tourism experience itself. That view is borne out by the figures: the number of tourists coming from Great Britain to Northern Ireland was down in 2006, but, in the same period, the figures for the Republic of Ireland were up by 10%.

Mr Shannon: Does the Member accept there is east-west tourism potential? Some 250,000 people travel to Larne and Belfast from Scotland every year.

Lord Morrow: I thank the Member for making that salient and sound point.

Market research that Tourism Ireland conducted also reveals that almost 50% of people in Great Britain view its marketing campaigns as relating only to the Republic of Ireland. Surveys also indicate that Northern Ireland is seen as having less to offer than the Republic of Ireland.

Initially, the brief that was given to Tourism Ireland was to “bridge the gap” in tourism between Northern Ireland and the Republic of Ireland. That was subsequently changed to:

“helping Northern Ireland achieve its tourism potential”, whatever that means. Tourism in Northern Ireland contributes approximately 2% of its GDP. In the Republic of Ireland the figure is 9%, and in Wales the equivalent figure is 11%. Northern Ireland lags far behind. In such circumstances, it might be expected that the priority would be given to spending on, promoting and developing the underperforming and underdeveloped region. Is that the case? Alas, it is not.

(Madam Speaker in the Chair)

An analysis of the promotional photographs on the Tourism Ireland website reveals that, although it provides 33% of Tourism Ireland’s funding, Northern Ireland has only 23% of the promotional photographs on the website. Indeed, some of those photographs are stretching the point. How does Tourism Ireland promote Fermanagh, for example? The website simply shows a photograph of a swan. Superb stuff. Furthermore, there is a photograph of the Lammis Fair, but it could be a photograph of any fair in Ireland, or, indeed, the world. That is Tourism Ireland’s way of promoting Northern Ireland.

One may wonder why Tourism Ireland has the responsibility for leading promotion in the rest of the United Kingdom. The originators of Tourism Ireland allow Great Britain to be regarded as an overseas market — brilliant. At one sweep, Tourism Ireland was allowed to remove Northern Ireland from the United Kingdom. Tourism Ireland was effectively given charge of what, up until then, was Northern Ireland’s best market, yet, in 2006, it managed to reduce the number of tourists coming here from Great Britain.

If we look at the specifics of the tourism promotion of Northern Ireland, there are some surprising results. For example, in the 2007 holiday planner from Tourism Ireland — its key promotional document for the year — the events and festivals section does not list the North West 200, which is one of the biggest events in the whole of the United Kingdom. It is not mentioned.

Only 11 of the 40 events listed are in Northern Ireland, and guess what one of them is — the West Belfast Festival. It is listed, yet it hardly needs to be said that the Twelfth of July and Maiden City festivals are never mentioned.

It is as if they do not exist — that is the impartiality of Tourism Ireland in operation.

Northern Ireland needs to be sure that its tourism product is locally resourced and being promoted in a manner that will ensure that the current economic inequalities are addressed. All this highlights further

the importance of North/South structures having been made wholly accountable to this Assembly. In such circumstances, none of us from any background should have anything to fear from straightforward relations — that are not politically driven — with those in the Irish Republic.

Mr McClarty: First of all, I pay tribute to the SDLP Member for North Antrim, Dr Farren. I understand that he may have made his final contribution to the House, and I wish him all the very best on his retirement from public life.

I beg to move amendment No 2: Insert after the first “of”

“East-West and”; and

leave out all after “benefit” and insert

“to the peoples of the United Kingdom and the Republic of Ireland.”

We have no problem with North/South co-operation on matters that are of mutual benefit to the citizens of both Northern Ireland and the Irish Republic, and there are obvious fields in which that co-operation can take place. However, the political history of the island of Ireland means that unionists will inevitably, and understandably, be wary that measures, which are sold as being of mutual benefit, are in fact part of a wider political agenda designed to threaten the sovereignty of Northern Ireland and its place in the United Kingdom.

We do not deny that co-operation has brought, or could bring, benefits, but these are likely to have been, or will be, small — not about even 1% of the GDP and probably much less. People may talk of promoting more cross-border trade. There is already more cross-border trade per head of population than there is between Northern Ireland and Great Britain. The extent of all-island trading is not unusual when compared with trade levels, for example, between Norway, Sweden and Denmark. There is already an extensive Northern Ireland-Republic market in company takeovers. Many Northern Ireland business names have been bought by Southern concerns. By and large, we accept this as the working of the corporate market, although we would like to see more Northern Ireland companies make acquisitions south of the border.

Rhetoric favouring all-island solutions is often based on misconceptions about Northern Ireland’s economy. It is not an economic basket case; it has the UK’s highest rates of GDP, manufacturing output and employment growth since 1990. It has a big subvention from the Treasury, but so do many UK regions, for example, much of Wales — perhaps the Secretary of State should take note of that. Transfers occur normally within a national single monetary and economic union, so it is less than clear what the Secretary of State means when he says that we should become less dependent.

Sometimes the issues involved are not really all-island issues but are more appropriately relevant to the British Isles as a whole or to Europe — for example, mobile-phone roaming charges, as raised by the Ulster Unionist MEP Jim Nicholson in the European Parliament, or a single European electricity market, as recently proposed by the German Chancellor, Angela Merkel.

We must be realistic that often the Republic of Ireland is not our ally but our competitor. For example, it has tax advantages, such as more favourable corporation tax, vehicle fuel excise duty and the lower rate of value added tax (VAT) on tourism.

Some commentators point to the European Union (EU) as a model that Northern Ireland and the Republic should copy. The comparison is not relevant; in reality other European countries, for example, France, Germany and Italy, have managed their border regions without the institutional apparatus, such as the implementation bodies, which exists in Northern Ireland and the Republic of Ireland.

What about the European single currency, the euro? It looks less and less likely that the UK will join this arrangement, which in so many of the continental economies has proved more of a straitjacket than a boost to trade. Even the Republic has problems with the imposition of policy directives from the European Central Bank in Frankfurt. It seems likely, as Milton Friedman argued in 2001, that the Republic of Ireland's membership of the single European currency club was always more about politics than sound economics.

Since 1993, trade between Northern Ireland and the Republic has grown by leaps and bounds — as much as 10% annually, in many years. The existence of two currencies on the island has hardly been an insuperable problem. Members should note that the success of the North American Free Trade Agreement between the United States and Canada has not required the two North American economies to adopt a single currency or, indeed, cross-border bodies.

Secretary of State Peter Hain may have taken up the all-island economic agenda in recent speeches, but is that not about politics rather than a sound business case? The Government's economic policy documents are instructive: in February 2005 the 'Economic Vision for Northern Ireland', a sort of economic strategy document, devoted only a few sentences to the subject of cross-border co-operation. Similarly, the Republic's recent enterprise strategy, 'Ahead of the Curve, Ireland's Place in the Global Economy', hardly mentions Northern Ireland. When it comes to hard, competitive business reality, cross-border froth does not figure much.

Dr Farren: Will the Member give way?

Mr McClarty: No, I am sorry. I have limited time, and I have already thanked you for making your last speech. *[Laughter.]*

It is to be hoped that a more mature and responsible relationship will emerge from the political advances that have been made over the past decade, with the end of the terror campaign that sought to push this Province and its people out of the Union and into a united Ireland against their will. The defeat of the IRA's campaign provides us with an opportunity to ensure that everyone in Northern Ireland has a stake in this Province and its future. That future will clearly be within the United Kingdom.

The United Kingdom is the fifth largest economy on the planet. It is a multicultural society, the destination of choice for many thousands of immigrants seeking a better life for themselves and their families. At a time when so many people appear desperate to enter the United Kingdom, by fair means or foul, we would have to be crazy to voluntarily cut our ties with the British mainland. Britain is where Northern Ireland does much of its trade. Many citizens work for companies that are based on the UK mainland, and many of our young people attend universities in Great Britain and go on to play a crucial role in the life of the nation.

The development of the Republic of Ireland's economy is a recent phenomenon. For most of the twentieth century, the Republic's economy limped along in a depressed state, and it was only saved from horrendous levels of unemployment by the fact that hundreds of thousands of its citizens were able to travel to Great Britain to seek a better life. The presence of large and thriving expatriate communities in cities such as London, Birmingham, Manchester, Liverpool and Glasgow is testament to how well those emigrants did. The Republic of Ireland has had great cause to be grateful for its east-west links throughout the twentieth century. Northern Ireland is no different.

We wish the Irish Republic well. It is our neighbour. It is to be hoped that as this century progresses, links in areas such as trade and tourism will be developed that will benefit the people of Northern Ireland. However, care must also be taken to ensure that relations continue to be maintained and developed with fellow British citizens in the United Kingdom. The people of Northern Ireland endured a 30-year campaign of terror that sought to break that link, and they suffered grievously, as did many fellow citizens on the mainland. That link could not be broken in times of strife. It will, undoubtedly, be strengthened in times of peace.

Ms Ruane: Go raibh maith agat, a Cheann Comhairle. I wish to echo the sentiments directed towards Seán Farren.

Go n-éirí an t-ádh leat, a Sheáin, agus le do theaghlach go léir.

Rachaidh athaontú na hÉireann go mór chun leas gach duine ar an oileán seo. Ar fud phróiseas na síochána, thug Sinn Féin tacaíocht i dtólamh do chur

chuige uile-oileáin do réimsí tabhachtacha polasaí, lena n-áirítear an eacnamaíocht, an tsláinte, an t-oidéachas, an fhostaíocht, an talmhaíocht agus turasóireacht.

Gabh mo leithscéal.

Irish unification would greatly benefit all the people on the island of Ireland. Throughout the peace process, Sinn Féin has consistently urged an island-wide approach in key policy areas such as the economy, health, education, employment, agriculture and tourism.

Sinn Féin has given practical expression to that through the work of its Ministers in the Executive, the all-Ireland Ministerial Council and the Assembly, and its representation in Leinster House and the European Parliament. Sinn Féin representatives have continuously pressed the need to sustain and develop the all-Ireland approach enshrined in the Good Friday Agreement.

12.45 pm

Since partition, social and economic development has been characterised by a back-to-back approach, which has resulted in poor service delivery and economic underdevelopment, particularly in places in the border counties and west of the Bann where the artificial border has impacted on normal socio-economic development. A common development plan is required for Ireland and, considering that the new National Development Plan is set to run until 2013, it is vital that the plan approaches expansion and growth on an all-island basis.

In order to achieve an all-Ireland economy, we must work towards tax harmonisation. A single VAT system and the abolishment of excise would greatly simplify businesses trading on the island and bring about taxes that are fairer to workers. We should be encouraging small-business and worker development. Relatively simple measures, such as standardising bank holidays, would address an anomaly that has a negative impact on those who live, work, or go to school on both sides of the border. Without a single currency and tax regime and with the lack of joined-up infrastructure, we are left with the same old uncompetitive banking and retail sectors. The banking sector, North and South, is under investigation for its lack of genuine competition.

There is also the need for the establishment of an all-Ireland Environmental Protection Agency (EPA) and an all-island electricity network, which must be nuclear free and committed to renewable energy, as was agreed by the all-party Committee for Enterprise, Trade and Investment in the previous Assembly.

Sinn Féin has been to the fore in lobbying the Irish and British Governments to ensure that people in the border region have access to health services at the nearest geographical location, regardless of which side of the border they live. That is why substantial funding

is required for an upgrade of, among others, Daisy Hill Hospital in Newry city, and the issue of the out-of-hours services on both sides of the border must be resolved. Sinn Féin welcomes the two pilot projects; however, they must be extended.

One of Sinn Féin's key goals is to build a strong, stable, all-Ireland economy in which everyone will have a dignified and productive working life, a fair income and a good quality of life — an economy characterised by the positive redistribution of its resources to eradicate poverty and social exclusion. A small island with a population of just over five million people cannot develop successful economic strategies on the basis of economic division.

The devastating economic consequences of partition are most obvious in border counties, but the impact is broader because the North has been excluded from the economic advances of the Twenty-six Counties. The only way to truly transform the economy in the North of Ireland is to set it in the context of an island-wide strategy for development and regeneration. To succeed, any economic development strategy must, at a minimum, remove the barriers to North/South business development and trade and to cross-border working mobility. Equality and human rights must be at the heart of that.

Sinn Féin is committed to the elimination of poverty and deprivation on the island of Ireland, and we feel that a meaningful approach to eliminating poverty will have to adopt a human rights approach and draw all sectors of Irish society closer together. Had the whole island been able to benefit from the extremely high growth rates experienced in the Twenty-six Counties during the period of the Celtic tiger economy, all-Ireland economic growth and development would have far exceeded current levels of gross national product (GNP) in the Six Counties and the Twenty-six Counties.

Sinn Féin has been arguing for some time that our best interests would be served in putting forward a united, all-Ireland voice in Europe, particularly on fishing and agriculture. I have spoken to fishing industry personnel in places such as Kilkeel and Ardglass, and I know that those industries in the North of Ireland have been damaged because they have been tied to British fishing and agriculture.

The Ulster Farmers' Union (UFU) and the Irish Farmers' Union (IFU) have recognised the potential of working together to challenge the way in which the EU nitrates directive is being implemented, and Sinn Féin has consistently argued that getting the best out of the common agricultural policy (CAP) reform is dependent on developing a coherent single approach on the island of Ireland. If we are to ensure better and more effective representation for our fishing and agriculture industries, all of the political parties — including the DUP — should challenge their own politically motivated short-

sightedness and begin to examine the potential of creating a single united agenda for our fishing and agriculture communities.

I welcome last week's historic announcement of a National Development Plan by the Irish Government, which is expected to provide €1 billion for strategic projects in the North as well as cross-border links. This is the first time that the national plan has included the Six Counties, and the spending of €1 billion is part of the peace dividend. We hope that it is only a small part.

Of course, it is equally important that we have in place a new power-sharing Executive to administer this funding, which is badly needed to improve road infrastructure throughout the North of Ireland and, indeed, in my own constituency of South Down.

Part of the package is to be spent on improving links between south Down and north Louth. Sinn Féin has been to the fore in lobbying for a link bridge to be built at Narrow Water, near Warrenpoint.

When the project was dead in the water, parties like the SDLP were divided on whether to support it or not and John Fee came out against it, Sinn Féin was united behind the need for a bridge. Sinn Féin kept its eye on the prize. Arthur Morgan TD raised it in Leinster House, Sinn Féin co-ordinated meetings between Louth County Council and Newry and Mourne District Council, Sinn Féin organised meetings with INTERREG, the European Union's Programme —

Dr Farren: Will the Member give way?

Ms Ruane: No, I will not. I will continue, because I have very little time.

Sinn Féin worked with the Roads Services on both sides of the border. This type of flagship development is essential if we are to develop a co-operative approach to both trade and tourism.

Mr Kennedy: Will the Member give way?

Ms Ruane: No. I said that I would not.

A bridge would open up tourism from Newgrange to the Mournes. We need to capitalise on the visitors who are visiting Newgrange and ensure that their visit to Ireland includes a visit to Counties Down and Armagh as well. If this were any other country in the world, there would be a bridge there now. There is a need to continue to fight for this project.

Investment in Warrenpoint harbour has the potential to create jobs and ensure that the town's docks are one of the main gateways for trade in and out of the northern half of the country. Its expansion should be a key consideration and part of any development plan.

Funding is also needed to develop agriculture and fishery in the Carlingford Lough area, as it is vital that opportunities are in place so that the hard-pressed fishing industry has an opportunity to diversify.

A ring road is needed around Newry city. The good roads should not stop at the border as they do at the moment. I welcome the proposed development of the Belfast to Dublin line and argue that an integrated rail network that is able to serve the other areas of the northern half of the country must accompany this.

Daisy Hill Hospital is ideally placed to serve the cross-border community, and its services, if expanded and enhanced, would ensure greater access to services for a significant population in Down, Armagh and Louth.

The National Development Plan has the potential to act as a catalyst for economic regeneration and is yet another good reason why it is important that we have a fully functioning, power-sharing Executive in place after the 7 March elections.

Enhanced North/South co-operation must be seen as a prerequisite for all-Ireland strategic development plans in health and social services, education and training, public transport, the environment, agriculture and fisheries, road safety, the arts and culture, tourism and the Irish language.

Maurice Morrow needs to learn that suspicions do not build economies. Hard work and strategic thinking do. Go raibh maith agat, a Cheann Comhairle.

Mr McCarthy: There is no question that recent economic progress in the Republic and political progress in Northern Ireland have allowed more meaningful cross-border co-operation than ever before. Long may that continue.

The Alliance Party has a proud record on cross-border issues. We have frequently been the only non-nationalist party to participate in forums, consultations and boards that promote co-operation for mutual benefit — from promotion of an all-island energy market to participation in the proposals to reform the Seanad Éireann.

There is also little question that cross-border initiatives can, and should, go beyond the issues dealt with by cross-border bodies. Energy, tourism and aspects of transport bring with them a natural cross-border dimension. We must find better ways to co-operate in those areas.

However, Members should be cautious on two counts. The system by which the Northern Ireland Assembly dealt with cross-border matters was cumbersome, to say the least. It stalled moves towards beneficial co-operation. Like so much else, political cross-border co-operation was limited by the institutionalised sectarianism under which the Assembly operated.

Northern Ireland was represented in the North/South Ministerial Council by two Ministers who spent much of the time arguing with each other, rather than in

providing a united front to secure the best outcome for Northern Ireland and for the island as a whole.

Dr Farren: Will the Member give way?

Mr McCarthy: Seán, you are having difficulty with others. I will give way. Let us hear what you have to say.

Dr Farren: I will reply to what Mr McCarthy has just said, since I was the Minister responsible, and I attended almost 60 meetings of the North/South Ministerial Council, some in the company of the leader of the Ulster Unionist Party, Sir Reg Empey. I cannot recall a single meeting that we spent arguing with each other. If we argued at all, we argued together against our Southern counterparts.

Mr McCarthy: That is not the information that I have received. I can only accept what the Member says as a former Minister.

Mrs Hanna: Will the Member give way again?

Mr McCarthy: I will, Carmel. Do you want to take over?

Mrs Hanna: In my short time as a Minister, I too attended some of those meetings, and I cannot recall any contention at them.

Lord Morrow: Will the Member give way again?

Mr McCarthy: All right, Maurice.

Lord Morrow: I can also say, as a former Minister, that I never had any arguments at all, because I was never there.

Some Members: Hear, hear.

Mr McCarthy: You did not attend the North/South Ministerial Council. May I be allowed to continue?

Rarely has Northern Ireland had Ministers who are able to think and feel for the whole community, and able to do what is best for the whole of Northern Ireland without reference to which camp they belong. Only when that is overcome will efficient cross-border co-operation become a reality.

My second note of concern is that cross-border issues are pursued at the expense of projects more beneficial to Northern Ireland. For example, expenditure on a road bridge across Carlingford Lough could hardly be considered good value for money, given that many other areas in Northern Ireland — and no doubt in the Republic too — could derive greater benefit from such expenditure. I would like to see a vast programme of road improvement carried out in my constituency of Strangford, for instance in the Ards Peninsula, which would bring comparatively greater benefit to residents.

Ms Ritchie: Does the Member agree that provision of a bridge at Narrow Water would enhance tourism facilities in the Strangford constituency? Would it not be to the benefit of his constituents?

Mr McCarthy: That might well be so, but I suggest that it is not good value for money. However, I welcome anything that promotes the Strangford constituency.

There is also a need for caution with respect to an Act of Parliament on the Irish language, desired by some parties, which would be specific to Northern Ireland and would divide language policy, rather than link it with policy in the Republic. Such issues are best dealt with on an all-island basis. The Assembly should not pursue objectives that seem to serve — but that will divide — people on either side of the border or on different sides of the community in Northern Ireland.

Recent progress has led to more cross-border co-operation, and more such co-operation is possible. That which exists could be made still more mutually beneficial. Not for the first time, however, maximum benefit will come about only when we have overcome our sectarian divisions and have abolished a political system that serves only to reinforce them.

1.00 pm

I shall comment on one further aspect of cross-border co-operation. Free travel will, I hope, come into effect in April 2007 and will benefit senior citizens, aged over 65, throughout the island. People from Fair Head in Antrim to Mizen Head in Cork will be able to avail of that service. My only regret is that the measure contains age discrimination against women. Although they are senior citizens from the age of 60, they must wait until they are 65 to benefit from free travel.

We have made progress in cross-border co-operation. There is further progress to be made, and I hope it continues.

Mr Hay: I support the amendments in the names of Lord Morrow and David McClarty. When Members talk about North/South co-operation, it can mean different things to different people. Some believe that it is bringing them closer to an all-Ireland economy or a united Ireland. Others raise the issue only for political reasons.

Listening to Seán Farren this morning, one would have to ask if he was raising the issue for good economic or for political reasons? It is difficult to find out what the SDLP and Sinn Féin really mean when they talk about North/South co-operation. On many occasions, when nationalist representatives raise the issue of the all-Ireland economy or North/South co-operation they get to a point where they have to get the tricolour so wrapped around some of the issues that is difficult for unionists to agree to them, especially when it comes to economic development and inward investment in the South of Ireland and Northern Ireland.

I have often said that good cross-border co-operation should not threaten anyone in the House provided it is done only for good economic and business reasons. I

know many businesspeople in my own city of Londonderry who co-operate across the border on a daily basis. On the naming of Londonderry, I was glad to welcome the decision of the High Court, which I hope will put the issue of the city's name to rest once and for all.

Returning to the main theme of the discussion, most business leaders and people in the business community co-operate with the South of Ireland for good economic and business reasons. Many of them do not bring politics into the equation at all, and that is the way it should be. I disagree with Southern Ministers trotting across the border, standing up and announcing economic packages that other public representatives, including myself, have not been consulted about.

Dr Farren: If the Member had listened carefully to what I said and to what the Ministers who came to make announcements about the National Development Plan 2007-2013 said, the word "agreement" and the phrase "to mutual benefit" were repeated throughout their remarks on any of the proposed projects. Does the Member accept that it will be up to the restored institutions to enter into negotiations and to agree the projects before anything can happen? That is given. We should honestly acknowledge and accept the integrity of those who put forward plans on that basis.

Mr Hay: I have no problem with Ministers from the South of Ireland coming across the border and doing what they have to do. However, there must be protocol. There was an announcement of £800 million for several projects in Northern Ireland, including roads infrastructure, education, health and many others, affecting the lives of those who live in the border regions. I know of no unionist representative who was either consulted or told about that package; however, I know of other public representatives who had a heads-up on it, and that is where the system is wrong. If we are to have good co-operation on both sides of the border there must be proper protocol, and that does not exist at the minute.

I welcome the £14 million investment in the City of Derry Airport. That investment is even more important as the whole east Donegal region gets £11 million a year into its economy as a result. It is only right and proper that the Southern Government should invest in the airport. I represent the Foyle constituency, and I welcome the proposal to extend the airport.

It is important for unionists to say that there must be total control over cross-border co-operation. However, there cannot be total control on only one side of the border; there must be mutual control in equal measure on both sides. Lord Morrow's amendment makes it absolutely clear that all future cross-border bodies and institutions should be accountable to the Assembly and a future Executive. That must be our starting point. However — and I keep saying it — unionists cannot

accept that, for many years, Ministers from the South have trotted in and out of Northern Ireland, almost giving the impression that they were also Ministers in the North. That must be brought to a halt.

Good co-operation is vitally important for the business community, the vast majority of which operates purely for economic reasons, whether inward investment, job creation or whatever. David McClarty said that on many issues the businessmen in the South are our competitors. That is good for healthy debate on co-operation between Northern Ireland and the South. I hope that nationalist representatives and parties will learn that when they raise the issue of co-operation they drive fear into the unionist community and fear into the business community.

There is sometimes mistrust when nationalist representatives raise the issue of North/South co-operation.

Mr D Bradley: Will the Member give way?

Mr Hay: I will not give way; I am almost finished. We can have good co-operation between North and South, but it can only work on a sound economic and business basis.

Mr McGuigan: Go raibh maith agat, a LeasCheann Comhairle. I wish to speak in favour of the motion. There is no doubt that much good work exists on several issues on an island-wide basis, nor that increased harmonisation and North/South co-operation is the way to ensure increased practical benefits in the future for all who live on this island.

Strand two of the Good Friday Agreement details the structures and functions of the North/South Ministerial Council, and describes the implementation bodies and areas of co-operation for the delivery of North/South co-operation. I welcome the motion and support its call for an intensification of that co-operation.

As other Members have already said, the Irish Government passed a historic milestone in the commitments that they made in their national development plan. Chapter 5 of the plan shows that it is beginning to take on a truly national character, setting out as it does to strengthen all-island projects across the delivery of public services and a wide range of policy areas. Who here could argue, for example, that the inclusion in the plan of the Dublin to Derry and Letterkenny route as a key strategic border route to be developed is not going to be of huge benefit to the citizens of the west and north-west of Ireland?

That project has been the subject of considerable lobbying by many of my young colleagues for some time. The project is very welcome; nevertheless, its funding should be ring-fenced and a time frame set for its development so that it can be lifted from the pages of the development plan and made a reality. I wish to

make the same call for the development of other key strategic cross-border routes mentioned in the plan.

Sinn Féin has always maintained, with substantial justification, that the border in Ireland is an artificial construction, which has acted, and continues to act, as a major impediment to social and economic development on the island. That is particularly true of the border corridor, where life is defined by a low-wage culture, high unemployment, relatively low educational attainment, poor roads, an inadequate transport system and an insufficient energy supply. The duplication of services is an added problem; that is an unnecessary waste, and is totally uneconomic and inefficient.

The motion asks the Assembly to recognise the increasing significance of island-wide co-operation. I support that, and call for a significant increase in North/South co-operation on all the issues of importance to citizens, especially those included in the motion such as agriculture, research and development, tourism, public transport, energy and the environment. My party colleague Caitríona Ruane has already dealt with many of those topics. I shall use the examples of health and education to explain my rationale.

The need for the seamless provision of health services, with disregard for the border, should be obvious to all. Both healthcare systems on this small island are in crisis. Spatial planning of the location of acute hospitals has not taken place on a single-island basis. That is essential if we are to make use of a limited budget. My party supports the cross-border GP out-of-hours scheme, and the Co-operation and Working Together (CAWT) feasibility study, which has led to the setting-up of two pilot schemes, each covering a population of approximately 13,000 along the border. One pilot scheme will allow patients in the North to have access to centres in the Twenty-six Counties; the other will provide patients in the Twenty-six Counties with access to facilities in the Six Counties.

Those schemes are intended to benefit the border areas where 65,000 people live closer to a GP out-of-hours centre in the other state. In particular, patients from Inishowen will be able to obtain a service launched a few weeks ago in Derry. Patients from Keady will soon be able to avail of a service in Castleblayney. Although some professional issues are still to be resolved, my party approves of those pilot schemes and believes that they should be endorsed and supported.

1.15 pm

Andy Pollak, in his discussion paper, 'Educational Co-operation on the Island of Ireland: A Thousand Flowers and a Hundred Heartaches', writes:

"Education has been a 'core value' for Irish people — North and South, Protestant and Catholic, unionist and nationalist"

for at least two centuries.

The 9,000 hedge schools in the 1820s and the 7,000 state-supported national schools that succeeded them were part of a genuine all-island system and involved a great deal of teacher mobility.

Pollak continues:

"And then came partition, and education in Ireland, coming from a common root, sprang apart like a child's catapult and stayed apart, with an almost 100% 'back to back' separation. The distinguished Irish educationalist, John Coolahan, has said that he trained twice a teacher in the Republic of Ireland in the 1960s, and 'as far as education'"

in the North

"was concerned it could have been Timbuctu. There was no reference to it, no mention of it — it was just out of one's consciousness."

Education should become a policy area for establishing an implementation body, not merely an area of co-operation under the Good Friday Agreement. Social disadvantage and low educational attainment recognise no borders. A 2001 report by the Centre for Cross Border Studies showed that about 1.1 million "education poor" adults in Ireland had significant literacy problems.

Having said that, some good work has been done in the field of education. In particular, universities on this island have come together to form the National University of Ireland (NUI). Sinn Féin welcomes other positive North/South educational projects and calls for the acceleration of such co-operation. For example, much work must be done to counter the delay in progress on the planned centre of excellence for autism in County Armagh.

Recently, Sinn Féin held a meeting with the all-Ireland unit co-ordinators at Iveagh House in Dublin. The Irish Government's Department of Foreign Affairs has a dedicated North/South unit of civil servants. That is a useful advantage in ensuring progress on all-Ireland projects. I call today for the appointment of similar co-ordinators to Departments in the North, and for each Department to follow the good example set in the Twenty-six Counties.

The North/South Ministerial Council has commissioned a study into obstacles to cross-border mobility, and its report is awaited. More importantly, Sinn Féin awaits progress on removing such obstacles to allow people living and working in the border region to get on with their work productively and conclusively. Intrinsic to that is the problem of having on this island two currencies and tax systems, to which my colleague referred.

Finally, progress on the North/South agenda must be accelerated. To have two systems on one small island, with a population of just over five million, is folly. It is detrimental to progress on both sides of the border. Unionists complain that nationalists and republicans raise the issue of all-Ireland integration for political

purposes, only for them then to make purely political points in their own speeches. Nationalists and republicans raise such issues out of a genuine desire to make progress.

I also heard unionists make a point about the defeat of the IRA. They should take cognisance of what the Ulster Unionist leader James Molyneaux said on the day on which the IRA called the cessation in 1994. He said that it could be the “most destabilising” act for the Union and the unionist population.

That has more to do with the politics that have come from the other side of the Chamber today and on other occasions. I accept that this has nothing to do with the motion but, like Dr Farren, this is my last speech in the House, so I will allow myself a little leeway —

Madam Speaker: I just point out that it is not up to you to allow yourself more leeway, Mr McGuigan. However, if you are brief and return to the motion, I will allow you that leeway.

Mr McGuigan: I was simply making a point about the politics coming from the other side of the Chamber. On North/South co-operation and other subjects, the inability of unionist politicians —

Lord Morrow: On a point of order, Madam Speaker. If a Member declares that what he or she is about to say has nothing to do with the motion, is it in order for that person to continue?

Madam Speaker: Lord Morrow, I often hear Members saying things that have nothing to do with the motion, but they continue. At least Mr McGuigan declared that he was doing so. I have pointed out to him that I have discretion over what is permitted, but I hope that he will now speak to the motion and conclude his speech.

Mr McGuigan: Go raibh maith agat, a Cheann Comhairle.

Mr Brolly: The Member referred to the political attitude of the Members opposite. I would suggest that, as one of the Irish words for ‘island’ is ‘inis’, a nice new slogan for them would be “Not an inis”.

Mr McGuigan: Go raibh maith agat, Francie. My argument relates to the motion, a Cheann Comhairle. Unionists are unable to deal with the politics of the changing situation in Ireland, which will include continuing North/South co-operation. I am not trying to upset Maurice and his colleagues, but I make no apology in the Chamber that my political activities concern bringing about the day when all of us on this island have full control of our destinies, without interference from any outside party or Government —

Madam Speaker: Please conclude, Mr McGuigan. Thank you.

Mr McGuigan: In conclusion, Madam Speaker, I fully support all of the sentiments in the motion.

Madam Speaker: I have said in the past that people should remember to speak to the motion. Perhaps we have been over-lenient in letting the Member pass remarks that did not. I do not want Members to think that they can do the same.

Some Members: That is unfair.

Madam Speaker: It is not unfair.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. Éirím le tacaíocht a thabhairt don rún.

I support the motion. The comprehensive study on an all-island economy, launched by the Secretary of State and Minister Aherne in October 2006 sets out clearly the rationale for North/South co-operation on a wide range of areas including infrastructure, science, technology, trade, tourism, labour market, skills, enterprise and business, fiscal measures and the north-west. The study sets out the vision for an all-island economy — characterised by a strong, competitive and socially inclusive island economy, with strong island-wide economic clusters, the development of which is not impaired by the existence of a political border.

The aim of the policy should be a world-class, all-island economy, which manifests itself in comparable levels of economic dynamism and performance in both parts of the island. Those principles are reflected in chapter 5 of the recently published National Development Plan 2007-2013 entitled ‘All-Island Co-Operation’. I welcome those proposals, as well as the Irish Government’s commitment of resources to the plan.

I particularly welcome the commitment to a bridge linking County Louth and County Down, for which my esteemed colleague, P J Bradley, fought long and hard. I hope that such a bridge will facilitate a southern relief road, to benefit Newry city, which suffers from severe traffic congestion.

One idea, which would benefit foreign direct investment (FDI) in border regions, would be to establish enterprise zones along the border. Those would offer tax incentives aimed at attracting more FDI. The border regions have always been underdeveloped economically, and the concept of enterprise zones is already regarded favourably by the Irish Government. It deserves the support of both Governments.

One recent major success for the Irish economy was the development of the International Financial Services Centre (IFSC) in Dublin. The finance industry is underdeveloped in Northern Ireland, and one way of developing financial services here would be to establish a satellite of the IFSC in Northern Ireland, which has the graduates to staff it.

That would bring huge benefits to our economy. Therefore I propose that the two Governments commission research to explore the possibility of developing a Northern financial services centre, which would be a satellite of the one in Dublin.

I welcome the National Development Plan's continuing commitment to all-island co-operation. That commitment covers many issues, including: infrastructure; spatial planning; science; trade; tourism; human capital; enterprise; the provision of public services; education; and health. Unlike Lord Morrow, I think that many unionists understand that North/South co-operation threatens no one and benefits everyone.

I support the motion. Go raibh mile maith agat, a Cheann Comhairle.

Madam Speaker: I remind Members, especially the Whips, that the two Members who are listed to speak have not been in the Chamber at all during this debate; indeed, they are still not here. Therefore we will proceed to the winding-up speeches.

Mr Dawson: I am in the Chamber, Madam Speaker.

Madam Speaker: I am sorry, Mr Dawson; I see that you are in the Chamber.

Despite Mr Dawson's presence, I point out that two Members are listed to speak, but neither has been in the Chamber for any of today's proceedings.

Mr Dawson: Madam Speaker, I thank you for giving me the opportunity to take part in the debate; I did not think that I was that easy to miss.

I join other Members in wishing Dr Farren well as he seeks to rediscover life beyond politics after today. I am sure that he will find that there is a vibrant life beyond this House. However, he will not find any other words of comfort in the remainder of my contribution.

I am glad of the opportunity to challenge the motion's misty-eyed Darby O'Gill-approach to cross-border co-operation. Listening to the contributions of some of the Members on the opposite Benches, one would think that the political establishment in the Republic of Ireland takes part in a massive philanthropic exercise that exists to ensure that its decisions benefit the people of Northern Ireland. It is about time that the SDLP — and others — woke up and smelled the coffee. Let me be clear: making decisions on the basis of mutual benefit is nonsense. It does not motivate politicians south of the border, nor should it motivate politicians on this side of the border. Even when the Government in the Republic of Ireland announced their development plan, it was clear that their criteria was that any project must benefit their people, and, more particularly, it must benefit the election prospects of the Fianna Fáil Government. Only then would its being of further benefit to the people of Northern Ireland mean that it was worthy of further consideration.

However, the primary responsibility of that Government is to their own jurisdiction.

I have no difficulty with that; indeed, that is the correct approach for a Government to take. We should have enough common sense to realise that on matters for which co-operation is sought, there needs to be strong negotiating for one's own interests before general interests are considered.

Therefore the SDLP's motion is irresponsible. If its recommendations were implemented, that would amount to a dereliction of duty by public representatives here on the handling of cross-border matters. The Democratic Unionist Party has made clear on many occasions its approach to cross-border co-operation. Indeed, that position is reiterated in our amendment. Cross-border co-operation should be based on practical economic — not political — considerations. It should be entered into only when it can be demonstrated that it will bring clear benefit to Northern Ireland and its people, first and foremost.

Dr Farren: Will the Member give way?

Mr Dawson: I am not sure that I will; the Member has had a hard —

Dr Farren: I am not sure that we are having a —

Mr Dawson: I will not give way.

Dr Farren: The Member has already given way.

1.30 pm

Mr Dawson: I have not given way. If an issue that is of benefit to the people of Northern Ireland is also of benefit to our neighbours, that added benefit would be welcome.

However, we do not want or need enforced co-operation that is motivated politically rather than by practicalities. Enforced and unnecessary co-operation is of no use to anyone and will be rightly seen for what it is by Members on this side of the Chamber. Indeed, it would be damaging to the economic interests of Northern Ireland and its people.

I will cite two examples of how the nonsense of prioritising mutual benefit is damaging to Northern Ireland's interests. The first example relates to the single energy market and the document that is out for consultation. It states that to deliver a single electricity market both jurisdictions on the island must have in place:

"a more competitive environment than currently exists".

Northern Ireland already has competition in electricity, achieved by splitting generation from distribution and by introducing new suppliers into the market place. It is true that Northern Ireland got some of the details of the contracts wrong; nevertheless, our electricity is still cheaper than that generated South of the border.

The reason for that should be clear for all in the House to see. In the Republic of Ireland a state-owned inefficient monopoly controls both generation and distribution — and 79% of the market. In fact, the European Court has issued proceedings against the Republic of Ireland because it has failed to deliver competition in the marketplace. The European Commission said that Ireland's infringement of the directives on setting up a fair internal market for energy relates to the fact that the right to supply at a regulated price is granted on a discriminatory basis — namely to the Electricity Supply Board (ESB).

Companies that have tried to get involved in the energy market in the Republic of Ireland have been forced to pull out because competition does not exist. E.ON, better known as Powergen, stated in its response to the Republic of Ireland Government:

“A market based approach which provides investors with a long-term framework which ... minimises the risk of political intervention, will enable these investments to be made efficiently, supporting the competitiveness of the Irish economy and providing value for consumers.”

However, as we speak, because of the type of thinking outlined in the SDLP motion, Northern Ireland is sent sleepwalking into a single electricity market, which does not, and will not, have the required competition.

Minister Dempsey flannels by promising further structural change without spelling out exactly what he will do. What needs to be done is clear. The ESB needs to be split up and its generating capacity limited to below 40% in its own jurisdiction. Why will the Minister not say that? Is it because he has a prior agreement with the ESB and the unions on the matter, which was signed in 2000? Is it because he is protecting those interests regardless of the mutuality of benefit on the island of Ireland? Delivery of the single electricity market in the form and time frame set out will simply let the Republic of Ireland off the hook in Europe, and we will be left with the same legacy of inefficient state-dominated generation with little or no economic return for the people of Northern Ireland.

It does not end there. Somewhere in the machinations of trying to maximise mutual benefit, it has been agreed that the regulated payment for electricity on the island will reflect the lower corporation-tax rate in the Republic of Ireland. Thus generators in Northern Ireland will be paid the same rate as the Republic of Ireland, a rate set on a lower base but taxed at a higher level. The end result will be that, on the basis of the regulated payment, our generators will be uncompetitive in the single electricity market, and any new investment in power-generation plant will inevitably be located South of the border. So much for intensified co-operation and blind acceptance that our neighbours in the Republic of Ireland will protect our interests as we protect theirs.

Let me also turn to Tourism Ireland, set up in the wake of the Belfast Agreement with the same blind acceptance and unquestioning approach that the SDLP motion displays today. My colleague Lord Morrow has already put the case well. I will not reiterate all the points he made, but refer to one statistic: market research carried out by Tourism Ireland reveals that 50% of people in Great Britain view its marketing campaigns as relating only to the Republic of Ireland. That is a disgrace on the name of Tourism Ireland.

Of course, Northern Ireland started at a much lower base, but Tourism Ireland was supposed to bridge the gap. The Members opposite have a long history of telling us that when there is a disparity, an inequality or an under-representation, the way out is to prioritise the under-represented group. Not so in cross-border co-operation and tourism. Oh, no; here the mutual-interest concept kicks in, and rather than being prioritised in tourism promotion, Northern Ireland is actually hidden in the rest of Ireland. Again, unfocused, woolly thinking, such as that promoted by the motion, has been damaging to Northern Ireland.

The amendment is clear; co-operation is possible in a host of areas, but in facilitating co-operation we should not seek to promote artificial all-island cohesion where none exists. We should never forget that our primary responsibility is to our electors, this community and this jurisdiction. Benefits may flow from that to others, but the benefits to other jurisdictions should not colour our thinking.

Mr McNarry: All-Ireland co-operation is distinct from all-island co-operation, yet to hear some Members, you would think that we were debating the former. The emphasis that they put on all-Ireland, as opposed to all-island, co-operation makes unionists quite suspicious of exactly where they stand.

Where this jurisdiction can benefit from or assist its neighbours, the common good should prevail. No one is arguing with that. However, co-operation cannot be presented in the terms in which unionists perceive it to be presented: as a nationalist Government interfering or being selective in its choice of co-operation in an all-island capacity. Political expediency, which I sense is behind much of the import of the debate, is dangerous in this context. Unionists will rightly point out that the National Development Plan has an element of impertinence in announcing within its scope projects for this part of the United Kingdom. Unionists will also point out that the Irish are being selective in that their plan is to help fund predominantly republican and nationalist constituencies.

I do not like to talk about my own constituency, but the beautiful constituency of Strangford —

Mr McCarthy: Hear, hear.

Mr McNarry: Thank you, Kieran.

The beautiful constituency of Strangford has not even been looked at, be it a “national” development plan or not. Strangford is typical of a pro-Union, pro-unionist constituency that the Irish do not consider, even in an all-island plan.

I must say to William Hay that he really needs to check with his party colleagues, because discussions took place at the highest level between the DUP and the Irish Government over this plan before it came to fruition and was printed.

I see nothing wrong with that. I understand that discussions took place with Sinn Féin and the SDLP and with my party, and, as I said, I see nothing wrong with that. I just want to inform the Member that that type of conversation has taken place.

An important point further to that is that the Assembly's economic issues subgroup, which was given authority by the Committee on the Programme for Government, received — on a strictly confidential basis — evidence from Irish officials. That evidence has been documented and will be included in a report, which I have seen, that shows that the Assembly, through that subgroup, was apprised of the National Development Plan and the Irish Government's intentions.

Not all of the Irish Government's intentions were outlined to the subgroup, but enough were, and the unionists on the subgroup used that opportunity to inform the Irish Government of the issues that I have been referring to regarding the unionist position and unionist views. In fact, I understand that the Committee on the Programme for Government is to clear the subgroup's report today. It will make interesting reading.

The Irish Government indicated to the parties — well, I assume that they indicated the same thing to all parties, but I have no evidence for saying that — that, in the main, their intentions were to address Irish weaknesses and to address areas that, so far, have not benefited from the success of the Celtic tiger economy. That is fair enough, and it is reasonable for them to take that approach. However, we should not be too fooled by their dressing it up in the way that they have, suggesting that their encroachment into another jurisdiction is simply because, so to speak, they want to help both sides. Not only do we have an election coming up, but they have an election in the near future, and the Irish Government want to address certain situations that they have neglected.

Through the offer of a large sum of money, the Irish Government have introduced a reference to Northern Ireland. Members must bear in mind that it is only an offer: there is no money on the table. Following the publication of the economic issues subgroup's report, it will be for the incoming Minister of Finance and

Personnel in the newly restored Executive to consider more carefully.

However, the Irish officials also said that one of the intentions behind the offer was to give a subtle nudge to Her Majesty's Treasury, with the explanation that this offer was their contribution to the peace process. They intend to tell the Treasury that their offer was their contribution to the peace process, and that from where they were sitting, it seemed as though the Chancellor was dragging his feet, which was an indication for them to throw this large sum of money on the table and seek matching funding from elsewhere. Members know that, in many cases, a nudge is as good as a wink. From where I am standing, the Chancellor needs a shove to initiate the delivery of a better economic package than he has outlined so far.

For Northern Ireland parties to go into an election without having closure on a financial package that has been greatly discussed appears to be the repetition of a past mistake. We must have closure on a financial package for this part of the United Kingdom. Of course, the financial package might, in turn, benefit other parts of the island, and, if so, that is to the good.

Those who have experience of doing business on the island will know that to confine it to an all-Ireland basis is not sustainable for our economy.

That is why the amendment that was moved so ably by my colleague Mr McClarty is worthy of the support of the House.

1.45 pm

Mr Campbell: A series of Members have contributed to this wide-ranging debate. I join with other Members who have indicated their congratulations — and, some might say, commiserations — to the Member for North Antrim Dr Seán Farren on his retirement.

Mr McNarry: Will the Member give way?

Mr Campbell: After about five seconds? Yes, OK.
[Laughter.]

Mr McNarry: I thank the Member for reminding me that I did not do that. I appreciate the use of five seconds of Mr Campbell's time to pass on my best wishes to Dr Farren.

Mr Campbell: As long as it is not contagious, I am happy to allow that. Seán Farren will go into retirement in the knowledge that he has a hardworking Member of Parliament to go to if he needs any problems solved.

Some Members: Hear, hear.

Mr Campbell: I, of course, will always be at the ready for him, as I am for others. Dr Farren referred to what he called “all-Ireland reconciliation initiatives”. I regret that that type of language, in various forms, has permeated the debate on the nationalist side. That highlights the different perspectives of cross-border co-

operation that Mr Hay mentioned — one person's all-Ireland reconciliation is another's political interference.

Lord Morrow referred to the understandable reticence that many unionists have about cross-border co-operation on security grounds. He spoke at some length and with considerable validity about the example of Tourism Ireland, and he outlined that organisation's less than perfect performance to date. That matter was also raised by my hon Friend the Member for East Antrim Mr Dawson. I hope that both of the matters that were raised by my colleagues will be taken up with Tourism Ireland and that we will see an improvement in its performance after this debate.

Madam Speaker, you mentioned that several Members were not present in the Chamber when it was their turn to speak. I am happy to confirm that they were not DUP Members.

Over several years, we have resented and complained bitterly about interference by the Republic of Ireland in our affairs. We will continue to do that in the future. By the same token, we would not dream of interfering in the affairs of the Republic of Ireland.

There is one matter that has not been mentioned thus far that the Republic of Ireland could address, and that concerns the President of the Republic of Ireland. She visits Northern Ireland quite frequently, and there are those of us who will ensure that she abides by the proper protocols of a visiting dignitary or head of state. The one matter that ensures that she cannot be regarded as such, in a perfect sense, is her title. That is nothing to do with her, but it is the responsibility of the Government of the Irish Republic, because she is not the President of Ireland, even though she is styled as such. She is the President of the Republic of Ireland.

It is a matter for the Republic of Ireland to decide what it wishes to call her, but I and my community deeply resent any title that implies that she is our President. Neither she nor any President who follows her will ever be the President of the people of Northern Ireland.

Some Members: Hear, hear.

Mr Campbell: That is a matter that could be addressed on a cross-border basis, and I hope that that will happen. If we can arrive at an accommodation on that matter, so much the better.

David McClarty referred to North/South business takeovers and said that many of them were corporate decisions. He is correct in that analysis. He also mentioned the pound versus the euro. Given the increasing appreciation of the pound against the dollar, one can see why the euro would be a distinctly second-best choice, if anyone were pushed into making such a choice.

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

Unfortunately, the Sinn Féin contributions concentrated on overtly political issues. I am not one to lecture, because I am lectured quite often, but I keep hearing references to the "North of Ireland". If people study a map, they will see that Malin Head is the most northerly part of Ireland. A couple of weeks ago, we heard contributions from some Members about the thousands of empty homes in the "North of Ireland". I did not know that there were 36,000 empty dwellings in Malin Head — I had no idea that it was that big. I hope that that issue will be addressed. The north of Ireland equals Malin Head. This is Northern Ireland; the Republic of Ireland is the Republic of Ireland; and never the twain shall meet.

Kieran McCarthy made a worthwhile contribution on what I regard as effective co-operation between both countries on this island, which the DUP supports and will continue to support.

I will take Dominic Bradley's helpful reference to the financial services sector at face value. The Republic of Ireland, and Dublin in particular, has blossomed in that sector. However, I fear that when he refers to Belfast being a financial centre, he means that it would be a satellite of Dublin. Why should Belfast be a satellite of Dublin? We should promote the greater Belfast area in its own right as a financial services centre, and not as a satellite of anywhere.

George Dawson referred to the unfortunate Darby O'Gill attitude to economics in both countries that pervaded much of the debate. He made a telling and relevant point about electricity markets and the uncompetitive nature of that market in the Irish Republic.

Cultural and educational issues were not raised during the debate. In that regard, the Republic of Ireland could teach Northern Ireland a lesson, because the orange culture is well treated and well respected there. On the Saturday before the Twelfth of July, there is open advocacy in Rosstown in County Donegal. I wish that that attitude could be reciprocated in Northern Ireland and that people could be welcomed into one another's villages. Unionists in Kilkeel welcome the Ancient Order of Hibernians into their village, and I would like the people of Dunloy to welcome orange brethren into their village. There is no reciprocity; it is a one-way street.

This has been a healthy debate, but the same issues remain. If, in a few months' or a few years' time, we get an Executive up and running, after there has been unequivocal support for the police — seen in practice and tested over a credible period — we will begin to see real, positive co-operation that unionist Ministers can advocate openly and that benefits Northern Ireland as well as the Republic of Ireland.

Ms Ritchie: The debate has been interesting and healthy. There has been a return to the old principle of

moving forward, both from unionism and from the SDLP.

I thank the Members who paid tribute to my colleague Dr Farren, who proposed the motion and who is retiring today. He said that relations between North and South have developed in a mutually harmonious way for the benefit of all the people of this island, whether unionist, nationalist or of no particular affiliation. Indeed, evidence, as highlighted by Dr Farren, shows that work done thus far represents the normalisation of practical co-operation.

As Dr Farren said, there is no longer a question mark over the capacity of North/South co-operation to deliver. Indeed, all-Ireland initiatives should not be a hostage to political difficulties, as Dr Farren and Dominic Bradley pointed out. I make this plea to unionists, whether from the DUP or the Ulster Unionist Party: please embrace North/South co-operation for the mutual benefit that it can bring all of us on this island.

As Dr Farren said, the best way to encapsulate North/South co-operation for mutual benefit is through the National Development Plan, which was published last week. The national development plan builds on the proposals that the SDLP presented in its 'North South Makes Sense' document. We should no longer work on a back-to-back approach, as few benefits come from it. We need only note the marginalisation, deprivation and poverty that occurred as a result of partition. It is much better if we can work together. To quote Dr Farren:

"We can do more together in order to get more together".

There is a lesson for all of us in those words. We need to find common solutions, and our strength will grow the more that we co-operate.

Lord Morrow referred to the bogeyman of North/South co-operation. He said that Tourism Ireland has not worked for the benefit of the people of Northern Ireland. That is wrong. In my experience, North/South co-operation, as demonstrated by Tourism Ireland, has worked. Indeed, I need only look to my constituency of South Down, where Tourism Ireland has particularly promoted the Mournes and St Patrick's country.

I welcome David McClarty's comments that the Ulster Unionists have no problem with North/South co-operation. However, that party has worries when such co-operation is used for party-political purposes. In order to develop North/South co-operation, the political driver of the North/South Ministerial Council (NSMC) is required as part of the restored institutions.

Last year, Dr Farren and I were pleased to attend the all-island infrastructure investment conference in Dundalk. This year's conference will be held in Newcastle. At the conference in Dundalk, we talked to many businesspeople and investors from Great Britain. Many delegates from the unionist community in

Northern Ireland also attended the conference to hear at first-hand not only what was being done in the Republic of Ireland but how they can co-operate for mutual benefit. The delegates believed that there was a need for a political driver. That political driver should be the North/South Ministerial Council, and we should all move together for the benefit of the entire island in order to improve the prospects for future generations.

Ms Ruane gave a partial constituency critique of South Down. I note that she is not in her place. From her contribution, I note that Sinn Féin is seeking a tax-harmonisation system. I thought that that party strongly opposed lowering corporation tax on the island of Ireland.

2.00 pm

Assertions were made about the Narrow Water bridge. I wish to relate some of the history of that, as I was born and reared in south Down. The SDLP has been involved in the Narrow Water bridge project since the mid-1970s. It participated in, and contributed to, debates in Newry and Mourne District Council, and above all it participated in the Warrenpoint-Cooley group, which was headed up in the 1970s, and is still headed up, by a local member of the SDLP, Dr Donal O'Tierney. Let no one tell me that the SDLP was divided on the issue or was not involved.

The Member of Parliament for South Down, Eddie McGrady, has made significant representations over many years, along with my constituency colleague P J Bradley. Further to that, I am sure that many in the House will agree that terrorism hindered the development of the bridge at Narrow Water. In fact, I well remember a bomb there that killed many soldiers on the August bank holiday in 1979. That put back the cause of North/South co-operation, and of economic co-operation and the political drivers, for many years. I hope that those days will never return to this island. Our children deserve better.

Mrs M Bradley: Will the Member include in her remarks the fact that we received a multimillion pound cross-border investment in City of Derry Airport, and that it was welcomed by all parties in the council?

Ms Ritchie: I thank the Member for her comments. I am well aware that all parties on Derry City Council welcomed the financial commitment from the Irish Government. Assertions have been made in the Chamber, but we in the community have contrary information. It is important that that point be made.

Kieran McCarthy referred to the very welcome all-Ireland free travel scheme, which will be implemented in April 2007 and will be of mutual benefit to all senior citizens on this island. Perhaps we will see Members from the Benches opposite travelling on the Enterprise train. On that subject, there must be increased

frequency of departure times, better rolling stock and increased investment in the rail infrastructure.

Mr McCarthy: Will the Member give way?

Ms Ritchie: I have only a few minutes left, so, if the Member does not mind, I will not give way.

I note that unionists, particularly the DUP, are annoyed by peripatetic Ministers, even though those Ministers come with money. William Hay was quite happy to take the money. Philip McGuigan mentioned the need for spatial planning for health and hospital services. George Dawson made considerable reference to the all-island energy market. However, I am sure that he will agree with Members on this side of the House that it has brought benefit to producers in the North. He also made a critique of Tourism Ireland. It would be better if the DUP were to join with the rest of us in participating in those institutions in order to bring benefit to all the people.

Gregory Campbell referred to all-Ireland reconciliation initiatives without political interference. I have no problem with such initiatives. Then he mentioned the President of Ireland visiting Northern Ireland. I recall that unionists were not shy about going to Áras an Uachtaráin or having their photographs taken with the President or participating in the Council of State. Perhaps he needs to consult some of his colleagues.

This has been a very interesting debate, which has clarified some issues. However, in order to maximise the benefits of North/South co-operation, there must be a move towards much more integrated planning and delivery of projects. The SDLP believes that the National Development Plan provides the opportunity for that to happen. Discussions between the Treasury in London and the Department of Finance in Dublin can facilitate progress, which will require the third element to make it work: the restoration of all the political institutions on the island.

Question put, That amendment No 1 be made.

The Assembly divided: Ayes 21; Noes 32.

AYES

Paul Berry, Thomas Buchanan, Gregory Campbell, Wilson Clyde, George Dawson, Nigel Dodds, Jeffrey Donaldson, Alex Easton, Arlene Foster, Paul Girvan, William Hay, Lord Morrow, Stephen Moutray, Ian R K Paisley, Edwin Poots, George Robinson, Peter Robinson, Jim Shannon, David Simpson, Mervyn Storey, Peter Weir.

Tellers for the Ayes: Arlene Foster and Paul Girvan.

NOES

Gerry Adams, Alex Attwood, Dominic Bradley, Mary Bradley, Francis Brolly, Thomas Burns, Willie Clarke,

John Dallat, Mark Durkan, Seán Farren, David Ford, Tommy Gallagher, Carmel Hanna, Dolores Kelly, Gerry Kelly, Alban Maginness, Fra McCann, Kieran McCarthy, Raymond McCartney, Patsy McGlone, Philip McGuigan, Martin McGuinness, Mitchel McLaughlin, Eugene McMenamin, Sean Neeson, John O'Dowd, Tom O'Reilly, Sue Ramsey, Margaret Ritchie, Caitríona Ruane, Kathy Stanton.

Vote on vacancy in Membership [Michael Ferguson (deceased)]: Gerry Adams.

Tellers for the Noes: Thomas Burns and John Dallat.

Question accordingly negatived.

Question put, That amendment No 2 be made.

The Assembly divided: Ayes 17; Noes 33.

AYES

Billy Armstrong, Roy Beggs, Billy Bell, Esmond Birnie, Michael Copeland, Robert Coulter, Reg Empey, Samuel Gardiner, Norman Hillis, Derek Hussey, Danny Kennedy, David McClarty, Alan McFarland, Michael McGimpsey, David McNarry, Ken Robinson, Jim Wilson.

Tellers for the Ayes: Billy Armstrong and Norman Hillis.

NOES

Gerry Adams, Alex Attwood, Dominic Bradley, Mary Bradley, Francis Brolly, Thomas Burns, Willie Clarke, John Dallat, Mark Durkan, Seán Farren, David Ford, Tommy Gallagher, Carmel Hanna, Dolores Kelly, Gerry Kelly, Alban Maginness, Fra McCann, Kieran McCarthy, Raymond McCartney, Alasdair McDonnell, Patsy McGlone, Philip McGuigan, Martin McGuinness, Mitchel McLaughlin, Eugene McMenamin, Sean Neeson, John O'Dowd, Tom O'Reilly, Sue Ramsey, Margaret Ritchie, Caitríona Ruane, Kathy Stanton.

Vote on vacancy in Membership [Michael Ferguson (deceased)]: Gerry Adams.

Tellers for the Noes: Thomas Burns and John Dallat.

Question accordingly negatived.

Main Question put.

The Assembly divided: Ayes 33; Noes 39.

AYES

Gerry Adams, Alex Attwood, Dominic Bradley, Mary Bradley, Francis Brolly, Thomas Burns, Willie Clarke, John Dallat, Mark Durkan, Seán Farren, David Ford,

Tommy Gallagher, Carmel Hanna, Dolores Kelly, Gerry Kelly, Alban Maginness, Fra McCann, Kieran McCarthy, Raymond McCartney, Alasdair McDonnell, Patsy McGlone, Philip McGuigan, Martin McGuinness, Mitchel McLaughlin, Eugene McMenamin, Sean Neeson, John O'Dowd, Tom O'Reilly, Sue Ramsey, Margaret Ritchie, Caitriona Ruane, Kathy Stanton.

Vote on vacancy in Membership [Michael Ferguson (deceased)]: Gerry Adams.

Tellers for the Ayes: Thomas Burns and Margaret Ritchie.

NOES

Billy Armstrong, Roy Beggs, Billy Bell, Paul Berry, Esmond Birnie, Thomas Buchanan, Gregory Campbell, Wilson Clyde, Michael Copeland, Robert Coulter, George Dawson, Nigel Dodds, Jeffrey Donaldson, Alex Easton, Reg Empey, Arlene Foster, Samuel Gardiner, Paul Girvan, William Hay, Norman Hillis, Derek Hussey, Danny Kennedy, David McClarty, Alan McFarland, Michael McGimpsey, David McNarry, Lord Morrow, Stephen Moutray, Ian R K Paisley, Edwin Poots, George Robinson, Iris Robinson, Ken Robinson, Peter Robinson, Jim Shannon, David Simpson, Mervyn Storey, Peter Weir, Jim Wilson.

Tellers for the Noes: Billy Armstrong and Arlene Foster.

Main Question accordingly negatived.

Muckamore Abbey Hospital

Rev Dr Ian Paisley: I beg to move

That this Assembly expresses concern that more than 100 adults and young people with learning disabilities have been forced to remain in Muckamore Abbey Hospital, Antrim — some for periods extending to several years — because appropriate care within the community is not available; demands a full inquiry into the situation to ensure it cannot occur again; recognises the frequently undervalued contribution of staff, families and carers; and calls upon Government to implement urgently the recommendations of the Equal Lives Learning Disability Report of the Bamford Mental Health Review.

As Members of the DUP, Mrs Robinson MP and I tabled the motion, which should appeal to all in the House.

Many people across the Province were touched to learn of the plight of those with learning disabilities — including children and young people — and who were prevented from leaving hospital on account of insufficient funding for community services. It seems strange that the places in which they were supposed to receive benefits developed into places in which they were imprisoned.

Those people were well enough to go home and should not have been kept in hospital. For too long, the needs of people who have learning disabilities have been ignored and have been left languishing at the bottom of the resources queue. In highlighting their needs, their voices have not been as strong as others.

2.45 pm

In order to improve the care of those with learning disabilities it is essential that the Government move quickly to implement the recommendations of the 'Equal Lives: Review of Policy and Services for People with a Learning Disability in Northern Ireland' report published by the Bamford Review of Mental Health and Learning Disability (Northern Ireland). A massive amount of time and effort has been invested in producing the report, encompassing views from a comprehensive range of backgrounds, and it cannot be allowed to gather dust. It must be dusted down and its proposals studied and applied.

The report provides a road map for change that includes assisting those with learning disabilities to live in their own homes, feel part of the community and have a greater degree of independence. Those with learning disabilities should have exactly the same opportunities as everyone else. There is an onus on all sectors to achieve that. Carers believe that the 'Equal Lives' report is the best piece of work that has been produced in Northern Ireland on this issue, and, if implemented, could have the potential to transform the experience of those with learning disabilities and their families.

The needs of those families and carers must be addressed. More emotional and practical support for

families is essential. Many parents are forced to give up employment in order to care for a young person, and that has an obvious impact on the household income. There is a real level of informal care provided across Northern Ireland, and the good nature of parents and families is hugely undervalued at Government level.

Equally worthy of praise is the dedicated work of staff — often in difficult and stressful circumstances — both at Muckamore Abbey Hospital and in the community. Muckamore Abbey has been a hospital for people with learning disabilities since 1960. It is managed by North and West Belfast Health and Social Services Trust and is currently in the middle of a major reform and modernisation programme. Since the mid-1980s, the number of patients in the hospital has reduced from over 800 to 296. That reflects Government policy that people with learning disabilities should not have to live in hospital. In 1995, the Department of Health published a paper entitled 'The Health of the Nation: A Strategy for People with Learning Disabilities', which stated:

"Each Board and Trust should develop a comprehensive range of supportive services for people with a learning disability and their carers. The overall objective is that, by 2002, long-term institutional care should no longer be provided in traditional specialist hospital environments."

Clearly, that target date has not been, and will not be, achieved.

However, a plan to resettle people who did not require hospital care had been agreed and implemented from the late 1990s. The 'Equal Lives' report recognises that some people will require a period of assessment and treatment in a hospital, but states:

"Everyone should have a home address to which they will be discharged."

The report also describes the range of services required to maintain and support those people to live as independently as possible in the community. A review of regional bed numbers undertaken by the Department of Health, Social Services and Public Safety in 2005 defined the future requirement for Muckamore Abbey Hospital as 87 beds.

In 2004-05, however, funding to continue the resettlement programme ceased. At that time, it was also becoming clear that almost half of the people admitted to the hospital had their discharges delayed because funding was not available to develop the appropriate support required in community services.

In 2002, the Department of Health, Social Services and Public Safety approved a business case to provide the capital to build new accommodation at Muckamore Abbey Hospital. A new 35-bed assessment and treatment centre and a 23-bed forensic service were developed. Those buildings provide excellent accommodation and appropriate environments for people with learning disabilities who require a period of admission to hospital.

In order to move patients into those buildings in October 2006, however, the North and West Belfast Health and Social Services Trust had reached an agreement with the Eastern and Northern Health and Social Services Boards that two wards would close. Since fewer people than expected moved to community services due to the ending of resettlement funding, some wards had to be brought together to fulfil that commitment to the boards.

More patients than anticipated, therefore, remain on the wards. It was recognised that some patients would be unhappy about the moves, and that their needs would be reviewed following a three-month settling-in period. That process is now under way. Muckamore Abbey Hospital has to employ several different strategies to manage risks and keep patients and staff safe. That includes the locking of doors in some wards.

Returning to the crux of the problem, huge difficulties remain in discharging patients from the hospital to an appropriate community setting. Many of the patients whose discharge has been delayed are younger people with complex mental-health support needs and challenging behaviours. The provision of appropriate accommodation and support services can cost between £80,000 and £200,000 per person per year. A continuous and recurring funding stream is required from the Government to develop those services and enable people to leave the hospital.

Muckamore Abbey Hospital also operates one 16-bed children's ward. The North and West Belfast Health and Social Services Trust is currently at the advanced stages of completing a business case to relocate that assessment and treatment service for children to a site in Belfast. The business case identifies a need for eight beds for that service, and also emphasises the importance of making appropriate provision for children with complex and challenging behaviours.

Families have expressed the urgent requirement for respite services and residential accommodation. There is also a need for eight additional places in the community, requiring an additional £8 million. The assessment and treatment centre and the provision of other services to support children and families are in keeping with the priorities outlined in the 'Equal Lives' document.

In closing, I appeal for sufficient funding to allow those vulnerable members of Northern Ireland society to leave hospital and lead as normal a life as possible in the area from which they come, close to family and friends. Furthermore, I press the Government not to ignore the 'Equal Lives' report and to proceed with the speedy implementation of its recommendations. I am sure that my remarks will have the support of the entire House.

I regret that Dr Farren is not in the Chamber at the moment, but I trust that his colleagues will convey my best wishes to him.

I have never experienced retirement and cannot, therefore, recommend to him what to do with his time. However, perhaps Dr Farren would like to give me some recommendations a year from now.

Mr B Bell: I add my voice to the concern expressed in the wording of this timely motion. It is important that parties mark the last sitting day of the Assembly by speaking up for some of the most vulnerable and disadvantaged members of our community. I am grateful to Dr Paisley for proposing the motion.

It is right and fitting that Members make clear to the policy-makers in Government that they have scored a massive own goal in the case of Muckamore Abbey Hospital. In many ways, the situation there provides a far more fitting indictment of the failure of direct-rule Ministers than any number of words spoken by their critics in the Chamber or elsewhere.

Future policy-making must be copper-fastened against the kind of institutionalised neglect that Muckamore Abbey represents. Make no mistake, the failure is at the highest level of Government. It is not a failure of the dedicated men and women who work in the Health Service and the caring professions. I have nothing but praise and admiration for all the staff at Muckamore Abbey.

The failure is largely due to the lack of accountability in the political system. Had local, accountable Ministers been in charge, there is no way that the Muckamore issue would not have been aired in the Assembly before now. It is a failure of the twin evils of cost-cutting and remoteness that have so bedevilled the direct-rule fiasco that we are enduring.

The BBC discovered that the discharge from hospital of well over 100 adults with learning disabilities has been delayed for an average of three and a half years. One man remains in the unit 10 years after his treatment ended. Yet, for over 10 years, there has been a policy that no one should live in hospital long term. How can that have happened? It is a mystery — or is it? Do the Civil Service and the Health Department have no way to test whether they adhere to their own policy guidelines? If not, what was the point of putting those guidelines in place?

I agree with my colleague Dr Coulter's comments, reported in the local newspaper at the weekend. He said that the entire reform of public administration (RPA) process is deeply flawed in its consideration of health issues. The RPA will perpetuate the under-funding situation in the very areas of the Health Service that helped to precipitate the Muckamore Abbey crisis in the first place.

The failure to differentiate between primary and acute budgets in the RPA proposals means that many current Aunt Sally community-based services will still be hard up. Following the funding-generated Muckamore crisis, there must a new way of looking at public service reform. Thus far, it has been far too bureaucratic and driven by empire-building pen-pushers.

It is time for the Assembly to revisit the RPA process, and that should happen as soon as possible after the election. Democratic accountability and patient care must be at the forefront of the Assembly's actions.

3.00 pm

That should inform what we put in place.

Many feel that it is time that the Health Service had a much lighter administration and that more money was spent on front-line healthcare professionals, including those who work in the community. That is the only way in which to prevent another Muckamore-like fiasco occurring. There is nothing more sterile than seeing an army of pen-pushers, as I call them, chasing targets when patients lie festering and undischarged from hospital because the system could not get its act together to establish a procedure that would allow those people to be released properly.

I take great pleasure in supporting the motion.

(Madam Speaker in the Chair)

Ms S Ramsey: I also support the motion. It is important for the Assembly to debate issues that are important not only to MLAs, but to the constituencies that they represent and to the community as a whole. However, I put on record my concern that other parties did not support the Sinn Féin motion on collusion, which is also an important issue.

I also put on record my disgust that in this day and age we allow our most vulnerable people to be treated as though they are second-class citizens. The motion reminds me of the debate that we had several weeks ago on the Bamford Review, when we talked about the conditions in which people are treated. We hoped that once the review had been completed, its recommendations would be put in place. Therefore it is sad that we are in the Chamber this afternoon debating a similar issue. However, society will be judged on the fact that it treats its most vulnerable as though they are second-class citizens. I am appalled at that behaviour, as, I am sure, is every other Member.

Politicians do not often commend the media, but the BBC and the investigative report that its journalists carried out into the matter need to be recognised. Journalists do not often carry out investigative reports, but the BBC brought the matter to our attention, and that should be recognised.

We have learned that many young adults are being looked after inappropriately in Muckamore. That is an infringement of their human rights. It is also an indication that the Department of Health, Social Services and Public Safety has failed to provide the kind of support and care that would allow those young adults to live as independent people with lives that are as full as possible. However, we also have a responsibility to ensure that young people, particularly those who have disabilities, can be supported fully and included in society.

It is also important to remind Members that the chief executive of the North and West Belfast Health and Social Services Trust and the permanent secretary of the Department admitted in their interviews that they got it wrong. That is probably the first time that I have heard such an admission, and I was shocked and amazed that they admitted it so soon. However, now that they have admitted that what happened was wrong, they have a duty to tell us how they will right that wrong. Going back as far as July 2000, I am reminded of the 'Children Matter' report. That considered a way forward for residential care and highlighted the particular needs of disabled children and young people. It seems that little has happened to improve their position since we debated that report. If something has been done, it has failed those young people.

Sinn Féin does not believe that disabled children and young people should spend their lives being looked after in hospitals: they are not appropriate places in which to give long-term care to children who require it. However, we must acknowledge that there will always be children who have challenging and complex needs and behaviour. We need to remind ourselves that it is too much to ask the parents of such children to provide care 24 hours a day, 365 days a year.

Parents often reflect the exhausting and sometimes demoralising experiences of both providing care and accessing services for their children. They describe it as a daily uphill battle to try and secure individual elements of care from different agencies, and a battle on all fronts to get the smallest amount of support. It is important that we recognise the difficulties faced by parents and how they sometimes have to face the difficult choice between an inappropriate service and no service. They may, on occasions, have to balance the needs of different children in the family and sometimes access the only respite care available to ensure that the other children are protected.

We need to acknowledge that alternative provision is certainly insufficient and that the most dangerous step would be to take a knee-jerk reaction that could put children into more inappropriate placements. In the interim, provision at Muckamore Abbey Hospital should be subject to the same standards that are applied in other environments where children are looked after.

Planning for children's disability services should be resource-led and should be in children's services rather than being driven from a disability perspective. That would ensure that disabled children do not spend long periods of time in respite care and do not become children in care by default. Many of the children in Muckamore Abbey Hospital have complex needs and, more than any other group of children, they require the co-ordination of services and prioritisation of their needs by a number of professionals. For example, they may require nursing staff, medical staff, social workers, pharmacists or behavioural nurses. No one should underestimate the level of resources or co-ordination required to support a child with challenging needs in an appropriate setting, or the work needed to create such settings where they are not available.

We may be using residential respite inappropriately for children who could be better supported in community placements — and people should take that on board. If that is the case, as recent stories suggest to me, then places are being taken up that could be better targeted at those who need them most.

It is essential that services are reviewed for the children on an individual basis and that a response appropriate to their needs is put in place. For example, where a child has challenging and complex needs there should be a service in place from the child's birth, and throughout its life, which includes the child and supports the family.

The board and trust have recognised their responsibilities in this case. I want a review of the needs of all of the children and families involved and clear service plans to meet the needs and rights of those children and young people. The plans must include their inclusion, as fully as possible, in the community, and as independent a life as possible for them.

To conclude, I support the motion and the call for the urgent implementation of the Bamford Review. It is in order, Madam Speaker, to ask for a report, through your office, from the Department on the current position of the review because the Assembly passed a motion recently on the issue. Go raibh maith agat.

Mrs Hanna: I support the motion. People with learning disabilities are likely to need additional support to enjoy as ordinary a life as possible — they must be valued for who they are as human beings and not measured by their disability. They must have the same rights and opportunities as other citizens. Despite consensus between the NHS and the various statutory and voluntary agencies about the need to develop consistent and continuous assessment service, that has not been achieved.

People with learning disabilities continue to be marginalised and excluded from mainstream services. As we have seen through the recent example at Muckamore

Abbey Hospital, sometimes people are institutionalised for many years. Some of the patients in Muckamore Abbey hospital would be much better being in a community setting. They have very complex needs and require considerable resources and appropriately trained staff. However, they must be equally valued.

Young people and their families need to be better consulted and informed regarding diagnosis and treatment and their views need to be better taken into account.

We need personalised and comprehensive assessment and treatment plans and a clear and flexible action plan for treatment, with ongoing dialogue between patients, family, carers and medical staff on patient progress and potential discharge. The whole process is, for many, so uncertain that it becomes a most worrying experience. Many young people do not know what will happen to them next, what to expect on admission or when they might be discharged home or elsewhere.

Children and young people with severe disabilities may have specific medical needs in childhood, but the basic care needs of disabled children are really no different from those of other children. They are children first. In this context, it is important to recognise the effects of placing a child in a setting such as Muckamore Abbey rather than in a community setting where they have the support of family. Many young people in distress are being admitted to adult wards for treatment because no community-based care is available. Muckamore may be the right place for assessment, for a longer stay, or give the most appropriate care for some people — but not for the people we are discussing today.

Being in distress is a frightening experience in itself, but to be placed in a hospital for years on end, perhaps as a child next to an adult with severe mental illness, can be devastating. Many young people are admitted for treatment and placed in adult facilities because of the lack of child and adolescent beds and facilities. These young people are experiencing problems such as an acute sense of isolation; difficulties with keeping in touch with friends and family; and a lack of activities and education.

I believe that their treatment falls short of the Children (Northern Ireland) Order 1995, and the United Nations Convention on the Rights of the Child. It is unacceptable, and we must ensure that it does not happen again.

Evidence shows that where appropriate community services are available, fewer people need inpatient care. With rapid-response community-based services, people are able to remain more independent, to stay in their homes where possible, and are better placed to achieve their potential. Community care provides treatment in the least restrictive and stigmatising setting, as well as family-orientated care and support, and it is more appropriate to an individual's age and other specific needs.

Early intervention is important in many aspects of health provision, but it is particularly relevant with mental health and learning disabilities. Early intervention aims to reduce the length of time that people remain undiagnosed and untreated. The earlier an intervention is made, the greater the chance of recovery in an early phase, and the greater the opportunity to create and promote independence and confidence.

The training and development of the workforce is extremely important; that is well attended to in the Bamford recommendations, which stress elements such as a positive attitude and sensitivity. I agree and empathise with the difficult and sometimes challenging task of caring for patients. It is very important to have good working conditions and appropriate, regularly updated training. I acknowledge that sometimes, this work can be very challenging, but it is very rewarding. My sister worked as a nurse in Muckamore Abbey many years ago. She really appreciated and enjoyed her time there.

Finally, I also call for the full implementation of the recommendations of the Bamford Review and of the 'Equal Lives' report on learning disability. As Sue Ramsey has said, we discussed this in an earlier motion, and we really need feedback from the Department on the current situation. We have to ensure that all our children have the opportunity to develop to their full potential, physically, intellectually and emotionally.

3.15 pm

Mr Ford: In supporting the motion, I declare an interest, not only as a member of the constituency that houses Muckamore Abbey Hospital — technically, that may not be an interest — but as a former social worker with the Northern Health and Social Services Board (NHSSB), who, at times, was involved with the rehabilitation of those leaving Muckamore Abbey Hospital to rejoin the community in the NHSSB area.

I well remember an occasion in the late 1980s when a colleague of mine was given a senior social worker post, advancing that rehabilitation process. It is appropriate that each of us taking part in the debate acknowledges the contribution of dedicated staff in meeting the needs of those with learning disabilities. Whether they are the staff who provide nursing and other forms of care in Muckamore Abbey Hospital and the other two hospitals, or whether they assist people's moves to the community and provide day care or support in the home, they are all vital to ensuring a quality of life for those who need the services of the learning-disability teams.

Some of the problems in Muckamore Abbey Hospital are due to the success of the increased shift to community care. Over the past 20 years, between 500 and 600 people have been moved out of long-term care in

learning-disability hospitals and have been given better lives in the community. However, some of them have not always had the good lives in the community that they should have had, because the resources, which were already inadequate, have not been increased. The simple fact is that it costs more to keep people in a quality environment in the community than it does to keep them in large institutions, and, as a society, we have not always accommodated that fact.

We must also pay tribute, not only to the staff from Muckamore Abbey Hospital, but to the individuals — in many cases, family members — and the voluntary organisations that have provided community care, enabled the moves to the community and made matters better for those people who receive that care.

It is, perhaps, an interesting coincidence that there are representatives of the Buddy Bear Trust Conductive Education Independent School in the Building today. The trust is particularly concerned about young people with cerebral palsy. It promotes the good work that is being done in the community, but is being hindered by the fact that the work is very expensive and is not properly resourced.

It is no surprise that when Mencap published a report in 2003, it called it 'Breaking Point — families still need a break'. It seems that much of the pious talk about community care actually results in giving the minimum support possible to families, which does, at times, leave parents at breaking point. For example, on simple issues such as respite care, it is now much harder to get placements, particularly for people in their 20s and 30s, than it was a few years ago when they were children or teenagers. There is a real need to ensure that the services are rebalanced, and that has not been done. It is not just about Muckamore Abbey Hospital and the other two hospitals; it is about the package of services that is provided to those people with learning disabilities.

I remember questioning the Minister of Health, Social Services and Public Safety about that issue in the Chamber. I received acknowledgements from her that, for example, the year-on-year percentage increase in funding across different services was always biased towards acute hospitals and against community care. Provision for people with learning disabilities and mental-health needs consistently came at the bottom of the pile. They really were the Cinderella services. However, if the Northern Ireland Assembly debated acute hospitals, particularly the location of maternity services between two hospitals that are one mile apart in Belfast, Members filled the Chamber, and everybody cared. Contrary to that, we are now facing the position that, because the Assembly did not ask serious questions of the Department and the Minister when it had the power to do so some years ago, Muckamore

Abbey Hospital has inadequate resources, and there are people in real need and who are really suffering.

Therefore, before the Assembly starts to point the finger too much at other people, there are Members in the Chamber who should ask whether, when we had the power, they did all that was necessary. I am not entirely convinced that we did. There was much more that the Assembly could, and should, have done.

There are three sets of actions that need to be taken to address the needs of patients in Muckamore Abbey Hospital. First, there should be a general enquiry as to exactly what is happening. I was pleased to hear the Chief Commissioner of the Northern Ireland Human Rights Commission (NIHRC) intervening when the story broke, and, subsequently, I have had a conversation with her. I am glad to hear that the commission is doing ongoing work.

I am not sure whether that work will extend to a full-scale inquiry, but such an inquiry must be convened. It should not be simply an internal DHSSPS matter, with civil servants saying how hard everyone has tried, but that the money was not there.

There must be genuine recognition that the human rights of citizens have been interfered with. Even if those citizens do not have voices of their own that can be heard in the media, they ought to have the voices of public representatives and of agencies, such as the Human Rights Commission, to ensure that their rights are looked after.

I welcome the comments of another former Assembly colleague, the Commissioner for Children and Young People, on this matter. However, we should recognise that many of the patients concerned are adults, not children. It is slightly denigrating to the position of such patients to concentrate on them as though they were all children. Clearly, there are children with considerable needs, but there are also adults with such needs. We should not focus only on the children.

The second matter that I wish to address — whatever the current financial restrictions — concerns the actions that the North and West Belfast Health and Social Services Trust should take. The trust has recently acknowledged that it knew that there would be problems with some of the current arrangements, that there would be difficulties with some people settling in, and that a review process would be carried out. That is fine, but I wonder how much of that review would have come to light had BBC journalist Dot Kirby not highlighted it.

Any strategy of locking doors on patients who should be in community care needs a fundamental review. Whatever need there may be, at times, for a small minority of patients to be placed behind locked doors, there is absolutely no way that locked doors should be

a substitute for proper nursing care and remedial services, which are, by and large, what those patients require.

The Eastern Health and Social Services Board and the North and West Belfast Health and Social Services Trust must both examine their actions and why they had failed to take action until the media got on their backs. Their staff have done much good work, but there have been failures that have led to the current situation. However dedicated those staff have been in trying to make the best of a bad job, they should not have had to make the best of a bad job.

The third area that I wish to address is the need for a commitment from the DHSSPS to the full implementation of the Bamford Report, as other Members have said. The deafening silence from the Minister and from senior civil servants on the various aspects of the Bamford Report, as they have been published, is quite horrifying.

We in the Chamber have acknowledged what needs to be done. We know how much ought to be done, and we have seen the difficulties of funding in the past. However, we still have a Minister who is not prepared to give the necessary commitments to provide basic services and basic necessary care for some of our most needy citizens.

It is simply unacceptable that bodies such as the Buddy Bear Trust and Mencap should be running services on a shoestring budget and on a charitable basis because they are not being funded properly by the agencies of the state that have relevant responsibility. In that sense, however, Northern Ireland is not unique. Generally, as a society, we have been fairly poor at providing long-term care for those who need it. We have been fairly good at providing intensive nursing and medical services for those who have acute problems, but those with a long-term or lifetime care requirement have, by and large, not been treated well, whether it be in Northern Ireland, the Republic, England, Wales or Scotland.

There have been problems in every region of these islands, but the Bamford Report has highlighted what needs to be done, what could be done, and what must be done as soon as possible in this, the smallest of those regions.

It is very easy for the Assembly to agree a more or less motherhood-and-apple-pie motion. There is nothing wrong with saying that we are in favour of motherhood and apple pie, but the real test will come at some point after 26 March when we will see whether Members who make the right speeches today are prepared to put their votes into ensuring that the necessary resources are supplied to implement the recommendations of the Bamford Report.

Mr Girvan: I am glad to address the House in support of the motion on Muckamore Abbey Hospital

and the provision of care for the children and young people there.

I apologise for the absence of the Member of Parliament for South Antrim. He is attending the funeral of a very close friend and is unable to attend. He has lobbied strongly on the issue and would have liked to participate in the debate.

A meeting has taken place with the senior management of Muckamore Abbey Hospital, which highlighted not only the plight of the young people in the hospital but the fact that the hands of management are tied about what they can and cannot do. The staff are suffering greatly, and they too share the stress experienced by the families of the young people concerned. We have also had a meeting with the chief executive of the North and West Belfast Health and Social Services Trust, Mr Black, at which he indicated a desire to address and progress these issues.

Many of the comments that have been made in the Chamber this afternoon are 100% accurate, and I am glad to see that we have cross-party support and unity on this topical issue that BBC coverage alerted us to.

Mr Goggins, the Minister with responsibility for health, social services and public safety, has promised to respond today to the Member of Parliament on these issues. At the moment, we are tinkering with a short-term fix, but we want long-term solutions, which means finding the resources for care in the community. Work has already been done on that issue. We need something more than lip-service.

Ms S Ramsey: The Member quite rightly outlined the work done by the MP for South Antrim in ensuring that, in the words of the chief executive of the North and West Belfast Health and Social Services Trust: "this does not happen again". Does the Member agree that it would be appropriate for an all-party delegation to visit Muckamore Abbey Hospital? All Members have referred to the Department of Health, Social Services and Public Safety's failure to implement the Bamford Review. Does the Member also agree that, if we met officials from the Department, we could put pressure on them to implement the Bamford Review?

Mr Girvan: The Bamford Review has already been debated in the Chamber, and my understanding is that the motion received cross-party support.

There is merit in all Members continuing to lobby on the issue. However, what would be the point in a cross-party delegation meeting the Minister to be told precisely what we already know? Locking up young people in Muckamore Abbey Hospital resembles Third World conditions. It is in our gift to provide a twenty-first-century Health Service. If the Assembly gets back up and running, this issue should be a priority and should have support across the Chamber about the resources needed. The issue must be dealt with.

Members have referred to the provision of respite care. That area is drastically underfunded, and the families of people who suffer from learning difficulties and disabilities are not getting the support that they require. We must address not only the issue of Muckamore Abbey Hospital but the wider difficulties experienced throughout the Province.

I do not want to blame any individual for what has happened. However, solutions must be found.

I am not happy to proceed if something could take the spotlight off the issue and remove it from the media's interest. I want to deal with the issue now. I want measures for the long term to ensure that such a situation never happens again. All Members who have spoken in the debate have already mentioned that. We do not want to be discussing the same matter in this Chamber in several years' time.

3.30 pm

Children have been mentioned. However, a number of people currently in Muckamore Abbey Hospital were admitted as children but are now young adults. Those young adults have lost much of their childhoods through being institutionalised. However, society is also suffering. We are to blame for what is happening. We sometimes adopt a head-in-the-sand mentality whereby if something is not happening in our backyard, we do not see it. We must wake up and realise that the problem exists and that we need to provide joined-up government to deal with it. One division of the Department appears to have enough funding to lay carpets and redecorate, yet other areas are struggling to provide necessary nursing care.

I hope and pray that the recommendations of the Bamford Report will be implemented and that sufficient resources will be made available. Mr Billy Bell mentioned the waste at management level in the Health Service. There is a need for an urgent review to secure efficiencies that will deliver savings and help the Department to deal with the issues.

I support the motion. I hope that we can find some resolution to this issue, not only for those people in Muckamore Abbey Hospital but for many others. Children and young adults need adequate provision. Twenty-four-hour lock-up is no way to help those people. It is unfortunate that, because of the situation in Muckamore Abbey Hospital, there is no alternative to that. The hospital has no other resources, and young people are being placed in totally unsuitable accommodation. We must move forward. It is only human to try to deal with the issue. I implore the House to support the motion.

Rev Dr Robert Coulter: I am pleased to fully support the motion in the name of my fellow Member for North Antrim Dr Paisley. The motion is extremely serious, because it concerns some of the most vulnerable

and exposed members of our community — people who, most of the time, do not have a voice. Let the Members in this Chamber give those people a voice as we give them our support.

Mr Justice Gillen, one of our most senior judges, has highlighted a shortage of skilled professional practitioners in the caring profession. Some 17 young people have spent an additional six years at Muckamore Abbey Hospital in Antrim, when they could have been released to the care of community-based workers. The learned judge has identified that more money is needed to create an early-warning system to ensure that children with learning disabilities or mental health problems are properly treated in the future.

Indignation is not enough; recriminations are not enough. Practical action is required to address a raft of problems. The problems can be identified as follows: first, the current system is clearly underfunded, with the consequence that there are simply not enough trained and qualified care practitioners in the community; secondly, an early-warning system must be put in place to identify potential problems early so that what can only be termed the massive system failure of Muckamore is not repeated.

Owing to cuts, there is no pool of qualified staff in the community to fill any posts that might be created right away. It will take time — perhaps several years — to put that right. Therefore, although the Government's promise of an additional £1 million over the next two years to address the problem is welcome, it is not in itself enough. An immediate rescue plan must be put into operation.

I am not impressed by the failure of system in our Health Service generally. It brings to mind the rubric that I have been trying to impress on the official mind for many years now — the patient must come first.

The Health Service is full of excellent staff who have a deep commitment to what they do. They are all excellent people whose hearts are in the job and who display a deep sense of care towards their patients. I could not lavish enough praise on the healthcare practitioners at this level in our Health Service. The problem is higher up.

I am concerned by the thinking at policy level at the top, which drives our trusts' managements to think about nothing but paper targets and financial savings. That thinking has pervaded the review of public administration (RPA) and has resulted in a proposed new system of health governance that addresses none of the patient-focused problems of, for instance, the elderly.

Failing to separate the primary and acute care budgets will starve primary care of money and deal a serious blow to preventative medicine and care in the community. Mental health and learning disability are always the

Cinderella services. Acute hospitals consistently receive higher increases in spending, year on year.

I am concerned by the inability of the direct-rule regime and its apparatus of top-heavy officialdom to address this issue in the review of public administration. The entire RPA process will have to be revisited by the Assembly when it assumes the direction of the Province once again. I wrote as much in the 'News Letter' as recently as last Saturday, as my colleague Billy Bell mentioned.

In Muckamore Abbey Hospital and related cases the BBC found that more than 100 adults with learning disabilities have had their discharge from hospital delayed for an average of three and a half years. One person remains in the unit 10 years after his treatment ended, yet for more than 10 years the policy has been that no one should live long term in a hospital of any kind.

In the bad old days, before we had democratic accountability and due process, prisoners would be placed in a cell, known as an oubliette in French. They would then be forgotten and never heard of again. The Muckamore Abbey Hospital case has echoes of that. The only difference is that the care given by staff in Muckamore Abbey Hospital, often in difficult and fraught circumstances, is exemplary. Any time that I visited the hospital, I have had nothing but the highest praise for the staff, who work in difficult situations.

However, in another sense, those patients who should have been discharged are the forgotten. Their forgotten cell may have been more comfortable than the forgotten cell of the past, but hospital was not the place for them; it is not where they should be.

The lesson in all this is that we must not forget. The Assembly must revisit the issue when it reconvenes after the forthcoming election. After that, it must feature regularly on the agenda of the Assembly's Health Committee until it, and all the other issues highlighted by the Bamford Mental Health Review — which we have already debated — are addressed to the satisfaction of the people's representatives.

It gives me pleasure to support the motion.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle. Today's debate has resulted from an intervention on Muckamore Abbey Hospital that Mr Paisley made last Tuesday. Sinn Féin had hoped to debate both Muckamore Abbey Hospital and collusion today, and it is shameful that, because the unionist parties blocked the motion, we are not debating the assassination of a young unionist.

However, Sinn Féin also tabled a motion on Muckamore Abbey Hospital, but withdrew it for one reason only: Dr Paisley raised the issue in the House and asked it to debate it. Sinn Féin Members thought that withdrawing the motion was the proper thing to do

because we did not want to play political football with the issue; we wanted to move forward on it with a combined voice. Therefore Sinn Féin will support the DUP motion.

Muckamore Abbey Hospital and similar hospitals were designed in Victorian times to lock people up. However, in this day and age, Muckamore should be used as a centre in which people can be assessed before they are released back into the community. Once they have been released, proper community services will be provided to them so that they can lead as full a life as possible. However, for many reasons, that has not been allowed to happen.

What can we, as Assembly Members, do about that situation? We can debate it — and I have no doubt that the motion will receive unanimous support — but that is all that we will do. David Ford asked whether the Assembly has let down the patients of Muckamore. The answer is yes — we all have. While we have been in this debating shop, young adults and children have been locked up in Muckamore. We should be the people who hold the reins of power and who have the ability to investigate the matter.

I will use my crystal ball to look into the future to see how different the picture could be. Imagine that Iris Robinson were the health Minister. I have no doubt that she would have the chief executive of the trust in her office, tearing strips off him, wanting to know why the situation had been allowed to happen. Any health Committee would investigate the matter and would demand to know why it happened. The Assembly would demand that the Department of Health take action through our local Minister. Unfortunately, we are not doing those things; therefore, we have to take collective blame for what has happened to the young people of Muckamore.

During the recent Assembly debate on the Bamford Review, I mentioned an establishment that I had visited. I said that it was the most depressing place that I had ever been in. That place was Muckamore Abbey Hospital. Another Sinn Féin member and I visited that facility about 18 months ago. That hospital has excellent facilities. At the time of our visit, it was going through a new-build programme, and we were urged to take a look at it. The people who run Muckamore insisted that we look around the whole facility. We did so, and it was depressing. The guy who was with me was an ex-blanket man who spent five years on the blanket. As we walked through the facility, he said that it reminded him of the H-blocks. Although I forget its correct title now, we went to a room that was used to hold people if they were going through an emotionally disturbed state. He said that that room was worse than the punishment blocks in the H-blocks. However, young people were being kept in those facilities.

Since that visit, we have lobbied the trust and the Health Department to continue refurbishing Muckamore, but, more importantly, to ensure that the community facilities are available to allow young people and adults to live as full a life as possible once they have been released. It is clear, however, that those facilities have not been made available.

During the autumn, I also visited Knockbracken Hospital. It has gone through a massive refurbishment programme, and it now has state-of-the-art facilities for people who have learning disabilities and mental-health issues. It is an example to everyone. However, it also has Victorian facilities, and those need to be replaced.

A massive injection of funding needs to be put into mental-health care and helping those who have learning disabilities. During the debate on the Bamford Review, Sinn Féin tabled an amendment that called for the Programme for Government Committee to ensure, in its deliberations with the Exchequer, that the £300 million that is needed to ensure that Bamford becomes a reality is made available. If Bamford does not become a reality, we will continue to let down the young people of Muckamore Abbey Hospital and those people who still live in the Victorian buildings that are in Knockbracken Hospital.

3.45 pm

Bairbre de Brún introduced the 11-part Bamford Review to examine the way forward for mental health in the twenty-first century. It was an excellent review; it has done good work on investigating international best practice. However, be assured that — despite the best intentions of whatever direct-rule Minister is in place — it will not be implemented in full, because it is not a priority. It is not part of the priority planning of the Department of Health. We need to have Iris Robinson, or A N Other, as Minister of Health; we need a Health Committee and an Assembly that will ensure that the human rights abuses that have taken place in Muckamore Abbey Hospital stop immediately.

Like David Ford, I welcome the intervention of the Human Rights Commission on this matter. Those young people's human rights are being abused — they have been let down by the Assembly and by the Department of Health. We must ensure that we, as politicians, change the conditions in which they live. Of all the debates that we have had in this Transitional Assembly, this one highlights better than any other the need for local politicians to work together.

Dr Paisley said that he had never experienced retirement, and he wished Seán Farren well. I never thought that these words would come out of my mouth, but I hope that Ian Paisley becomes First Minister before he retires, because he and my colleague Martin McGuinness and whoever is sitting around the

Executive table will not let down the young people in Muckamore. They will not let down those people in Knockbracken who have not moved into the new state-of-the-art facilities, and they will do a better job than any direct-rule Minister who is sent here.

It took a BBC reporter to expose this scandal; that alone says that we all let those people down. It should have been exposed by our Health Committee, or by a probing question to our local Health Minister. I congratulate Dot Kirby on her work; she has shone a spotlight not only on Muckamore, but also on this Chamber.

Mr Dallat: When I first heard of this scandal, my heart sank. I asked myself whether it could be the same Muckamore Abbey Hospital that I knew so well many years ago when my family and I regularly visited my brother, Gerard Majella, who was a patient there for five years. I remember the care and love he received from the dedicated staff, who were committed to helping so many children with special needs, sometimes mental, sometimes mental and physical. He died there on 9 August 1968; every day since then he has been remembered, and so too have the staff of that hospital who gave him so much love and care and attention.

Clearly, Muckamore Abbey Hospital has moved on since those days; it has a different role, helping people to re-enter the community, or so I thought until I heard that some people had been there for 10 years longer than they should have been. The question that occupies my mind is how this situation can exist. Is it really about money and lack of resources? I do not think so. I am convinced that it has more to do with a mindset that dictates that, where choices must be made, the weak and vulnerable will be put at the back of the queue, and every time they come to the front of the queue they will be sent back again. Some people might describe it as prejudice. That is the way in which people with mental health problems are treated.

From the day and hour a baby is born with special needs, his or her parents have a struggle to get the child assessed, and their battle is only beginning.

Report after report is compiled from the most extensive consultation, only to be hit on the head when choices about spending are to be made. Perhaps it is unfair, but when this story broke I thought of the Romanian orphans. I asked myself why, in a modern society that talks so much about healthcare, young children spend 10 years or more in an institution when they should have been rehabilitated into the community. The scandal at Muckamore must be sorted out.

Is Muckamore the tip of the iceberg, as has been suggested? How many more people with special needs are neglected or in a queue with no end? How many are waiting for an assessment that never seems to happen? Is the provision for those individuals adequate

or are they being neglected in the same way as those in Muckamore Abbey Hospital?

In the previous Assembly, there was a great deal of consultation and loads of reports on health issues, but no substance. In the meantime, money was spent on an Assembly that did not meet. Yet, the people whom we talk about today continued to languish in an institution that was intended only for short stays. What a pity; what a shame.

As Members leave the Chamber, we can give a commitment to end this inequality in society, the injustice, the prejudice against the weak and vulnerable and the preferential treatment for projects that jump the queue. I hope that the scandal at Muckamore begins a process that delves into every corner of society to find who else is at the end of the queue waiting for help and crying out for the services that they need to develop their lives to the best of their abilities. If Members do that, they will do no more than honour the Good Friday Agreement, which was not designed to simply distribute justice or injustice equally, but to acknowledge and accept that everyone is equal. That includes those who have had to stay in Muckamore much longer than necessary because there was no room for them at the inn.

It is a long time since I first visited Muckamore Abbey Hospital, and I regret that I did not keep up those visits, but it was difficult. I am sorry that it has taken so long to discover that people who should have been back in the community and accepted as equals are still there. During the intervening years, something happened that had nothing to do with the staff, but has a lot to do with direct-rule Ministers and civil servants who have demonstrated their prejudice against the vulnerable in a dreadful way that brings shame and a cry for change.

It is a lesson that Members can learn. Those Members who are returned to a new Assembly must come back with a different attitude — one that profoundly favours those in society who are weak. After all, is that not what government is about? Members can support projects that are exciting, but only when the people whom we are charged to care for have been looked after.

I congratulate Dr Paisley for tabling the motion, and I am deeply touched by other Members who have made positive contributions — by and large, in a non-party-political way — and who have raised their voices in support of those who cannot do so for themselves.

Mrs I Robinson: This has been an interesting and important debate, and I thank the leader of my party, Dr Paisley, for his assistance in pursuing this timely debate.

A failure to plan for adequate services may have contributed to the practice of denying individuals who

were detained at Muckamore the right to liberty and the right to a family life. I visited Muckamore Abbey Hospital some time ago, and I was impressed by the commitment of the staff. At that stage, concerns about inadequate funding for the resettlement of patients were already real.

The situation at Muckamore has been prominent in the press, but there are other hospitals in Northern Ireland where the same problems might well exist. There are three specialist learning disability hospitals in Northern Ireland — Muckamore Abbey Hospital, Longstone Hospital and Lakeview Hospital — and they currently provide assessment and treatment services. There are few community-based services available, and that increases the reliance of people with a learning disability on those three specialist hospitals.

'Equal Lives', the learning disability report from the Bamford Mental Health Review, defines a learning disability as one that includes the presence of a significantly reduced ability to understand new or complex information or to learn new skills, with a reduced ability to cope independently, which started before adulthood with a lasting effect on development.

Children, as well as adults at Muckamore, require individual packages of care suited to their capabilities. Those care packages may include intensive personal care for an individual, including feeding, cleaning, dressing and medication. Care packages also represent extensive support for the family to help them cope with their added responsibilities. As a society, we rely on families to provide 24-hour service. It is the failure to provide services in the community that has caused the delay in discharges at Muckamore.

One big problem that has arisen at Muckamore is the difficulty faced by agencies when the services required are life-long, rather than single treatable health problems. The fact that learning disability services are, in the main, provided by the family rather than by social services means that services for people with a learning disability have been a low priority for the Government and their agencies. As a result, the small number of individuals in hospitals and their families have put up with conditions that would not be tolerated anywhere else. The 'Equal Lives' report outlines the problems that people with a learning disability and their families endure.

Some parts of the report relate specifically to the situation at Muckamore. The report states that:

"Questions do need to be asked however with regard to the inequalities that may exist in Northern Ireland detailed in Table 2. For example are statutory services in breach of the Disability Discrimination Act and Human Rights Act if they:

- fail to provide adequate community support for a person with challenging behaviours?
- maintain a person in hospital because they do not have a facility in the community for a client to resettle to?"

Recommendation 27 states:

“Resettlement of long-stay patients from hospitals within the context of supported living principles must be progressed as rapidly as possible. By June 2011, all people living in a learning disability hospital should be relocated to the community. Funds need to be provided to ensure that on average 80 people will be resettled per annum over the 5-year period from 2006 to 2011.”

Members have made some important points, and I will go through them in the order that they were made. Dr Paisley rightly said that the recommendations to re-integrate people with special needs into the community have to be acted upon and reinforced. He also said that care packages must be in place so that all people are allowed the dignity of a home address, and he emphasised the core need for additional beds for children who have very complex needs.

Mr Bell of the Ulster Unionist Party emphasised that this motion is dealing with the most vulnerable people in society, so it is important that Members are doubly sure of the provision that is being put in place.

Sue Ramsey of Sinn Féin highlighted the fact that the media, particularly the BBC, should be congratulated for how it alerted the public to how bad the service for children and adults with special needs is at Muckamore. I join her in commending that media reporting. I also agree that it is time to address that failure and put it right. A review should be carried out immediately and its recommendations implemented without delay.

4.00 pm

Carmel Hanna of the SDLP reiterated how important it is that young people know the exact nature of their treatment, the footprint of their stay in hospital, and the back-up care that is available when they return to the community. She also emphasised the need for early intervention. My DUP colleague Paul Girvan said that lip service is of no use; delivery is what matters. When the Assembly gets up and running, as it will when all the boxes are ticked, that will be a priority. Rev Bob Coulter, for whom I have a high regard with respect to health issues, re-emphasised how voiceless vulnerable children and adults are. He said that we need more funding and better planning to provide for specialist staff.

Mr O'Dowd said that we all bear responsibility for the lack of improvement at Muckamore. I remind him that we had a Sinn Féin Minister of Health, Social Services and Public Safety in the previous Assembly. Mental health problems existed then as they do now. I have no doubt that whoever holds the health portfolio will treat mental health and the Bamford Report with the urgency needed to successfully address the needs of those very vulnerable people.

When we get our Assembly back, it will be because all of the boxes are ticked, and it will be an Assembly

where all Members are democrats. No member of the future Assembly will try to employ both the Armalite and the ballot box.

Mr Dallat praised the work of staff who gave his late brother Gerard the care and attention he needed. He also queried what had happened to bring Muckamore to its current state. Many explanations have been given, and I hope that, after the elections, local people will have local representatives in charge of the Assembly to take decisions that affect them. I appreciate all the comments that have been made by Members. This is a very important issue. Mental health has been treated, as another Member said, as the Cinderella service. In many cases, when funding was short in the budgets of each trust, money was pilfered from mental health — in the nicest possible way — for other areas of healthcare.

It is important that local politicians address the needs of the more vulnerable in society. I welcome the fact that there has been support for the motion from all of the political persuasions that are represented in the Assembly. A united voice makes a difference and reaches the ear of the Government. In future, the Government must ensure that those with learning disabilities are not at the bottom of the pile when it comes to allocating resources. Sufficient funding must be provided for community services to allow those who require hospital stays to reintegrate into the outside world. We need to target specialist nursing staff and clinicians — and all involved in healthcare who can ease the burden of those with mental illness — and give them access to all of the services that they need.

The extensive work that went into compiling the ‘Equal Lives’ report must be utilised, and its recommendations acted on by the Government as soon as possible.

Question put and agreed to.

Resolved:

That this Assembly expresses concern that more than 100 adults and young people with learning disabilities have been forced to remain in Muckamore Abbey Hospital, Antrim — some for periods extending to several years — because appropriate care within the community is not available; demands a full inquiry into the situation to ensure it cannot occur again; recognises the frequently undervalued contribution of staff, families and carers; and calls upon Government to implement urgently the recommendations of the Equal Lives Learning Disability Report of the Bamford Mental Health Review.

Liquor Licences

Mr O'Dowd: On a point of order, Madam Speaker. I regret to inform the House that my party will not be staying for the two remaining debates this afternoon. Both issues being debated are very important, but they have been used to block a debate on collusion, which has far-reaching consequences for the wider community. As that is the case, Sinn Féin regrets that it will be withdrawing from the Chamber.

Madam Speaker: I thank the Member for letting us know his party's view. It will be reported in Hansard tomorrow.

Dr Birnie: I beg to move

That this Assembly calls upon the Minister with responsibility for the Department for Social Development to ensure that no action will be taken with regard to furthering the proposed abolition of the "surrender principle" for liquor licences, as proposed by the Northern Ireland Liquor Licensing review; and further calls for this issue to be dealt with by a restored Northern Ireland Assembly.

In view of the overwhelming attendance here, I am tempted to say that we must be approaching closing time. However, Members have a few hours — at least on paper — to go yet. I am pleased to propose the motion, and it is regrettable that one party has chosen — for whatever reason — to absent itself. The issue is important and affects the lives and welfare of many people in the Province.

Earlier today I was talking about water, and now I am on the subject of drink — there is something poetic in that. The subject is very important. The Department for Social Development (DSD) consultation document, 'Liquor Licensing – The Way Forward', produced in October 2005 stated:

"There is a clear link between alcohol and problems relating to crime, public nuisance, health and children and young people. Licensing legislation can contribute to solving or aggravating those problems."

The final sentence about "solving or aggravating those problems" should be noted. The UUP's contention in moving the motion is that we fear that the DSD proposals — as recently outlined — will hinder the achievement of the good social objectives outlined in the quotation. I am talking specifically about the so-called "surrender principle", which has ensured, hitherto, that gaining a new licence for certain types of drink outlets can happen only through the purchase of an old licence.

Therefore, from the end of 2005, the total number of Northern Ireland licences in certain categories was capped at just below 2,000. However, there is a range of categories, some of which are not included in that provision.

It is not clear whether Northern Ireland has differed from the very pronounced and, many would say,

worrying UK-wide trend towards higher and higher levels of alcohol consumption per capita. However, the surrender principle has at least ensured that we have not been swamped by a dramatic increase in the number of outlets. It may be significant that in Scotland, which does not have this arrangement, there are four times the number of outlets per capita that there are in Northern Ireland.

Ending the surrender principle would mean that an asset worth a considerable sum of money would be rendered pretty much useless at a stroke. The existing drinks trade obviously has a self-interested — although legitimate, in a way — concern about that happening. However, some small traders, particularly grocers, feel that there is a problem with restraint of trade at present, relative to the number of UK multiple supermarket chains.

The wider public is concerned that the end of the surrender principle could mean more outlets, greater competition, more cut-price offers, and so on. That would mean more consumption of alcohol, and that leads me back to concerns about the social outcome of abolishing the surrender principle. There are many ironies in the Government's current position. We are approaching the critical date of 30 April 2007, which has been rigorously set with a view to reducing the number of people smoking and its impact on community health, yet the Government are pushing alcohol-related policies in a radically different and contradictory direction.

Moreover, as we well know, the Blair Government have put the punishment, control and reduction of antisocial behaviour towards the top of their policy agenda. However, what they are doing with licensing-law reform will very likely promote antisocial behaviour. One non-governmental organisation (NGO) working in the sector estimates that between 60% and 70% of cases of domestic violence against women are drink-related, as are about half the instances of child abuse. Those are frightening statistics. Alcohol is responsible for between 22,000 and 40,000 deaths annually in the UK, depending on how many indirect health effects are included in that estimate. The annual financial impact is estimated at £18 billion. According to the British Crime Survey (BSC), one in six of all violent crimes in Great Britain is committed in or around licensed premises; therefore we should think very carefully about multiplying the number of such outlets.

It is striking that, a couple of years ago, many of the English chief constables and judges criticised the Blair Administration proposals for the liberalisation of licensing laws. Those changes occurred in England at the end of 2005, which means that Northern Ireland has had a year and a half in which to learn and, arguably, profit from the English experience. Given all of that, why

have our Government not learnt from that experience and the associated problems?

The end of the surrender principle is only part of the Department for Social Development's proposals for the reform of licensing.

I hope that it may be possible for a future Assembly to examine the other important elements, such as the new licensing regime, which will throw much greater responsibility onto local government. In this area, we could profitably consider the English experience, some of which has been mixed, and suggests that, in practice, local government might find it difficult to adequately and correctly regulate the numbers and types of licences. The change in opening hours, pushing them back from 1.00 am to 2.00 am, is of particular interest.

4.15 pm

Many Members have noted the apparent lack of rigour in the DSD consultation document to reduce the scourge of under-age drinking. What is to be done about the problem of those who are under 18 years of age who abuse alcohol and face all the social and health problems that result from that?

It has been pointed out to me also that, under the current system, it is almost impossible for the owner of a licence to permanently lose it. If that is the case, it makes the enforcement of the law very difficult in practice.

I am pleased to propose the motion.

Mrs Foster: I support the motion. Fermanagh District Council discussed this subject during the consultation period on the proposed changes to the legislation. The Minister with responsibility for the matter responded on that occasion, but more of that anon.

I wish to concentrate, however, on the surrender principle, which is the current requirement to purchase an existing liquor licence for the purpose of selling alcohol. The abolition of the surrender principle will, in effect, allow easier access to alcohol at a time when many voices have been raised against the impact that binge drinking can have on one's health. The estimated costs attributable to excess alcohol consumption in Northern Ireland are over 730 deaths a year; the equivalent of over 12,000 expected years of life lost, and approximately 400,000 working days lost each year. The approximate cost to the economy is over £800 million. Members will agree that those are staggering figures.

A Department of Health, Social Services and Public Safety report entitled 'Strategy for reducing alcohol related harm' estimated that, as a result of alcohol-related harm, some £34.3 million a year is incurred in costs that have a direct impact on Government spending in Northern Ireland. These include hospital costs, general practice costs and the prison costs associated

with alcohol-related crime. In addition, it is estimated that £743.2 million a year is incurred in costs that have an indirect impact on Government spending, such as premature deaths, road traffic accidents and the cost to industry due to sickness absences.

A report published in November 2005, which analysed the drinking behaviour of young people between the ages of 11 and 16 in Northern Ireland, revealed some very worrying trends. It showed that, in Northern Ireland, young people start drinking as early as 11 years of age, and that many young people here are drinking to very dangerous levels. I was disturbed to discover that there is a strongly significant relationship between drinking behaviour and other risk behaviours, such as experimenting with smoking, drugs and solvents, and sexual experimentation. Given those findings, we should, as responsible representatives in this House, be concerned about any legislation that would allow easier access to alcohol. That is exactly what would happen if the surrender principle were to be abolished.

At present, Northern Ireland does not have the same level of alcohol-related harm and social disorder that we see in the rest of the United Kingdom. That is due in part to the over-provision of pubs and off-sales outlets that exist on the mainland and the current regulated system here. Northern Ireland has a population of about 1.7 million, and there are currently 1,938 public houses and off-licences. That does not take into account the number of private clubs, licensed restaurants, hotels and wine bars.

I see no need for an increase in the number of outlets that sell alcohol. In Scotland, there are four times more alcohol licences per head of population than in Northern Ireland. Is that what Members want to happen in this country? The answer must be no.

On the positive side, the Department of Health, Social Services and Public Safety has estimated that the alcohol industry provides some 32,000 jobs in Northern Ireland — about 5% of the employed workforce — at a combined estimated annual salary of £298.3 million. It also contributes £2 million to the arts, sports and charities. The debate should reflect that too.

As a representative for Fermanagh and South Tyrone, I often consider matters from a tourism perspective, from which the individuality of Northern Ireland's licensed trade forms part of the attraction for tourists. That is as true for Fermanagh as anywhere else, but it must be considered in the context of the debate. Government proposals would result in the influx of large pub chains, to the detriment of tourism in Fermanagh and Northern Ireland as a whole.

Social disorder is often linked to alcohol abuse. One need only glance at the court reports in the local press to see the link between excessive alcohol consumption

and criminal activity. Although it would be naive to say that all society's ills stem from an overindulgence in alcohol, a large proportion of crime is committed under the influence of alcohol and, increasingly, drugs. That happens across the criminal spectrum, from street disorder to domestic violence. No responsible person would want to expose society to deregulation as envisaged by the Government.

When the subject of deregulation came before Fermanagh District Council, the Minister, David Hanson, responded to me in writing. He confirmed that the surrender provision had been effective in its aim of influencing entry to the market, thereby restricting the overall number of pubs and off-licences in Northern Ireland. I hope that the Minister has taken that into consideration and will bear it in mind when he introduces legislation. I am happy to support the motion.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leat as seans a thabhairt domh labhairt ar an ábhar tábhachtach seo.

I am grateful to be afforded the opportunity to speak on this important topic. It incorporates a wide range of economic, social and public-safety concerns, some of which Members have touched on.

In May 2004, the liquor licensing review team at DSD took forward its review with the help of an inter-departmental steering group. On 1 November 2005, DSD produced the consultation paper 'Liquor Licensing — The Way Forward', which contains Government proposals to reform licensing law in Northern Ireland. Although there was support for many of the proposals outlined in the consultation paper, the Minister for Social Development, David Hanson, announced in a ministerial statement on 20 July 2006 that:

"Concerns have been expressed by politicians and parts of the licensed trade regarding two of the proposed changes. These are the transfer of responsibility for liquor licensing from courts to district councils and the abolition of the 'surrender' principle."

The second and more important of the two is the subject of today's debate — the abolition of the surrender principle. Some of those who see the extent of the ravages of alcohol abuse also have concerns about extended opening hours — although that is not entirely within the remit of the motion.

The surrender principle, whereby the granting of a licence for a new public house or off-sales is conditional on the surrender to the court of an existing licence, has capped, to 2009, the overall number of such premises in Northern Ireland. The Minister agreed to commission an assessment of the business impact of the abolition of the surrender principle before making any decision on the way forward. The six objectives as outlined by Government are:

"promotion of public health; promotion of public safety; prevention of crime and disorder; prevention of public nuisance; protection of children from harm; and fair treatment of all stakeholders."

I suggest that in the light of those, the Minister must go much further than assessing the mere business impact of abolishing the surrender principle.

Indeed, established evidence, if not common sense, shows that controlling people's access to alcohol and the number of outlets that sell it is one way to reduce alcohol-related harm and social disorder. As Mrs Foster said, drink-related illness, death and crime already cost the Northern Ireland economy almost £800 million a year, and that is before we face the human cost and misery that they bring to so many families. The Minister should fully realise that harsh reality before making access to alcohol easier.

The surrender principle has economic consequences. Those of us who represent rural areas are well acquainted with many of our smaller licensed premises. Their owners use the licence as an asset, often to release finance to reinvest in their premises. Why should those people not do that? Every business works on that basis.

It has been rightly stated that alcohol is no ordinary commodity. Churches and many other organisations have expressed concerns that the abolition of the surrender principle may increase access to alcohol, thus contributing further to a host of health, antisocial behaviour and policing problems on our streets. In the light of those concerns, I propose that the matter be left to those of us who are most aware of the —

Mr Weir: I agree with the Member about the financial consequences of the potential transfer of responsibility for licensing to councils and the abolition of the surrender principle, which are linked in many ways. In England, the surrender principle has not been applied, and, in the past few years, responsibility for liquor licensing has been transferred to councils. Westminster City Council is one of the major licensing bodies, since its jurisdiction covers the west end of London. It has robust licensing policies and has tried to restrict the number of licences that are issued. However, the impact of the legislation has meant that appeals from various groups and commercial bodies against the refusal of licence applications have been waiting for two or three years to be brought to court. Even though the council has won every appeal that has been lodged, the process has cost it a fortune. Although I agree with the Member about the wider financial costs, there is also a major cost to ratepayers.

Mr McGlone: I thank the Member for his intervention. It is clear that the cost of defending court cases will be a major problem for ratepayers in many areas. That will cause problems to those who pay rates and to those of us who may be elected to the new councils.

I was making the point that the matter would be better left to those of us who are most aware of the alcohol-related difficulties on our streets and in our communities. A restored Northern Ireland Assembly should be left to deal with the matter.

Molaim an rún atá os comhair an Tionóil.

Mr McCarthy: I support the motion, and I also support the Northern Ireland liquor licensing review group's opposition to the abolition of the surrender principle.

A review has recently been carried out of how liquor licensing in Northern Ireland should be altered. I understand that that review has been through consultation and that changes have been made. Some people will say that those changes were necessary in order to bring Northern Ireland in line with other places. However, others will feel that the changes will not improve the lives of those people who live adjacent to public houses that have extended their opening hours.

The proposals to abolish the surrender principle were vigorously opposed by all existing establishments, and, as far as I am aware, by public representatives. The owners of these establishments have paid a substantial amount of money to secure their licences. They have invested in opening and managing reputable establishments. If the principle were abolished, we could end up with a public house on every street corner, and we all know what that would lead to.

4.30 pm

Our system has proved its worth — and if it is not broken why fix it? We have an orderly way in which people can obtain a liquor licence and establishments can be run in an orderly fashion for the good of everyone.

I support the retention of the surrender principle, and I hope that a restored Northern Ireland Assembly will make a reasoned decision on the surrender licence principle. I support the motion.

Mr Beggs: I support the motion. I declare an interest as a councillor, a ratepayer and as a member of a district policing partnership (DPP). The proposals will have major implications for councillors, councils, ratepayers and policing.

It is interesting to note in the responses to the consultation that almost 93% of people opposed the proposals, with about 6% in favour. The Government have decided to go ahead, while ignoring the views of local people.

Why do the proposals cause such concern? The document gives the impression that devolving decisions on licensing to local councils would create more local accountability. However, experience in England shows that that has not always been the case. Local councils have provided instances of regular abuse when they decided to remove licences. Councils often have to fight huge drinks companies with deep pockets that can force councils to court, thus incurring huge legal expenses. In fact, some councils have exceeded their annual legal expenses budget and find that they cannot afford to take any other proposal to court to defend themselves, and they start to cave in. In

effect, big business can drive down quality to the detriment of communities.

Extending the licensing laws is a separate issue from removing licences completely. There is evidence that alcohol abuse is related to hospital admissions, particularly at weekends, antisocial activity, police activity and demands on ambulance services. We must be very careful about the additional work that extended drinking time would generate.

Through my membership of a DPP, I became knowledgeable about Fermanagh DPP, and Fermanagh community safety partnership, which carried out a review of the evening economy — I see that Mrs Foster has left the Chamber. They discovered that many of the difficulties occurred not on or outside premises but at fast-food outlets. Licensed premises may have closed at midnight or 1.00 am, but people were congregating around the town for hours afterwards at fast-food outlets, which had to be policed.

The solution that came from the local community safety partnership and from local people was a voluntary agreement whereby the fast-food outlets agreed to shut an hour earlier. After the pubs closed, people were given one hour to get something to eat and go home. That reduced crime and meant that the police could concentrate resources on a specific period so that they did not, unlike in England, have to maintain vigilance throughout the night because of 24-hour licensing. I am pleased that that is not on offer. However, there is licensing until 2.00 am, and that will dilute police cover because there is only the same cover and resources over weekends. That will be an outworking of the proposals.

As regards the proliferation of licences, I do not know how many constituents have complained to Members that they cannot find an off-licence in which to buy alcohol. A wide variety of off-sales is available, from supermarkets to pubs and other venues.

There are locations in virtually every community where people can buy alcohol. It is not necessarily a good thing that it is getting cheaper; that raises the likelihood of abuse. I generally favour a competitive economy, but in this area falling prices give me cause for concern.

Will we follow the example of Scotland, where pubs have proliferated and almost every corner shop sells alcohol? How then would it be managed? If corner shops begin to sell alcohol, with one person on duty on the premises and no supervision or assistance, there is a danger that pressure will be brought to bear. They may begin to sell for income or be pressurised by groups of underage people to sell to them. Additional problems would flow to local communities from such a development. We all know that there is a relationship between alcohol and drug abuse and antisocial activity.

I mentioned Glasgow. Market forces have forced prices down so that beer is almost as cheap as Coca-Cola; there is more and more abuse, and people damage not only their communities but their health.

In a recent survey, one in ten respondents who drank alcohol was found to be highly likely to have a problem with it. Another survey predicts that alcohol sales in the UK will increase by £500 million a year. This will not be good for the workforce, the economy, public health, the ambulance service or policing. I do not see where the winners are, other than the big drinks companies. Are the Government doing this at their behest? Perhaps they are.

Clearly, many difficulties arise from this. Last year, the Government introduced an alcohol and drugs strategy. I suspect that with increased proliferation in licensing hours that strategy will be out the window. How can they achieve their objectives when the product is going to be so much more accessible? Alcohol can already be bought in various outlets, supermarkets and off-sales. We do not need any more.

I support the motion.

Mr Hussey: I declare an interest as a member of the Federation of the Retail Licensed Trade and as a publican.

Mr Copeland: A what? *[Laughter.]*

Mr Hussey: I stress, publican.

Mr Copeland: Oh, sorry. *[Laughter.]*

Mr Hussey: Madam Speaker, I would also ask you to note that if the issue goes to a vote, I will not take part in it because I have a pecuniary interest. *[Laughter.]*

The whole issue of surrender —

Mr Copeland: No surrender!

Mr Hussey: There is no surrender.

The whole issue of surrender is not just an issue for the trade. It affects a great deal in society. Arlene Foster told us that there are 1,938 current licences. If someone wants to open a new pub or off-sales, he must first purchase an existing licence and apply to the court for a new licence by surrendering the existing licence.

The court can then decide whether to grant a new licence for the new premises. However, let us not forget that the liquor licence is being granted to a person who must prove his or her suitability to hold such a licence.

The Department for Social Development's (DSD) consultation document 'Liquor Licensing — The Way Forward' proposes removing the requirement to purchase an existing licence. It is obvious, as Members have stressed today, that controlling access to alcohol and the number of outlets that sell alcohol is one of the ways to reduce alcohol-related harm and social disorder.

Mr McGlone referred to the six licensing objectives. How do they address the issue of protecting, for example, children from harm and protecting public health? The proposals are not fit even to meet the Government's objectives.

What will removing the requirement to surrender existing licences mean? Mr McCarthy talked about the problem of there being a public house on every corner. That is not the issue, because the people who run public houses must be suitable and will, normally, be extremely responsible. There are training courses galore for those people who are involved in the licensed trade. They are professionals.

The problem with alcohol comes from the fact that every corner shop, convenience store and amusement arcade will be able to apply for licences, thus ensuring easier access to alcohol for under-age drinkers, which in turn leads to, as my Friend Mr Beggs said, increased pressure on policing and health services.

A particular issue with the young is not that they can go into a pub or club to buy alcohol; rather it is that someone goes down to the local off-sales and buys it for them. The young people do not necessarily buy the alcohol themselves. A lot of young people start drinking in their own homes. Those issues must be addressed.

The economic impact of introducing the proposed legislation can be summarised. There is quite a list of potential impacts, and I suppose that my focusing on them is due to self-interest. The first impact would be reduced investment in existing licensed premises, as a result of the abolition of surrender and the subsequent loss of value of liquor licences. In those circumstances, if publicans were to approach their banks for a wheen of extra pounds to do up their premises, they would find that they had lost the capital value of their assets.

Another impact would be increased investment by the large national pub chains in Northern Ireland. Although this would result in increased consumer choice, it has the potential to displace our smaller local pubs. In many cases, there is one, or perhaps a couple, of pubs in a village. They are the centre of the social lives of many villages. Mr McGlone referred to the rural situation and local pubs.

In Northern Ireland, licensees invest heavily in their premises. The current going rate for a liquor licence is approximately £140,000. The licence is, therefore, a substantial investment and is used generally as security for bank loans. If surrender were abolished, the licences would become worthless. The banking community is opposed to the proposals and believes that they would undermine future investment.

As stated by a Member for Fermanagh and South Tyrone, another potential impact of the legislation would be fewer pubs with local character, which could have a negative impact on the tourism industry.

The legislation would result in the increased availability of alcohol at low prices in a larger number of premises, which would cause an increase in the economic costs to society. These would include costs associated with increased policing, the need to maintain public order in areas where there is a high concentration of licensed premises, and the additional costs to the Health Service of dealing with the consequences of alcohol abuse.

In England, a square mile in Nottingham city centre is home to 365 alcohol-selling outlets. Would Members like that in Belfast? Would they like that in Londonderry? I cannot see the logic behind allowing such a situation to arise.

4.45 pm

Members have referred to the administrative element of the introduction of the legislation. The main concern here is the move away from the judicial process. The district-council-administered liquor-licensing scheme proposed in the DSD consultation document would be less effective, accessible and accountable than the current system.

Courts have applied the current legislation equally and fairly, and in a transparent and consistent manner. Councils will be forced to grant new licences because they may not be able to afford to refuse them or to fund appeals in court. Mr Weir referred to that issue, and he was perfectly correct. In Brighton, a council had to pull out of the appeals system because it was up against one of the big outlets. As Mr Weir rightly said, such companies have the cash and will fight the bit out.

The experiences of England and Scotland have demonstrated that councils can be ineffective in blocking applications for licences and for additional hours. Those Members who sit on councils know how difficult it can be to refuse a licence for an amusement arcade if such a business is to be sited near a school or a bus station where kids gather. One can object and hold up the process for a while, but that is all. The situation with liquor licences will be exactly the same.

Although the number and type of liquor licences could, no doubt, be streamlined, the removal of the various categories of licence and their replacement with one type of premises licence will mean that different responsibilities and rights will no longer attach to different types of licence. That will lead to a proliferation of pubs, and the potential for off-sales to sell alcohol until 2.00 am. People seem to think that everyone in the trade wants to stay open until 2.00 am. At the moment, one can sell alcohol, if one is granted extended hours, until 1.00 am, with clearing out of patrons by 1.30 am. Publicans do not want to do that seven nights a week, and if they are doing it, they must provide either food or entertainment. In other words, they have to give their patrons a reason other than

booze for going to the pub — they are going for entertainment, for a meal or whatever. That is not a requirement of the new legislation.

My time is coming to a close, so I shall look finally and specifically at health. The core argument is that easier access to alcohol will lead to increased levels of social disorder, alcohol-related harm and health problems. All are agreed. The Western Drugs and Alcohol Co-ordination Team has stated:

“Research tells us that limiting availability is one positive strategy.”

The Western Investing for Health Partnership (WIFH) has stated:

“WIFH are concerned that by abolishing the surrender principle it will open a floodgate for new licence premises and thereby increase the availability of alcohol and increase the number of premises that would require policing.”

The argument has been well made to the Government. I appeal to Members to deliver to the Government the message that we wish to deal with this matter when the Assembly is back in place. This is a local matter that we as local people wish to address.

Mr Donaldson: I pay tribute to those Members who participated in the debate. I thank Dr Birnie for moving the cross-party motion. I believe that there is consensus in the House on this issue.

The debate has been brief but good. We have gone to the heart of the matter, and good points have been raised. Some Members have rightly identified concerns about the increasing problems of alcohol abuse and the harm that that can create in society. I had the misfortune just a few days ago to attend the funeral of an acquaintance who, sadly, had an alcohol addiction. He left behind four beautiful young girls, the eldest of whom is just 11 years old. I remember the anguish, pain and agony of that family as they watched a father and a husband laid to rest. Alcohol can do a lot of harm — of that there is no doubt.

Every day of every week, I deal, as many Members do, with antisocial behaviour caused by young people who abuse alcohol. As elected representatives, we must ensure that we take reasonable steps to protect the community and encourage a responsible approach to alcohol. That is why for once, Madam Speaker, the DUP is prepared to abandon its traditional principle of “no surrender”. I am only sorry that the hon Members — or the not so hon Members — opposite are not here to hear me say that. It might have cheered them up a bit.

Mr Weir: People sometimes say that there has been no progress in this country, but today the DUP is joining others in defending the pub trade. I think that that would count as progress in many people's eyes.
[Laughter.]

Mr Donaldson: I will not report Peter Weir to Dr Paisley on that one. *[Laughter.]*

The licensed trade in Northern Ireland takes a responsible approach to these issues. I have worked closely with the Federation of the Retail Licensed Trade in Northern Ireland. I pay tribute to the federation for its excellent work, responsible approach, professional attitude and common sense, which is sadly lacking in the Department. I am sure that other Members will join me in paying tribute to the federation. It has ably represented its members in this discussion, and it has succeeded in bringing about cross-party consensus.

The DUP is opposed to ending the surrender principle for the distribution of licences in Northern Ireland. The party believes that if the principle were to be dispensed with, it would harm the trade and the public. I can divine no benefit that that would bring to society. I have discussed the matter at length with the Minister with responsibility for social development, and none of the arguments put forward by the Department or the Minister has convinced me that it is prudent and sensible to remove the surrender principle.

The Evangelical Alliance, which represents many Christian Churches in Northern Ireland, responded to the proposals on liquor licence reform. It pointed up the need to protect our children and young people from the harm caused by excessive intake of alcohol. Like many other organisations, it opposes the abolition of the surrender principle.

Other social partners have also taken a responsible approach. No body of opinion in Northern Ireland supports the Department on this matter. No substantive voice in the debate stands alongside the Department and backs its view that the sensible way forward is to have what amounts to a free-for-all. The Member for West Tyrone Mr Hussey, with his personal knowledge of the trade, has rightly identified some of the problems that would ensue should the surrender requirement be removed.

Self-regulation of the trade has, undoubtedly, been valuable and responsible. In other areas of life, self-regulation has not worked. However, the clear facts are there: in Northern Ireland, self-regulation, in the form of the surrender principle, works. There is an old principle that says that if it is not broken, do not fix it, which applies to this situation.

We have heard how the removal of the surrender principle will affect existing licensees, many of whom have invested heavily in their businesses and used their licence as security for bank loans; indeed, their licence is their pension. At the stroke of a pen, the Minister could remove that and place those licensees in very vulnerable positions.

The experience in the rest of the United Kingdom draws me to the conclusion that this is not the way to

go. I sometimes wish that our direct-rule Ministers would reflect on the benefits of what is in place in Northern Ireland and not try to impose policies that they have experimented with in other parts of the United Kingdom and that have, quite frankly, failed. In supermarkets in Scotland, for example, beer is cheaper than water.

Mr Kennedy: How do you know? *[Laughter.]*

Mr Donaldson: I am reliably informed. *[Laughter.]*

I do not have the power to turn the water into beer, however.

The difficulty is that young people walk into supermarkets and take alcohol from the shelves, or get someone to do it for them. Alcohol is inexpensive, which results in more young people developing alcohol addictions. That creates problems for our society. We see those problems every day. Antisocial behaviour has an impact on communities. However, the greatest impacts of all are the broken lives and the young lives that are being damaged, in some cases irreparably.

The retail licensed trade in Northern Ireland takes a responsible attitude. We have heard that from the representatives of the federation that we have met. They do not want proliferation; they do not want young people to find themselves in a difficult situation. By and large, people in the trade act responsibly. However, if the market is opened up, resulting in a proliferation of off-licences, supermarkets selling alcohol and more pubs and clubs on our streets, opportunities for young people to access and abuse alcohol will significantly increase. It will lead to consequences for the licensed trade in Northern Ireland and for society as a whole.

I commend the motion to the House. At its core is the view that it should be for this body to determine the way forward in respect of liquor licences and the surrender principle. Last July, the Minister for Social Development wrote to me to say that the final decision on this matter would be taken by a devolved Assembly, should restoration be successful. The Minister has accepted the principle that it is for this Assembly to take the decision, and there is consensus in the House that we want to be able to take that decision. Therefore, through this motion, we urge the Government not to proceed with the proposed abolition of the surrender principle for liquor licences and to leave the matter to be dealt with by a restored Northern Ireland Assembly.

Question put and agreed to.

Resolved:

That this Assembly calls upon the Minister with responsibility for the Department for Social Development to ensure that no action will be taken with regard to furthering the proposed abolition of the "surrender principle" for liquor licences, as proposed by the Northern Ireland Liquor Licensing review; and further calls for this issue to be dealt with by a restored Northern Ireland Assembly.

Tie-up Aid

5.00 pm

Mr Shannon: I beg to move

That this Assembly calls upon the Minister with responsibility for Agriculture and Rural Development to implement a Tie-Up Aid package for fishermen in Northern Ireland affected by the spring closure of the Irish Sea.

I look forward to debating this issue. It is the last debate of the day, but it is nonetheless a very important one.

I am sure that we have all been reading about the 17 fishermen and boat owners from the Province who recently appeared in Liverpool Crown Court for misdeclarations of landings of fish. Members will also have read about the alleged £1.5 million that was netted by those men.

I would like to paint a very different picture. These men have watched their livelihoods being slowly torn from their grasp. They did not wish to defraud their Government but wrongly felt that they were doing no real harm. They under-declared their earnings to the taxmen by some £400,000, but, due to the incongruous rulings laid down by the EU directives, had misrepresented this on their EU forms.

I am not citing that to attempt in any way to absolve those men of anything, but I am citing the dire straits that our fishermen find themselves in — and it is important to do that.

Tha bare facts er, that because o' tha houl bak oan white fishin, an in tryin tae bring bak tha cod stocks, an tha cloasur an no bein alood tae fish in tha Irish Sea, tha fishermen haeny much chance o' feedin ther families wi'-oot help. Its no that ther lazy, er dinae want tae adapt. But its becaus tha EU er issuin seeminly impaossible tae meet directives. Directives which mean that fer 10 weeks tha boats er banned fae fishin, this is 10 weeks that tha families o' oor trawlers hae tae pit up wi'oot a wage. Hoo caun this be richt.

Whun thes restrictions wur pit oan tha Scots: ther DARD gien them tie-up packages tae enable them tae survive. Sumthin which DARD did iver heer fer a when o' yeers, an then they stapt daein it, fer they saed it wus rang an agin tha law, an it wusnae coast effective.

Some Members: Hear, hear.

Mr Shannon: Thank you.

Due to the restrictions on white fishing and the closure of the Irish Sea in an attempt to renew cod stocks, fishermen have a very small chance of feeding their families without help. It is not that they are lazy or refuse to adapt; it is that the EU is issuing seemingly futile directives that mean that the boats are banned from fishing for 10 weeks — that is 10 weeks during

which the families of our trawlermen are expected to do without a wage. How can that be right?

When the restrictions were applied to the Scots, their equivalent Department issued them with tie-up packages to enable them to survive. The Department of Agriculture and Rural Development (DARD) did that here for a few years and then stopped — first, it said that it was illegal and then that it was not cost-effective. Doing what is right is rarely the cheap option, and that is the case here also, but that does not negate the fact that these men are being stopped from doing their jobs. They are not choosing this, and they should not be penalised for it.

It has been said that the increase in the quota for other fish stocks, such as nephrops, should enable the fishermen to transfer to fishing those stocks. However, some vehicles do not easily lend themselves to that transfer. It must also be noted that were the entire white-fish fleet to be transferred, it is probable that in a short space of time the situation would be the same again.

In 1999, over 40 trawlers fished for white fish full time; in 2006, that figure had dwindled to eight. How much lower can that figure sink, with no action being taken to address the problem? The refusal of the Government to give grant aid to the fishermen of the Northern Ireland fish fleet is clearly down to Government Ministers. The fishermen have referred this matter to the European Ombudsman, and I hope that they are successful in their claim.

It is the duty of this Assembly to ensure that these men are not left high and dry again. Fishing has been a mainstay of our Province for centuries, and it would be wrong for it to die out now due to the decisions made by people in Brussels who do not understand — or even care to understand — our fishermen and the problems that they encounter in their livelihoods.

Fishin seems tae be a deein traed in tha proavince — while expandin an increesin in Iceland an Nordic watters as oor restrictshun er ther bonuses. Tha drift awa fae fishin o'tha youn is perticularly worrin, an tae fue tha gap Lithuanian an Polish workers er takin ther place. They aw what fue tiem worrk, then they move untae new pastures whun it canny be fun. Whor wull the nixt generation o' fishermen cum fae unless we caun prove it is a viable career fer oor youn. No jist a joab fae tha guid ool daes.

Fishing seems to be a dying career in the Province, yet it flourishes in Iceland and in Nordic waters, as our restrictions are their fishermen's bonuses. That young people are drifting away from fishing is particularly worrying. To fill that gap, Lithuanian and Polish workers are taking their place. They all want full-time work, but move on to new pastures when it cannot be found. Where will the next generation of fishermen come from unless we can prove that it is a viable

career for our young people and not merely a job from the good old days?

It must be understood that the EU has not only decreased the amount of fish that can be caught — thereby reducing fishermen's income — but has almost eradicated the confidence that those hard-working men have in the Government. The measures that have been implemented have been for the benefit of no one bar the scientists whose grants are continually funded without question.

The morale of the fishing industry is at its lowest point for years. Although the Department has paid attention to the information supplied by scientists, who flag up statistics that they find, it is vital that the practical, hands-on knowledge of fishermen be given equal credence. When fish stocks appear on scanners, it cannot be ignored. No matter the results that scientists have come up with, the fact remains that fishermen are seeing huge shoals of fish that they cannot touch as they have been told that they do not exist.

Fishermen have been doing their jobs for a lot longer than the EU has been dictating to them. Their reports should carry the same weight as those of the scientists, if not more. It should also be noted that in Canada, which is seven years ahead of Northern Ireland in the cod-recovery programme, scientists are increasingly moving away from the notion that over-fishing has led to the problems. Indeed, scientists are now beginning to accept that the blame perhaps needs to be apportioned more to environmental changes and the fact that seals, for example, do not feel the need to adhere to regulations set by scientists and are fishing more than their fair share.

I wonder whether the EU will be as willing to take on board the views of those scientists as much as they accept every other report as gospel. We want some fish to remain in the sea, but some fishermen who work every day that they are allowed know their limits and that of the sea. The livelihood of the fishing community depends not only on the skill and ability of those fishermen but on their knowledge of the sea.

Fishermen's views must be expressed and be considered vital in any decisions on fishing quotas and the days on which they are entitled to fish. However, that is not the case. Fishermen have been pushed out of the trade, and we seem helpless to stop it happening. However, we cannot stand idly by and watch fishermen's businesses being destroyed without doing all that we can to help them.

Those facts show the problem that our fishermen are facing. It is not a self-inflicted problem, but one inflicted by faceless men. The men whom I see in the harbours are not faceless, but are the men with mortgages to pay, homes to heat and children to feed. They are the men whom Jim Allister represents in his

attempts to make the legislators in Brussels see reason and realise what their futile directives do to people who depend on the Irish Sea for their living.

Fishermen are owed tie-up aid as much as farmers who are adversely affected by other EU directives are entitled to help, and as much as men who are made redundant from factories are owed redundancy packages by those who make them redundant.

The EU has promised to carry out a major review of its cod-recovery programme. If that review is open and honest, it should mean an end to such stringent EU controls. If so, tie-up aid will not be necessary for much longer. However, fishermen will not hold their breath in anticipation. Therefore, we must ensure that they are given the support and aid that they so richly deserve. It is in the power of the Assembly to demand that that support be granted without further petty excuse or vain procrastination.

It must be done now. I urge the Assembly to support the white fish fleet and the aid scheme.

Mr McNarry: It is interesting to note that those normally associated with fishy business are, given their absence, clearly not interested in the fishing business.

Rightly, we argue for local farmers, and we have indulged in some good debates recently, but the Assembly seldom has the opportunity to put the case for local fishermen. This debate is necessary, and I congratulate those who brought it forward.

The need for a tie-up aid package for white-fish fishermen arises because, under EU rules, the Northern Ireland white-fish fleet is banned from fishing cod from mid-February each year for around 10 weeks during the cod-spawning season. Under EU rules, the Government are permitted to pay compensatory aid to meet the boats' ongoing overheads and crewing costs. However, last year DARD, under Lord Rooker, claimed — among other things — that aid, having been paid in 2004 and 2005, was not permitted for a third year under EU legislation.

Notwithstanding this, six years on from the introduction of the cod-recovery scheme and closure of the Irish Sea cod stocks for a number of months during the year, there still is no indication as to whether it has been a success. Scientists are unable to tell us whether it has worked and whether the cod stocks are recovering. There is an absence of knowledge on the situation, yet decisions are being taken. The facts and figures constitute the case to be heard by the Government.

The Northern Ireland fishing fleet is a shadow of its former self. Hundreds of jobs have been lost; factories and business have disappeared; and this hit hard the communities that depended on the industry for their livelihood and for the value of that business to be spread among them.

In 1993, 213 commercial fishing fleets were registered in Northern Ireland. This has fallen to a staggering 130. In Portavogie, where there were once 100 boats, there are now only 40 — and they are struggling. Between 1999 and 2003 the average profit before depreciation of a Northern Ireland-based white-fish trawler fell by 76% to earnings of only £10,400. Since 2003 our fishermen have had to deal with other factors, such as acute rises in the cost of fuel and the cost of the leasing quota, with an income that is falling daily.

Why is this happening? The cod-recovery scheme was implemented six years ago on the basis that it would last for three years. The measures have been repeated each year since, and they were extended when the Scottish Executive — acting for the Scottish people — imposed a closure in the North Channel that targeted Northern Ireland trawlers.

The EU Commission has stated that additional recovery measures are needed only where there is biological urgency. Our fishermen may ask where the biological urgency is in the Irish Sea, where the science shows that stocks are nowhere near as low as was assumed. That is an ongoing argument.

DARD scientists — without a grain of evidence to justify the closure of the cod fishery — now say that they hold out little hope of the scheme ever being lifted.

5.15 pm.

If you were — as Jim Shannon would say — a young fella, a fisherman's son, in a situation that is similar to that of a young farmer who has been brought up on a farm, would you take on those risks and hardships for £10,400 a year, when there is no evidence that anyone is thinking about you or doing anything for you? That is the situation.

An associated issue is the barring of prawn boats from fishing in the area that has been closed as part of the cod fishery closure — because cod represents a substantial by-catch of prawns. When will DARD address that issue? Is it not reasonable that DARD should apologise for its interpretation of the legislation on the tie-up aid scheme? Can it not be argued that DARD's interpretation was wide of the mark?

Members have been informed that the decision to refuse aid was based on the fact that the scheme does not provide value for money. If that was the case, why was it being operated in 2004 and 2005? If it provided value for money in those two years, what has changed in 2006, and why can Members not have an answer to that question?

Is it not worth arguing that the fishing industry in Northern Ireland requires a team effort between DARD and those in the industry? Everywhere, voluntary coalitions are being encouraged — in the Assembly with respect to the Bain Report, and in the councils —

but when it comes to getting people together, it seems that Departments under direct-rule control do not want to do anything on a voluntary basis. Why can there not be a team effort between the industry and DARD officials? Given the precarious state of the industry, it is crucial that fishermen, sellers, processors and the fisheries division of DARD work hand in hand to create a sustainable and viable fishing industry? Is that not what Members are asking for?

More effective science, information processing and results interpretation are required. However, to continue on the present course will lead to the destruction of the local fishing fleet. That will have a colossal impact on the lives of the people in the villages and communities that I mentioned earlier, which are bound together by the industry. Without the fishing industry, what would we have, other than blighted communities? The importance of retaining local communities and their environments was discussed in the debate on rural schools.

The bottom line is that Members should not be arguing about the creation of a tie-up scheme that is open only to a fraction of vessels, and we should not be scrambling around in an attempt to secure transitional aid. We must have a local Minister under devolution to deal with fisheries; a Minister who is committed to fight the corner of the local industry and represent, for the first time in years, the issues that fishermen need defended strongly in Europe, and who will bring those issues to the Government and Europe in a cohesive and coherent manner.

It should be done to facilitate the recovery of the local industry, not aid in its destruction. My premise is based on recovery, not destruction. This is not about aid for the sake of it; it is about the recovery of an important and valuable industry to Northern Ireland.

Members require answers to the serious points raised concerning the EU Common Fisheries Policy (CFP).

Notice of this debate and its outcome will be brought to the attention of the Secretary of State.

Ms Ritchie: I commend those Members who have tabled this timely motion on the fishing industry and, specifically, the need for tie-up or transitional aid for the white-fish fleet. Tie-up aid would ensure the provision of income for fishermen during the closure period this year from the end of February to April when some of the fishermen from the County Down ports of Ardglass, Kilkeel and Portavogie are prevented — due to EU regulations — from going to sea to fish, which is their job.

The fishing industry supports a substantial employment base and makes a substantial contribution to the local economy in Ardglass and Kilkeel, and that must be secured and sustained. Fishermen are the harvesters of the sea. They eke out their existence from the fruits of the sea in what are sometimes harsh conditions. The

industry is located on and adjacent to the harbours. In South Down, the constituency that I represent, there is a fish processing plant in Ardglass and a larger base in Kilkeel.

Over the last number of years, County Down fishermen have encountered many problems and difficulties, and they have faced adversity well. The issues that they faced included quota restrictions for certain fish species, based on what might have been contrary scientific evidence; the closure of the Irish Sea for two months each year since 2000; the income arrangements for share fishermen; fuel increases; competition from other countries; and the difficulties of an angry and intolerant sea, which has taken the lives of several fishermen from the Ardglass and Kilkeel communities since 2000.

Running in parallel with those factors has been the task force for the County Down fishermen that was established by Downing Street in December 2002. That task force has provided funding for regeneration and revitalisation projects in Ardglass, Kilkeel and Annalong, which are now under way. However, there is a need to provide other forms of support and sustenance to those involved in the fishing industry. Substantial financial assistance in the order of £30 million must be provided for the further development of Kilkeel harbour in order to secure safety for its fishermen. Efforts must continue to secure the fishing industry in the ports of Ardglass and Kilkeel and to provide comprehensive training schemes for all fishermen through the development of a local college. Those provisions would give certainty to young people that fishing was a worthwhile, commendable occupation and a profession for life.

Six years ago, the Assembly debated the provision of tie-up or transitional aid to part of the Northern Ireland fishing industry, and today we return to that matter. In December 1999, the European Union's Fisheries and Maritime Affairs Commissioner decided to impose the first European cod-recovery scheme. The Irish Sea was the first European waters to have such a scheme applied. In the opinion of fisheries scientists, overfishing had reduced the stock of cod in the Irish Sea and measures were required to reverse that process.

During January 2000, a series of meetings was held to discuss the practical measures that would be included in the Irish Sea cod-recovery programme. The main tool applied was the temporary sea area closure in the Irish Sea, and that was targeted at Northern Ireland's white-fish fleet, which was charged with inflicting damage on the cod stock. This year will see the eighth such temporary closure applied in the Irish Sea and the seventh accompanying closure applied by the Scottish Executive in the River Clyde, and that is also targeted at Northern Irish vessels from the County Down ports.

It is worth noting, and it has been mentioned by other Members, that tie-up aid was provided by the Scottish Executive to Scotland's white-fish fleet during 2003, and that decision was a significant factor in influencing the Department of Agriculture and Rural Development to implement such a scheme here in 2004 and 2005.

In 2005, 16 local trawlers benefited from the temporary tie-up scheme. However, in 2006 the Department refused to pay the tie-up money on the basis that European Union rules dictated that it could not be paid for more than two years. That was proven to be incorrect, but DARD then varied its excuse for non-payment, claiming that the aid scheme did not represent value for money.

The Irish Sea is the only European sea where such a closure has a direct impact on a fishing fleet. In the Irish Sea, the closure has been accompanied since 2005 by restrictions on the number of days that fishing vessels may spend at sea. Quotas for the major white-fish stocks have been slashed, and additional technical conservation measures have been applied to all sectors of the fleet.

What has been the result for the fishing industry? The introduction of closure means a restriction on the number of days for fishing. That began with the famous *The Sea Fish Licensing (Time at Sea) (Principles) Order 1993*. Since 2000, a large part of the Irish Sea has been closed to directed white-fish fisheries, usually from 14 February to 30 April — almost 12 weeks. Here is a stark statistic: in 1999, there were 40 local trawlers that spent the majority of the year targeting white fish; in 2006, that has been reduced to eight. White-fish trawlers have been decommissioned, sold or, in some cases, modified to fish for other stocks, such as nephrops.

This is a landmark year. The European Union is committed to a major review of its cod-recovery programmes. If that review is genuine, the closure will be removed. Fishery scientists have said that closure is not working. Increasingly, factors such as climate change and predation on fish stocks have been seen as more important than overfishing. Only this morning, Eddie McGrady, the Member of Parliament for South Down, told me that he had received a letter from the current Minister, which reads:

“My Department is currently working on an appraisal of options for ‘tie-up aid’ for the 2007 spring cod closure. I will want to consider a range of factors including value for money and sustainability and competing resource pressures before arriving at my decision. I intend to make an announcement before the closure begins.”

I hope that the Minister makes a positive announcement that provides tie-up aid. Equally, I hope that the European Union will end the closure permanently. It does not work, and it impacts on the fishing industry in County Down and on many, many families — not just

those involved in fishing. It has wide repercussions throughout County Down.

Other points are also worth noting and provide balance in the debate. While the quota for nephrops has been increased, and scientists describe that fishery as sustainable, nephrop fishing vessels too have had their days at sea reduced. Restrictions have been imposed on the fishing gear that they can use, and they are restricted, to some extent, by closure. That situation needs to be acknowledged, but no one should forget that the closure has been imposed on the white-fish fleet. What can those fishermen do, when going to sea is not a financial option?

I urge the Minister with responsibility for fisheries to continue his work on behalf of the fishing industry, to complete his review of the options as quickly as possible, and to ensure that tie-up aid is made available to fishermen in the County Down ports this year. Other forms of sustenance and protection must be found for those engaged in the industry.

The Assembly must commit itself to the fishing industry, to the fishermen, to the fish producers' organisations, and to those involved in fish processing. On the restoration of the political institutions, we must ensure that the fishing industry is given a high priority; that the local Minister is directly involved in annual quota negotiations in London and Brussels; that he or she has a place at the negotiating table, rather than sitting behind the British Minister; and that an all-party sea fisheries group is established in the Assembly after 7 March.

5.30 pm

Madam Speaker, in conclusion I wish to thank you and your officials for the courtesy and kindness shown to the SDLP and myself.

Madam Speaker: I wish to thank the Member for her remarks.

Mr McCarthy: As mentioned earlier, this is the last round-up of the Assembly. I wish to take the opportunity to thank my colleagues on the Business Committee who, at the last meeting, agreed with me to bring this important motion to the Assembly. I say that for two reasons; of course the issue is important because it affects my constituency and that of Margaret Ritchie, Jim Shannon and Jim Wells. I beg David McNarry's pardon and include him too.

Mr Kennedy: Why is the motion not in the Member's name then?

Mr McCarthy: The fact that the motion is in the names of Jim Shannon and Jim Wells does not mean we are not supporting it; we are.

The second reason is that a certain Gentleman in the House has the record for being the last Member to speak in previous Assemblies. I knew when bringing

the motion forward that that man would be delighted to keep that record up, and he will have the opportunity to do that.

Mr Shannon: What about talking about the fishing?

Mr McCarthy: I know that, and I am coming to the topic of the debate now. This is the last debate after all.

Mr McNarry: Jeffrey Donaldson has a better record.

Madam Speaker: Order.

Mr McCarthy: Returning to the important issue of the fishing industry in Northern Ireland, it is an important area of economic activity and has been for many years. The areas of Portavogie, Ardglass and Kilkeel in particular have been the hubs of the fishing fleet, providing work and first-class products not only for Northern Ireland but throughout the world over many years.

I wish to point out to Members, who already know this, how dangerous and dirty the work is. A number of local fishermen have been lost in our water recently, and that is the case too in the South of Ireland. At least seven people are unaccounted for in Waterford, and Members must offer sympathy and hope to the families of those people. That is a tragedy in any circumstance.

In recent years, our fishing industry has unfortunately been in decline. That is not the fault of the fishermen or women engaged in the work but because of the restrictions imposed by Europe and our own Department. Those restrictions have been ongoing for years, and I have to say that they have not been for the better. Almost every year, a tighter and more restrictive directive has been handed down. That is having a devastating effect on the industry — both at sea and in the processing factories in our fishing villages. I would like to pay tribute to those fishermen who have stuck the pace and provided an industry against all the odds. I also pay tribute to the representations made on behalf of that industry — for its determination to campaign at all levels and at every opportunity to improve the livelihood of our fishermen.

The motion is calling for a tie-up aid package to cover the enforced spring closure — bearing in mind that that is a forced closure. Men want to do their work; they want to provide for their families; and they want to provide employment; however, they are being denied all that by officialdom. Surely that same authority owes it to the fishermen to provide finance for the time when they are denied a chance to earn a living. It would appear that fishermen from other areas of Europe are better provided for than our Northern Irish fishermen. The sooner we have a profitable, thriving and healthy industry returned to Northern Ireland the better.

I wish to finish by reiterating what my colleague David McNarry said — that the sooner we have a

local, accountable Minister to deal with fisheries, who is committed to fight the industry's corner, the better.

I appeal to those parties that have it in their hands to get the Assembly up and running in March on behalf of everybody in Northern Ireland to do just that. I support the motion.

Madam Speaker: I think that I should adjourn the sitting now. However, I call Mr Wells to make the winding-up speech. *[Laughter.]*

Mr Wells: Madam Speaker, it is a strange fate — if one believes in fate — that I find myself the last Member to speak in the last debate in this Assembly. As Members know, in 1976, I was the last person to leave the Public Gallery when the Northern Ireland Constitutional Convention collapsed, after which there was nothing for six years. In 1986, I was the last Member to speak in the Prior Assembly, after which there was no Assembly for 12 years.

Mr McNarry: Sit down, Jim. *[Laughter.]*

Mr Wells: In 1995, I was the last person in the Building before it burned down. It was closed for three years after that.

Mr Kennedy: Is there any truth in the rumour that Nuala O'Loan is investigating that case? *[Laughter.]*

Mr Wells: I was not interviewed.

I was also the last Member to speak in October 2002 before the Assembly collapsed for almost four years. I could be charitable and give way to a Member a few seconds before the end of my fifteenth minute and save the Assembly, or I could go on and cast it into doom and gloom for another four or five years. Members will just have to wait to see what I will do.

Some serious issues have been debated. We are debating a serious subject: the livelihood of people who put their lives at risk to go out to sea in difficult times, some of whom have paid the ultimate sacrifice. One of my sad duties has been to attend the funerals of those who have given their lives to provide us with our food, and other Members for South Down and Strangford have had to do the same. Having gone through all those difficulties, it is very sad that we are once again pleading for our Government to provide some form of compensation for denying those people their livelihood.

Most Members' contributions had a common theme. I was glad to hear Jim Shannon speaking Ulster Scots. It is always refreshing to hear him — one of our few experts on that language — reviving a language that is an important part of our culture. Mr Shannon spoke of the 10 weeks of hardship that those who work in the white-fish trawler industry in Northern Ireland faced. He also painted a very different picture to the one that came out of the court case in Liverpool. He painted a picture of men — it is mostly men who are involved in

the trawler industry — being driven to despair, unable make ends meet.

I looked at the economics of the recovery plan. When I looked at fishing quotas, the days spent at sea and the escalating cost of running a trawler, it became clear that the figures in the recovery plan would never add up. It was impossible to make a profit because of the constraints that the Government and the EU Fisheries Council had set. Therefore why was it a big surprise to Government officials to discover that, in order to make a livelihood, men were driven to extreme measures? The picture that Mr Shannon painted was very useful.

Mr Shannon also mentioned the fact that the Scottish Executive have been targeting Northern Ireland fishermen with their cod-recovery plan, which prevents Northern Ireland's fishermen from fishing in the Firth of Clyde. He also questioned, as did other Members, the reliability of scientific research. I received an email recently from Mr Allister, one of our MEPs, who said that that issue was to be addressed in a forthcoming conference organised by the EU. It wants to find out whether overfishing or global warming is to blame for the reduction in fish supplies. Is it the case that we now have different currents as a result of changes in sea temperatures and that our cod stocks have not decreased but have moved to different parts of the ocean, where they cannot be caught? It would be a terrible indictment of the scientists if we were to discover that, over the past seven years, the reduction in fish stocks was not the fishermen's fault at all but was down to issues over which we have very little control.

Mr Shannon made a valid point about the difference in support from one section of DARD compared with another. For example, single farm payments in 2006 came to £210 million. That is a huge amount of money that was given to our farmers, and Members would support their receiving those payments. However, if a tiny fraction of that money were given to our sea-fish industry, it would mean a huge boat boost for that part of our economy.

Indeed, when tie-up aid was paid in 2005, it amounted to only £860,000. As a result of the decline in the white-fish industry, that figure is probably £400,000 to £500,000. We are talking about a tiny amount of money in comparison to DARD's overall budget.

Mr McNarry made a very useful contribution to the debate. He made the valid point that the fishing fleet was a shadow of its former self. I was first elected to take a seat in this Building in 1982, and on the Twelfth of July that year, when all the boats were in the harbour in Kilkeel, it was possible to walk from one side of the harbour to the other on the top of the boats that were moored there. I was in the harbour on the Twelfth of July last year, and I would have drowned

very quickly had I attempted that feat. There were only a tiny number of trawlers there compared to those that I remember. I visited Portavogie 20 years ago and witnessed a similar situation. Those are graphic examples of the decline of our seafish industry.

Mr McNarry quoted some useful statistics. He said that in 1993 there were 200 trawlers, and that now there are only 130. There has been an even more dramatic fall of over 60% in the Portavogie fleet. Those statistics reveal the difficulties that our fishing industry is facing. Mr McNarry raised the issue of the Scottish Executive's cod-recovery plan and the problems that that is causing for our trawlermen.

Mr McNarry also mentioned the mistake that Lord Rooker, the then Minister with responsibility for agriculture and rural development, made in his reading of the regulations on the payment of tie-up aid. Members will know that aid was provided in 2004 and 2005, but not in 2006. Mr McNarry failed to mention that it was the diligent DUP MEP for Northern Ireland, Jim Allister, who used his capable legal brain to examine that legislation.

As a result of his correspondence with the Minister and the European Fisheries Commissioner, Mr Allister was able to expose the fact that the Government made a mistake. Indeed, I have a letter from the Department of Agriculture and Rural Development admitting that the Government got it wrong. In 2006, our fishermen were denied their rightful claim to tie-up aid. I congratulate Jim Allister on his work, not just because he is a DUP MEP, but because he has done a great service to our fishing community. I have taken a case to the Assembly Ombudsman and Northern Ireland Commissioner for Complaints, Mr Tom Frawley, on behalf of the Kilkeel fishermen, urging him to rule that there was maladministration and that those fishermen should receive compensation. We all wait with great interest for Mr Frawley's decision.

Mr McNarry also raised the issue of more effective science and the need for a fisheries Minister. I shall be slightly controversial for a moment. We had our own Minister in Northern Ireland who looked after fisheries: Brid Rodgers. I have to be fair and state that I found her to be extremely responsive and extremely good. I remember the terrible drownings of the three members of the Greene family in a tragic accident in the Irish Sea. The news broke on a Sunday afternoon of a massive search-and-rescue effort, and Ms Rodgers came straight down to the harbour in Kilkeel to meet those involved in the attempted rescue. I was very impressed by that.

Having scored political points on behalf of the DUP, we should be fair and say that a locally accountable Minister is good for the fisheries industry in Northern Ireland. The difficulty is how to get to the situation in

which we can have our own devolved Minister. However, when we did have one, it was good for the Department and for the industry, and we had a voice in Strasbourg and Brussels at the December EU Fisheries Councils.

It would be entirely inappropriate not to mention the disgraceful situation last year, when Lord Rooker did not even have time to negotiate on behalf of Northern Ireland's fishermen. He was too busy; but Mr Allister checked Lord Rooker's diary on the House of Lords website and found that he had not been as busy as he had first suggested, and could have hopped on the plane to Brussels to represent our fishermen. I am glad to say that David Cairns, the current Minister with responsibility for agriculture and rural development, went to last December's EU Fisheries Council and did his best in a difficult situation. That was recognised by those involved in the fishing industry.

Margaret Ritchie spoke about the income of fishermen in Ardglass, Kilkeel and Portavogie. I missed some of Margaret's contribution, but I am sure that I will be able to read it word-for-word in next week's 'Down Recorder' as I always do. It is guaranteed that Margaret is not shy about feeding her statements and speeches to that august journal.

Mr Kennedy: What about yourself?

Mr Wells: I have been known to do it, occasionally. *[Laughter.]*

Ms Ritchie also made a valid point when she mentioned the combination of the cod-recovery plan and all the other factors that the white-fish industry has had to endure, which have had a detrimental effect. Those factors, together with the number of days spent at sea and the problem of quotas, have conspired to reduce the potential of the industry.

5.45 pm

Ms Ritchie quoted from a letter that the Minister sent to Mr McGrady, a copy of which I also received. I welcome the fact that the Minister is considering the payment of tie-up aid, which is good news for all concerned. However, I hope that if he decides to do so, he will not repeat what he did in 2004, when aid was announced after the tie-up period had commenced. The tie-up period usually runs from 14 February, St Valentine's Day — a date that tends to stick in most people's minds — to the end of April. Clarity is needed now; if the Minister is going to make a decision, let him do so before St Valentine's Day, because a quick decision is important. As far as the European Union is concerned, there is no good legal reason why that aid cannot be paid.

No one has mentioned it this afternoon, but it has always amazed me that 75% of tie-up aid is directly funded by the EU. Moreover, the tie-up aid is taxable and reduces the amount of required surveillance by the

Fisheries Division in the Irish Sea. Therefore, it does not cost the taxpayer a single penny. Given that the money — it is only £500,000 or £600,000 — is available, why on earth can the fishermen not be paid?

Mr Allister has demonstrated that, technically, the money can be paid. Therefore, pressure should be put on the Minister to pay up immediately. I still want him to address what happened in 2006. His officials gave bad advice that led to the non-payment of tie-up aid that should have been paid. I like to think that there may even be the possibility of pressure being put on the Minister so that the aid can be given retrospectively.

I was interested in, and intrigued by, Ms Ritchie's suggestion of an all-party committee on the sea-fish industry at Stormont. I wish that I had thought of that, and if I could get to a local paper, I would try to sell that as my original idea. *[Laughter.]*

After 7 March 2007, when I hope that most of us will be back at Stormont, the representatives of the industry and the MLAs for Strangford and South Down should get together to work on that idea. I am grateful for her suggestion.

It is always a delight to hear from Mr McCarthy. It is because of him that I am the last Member to speak, but, as Members know, there was no collusion. I am grateful to him for suggesting the motion. It is sad that such an important issue for the coastal communities of large parts of Northern Ireland has not exactly attracted a large number of MLAs, although even as I speak a party leader has arrived, which is a good sign. It is a pity that the debate has been so poorly attended. However, it does not beat my record. In the Northern Ireland Assembly, I hold the record for the smallest attendance in the Chamber. Four Members attended the debate on my motion on the Ballynahinch bypass: the Minister, the Speaker, one other MLA and me. In my local newspaper, I was able to say that I was speaking to a hushed Assembly. I hope that I will not have to say that again; the number of Members attending is somewhat better today.

I am grateful to Alderman McCarthy for paying tribute to those in the fishing industry who have paid the ultimate sacrifice, particularly from the Strangford area. We must keep reminding ourselves that sea fishing is a deadly serious profession, and people have lost their lives in terribly difficult situations.

If something is not done soon, Northern Ireland faces the demise of its white-fish industry. I hope that if it is not possible to offer tie-up aid in 2007 — I hope that it will be — a diversification grant at least can be offered to enable those trawlers that can move on to fishing for other prey species, such as prawns, to do so. However, not every trawler can do that. Therefore, if Members decide to go down that road, an additional

decommissioning scheme must be introduced, because many trawlers are up to their necks in debt.

Mr Kennedy: Does the Member accept that a decommissioning scheme brought forward by a new Assembly would be best? Does he share the hope of those of us who remain in the Chamber that we can achieve devolution so that we may appoint a Minister who will supervise such a decommissioning system for the benefit of the fishermen of County Down and all the people in Northern Ireland who fish? *[Laughter.]*

Madam Speaker: That was very good.

I would not like to annoy my Deputy Speaker. He could just say that he supports the motion.

Question put and agreed to.

Resolved:

That this Assembly calls upon the Minister with responsibility for Agriculture and Rural Development to implement a Tie-Up Aid package for fishermen in Northern Ireland affected by the spring closure of the Irish Sea.

ASSEMBLY BUSINESS

Tributes to Madam Speaker; Bound Volumes of Hansard; and Standing Orders

Sir Reg Empey: On a point of order, Madam Speaker. Is it in order, on behalf of my party and, I hope, many others, to thank you for the contribution that you have made in difficult circumstances since May of last year? It is our hope that you remain in position until we can re-examine the issue. I wish to put on record our thanks to you and to the Assembly staff for your contribution to maintaining this institution in recent months.

Mr A Maginness: Further to that point of order, Madam Speaker. I should like to follow the contribution from the leader of the Ulster Unionist Party in paying tribute, on behalf of the SDLP group in the Assembly, to your work as Speaker. It has been a short time, but not without significance. That is important to remember. Furthermore, your contribution as a Member of the Assembly over many years has been outstanding. You have worked conscientiously and brought many issues to our attention, particularly social issues. That reflects your personal commitment to politics and to ordinary people. On behalf of the SDLP group I thank you for your good humour, firmness and courtesy as Speaker. We wish you well in the near future and in your retirement.

Mr Weir: Further to that point of order, Madam Speaker. In a desperate attempt to ensure that Jim Wells does not get the last word, I want to associate myself with those expressions of gratitude. As we represent the same constituency, I am aware not just of your contribution in the Chamber over the years but also of your hard work in North Down; you will be greatly missed in that capacity.

Many of us will depart the Chamber without leaving any great personal legacy, but that cannot be said of you. Even the fact that we now have a permanent Christmas tree is something to be proud of. Given the difficult circumstances of recent months, we all want to commend your work and to wish you and your family all the best in your departure from this place — perhaps “retirement” is the wrong word. On behalf of the Democratic Unionist Party I thank you for your courtesy.

Mr McCarthy: Further to that point of order, Madam Speaker. Will I be the last to speak? Sorry about that, Jim. On behalf of my party I offer my sincere thanks for your work not only in this Assembly but throughout the years that I have known you. You, Derek and your family have added a great deal to politics in Northern Ireland. I have to say that only the best comes from the Alliance Party.

Mr Wells: As Deputy Speaker, it has been a pleasure and a privilege to serve under you. You have guided the Assembly through extremely difficult times. I

understand, mind you, that this is not your swansong: you will be back on the first day of the next Assembly. However, it has been a privilege — and I am sure that I can speak for the other Deputy Speaker — to serve under you.

Mr Hussey: Madam Speaker — *[Laughter.]*

Madam Speaker: Do you have a point of order, Mr Hussey? *[Laughter.]*

Mr Hussey: Yes. On a point of order, Madam Speaker. I wish to refer to Standing Order 2(a). *[Laughter.]*

Of course, I wish to be associated with the remarks that have been made, but I do have a couple of items of business to leave with you as we depart this place, some hoping to return, and others moving on to do other things.

Can you confirm whether Members will receive Bound Volumes of the Hansard reports of proceedings, as happened in the old Assembly? Secondly, and you will appreciate my asking this, when an Assembly is reconvened, will it operate under the original Standing Orders?

Madam Speaker: Thank you for those points of order. The answer to your first question is a short and sweet yes. The answer to the second is that the Standing Orders that we are operating under now are Standing Orders for the Transitional Assembly, and they will apply until restoration occurs. At that point, the restored Assembly will be subject to the new Standing Orders on which the Standing Orders Committee has been working.

Before I adjourn formally, may I say thank you, Members, for your totally unexpected remarks. I am touched by them. I would not have been here, and I could not have been the Speaker that you say I have been, without the wonderful help and support of the staff here. On my first day as Speaker, I remember well coming in here terrified — and you all know why I was terrified — at the thought of facing the 107 of you for the first time. I was only able to come in with confidence because of the help that I received from the staff. I hope that that help will continue to be offered.

As my Deputy Speaker said, this is not my last sitting. I will be here when Members come to sign the Roll of Membership, and I hope to be able to hand over to a new Speaker when, hopefully, devolution is restored at the end of March.

I thank you all. It has been a pleasure working with you, and I feel extremely privileged to have done so. I am aware of the hard work that you all do, in spite of what the media says. Strictly speaking, I should not say this, but I will anyway: I wish all the very best to anyone who is going to stand for election. To those Members who want to go out and fight to be returned, I hope that that is what they get.

Adjourned at 5.58 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 13 March 2007

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

ASSEMBLY BUSINESS

Rev Dr Ian Paisley: On a point of order, Madam Speaker.

Madam Speaker: No points of order will be taken until after Members have signed the Roll of Membership. Members, please take your seats.

I offer my congratulations to all of you following the election. As well as welcoming back former Members, I extend a particular welcome to those Members who are present in the Chamber for the first time.

Members may have noted that, in accordance with Standing Order 7, today's meeting did not begin with Prayers. Members will also be aware that the main item of business to be conducted today is the signing of the Roll of Membership, as provided for in Standing Order 4.

Before this meeting of the Assembly, the Clerk drew up a list of seats in the Assembly held by members of each party, as it appeared to him. Members had the opportunity, up until one hour before the start of this meeting, to correct their membership as stated on that list by writing to the Speaker. I wish to confirm that I have now published the list, as required by Standing Order 4(g), and that copies have been made available in Members' pigeonholes and in the Rotunda.

ASSEMBLY BUSINESS

Roll of Membership

Madam Speaker: As required by Standing Order 4(a), a Member shall be regarded as having taken his or her seat only when he or she has signed the Roll of Membership. I do not, therefore, propose to take any points of order until the Roll has been signed by all Members present.

I shall now explain the procedures that will be followed for the signing of the Roll. These have been discussed and agreed through the usual channels.

I shall invite Members of the Assembly to come forward in their party groupings to sign the Roll. I will call the parties in alphabetical order by the name of the party. However, with the endorsement yesterday of the Business Committee, I have agreed to a request from a Member who has a pressing commitment that I should call him before I start to call the party groupings. The Independent Member will be called after the party groupings.

When each party name is called, I ask Members of that party to rise in their places and proceed through the Aye Lobby on my right. Members should then come forward to sign one of the two Roll pages placed here on the table in front of the Speaker's Table.

Members should enter today's date and print and sign their name, and may enter a designation of identity — "Nationalist, Unionist or Other". I draw Members' attention to Standing Order 4(e), which provides that a Member who does not enter a designation of identity will be deemed to be designated "Other" for the purposes of the Standing Orders.

The process of signing the Roll may take some time; I ask Members for their patience during this procedure.

We shall now proceed.

I invite Sir Reg Empey of the Ulster Unionist Party to come forward to sign the Roll of Membership.

*The following Member signed the Roll of
Membership:*

Empey, Sir Reg

Unionist

Madam Speaker: I invite Members of the Alliance Party to come forward to sign the Roll of Membership.

*The following Members signed the Roll of
Membership:*

Farry, Stephen

Other

Ford, David

Other

Lo, Anna

Other

Long, Naomi

Other

McCarthy, Kieran

Other

Neeson, Sean

Other

Madam Speaker: I invite Members of the Democratic Unionist Party to come forward to sign the Roll of Membership.

The following Members signed the Roll of Membership:

Bresland, Allan	Unionist
Browne, The Lord	Unionist
Buchanan, Tom	Unionist
Campbell, Gregory	Unionist
Clarke, Trevor	Unionist
Craig, Jonathan	Unionist
Dawson, George	Unionist
Dodds, Nigel	Unionist
Donaldson, Jeffrey	Unionist
Easton, Alex	Unionist
Foster, Arlene	Unionist
Hamilton, Simon	Unionist
Hay, William	Unionist
Hilditch, David	Unionist
Irwin, William	Unionist
McCausland, Nelson	Unionist
McCrea, Ian	Unionist
McCrea, William	Unionist
McIlveen, Michelle	Unionist
McQuillan, Adrian	Unionist
Morrow, The Lord	Unionist
Moutray, Stephen	Unionist
Newton, Robin	Unionist
Paisley, Ian	Unionist
Paisley Jnr, Ian	Unionist
Robinson, George	Unionist
Robinson, Iris	Unionist
Robinson, Peter	Unionist
Shannon, Jim	Unionist
Simpson, David	Unionist
Spratt, Jimmy	Unionist
Storey, Mervyn	Unionist
Weir, Peter	Unionist
Wells, Jim	Unionist
Wilson, Sammy	Unionist

12.15 pm

Madam Speaker: I invite the Member of the Green Party to come forward to sign the Roll of Membership.

The following Member signed the Roll of Membership:

Wilson, Brian	Other
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Madam Speaker: Order. There should be no applause in the Gallery, please.

I now invite the Member from the Progressive Unionist Party to come forward to sign the Roll of Membership.

The following Member signed the Roll of Membership:

Purvis, Dawn

Unionist

Madam Speaker: I now invite the Members of Sinn Féin to come forward to sign the Roll of Membership.

The following Members signed the Roll of Membership:

Adams, Gerry	Nationalist
Anderson, Martina	Nationalist
Boylan, Cathal	Nationalist
Brady, Mickey	Nationalist
Brolly, Francie	Nationalist
Butler, Paul	Nationalist
Clarke, Willie	Nationalist
Gildernew, Michelle	Nationalist
Kelly, Gerry	Nationalist
McCann, Jennifer	Nationalist
McCartney, Raymond	Nationalist
McGill, Claire	Nationalist
McGuinness, Martin	Nationalist
McHugh, Gerry	Nationalist
McKay, Daithí	Nationalist
McLaughlin, Mitchel	Nationalist
Maskey, Alex	Nationalist
Maskey, Paul	Nationalist
Molloy, Francie	Nationalist
Murphy, Conor	Nationalist
Ní Chuilín, Cárál	Nationalist
O'Dowd, John	Nationalist
O'Neill, Michelle	Nationalist
Ramsey, Sue	Nationalist
Ruane, Caitríona	Nationalist

12.30 pm

Madam Speaker: I invite Members of the Social Democratic and Labour Party to come forward to sign the Roll of Membership.

The following Members signed the Roll of Membership:

Attwood, Alex	Nationalist
Bradley, Dominic	Nationalist
Bradley, Mary	Nationalist
Bradley, PJ	Nationalist
Burns, Thomas	Nationalist
Dallat, John	Nationalist
Durkan, Mark	Nationalist
Gallagher, Tommy	Nationalist
Hanna, Carmel	Nationalist
Kelly, Dolores	Nationalist
McDonnell, Alasdair	Nationalist
McGlone, Patsy	Nationalist
Maginness, Alban	Nationalist
O'Loan, Declan	Nationalist
Ramsey, Pat	Nationalist
Ritchie, Margaret	Nationalist

Madam Speaker: I invite Members of the Ulster Unionist Party to come forward to sign the Roll of Membership.

The following Members signed the Roll of Membership:

<i>Armstrong, Billy</i>	<i>Unionist</i>
<i>Beggs, Roy</i>	<i>Unionist</i>
<i>Burnside, David</i>	<i>Unionist</i>
<i>Cobain, Fred</i>	<i>Unionist</i>
<i>Coulter, Robert</i>	<i>Unionist</i>
<i>Cree, Leslie</i>	<i>Unionist</i>
<i>Elliott, Tom</i>	<i>Unionist</i>
<i>Gardiner, Sam</i>	<i>Unionist</i>
<i>Kennedy, Danny</i>	<i>Unionist</i>
<i>McCallister, John</i>	<i>Unionist</i>
<i>McClarty, David</i>	<i>Unionist</i>
<i>McCrea, Basil</i>	<i>Unionist</i>
<i>McFarland, Alan</i>	<i>Unionist</i>
<i>McGimpsey, Michael</i>	<i>Unionist</i>
<i>McNarry, David</i>	<i>Unionist</i>
<i>Robinson, Ken</i>	<i>Unionist</i>
<i>Savage, George</i>	<i>Unionist</i>

12.45 pm

Madam Speaker: I invite the Independent Member to come forward to sign the Roll of Membership.

The following Member signed the Roll of Membership:

<i>Deeny, Kieran</i>	<i>Other</i>
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Madam Speaker: I invite any Member present who has not already done so to come forward to sign the Roll of Membership.

I thank Members for their co-operation.

Rev Dr Ian Paisley: On a point of order, Madam Speaker. I wish to revisit a matter that I raised in this Chamber before the end of the last Assembly mandate — namely, the security of Members. Madam Speaker, I wonder whether you are of a mind to finish the task that has already been started so that the work that has already been done will not be lost. Perhaps you could inform new Members of the plans for their security when coming to and going from this House and when they are in the Chamber doing the business of the Assembly.

Madam Speaker: Thank you for that point of order, Dr Paisley. We have been making contingency plans, and I hope that the new Members have already been informed of the current situation by party Whips. As Dr Paisley said, the Commission for the Transitional Assembly was working on this matter before today's meeting, and it has received the final report of the review of security.

Members will understand that it would be inappropriate for me to discuss that report in the

Chamber. However, I intend to meet the Secretary of State to discuss the outcome of that review, and the Commission has agreed to engage in discussions with the parties in the coming weeks. We will issue invitations to you, Dr Paisley, and the other party leaders to discuss this matter. The Commission must consider not only the implementation of the review; there is also the matter of cost.

Ongoing security has also been looked at. As most Members know, we have introduced an additional PSNI presence. We have asked people to be vigilant about where they go, and I ask every Member, not just the new ones, to listen to the advice of the Doorkeepers or of any of my staff. If anyone has any queries, please go in the first instance to the Deputy Chief Executive or the Keeper of the House, who will advise about what can and cannot be done until we get the security review finished. Like you, Dr Paisley, I want that completed as soon as possible, and I thank you for asking about it.

I thank Members for their co-operation and patience during the signing of the Roll. The Roll will be placed in the Chamber on sitting days to enable any Member who has not yet signed it to do so. Standing Order 4(a) states that my decision on whether a Member has taken his or her seat in accordance with that Standing Order is final. I can only make that decision after scrutinising all of the entries on the Roll. I intend to make an announcement on this matter at the start of the next meeting of the Assembly.

Adjourned at 12.51 pm.

THE TRANSITIONAL ASSEMBLY

Tuesday 20 March 2007

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Security Review

Rev Dr Ian Paisley: On a point of order, Madam Speaker. I have raised a series of points of order on security in the Assembly. I want to record my party's best thanks to you and to the Commission for the Transitional Assembly for the work that has been done on that issue. My party welcomes what it knows of the report at present and hopes that we can soon discuss the report and any representations fully and that the decisions that have been made are put into operation for the full security of every Member of the House.

Madam Speaker: On behalf of the Commission for the Transitional Assembly and the people who have carried out the security review, I thank Dr Paisley for his point of order and his remarks. Party leaders and Members will be informed of the outcomes of the review within the next couple of days. The report will be presented to the House in due course.

Roll of Membership

Madam Speaker: I have had an opportunity to scrutinise the entries in the Roll of Membership and am satisfied that 103 Members have taken their seats in accordance with Standing Orders.

Regarding designations of identity, eight Members entered designations that I have deemed to be "Other" for the purposes of Standing Orders. Members will find details of the designations in the Minutes of Proceedings for the sitting on 13 March.

As not all Members have yet signed the Roll of Membership, there will now be an opportunity for any Member present who has not yet done so to come forward to sign the Roll. I shall invite Members to come forward in alphabetical order by the name of their party.

I invite Mr Edwin Poots of the Democratic Unionist Party to come forward to sign the Roll of Membership.

The following Member signed the Roll of Membership:

Poots, Edwin

Unionist

Madam Speaker: I invite Mr Pat Doherty, Mr Fra McCann and Mr Barry McElduff of Sinn Féin to come forward to sign the Roll of Membership.

The following Members signed the Roll of Membership:

Doherty, Pat

Nationalist

McCann, Fra

Nationalist

McElduff, Barry

Nationalist

Madam Speaker: I thank Members for their co-operation and patience during the signing of the Roll of Membership. I am satisfied that the Members have signed the Roll and have confirmed their designations. Mr Edwin Poots, Mr Pat Doherty, Mr Barry McElduff and Mr Fra McCann have now taken their seats.

The Roll will be placed in the Chamber on sitting days to enable any other Member who has not yet signed the Roll to do so.

Standing Orders of the Transitional Assembly

Madam Speaker: I wish to inform the House that I have received a letter from the Secretary of State advising that a direction has been made under paragraph 9(3) of schedule 1 to the Northern Ireland (St Andrews Agreement) Act 2006, amending Standing Orders 20 and 21 of the initial Standing Orders of the Transitional Assembly. A copy of that direction was issued to Members last Friday.

Mr Ford: On a point of order, Madam Speaker. Further to the information that you have just given us, I note that the revised Standing Order 20(d) states that:

"the Secretary of State shall notify the Speaker when persons have accepted nomination".

Has the Secretary of State given you any indication of whether he will supply copies of those acceptances so that we can avoid the situation that arose on 24 November and that Members will have the opportunity to judge whether those acceptances have been given in a wholehearted manner?

Madam Speaker: Thank you, Mr Ford. As I said, I have issued a copy of the letter to all Members. That is the only direction that I have received. If I receive any further information, I will inform the House as soon as possible.

COMMITTEE BUSINESS

Draft Ministerial Code

Madam Speaker: The Business Committee has agreed that each contribution to this debate will be limited to a maximum of 10 minutes.

I wish to outline how I propose to conduct the proceedings. I will call the Chairperson of the Committee on the Programme for Government to move the motion. I then propose to ask the Assembly to consider the draft ministerial code, paragraph by paragraph, in numerical sequence, either individually or, where no amendment appears on the Marshalled List, in groups.

Decisions in respect of these questions will be decided by simple majority, as provided for in Standing Order 17 of the Transitional Assembly. At the end of this process, the question on the draft ministerial code, as a whole, will be put. However, as there is an amendment to that question itself on the Marshalled List, it will also be put then and an opportunity for debate will be provided at that time.

The Chairperson of the Committee on the Programme for Government (Mr Wells): I beg to move

That this Assembly takes note of the draft Ministerial Code.

This is an extremely important debate and one to which many Members attach a great deal of significance.

At its first meeting on 27 November 2006, the Committee on the Programme for Government recognised the importance of this issue and agreed that the Committee itself would deal with this matter. Since then, the Committee has discussed and considered the draft ministerial code on a number of occasions, and considerable work has been undertaken by party advisers and officials from the Office of the First Minister and Deputy First Minister. I pay tribute to all those who were involved in that quite complicated process.

Members will be aware of paragraphs 4(1) to 4(3) of schedule 1 to the Northern Ireland (St Andrews Agreement) Act 2006 which state that:

“(1) The proceedings to be conducted by the Transitional Assembly shall include the preparation and consideration of a draft Ministerial Code.

(2) If the Transitional Assembly approves the draft Ministerial Code (with or without amendments) before 24 March 2007, the approved draft Ministerial Code shall become the Ministerial Code for the purposes of section 28A of the 1998 Act on 26 March 2007.

(3) Any approval under sub-paragraph (2) requires cross-community support”.

The Northern Ireland (St Andrews Agreement) Act 2006 also states that, without prejudice to section 24 of the Northern Ireland Act 1998, a Minister or junior

Minister shall act in accordance with the provisions of the ministerial code.

It also requires that the draft ministerial code must include provision for requiring Ministers or junior Ministers to bring to the attention of the Executive Committee any issue which ought, by virtue of section 20(3) or (4) of the 1998 Act, to be considered by that Committee. That is reflected in paragraph 2.4 of the draft code.

The Act also establishes a procedure to enable any Minister or junior Minister to ask the Executive Committee to determine where any decisions that he or she is proposing to take, or has taken, relates to a matter that ought, by virtue of section 20(3) or (4), to be considered by that Committee. This is reflected in paragraph 2.5 of the draft code.

The Act states that the ministerial code must also include provision for procedures of the Executive Committee in relation to: the taking of decisions — that is provided for in paragraph 2.12 of the draft code; and consideration by the Executive Committee of decision papers that are to be considered by the North/South Ministerial Council (NSMC) or the British-Irish Council. This is provided for in paragraphs 2.13 of the draft code. Paragraphs 3.1 to 3.22 of the draft code also set out in detail procedures relating to the North/South Ministerial Council and the British-Irish Council.

12.15 pm

In addition, the ministerial code must provide: that it is the duty of the chairman or chairwoman of the Executive Committee to seek to ensure that decisions of the Executive Committee are reached by consensus where possible; that if consensus cannot be reached, a vote must be taken; and that, if any three Members of the Executive Committee require a vote on a matter that is to be voted on by the Executive Committee to require cross-community support, any vote on that matter shall require cross-community support in the Executive Committee. Those matters are dealt with in paragraph 2.12 of the draft ministerial code.

Members should be aware that if the Transitional Assembly has not approved the draft ministerial code, with or without amendments, before 24 March 2007 — which is Friday — then the Secretary of State must prepare a draft ministerial code, which will become the ministerial code for the purposes of the Northern Ireland Act 1998, section 28(a). The draft ministerial code must — so far as is practicable — be in the form of any parts of the draft ministerial code that have been approved by the Transitional Assembly before 24 March, or of the former ministerial code, and must make the provisions that I have outlined.

Members should note that if the draft ministerial code does not include all the provisions set out in the Northern Ireland (St Andrews Agreement) Act 2006, it

will not comply with the legislation, and will be supplemented by procedural guidance, which will be a matter for the Executive Committee to consider.

To conclude, Madam Speaker, as Committee Chairperson it would not be appropriate for me to comment on the amendments that have been tabled. I commend the motion to the House.

Madam Speaker: We will return to the debate on the substantive question when we have disposed of the text of the draft ministerial code, which we will now proceed to consider paragraph by paragraph. First, we will deal with section 1, which contains the preamble, the Pledge of Office, the ministerial code of conduct and the seven principles of public life.

Paragraphs 1.1 to 1.2 agreed to.

Madam Speaker: I understand that there may be some objection to paragraphs 1.3 to 1.6. Mr Attwood has asked to speak on those paragraphs, and I invite him to do so.

Mr P Robinson: Does Mr Attwood have an amendment?

Madam Speaker: Before Mr Attwood begins, I remind Members that he is not speaking to an amendment. He has merely asked to speak, and, as is the tradition and convention, I permit him to do so.

Mr Attwood: Madam Speaker, I thank you for giving me the opportunity to speak.

Mr Weir: On a point of order, Madam Speaker. We have already voted on approving those.

Madam Speaker: We are now discussing paragraphs 1.3 to 1.6.

Mr Weir: Have we not approved section 1?

Mr Attwood: Madam Speaker, thank you for the opportunity to speak on this matter. However, it would have been more productive if Members had been given the opportunity to speak on the amendment tabled by the SDLP. That would have given all Members an opportunity to address this matter by way of —

Mr P Robinson: On a point of order, Madam Speaker. Can you indicate whether any amendment was received but not called by you, or is the Member speaking on the motion that the paragraphs be agreed?

Madam Speaker: Thank you, Mr Robinson. The amendment was deleted. Every Member has an opportunity to speak to this motion, and they may put their names in the usual manner to the Clerk.

Mr Attwood: I reiterate my thanks at being given the opportunity to comment on paragraphs 1.3 to 1.6 of the draft ministerial code.

Mr Weir: On a further point of order, Madam Speaker. Was an amendment put down and then withdrawn, or was it not accepted?

Madam Speaker: The amendment was received and deleted.

Mr Weir: Does that mean “deleted” as in “not accepted”?

Madam Speaker: It was not accepted.

I have called Mr Attwood to speak — any Member is entitled to speak. We are now on paragraph 1.3, not section 1. Members have already agreed paragraphs 1.1 and 1.2, and we are now discussing paragraphs 1.3 to 1.6.

Mr Attwood: Thank you for the opportunity to speak on this matter, Madam Speaker. Will you confirm that I have 10 minutes?

Madam Speaker: That is your allocated time.

Mr Attwood: I wish to comment on the Pledge of Office. Unlike one or two other parties in the Assembly, the SDLP has never had any difficulty in living up to the requirements of the Pledge of Office and the ministerial code. It is somewhat ironic to the SDLP that those Members who argue most vigorously and relentlessly for collectivity on the one hand and accountability on the other are some of those people who, in a previous Assembly, failed to live up to the requirements outlined in the Pledge of Office and the ministerial code.

The SDLP welcomes those who have come late to the realisation that to be involved in power sharing in this part of Ireland, and if Government is to work to its best and if the community is to be served to the maximum, then there are requirements to live by collective decision-making and to live up to ministerial responsibility.

Secondly, compared with where this issue was going a matter of days, weeks and months ago, as regards binding and shackling Ministers and putting Ministers and Government into a straitjacket, the SDLP welcomes and acknowledges that some of the worst intentions of people in the Assembly have been reversed. Some of the damage that could have been done to the power of Ministers to govern and the Executive to fulfil their responsibility to the community have been lessened.

The SDLP welcomes that and the fact that, within a week, it may be the case that parties in the Chamber will go into Government and share power on behalf of the people in the North. However, the SDLP sends out one gentle warning. Power sharing is not power splitting. If Government is to work to its best, and if the people's needs on the issues that have been identified in the election campaign and over the years

of suspension are to be addressed, it cannot be done on the basis of splitting power between parties and Ministers. It must be done on the basis of sharing power and responsibility for those decisions. If parties go into Government next week, the SDLP trusts that that will be the ethic, the essential value, that will inform parties when sharing Government, and that no other ethic, least of all that of separation, will dominate.

I wish to address the issue of the Pledge of Office. The SDLP believes that those who negotiated the matter, to the point that we now face in the ministerial code, have over-negotiated their hand, and will end up regretting and living in error on the basis of what they may decide at the end of this debate.

The SDLP's proposed amendment was designed to remove the Pledge of Office from the ministerial code. It is not that the SDLP does not support the Pledge of Office — as I emphasised at the beginning of my speech, the SDLP supports it emphatically. In Government, the SDLP has always abided by it, and will continue to do so if in Government again, but we are opposed to making the Pledge of Office legally enforceable. If Members cast their minds back to the Northern Ireland Assembly, the Pledge of Office was enforceable by the Assembly — there were all manner of sanctions that that Assembly could apply to a Minister who did not comply with the Pledge of Office. Those sanctions were significant and expansive. They included censure, reduction in financial support and, ultimately, exclusion.

Not only did the Assembly have power in respect of the Pledge of Office, but such power also existed outside the Assembly. In the event of the Independent Monitoring Commission upholding a complaint that the Pledge of Office had been breached, it was in the gift of the Secretary of State for Northern Ireland to take appropriate action. Ensuring that Ministers abided by the Pledge of Office was not something warm and meaningless; rather, it was precise and demanding. The Assembly, and authority outside of the Assembly, had power to act in the event of the pledge being breached.

Now, however, the Pledge of Office will become legally enforceable. My party believes that, in the event that an Executive is formed and endures, that will have consequences for Ministers and for the Executive in years to come. What happens when the transition is made from a Pledge of Office that is political in nature, subject to the sanction of the Assembly and external authority, to a pledge that is legally enforceable? It is something that other parties in the Chamber have failed to appreciate until the damage has been done.

When the pledge becomes legally enforceable, the courts are dragged into the functions of the Assembly.
[Interruption.]

Yes, it happened before.

A power that is legally enforceable creates license not just for Members, but also for organisations outside the Chamber, to challenge, by way of judicial review, decisions taken by an Executive or by a Minister. It opens a gate that the Assembly will take a long time in closing. It is a recipe for litigation and for the impairment of good government in this part of Ireland.

That which happened rarely in the previous Assembly could happen much more regularly and routinely, so that any decision about funding for a hospital or a road — or any other decision that might emanate from a Minister — could be subject to challenge. That challenge would be more broadly based and would be taken more seriously by the courts, given that the Pledge of Office was legally enforceable.

It also has consequences for every Member who tables a motion in the Assembly. The consequence of the new ministerial code and a legally enforceable Pledge of Office is that when the leader of the Alliance Party, the Ulster Unionist Party or Sinn Féin tables a motion in the Assembly, he or she must be mindful that the motion can have the weight of law, in that it could be legally enforceable. When any Member tables a motion in order to give a sense of the Assembly, or to reflect a matter of public concern that has arisen in the wider community, that Member, that party, and the Assembly will have to draft that motion so that it is unambiguous and absolutely certain and clear as to what is intended. If that does not put a straitjacket on Members, I do not know what does.

My party wishes that its proposed amendment relating to the Pledge of Office motion had been debated, so that, even at this late hour, those who idly accepted the DUP approach — which creates a straitjacket around the Assembly and the Executive — might have appreciated the error of their ways and recanted.

12.30 pm

Mr P Robinson: I had not intended to speak, until I heard the Member's remarks. Today has just got longer.

As I understand the Member's position, he supports the Pledge of Office, which is the reason he wants it removed from the ministerial code. He seems to think that if it is removed it will somehow disappear. He presumably did not listen to the proposer of the motion, who said very clearly that this matter is governed by legislation — if the ministerial code is not passed here it will be directed elsewhere by the Secretary of State.

Let me deal with the substance of the Member's remarks. I had thought that he had something of a legal background. It is slightly strange that someone with that background should be so much against having legal sanctions. The requirement that a ministerial

Pledge of Office should be justiciable seems to me entirely proper in an Assembly where, quite frankly, there is not the level of trust that allows normal conventions to operate. Why is that the case? Because we have seen it in practice. This is not something that has been drawn out for the first run of an Assembly. These are changes that are coming about because of the bitter experiences that many of us have had of previous processes. It is very clear that within the previous structures there was not the accountability that there can now be within this one.

Any Assembly will work — or not work — depending on the determination of the Members of that Assembly. It sails past me that we have the attack from the Member opposite because we did not abide by his understanding of a ministerial code on a previous occasion. Lest he has forgotten, the DUP was opposed to the previous structures, and one of the reasons we were opposed to them was because of the very lack of accountability that this ministerial code produces on this occasion. His attack misses the DUP entirely. I suspect that his real target is not the DUP but perhaps the party to his right, Sinn Féin. If he wants to have a rerun of the election, so be it. Usually, however, replays happen if there is a draw, and I got the impression that the election was not exactly a draw, so he may not have the right of a replay.

It is very clear: the election has passed, and he should leave the politicking behind. Let us get down to the serious business of trying to move forward in a sensible way, taking account of the failures of the past and ensuring that we have in place the kind of ministerial code that will ensure that people can be confident that they are not going to be bypassed and that there is going to be full accountability within the Executive and the Assembly. That, I would have thought, is a democratic principle, never mind a legal principle, that everybody in this House would want to uphold.

I hope that the Member opposite will recognise that this debate took place in the House of Commons and the legislation was passed in the House of Commons; he cannot change that legislation here in this Assembly. This Assembly is a creature of statute set up by the United Kingdom Parliament, which is the sovereign Parliament in Northern Ireland, and no matter what he whistles at this time he is wasting his breath. He should save it for blowing his porridge in the morning, because it will not make the least change to the legislation. This House has not the power to do that.

Some Members: Hear, hear.

Mr Murphy: Go raibh maith agat, a Cheann Comhairle.

I would like to speak briefly in relation to the entire debate, although we are dealing with this paragraph by paragraph. Our objective in dealing with all of these

issues, which goes right back to the time when there was a formal review of the Good Friday Agreement under the review procedures contained within it, has been to ensure that the fundamentals of the Good Friday Agreement were adhered to in any review or reworking of the rules and regulations that govern any of the institutions that flow from the Good Friday Agreement. We maintained that approach in all our discussions subsequent to that review, right up to and including the St Andrews discussions. We are satisfied that that objective has been achieved and that the principles of the Good Friday Agreement, as reflected in the original ministerial code and in the Standing Orders that cover this Assembly and the rules and regulations that cover the other institutions, are protected in this ministerial code.

I listened to Alex Attwood's concerns in relation to the Pledge of Office. I have heard them reflected in some of the Committee meetings that we have had.

I am glad that Mr Attwood took a broader approach to the subject, as opposed to the ongoing SDLP approach, which has been one of sound bites and talk of drive-by vetoes and so forth. Whatever that meant was lost on almost everyone else.

The SDLP claims to be the architect, certainly of strand one, of the Good Friday Agreement, which includes arrangements for the operation of the Assembly, and the Pledge of Office is included in the 1998 Act. Mr Attwood has been reminded, and, indeed, he mentioned this, that the inclusion of such arrangements did not stop Ministers ending up in court in relation to responsibility for their decisions, such as where to site the new maternity hospital.

During the last Executive, the Minister of Education and the Minister of Health, Social Services and Public Safety had to take the First Minister to court to enable them to carry out their functions under the NSMC arrangements. The court found that the First Minister had acted unlawfully, but that did not alter his behaviour. Nonetheless, the fact that Ministers ended up in court shows that the safeguards and mechanisms built into the Good Friday Agreement guarantee all Members' rights. However, there are enough mechanisms to enable Members to trip each other up every day of the week if they wish to play that game.

The Assembly will work only if parties agree to do the sensible thing and get on with providing a Government and Administration that are concerned with the needs of the people who have elected us to this institution. That is the objective that will govern Sinn Féin's approach to this debate and its attitude to any amendment.

Given that the SDLP supported the establishment of the Independent Monitoring Commission (IMC) and the powers given to it, I am somewhat bemused by

Alex Attwood's lament about the powers of the commission and the Secretary of State to intervene in the operation of this institution. If the SDLP is so exercised by the subject, it will have the opportunity, during the debate on Standing Orders, paragraph 42 (d) of which reflects those powers, to join Sinn Féin in opposing them.

Madam Speaker: May I point out, Mr Murphy, that the current debate is on paragraphs 1 to 3 of the ministerial code. Perhaps you would stick to those. You will have the opportunity to debate the IMC and related subjects later.

Mr Murphy: Go raibh maith agat, a Cheann Comhairle.

The Member who introduced the debate referred to — and expressed some alarm about — the powers of the IMC and the Secretary of State to intervene in the Assembly. I am merely responding to that by saying that it is somewhat late for Mr Attwood to come to the Assembly with such concerns. The SDLP supported the establishment of the IMC and its powers to intervene in the political process and did not defend other parties when they were unjustly punished by the IMC.

Madam Speaker: Before you give way to Mr Durkan, may I say that you may well be right, Mr Murphy, as I was having problems with hearing all of what Mr Attwood was saying. However, I am sure that Mr Attwood is content with what he said.

Mr Durkan: On a point of order, Madam Speaker. You have ruled that Mr Murphy has been speaking off the subject that is before the House. I wish to add that he is also misinforming the House. The SDLP supported the establishment of a monitoring body: it did not support that body having the power of political sanction. The SDLP is on record as having opposed that at Hillsborough and at Westminster.

Mr Murphy: I thank the Member for his intervention. However, when the SDLP supported the establishment of the IMC, what did he honestly think that its role would be other than to interfere in the institutions? David Trimble called for the IMC to be established precisely so that it could interfere in the institutions, because he could not get his way through the democratic process of the Assembly.

Sinn Féin's objective has been to ensure that the fundamentals of the Good Friday Agreement are faithfully reflected, and that objective has been secured. Sinn Féin will support the amendments that are consistent with that and oppose those that are not. Go raibh maith agat.

Rev Dr Ian Paisley: I am amazed at the statement made by the SDLP's spokesman, Mr Attwood. In any contact that the SDLP had with the DUP at St Andrews, it preached that pledges formed an essential part of any

agreement, and I wholly agreed with that. In fact, at a meeting with the Prime Minister, the details of which have already been leaked to the press, the SDLP leader, Mr Durkan, told the Prime Minister that he acknowledged the controversy that was raging over pledges at that time.

Those are the facts of the situation. I was absolutely flabbergasted when I sat in the House and heard the SDLP spokesman trying to say that they would have nothing to do with it. Everybody knows that there was controversy over the pledges, and that there was strong discussion and argument. However, at that time the SDLP was on the side that I was on — namely, that the issue of pledges should be in this document.

That was debated in the House of Commons and made part of the law of this country. Members do not have any power to change something that is already law; we cannot have anything in this that goes against the recent law of our country. The issue stands, and I believe that everyone who wants to take part in the Government of Northern Ireland should agree with those pledges and do the best they can to keep them so that the people will know those pledges are realities and not just playthings.

Madam Speaker: Thank you, Dr Paisley. You are the last of the Members who indicated that they wished to speak on the issue.

Paragraphs 1.3 to 1.6 agreed to.

Madam Speaker: Members will now move to section 2 of the draft ministerial code. It deals with the Executive Committee. No amendments to paragraphs 2.1 to 2.7 are proposed.

Paragraphs 2.1 to 2.7 agreed to.

Madam Speaker: I understand that there may be some objections to paragraph 2.8. I call Mr David McNarry.

Mr McNarry: Madam Speaker, neither the Ulster Unionist Party nor I have any objections to paragraph 2.8.

Madam Speaker: I thank Mr McNarry. Before I put the vote on paragraph 2.8 I will give Mr Attwood the opportunity to speak.

Mr Attwood: I thank Madam Speaker for calling me again. I wish to emphasise a point and put it on record in respect to paragraph 2.8 of the draft ministerial code, and in particular the last line of that paragraph, whereby Ministers would pledge:

“to support, and to act in accordance with, all decisions of the Executive Committee and Assembly”.

I repeat that point for all Members of the Assembly. The draft says to “support” and “to act in accordance with” all decisions of the Assembly. Given that decisions would be interpreted to include matters such as resolutions passed by the Assembly, that has consequences for how the Assembly does its business.

We can comment later on how the Executive does or does not do its business; however, we must consider the implications for how the Assembly does its business.

Madam Speaker: Mr Attwood, I am having difficulty hearing you. I have asked that the sound be checked; however, for the meantime, please address your comments through the Chair.

12.45 pm

Mr Attwood: Thank you, Madam Speaker. As I was saying, the likely consequence will be that all decisions will be interpreted as being inclusive of, for example, resolutions of this Assembly, which Executive Ministers will be obliged to uphold. The consequence of that could be significant for Assembly staff giving advice to Members about how to draft motions.

In the first Assembly, as far as I recall, there may have been only one example of a Private Member's Bill being drafted so as to ensure legal certainty and precise definition. That was a particularly onerous undertaking. As a result, when it comes to motions of this Assembly, Members will have a heightened responsibility to ensure that their intentions are absolutely clear, that there is no reason for doubt and that there is certainty. The consequence of that for decisions of the House on matters that might arise is significant and substantial.

Mr Weir: Unless I picked him up wrongly a few minutes ago, Mr Attwood seemed to be suggesting that one of his main objections to the first set of proposals was that it would lead to power being divided between parties rather than shared. He now appears to be complaining that that might lead to collective decisions being made by the Executive. I am sure that Mr Attwood can make an argument for one case or the other, but it seems entirely strange to me that he is arguing two completely contradictory positions. I would be grateful if Mr Attwood would enlighten the House on the true position of the SDLP on this matter.

Mr Attwood: I thank Mr Weir for his intervention. It is not the first time that he has missed the wood for the trees. Let me repeat the point that I made earlier. We welcome the fact that, within a week, a collective Executive may be formed that may live up to the responsibility of being a collective Executive on behalf of the people of the North. However, as Mr Weir will recall, we gently made the point that when the parties went into Government the danger was that it would lead to a culture of power splitting rather than power sharing. That was the broad political thrust of the point that I made on behalf of the SDLP, and I will make it again.

The ethic of power sharing is difficult and demanding, and it is a value that requires great attention and dedication. Given the inevitable turbulence that will inform politics in the North over the coming months, it is important that that ethic and value is at the core of

what the Government stand for. Given the past history of parties — although we have travelled a long road over many years — there is a danger that a power-splitting culture may yet inform elements of the Government. We all trust that that will not happen, but if anyone, including Mr Weir, disregards that, or does not consider it a serious threat, I suggest that he should think again.

That is different from the fact that under the influence of the DUP, various mechanisms were negotiated into the draft ministerial code that put into law and practice elements that had the potential to damage the ability of Ministers to carry out their business and impede the Executive in the fulfilment of their collective responsibilities. That was negotiated into the draft ministerial code, which, as the member for East Belfast Mr P Robinson rightly pointed out, is now in law. The Pledge of Office is not necessarily in law, but the ministerial code is in law —

Mr Weir: It is in the Act.

Mr Attwood: It is referred to in the Northern Ireland (St Andrews Agreement) Act 2006. *[Interruption.]* Go and check the legislation. Let me explain it to the Member for East Belfast, Mr P Robinson. The draft ministerial code, which includes the Pledge of Office, is legally binding. Consequently, there is a danger that the Pledge of Office also becomes legally binding.

The problem with Mr Weir's point is that the ministerial code obliges Ministers to uphold Assembly and Executive decisions; those decisions, therefore, would also become legally binding on Ministers. This can get a bit technocratic sometimes, but in the real world, when the Assembly is up and running, Members will have to face those issues.

Mr McFarland: I understand why there might be a wish to collectively bind the Executive. Is it that the Member is concerned about the debates on motions from individual Members on Tuesday afternoons at 5.00 pm, which see two men and a dog sitting in the Chamber, demanding to have a resolution passed on a new hospital for Ballymena? Members who served in the first Assembly will be familiar with that. Is the Member suggesting that a few Members on a Tuesday afternoon could pass a resolution in the Chamber on a matter of local interest that, as a result of the ministerial code, would be binding on the Minister?

Mr Attwood: That intervention captures what would happen in the real world. A motion debated at 5.00 pm on a Tuesday afternoon — subject to there being a quorum in the Chamber — would have to be drafted with legal clarity, and, if the motion were agreed to, it would be binding on the Executive. That would have consequences, and Members should have their eyes open to those consequences.

It would frustrate Members of the Assembly from passing resolutions that create a sense about some issue — whether in North Down or more regionally — that do not have the intention to bind people, but rather to give expression to public concern or public disquiet in a way that the electorate would expect of parties fulfilling their democratic responsibilities. *[Interruption.]*

Madam Speaker: Order. None of us at the Table can hear what Mr Attwood is saying. He is doing his best; however, I would be grateful if Members could conduct their conversations as quietly as possible or outside the Chamber.

Mr Attwood: Thank you, Madam Speaker. I have made my point.

Mr P Robinson: Of what I heard — and I suffered to a lesser extent than you, Madam Speaker — I understand that the Member would prefer to remove the last bullet point in paragraph 2.8 of the draft ministerial code, which is an affirmation that Ministers have:

“to support, and to act in accordance with, all decisions of the Executive Committee and Assembly”.

However, that is normal democracy: it is what happens every day in our national Parliament at Westminster. Any decision that is taken at Westminster is binding on the Government. If, for some reason, the Government do not have their Whips in order, or if they are not earning their money and a resolution goes through that they do not like, then it is up to the Government to put forward another resolution to rectify the situation.

As for the two or three people sitting in the dead of night in the House of Commons or in this Assembly, those would be Adjournment debates that are not legally binding as they are made on the motion that the House does now adjourn. That does not bind the Executive or the Assembly in any way.

Regarding Mr Attwood’s point about the Pledge of Office, I direct him to the Northern Ireland Act 1998, schedule 4, where he will find under the heading “Pledge of Office” — which might have been a clue for him — the original Pledge of Office.

He will also see the additions to that Pledge of Office in section 7 of the Northern Ireland (St Andrews Agreement) Act 2006. It is in the legislation and therefore binding on Ministers.

I understand that Members might have concerns. The basis of the proposition in the ministerial code is to get greater collectivity and to encourage the Executive to act as a collective body. I should have thought that even the SDLP would want that. I cannot understand quite why it wants to remove that obligation from Ministers.

The nonsense that some decisions might be taken that the Executive might be forced to abide by indicates either some lack of knowledge about how

Governments can rectify such situations should they occur, or less faith than I have in the whipping systems of the Assembly. Certainly, the DUP Whip would have our Members out if there were any resolution in the Order Paper that was injurious to the good health of his ministerial colleagues or the Assembly itself. I am sure that other parties would do the same.

Mr Ford: I am also puzzled by Mr Attwood’s line. He appears to be concerned that there would be consequences for a motion passed in this Assembly — or rather in the Assembly as we hope it to be in a week’s time. I understood that we were elected to the Assembly to make a difference to the people of Northern Ireland and that resolutions passed here should have consequences.

When Kieran McCarthy proposed a motion in favour of free personal care for those who required it, the House supported it unanimously. The fact that everyone but the Alliance Party back-pedalled a year later when there was a Bill that could have made a difference on the issue illustrates what might happen in the future. However, if this is really to be a legislature, we must accept that there will be consequences for what we say. Mr Attwood’s suggestion that we should not want that to be the case is puzzling.

Mr Peter Robinson has pointed out that Mr McFarland’s example of an Adjournment debate between two men and a dog — and these days at least one of them should be a woman, at least from my party’s point of view — would not be binding on the Assembly.

Mr Attwood has spoken on at least two occasions about the necessity of seeing power sharing, and not power splitting, in the Chamber. I entirely share the concerns that others might have as to whether the two largest parties are fully committed to the concept of power sharing. However, I would have to ask the SDLP Member where he was between 1999 and 2002 when we were supposed to have power sharing in this place. We clearly did not; Ministers operated in silos, doing their own thing and having very little regard for anyone else — whether in the Assembly or in the Executive. Principled complaints were directed from the unionist side of the Chamber at the Minister of Health, Social Services and Public Safety and the Minister of Education, but they were not the only Ministers to behave like that.

I have wonderful memories of the day when I successfully defeated a Minister 3:1 in an amendment to the Game Preservation (Amendment) Bill. I remember not just the victory, but the sight of Ministers sitting in their seats in the Chamber while their Executive colleagues went through one Lobby and Members of their own parties went through the other Lobby. Is that a recipe for coherent Government? Can

that give any opportunity for this society to move forward? If we cannot enhance collectivity, there will be a further period of very bad Government, with people doing their own thing in their own silos and no movement forward.

Of course the problem was not down only to individual Ministers. The Office of the First Minister and the Deputy First Minister was set up to provide a collective lead. At least in those days we elected the First Minister and the Deputy First Minister jointly, as opposed to the Secretary of State determining whether people had given pledges. Nevertheless, on something as fundamental to the future of this society as the policy on a shared future, we could get no agreement from a First Minister and a Deputy First Minister elected collectively with the remit to carry through that policy.

Therefore, when talking about concerns about ensuring greater collectivity, it ill behoves a member of the SDLP — or, indeed, the Ulster Unionist Party — to lecture other Members of this House.

1.00 pm

Mr Durkan: As Mr Attwood said, our main concern with paragraph 2.8 lies in the potential implications from giving full legal effect to the requirement that any decision of this Assembly be binding on Ministers and on the Executive. We have no problem with the Pledge of Office itself; we negotiated the Pledge of Office into the agreement and fully supported its inclusion in the Northern Ireland Act 1998.

The Pledge of Office exists as a tool of this House and of its Members to ensure that Ministers perform to certain standards and in a certain, clear spirit. However, by incorporating the Pledge of Office into a ministerial code that has full statutory effect, it would become not just a tool in the hands of Members but a potential weapon in the hands of people outside. Various interests might want to challenge or delay decisions that have been made or planned by Ministers —

Madam Speaker: Mr Durkan, I must point out that there has already been a vote on the Pledge of Office. We have moved on to the section of the report that deals with the Executive Committee. I appreciate that paragraph 2.8 states that:

“Ministers have affirmed the Pledge of Office”,

but we are discussing the bullet points in paragraph 2.8.

Mr Durkan: I am referring specifically to the fourth bullet point in paragraph 2.8.

The fact is that a relatively innocent expression of concern or hope on the part of Members could be taken by somebody else who wanted to challenge or obstruct a decision that had been made or was pending and incorporated into a judicial review. We need to be aware of the consequences of that. Things will not operate quite as innocently as Members might want.

We want to make sure that Ministers appear before this House more often. In the review of the workings of the agreement, and at the negotiations at Leeds Castle, we put forward more proposals to improve accountability and add transparency than any other party. We want the Assembly to have a much stronger role and, again, we put forward proposals to that effect.

We are concerned that the provision could work in two ways, one of which has been described very well by Alan McFarland. However, the provision could also end up being used to intimidate Members against expressing their views. Committees could be intimidated from putting forward resolutions on issues that they wanted addressed. Ministers will be told by their civil servants to tell the Assembly that if a loosely worded motion is passed it will create difficulties for them. We might end up with less debate and fewer expressions of interest.

We are asking Members to think about the consequences of the provision. When those consequences arise, and Members want to revise things, they will know what we were talking about.

Madam Speaker: I have received no indications from any other Members that they wish to speak, so I shall put the Questions.

Paragraph 2.8 agreed to.

Paragraphs 2.9 to 2.13 agreed to.

Madam Speaker: Amendment No 1 on the Marshalled List relates to paragraph 2.14.

Ms Ritchie: I beg to move amendment No 1: In paragraph 2.14 leave out from after the first “meeting” to end of paragraph and insert

“the responsible minister, or ministers in the case of the First Minister and Deputy First Minister, should as far as practicable set out in writing to all ministers and the Secretary to the Executive –

1. the decision to be taken;
2. the background to the issue;
3. the views of any other ministers with a relevant interest;
4. the position of any other interested administrations; and
5. the consequences of deferring the decision in question pending the next Executive Committee meeting and of not taking it at all.

A matter dealt with in this way will be deemed to have been dealt with in accordance with paragraph 2.4 of this Code. Ministers should communicate their responses to the Secretary to the Executive within the time limit specified by him – and failure to do so will be taken as assent. Decision making under this written procedure shall be as under paragraph 2.12 and the Secretary to the Executive shall notify the responsible minister of the outcome.

Where it is not practicable for reasons of genuine urgency to follow the procedure above, the responsible minister, or ministers in the case of the First Minister and Deputy First Minister, should notify the Secretary to the Executive of the decision taken and, so far as practicable, the matters set out at 2. to 5. above. A matter dealt with in this way will be deemed to have been dealt with in accordance with paragraph 2.4 of this code.”

The SDLP seriously and anxiously wants the restoration of the political institutions — namely, the Assembly, the Executive, the North/South Ministerial Council and the British-Irish Council.

An essential requirement of the Executive is their ability to deliver good Government for the people of Northern Ireland. That is something to which the SDLP earnestly wants everyone in the Chamber — all 108 Assembly Members — to subscribe. Hence, the SDLP's amendment is designed to ensure that proper procedures for emergency decisions be introduced. Such procedures are essential to good Government.

The Member for East Belfast Mr Robinson referred to the failures of the previous Administration. However, I refer Members to the good Government of the previous Administration. Members will recall the 2001 foot-and-mouth crisis. On one day in particular, the then Minister of Agriculture and Rural Development had to act quickly and, if she had not chosen to close our ports by the end of that day, way back in February 2001, Northern Ireland — indeed, the island of Ireland — would have been left in a very vulnerable position.

Mr Paisley Jnr: The Member referred to there having been a good Government. Was that the same Government that had their First Minister in court facing their Health Minister, other Ministers in court with the First Minister and the Deputy First Minister and, indeed, at one point, most of their Executive's business being conducted at the High Court in Belfast? Is that the good Government to which the Member is referring?

Ms Ritchie: I thank the Member for his point of destructive information. It is obvious that he has forgotten that the DUP was happy to act out the game of charades and enter the Executive with various Ministers executing the same portfolios and enjoying those ministerial roles.

I am talking about good Government decisions that were taken in the best interests of all the people of Northern Ireland, including those in the farming industry, farming families and the food industry. The Minister of Agriculture and Rural Development took such decisions at that time.

Rev Dr Ian Paisley: On a point of order, Madam Speaker. Is it right for the hon Lady to completely mislead the House by saying that members of the DUP worked in the Executive? DUP MLAs did not sit on the Executive and did not take part in Executive meetings. The Member should read the real history of the Northern Ireland Assembly.

Some Members: Hear, hear.

Madam Speaker: Dr Paisley, that was not a point of order.

Ms Ritchie: I thank the hon Member for his contribution. I am sure that he will agree that the DUP

Ministers corresponded freely with the Executive and acted out their ministerial roles.

A Member: Is the Member sure?

Ms Ritchie: Yes, I am sure that they did. In fact, I know that they did because the then Deputy First Minister told me that that was what happened — *[Interruption.]*

I wish to continue because this is an important issue. The proposed amendment is designed to ensure better Government for the people of Northern Ireland.

That is why during all the negotiations, whether at Leeds Castle, St Andrews or during the various meetings of the Programme for Government Committee, the SDLP has emphasised the importance of Ministers retaining the power to take emergency decisions.

Unfortunately, the St Andrews legislation — which was sought by the DUP — does not provide an emergency procedure; so the SDLP suggested inserting an emergency provision into the ministerial code. However, as officials have freely conceded, we cannot be sure that the courts would allow a decision made under an emergency procedure to stand. We earnestly hope that the courts would allow such a decision to stand, but, because the legislation contains no clear provision for an emergency procedure, we cannot be sure.

The SDLP is pleased that there is an emergency decisions procedure in paragraph 2.14 of the ministerial code; however, the problem is that it is insufficient. Paragraph 2.14 allows the First Minister and the Deputy First Minister to approve any emergency matter, but as the St Andrews legislation does not give the First Minister and the Deputy First Minister that power, the SDLP cannot see any merit in giving it to them in the ministerial code. The power should rest with the responsible Minister, who would be best placed to decide on how to cope with a genuine emergency. The Minister will know his or her Department and will have been fully briefed on the issues. That is what the SDLP amendment provides. However, we are clear that the power should be used only in genuine emergencies.

Mr P Robinson: Will the Member give way?

Ms Ritchie: No, I will not, because I have little time left and I wish to continue.

Madam Speaker, I recognise that the DUP is trying to obfuscate this debate, but it has failed to recognise the realities of the situation.

If matters are less urgent, but cannot await the next Executive meeting —

Rev Dr Ian Paisley: On a point of order, Madam Speaker. I do not know whether you heard the accusation that was just made that we are not having a fair debate, as you were being advised at the time. You

are responsible for ensuring fairness in this House, Madam Speaker.

Madam Speaker: I am trying to make the proceedings as fair as possible and to ensure that every Member gets an opportunity to speak. I heard the Member say the word “debate”, but I am not sure that she was inferring that the debate was unfair. However, I am sure that the Member will clarify that.

Ms Ritchie: I shall clarify the situation for Members; I know that the DUP earnestly wishes that I would clarify it. I said that the DUP was trying to obfuscate the situation. I did not mention anything about fairness. If you check the record, as I am sure you will, you will read my comments and see what they referred to. I shall now continue.

If matters are less urgent but cannot await the next Executive meeting, a written procedure should be used to clear Executive papers. The procedure is clearly outlined in the SDLP amendment. Allowing the Minister to make a decision would therefore be reserved for only the most urgent cases. It is emphatically not *carte blanche* for Ministers to do what they like, when they like.

There may be some suggestion that it would be illegal for a Minister to make a decision on an issue alone. There is some legal uncertainty about that assertion, but there is even more legal uncertainty about giving the First Minister and the Deputy First Minister the veto powers of paragraph 2.14, as currently drafted. We believe that the ministerial code is an Executive decision and that, through the code, the Executive can decide to delegate emergency decisions to individual Ministers.

Some Members might suggest that Ministers already have the power to retrospectively bring matters to the attention of the Executive under paragraph 2.15. I concur with that, but the SDLP believes that it would be far better to ensure from the start that a Minister has the power to act in the best interests of everybody in Northern Ireland, and in the best interests of good government, to ensure the best delivery for the people of Northern Ireland on the issues that matter to them. That is what our amendment provides.

Mr McNarry: We are considering a report on the draft ministerial code on a take-note basis. Under the Hain rules — in what is, after all, still the Hain Assembly — the Secretary of State’s preference was that the Assembly should vote today on a motion tabled by the Chairman of the Programme for Government Committee that the Assembly approves the draft report on the ministerial code.

1.15 pm

This side of the House is grateful for the amendment to replace “takes note of” with “approves”. That will enable the House to decide to what extent the

ministerial code will operate as a direct result of the efforts of those parties that are likely to provide the Ministers who will ultimately be bound by that code.

I am sure that we are all aware that failure on our part to approve a ministerial code will add to the already convoluted atmosphere of the debate. Not only will we relinquish approval and the opportunity to decide for ourselves —

Madam Speaker: Mr McNarry, you are talking about “approval”; you are not talking about “urgent decisions”. Please keep your remarks to paragraph 2.14.

Mr McNarry: Far be it from me to enter into an argument with you, Madam Speaker — I would not win it. I realise that I was begging your indulgence. An amendment was properly tabled by my party, although you decided in your wisdom that it would not be put to the House. We have accepted —

Madam Speaker: Please keep to paragraph 2.14, Mr McNarry, and speak to your amendment, even though it was not accepted.

Mr McNarry: Madam Speaker, it will be appreciatively difficult for us to give our seal of approval to a ministerial code should paragraph 2.14 be retained. We could be persuaded to support an amendment that we understand is to be tabled to paragraph 2.15 because that is relevant to paragraph 2.14. Paragraph 2.15 deals with the retrospective consideration of ministerial decisions in accordance with the duty to inform the Executive as detailed in paragraph 2.4.

How would a Minister define a matter of urgency that necessitated the taking of action outside an Executive meeting. Does “urgent” not mean “emergency”? Do “urgency” and “emergency” mean the same thing in ministerial terms? If so, surely we can envisage an emergency requiring an urgent ministerial decision. The draft ministerial code makes no specific reference to the provision of emergency Executive meetings. If an emergency demanded an urgent decision, why should we want to hamper a Minister by implementing paragraph 2.14? If it was all right for the Office of the First Minister and the Deputy First Minister to act on an urgent decision without consulting, why should we shackle departmental Ministers by compelling them to write to the First Minister and the Deputy First Minister and to the secretary to the Executive in the detailed way described and then oblige them to meet the First Minister and the Deputy First Minister to consult on what action they would take in an emergency?

Of course there will be occasions — not of an urgent nature, I am sure — when a Minister might wish to consult the First Minister and the Deputy First Minister, especially, I suspect, if the Minister belongs to the same party as either the First Minister or the Deputy First

Minister. I am sure, too, that if an emergency arose, the Minister concerned would welcome being able to share the problem. However, the problem facing a Minister is not to whom to go for a chat; the problem is this: when faced with an emergency could he or she deal with it urgently when bound by the restrictions of paragraph 2.14? That is what would happen when a Minister faced an emergency that could be dealt with only by urgent action.

Under paragraph 2.14, a Minister faced with an emergency would be restricted from acting swiftly. He or she would be delayed by the code's protocol, which is preventive. The paragraph is of no useful assistance, although we fully understand the points that the SDLP has made. We understand from where they are coming.

The House should reject paragraph 2.14 in order to allow for it to be reconsidered, either by the incoming Executive or in another sitting of the Assembly. The issue is not being dealt with fully, because paragraph 2.14 does not meet the necessary requirements for "good government".

Say that the First Minister and the Deputy First Minister could not agree on an urgent decision or that, heaven forbid, they were not on speaking terms, would we use chaperones, or junior Ministers who might be speaking to each other, to deal with the situation? The paragraph is flawed. What if industrial action were paralysing the country, or an outbreak of avian flu or another virus were affecting our livestock? What if there were a serious health scare, a freak weather situation or an environmental catastrophe? I could cite examples that do not even stretch reality to take in alarmist situations. I do not wish to use alarmist situations as examples, because those really would be emergencies, the resolution of which would totally rely on ministerial competence.

Paragraph 2.14 would place a burden on any Minister. It is too restrictive; it is unnecessary, especially with paragraph 2.15 in place. For the good reasons that I have outlined, it makes no sense to adopt paragraph 2.14.

There are also legal complications, which this debate has yet to unearth. Those complications will surely be unearthed in the days to come, and they must be properly addressed. For that reason, I again ask Members not to support paragraph 2.14, in order to allow for the Executive to deal with the ramifications of those legal complications.

The report on the draft ministerial code makes no specific reference to any provision for the Executive to deal with an emergency. In such circumstances, I suspect that an Executive would gather, by urgent request, to hear first-hand how the Minister concerned was dealing with the immediate needs of the situation. Thereafter, the Executive would be required to give regular,

informed updates on how the Minister responsible was dealing with the emergency.

Madam Speaker, that is how urgent decisions should be taken, and that is how they can be taken. We see no reason why urgent decisions cannot be taken in the way in which I have outlined; therefore we ask that paragraph 2.14 be set aside for further consideration by an Executive.

Mrs Foster: I wish to raise several points about paragraph 2.14, the first of which is the key issue of who decides whether a matter is urgent. If a Minister can decide on his or her own that an issue is urgent, many issues will be called into question. What may be urgent to one Minister may not be urgent to the rest of the Executive. That should be borne in mind when looking at paragraph 2.14, and that is precisely why I support that paragraph as it stands in the draft ministerial code. It states:

"The First Minister and deputy First Minister, acting jointly, will consider the decision in consultation with the responsible Minister, and notify him/her of the outcome of their consideration of the matter."

One huge deficiency in the SDLP's proposed amendment to the code is that it contains no approval mechanism. According to its amendment, the Minister responsible would take the urgent decision, after which it would be deemed to have been dealt with in accordance with paragraph 2.4 of the code.

I find the debate strange — as I am sure do others outside the House — given that the two parties that are speaking against the draft ministerial code are the champions of collectivity. To me, collectivity is about sharing the burden of decision-making, and surely if one has an urgent decision to make, one would want to seek one's ministerial colleagues' advice and share with them the burden of approval. That is why my party believes that paragraph 2.14 as it currently stands is the way forward. It is for the SDLP and the Ulster Unionist Party to explain why they are now against collectivity.

Mr Ford: I listened with interest to Margaret Ritchie speak to amendment No 1. I had considerable sympathy with the ideas behind that amendment, but I am not sure that my sympathy necessarily extends to its entire wording. The difficulty is that we now seem to have two different classes of urgency: genuine and non-genuine. Those of us who saw how Ministers behaved in the past may have doubts about the potential to exploit the loophole that those categories create.

Mr McNarry made some entirely reasonable points about what would happen if a First Minister were not speaking to a Deputy First Minister. However, he should not judge the future entirely by his own experience. *[Laughter.]* Even so, Mr McNarry's points illustrate the conflict that the different views in the Chamber represent. As well as paragraph 2.14, we are now talking to some extent about paragraph 2.15 and

its proposed amendment. There are dangers in adopting an approach that allows a Minister to make a decision single-handedly, without reference to anyone else, including, logically, the First Minister and the Deputy First Minister. However, examples such as the one significant urgent event of the previous working Assembly have been cited. As I understand it, on that occasion Bríd Rodgers used her ministerial authority to decide off her own bat to close the ports. Any delay, other than that caused by the courtesy of informing the First Minister and the Deputy First Minister that she was taking that action, would have put our agriculture industry at serious risk. Therefore we must be careful not to institute procedures that cramp Ministers' ability to make those really urgent decisions that may need to be made at an hour or two's notice.

At the same time, there may be a danger that some issues that had not been mentioned a few hours earlier suddenly became matters of urgency on a Thursday evening, whenever the Executive would not meet for another fortnight. Until the House can collectively decide that it is confident that a First Minister and a Deputy First Minister will act jointly and that an Executive will have collectivity, we will not resolve that issue. That may mean that the ministerial code, regardless of whatever is decided this afternoon, will have to be revisited.

There is a need to ensure greater collectivity; therefore, amendment No 2 to paragraph 2.15 would ensure at least retrospective collectivity, even if it were not possible to have it when a decision is made.

However, I am keen for Ms Ritchie or Mr Attwood to explain the difference between genuine and non-genuine urgency. Such an explanation would help to clarify the amendment in my mind.

Mr P Robinson: Mr Ford is right to suggest that we may have to revisit paragraph 2.14. However, of the options that are available to us, there is more safety in holding to the draft code rather than deleting paragraph 2.14, or amending it, as the SDLP would have us do.

I have a further category to add to the two — genuine and non-genuine urgency — that Mr Ford suggested. Mine concerns those matters that a Department deliberately leaves, which are consequently made urgent by that delay. It is conceivable that a Minister who wants to bypass the Executive's collective procedures could hold back on making a decision until it urgently needed to be taken. That would mean that, outside of the Executive, Ministers could make such a decision, thereby bypassing the process of collectivity.

Paragraph 2.14, as it stands in the draft ministerial code, is a safer outcome than the SDLP amendment, which would effectively allow the Minister to get off with it; or the silent option, which would leave us with

no route to deal with an urgent situation, should it arise.

1.30 pm

I rather suspect that an Executive would make efforts to avoid ever having to use that part of its code. If an emergency arose, I should hope that the Minister, the First Minister and the Deputy First Minister would discuss the issue and attempt to bring colleagues together in a meeting of the Executive. None of us are so far away that we could not get back in those circumstances, so, in the event of an emergency, it might well be possible to get the Executive together at that time rather than waiting until their normal weekly or fortnightly meeting. If that were not possible and an urgent major issue had to be dealt with, I agree entirely with the Member for Fermanagh and South Tyrone Mrs Foster that as a Minister I would want the support of ministerial colleagues and of as broad-based a group as possible in the Assembly for the important decision that I needed to take.

I suspect that the Minister responsible for agriculture in the last Executive did not hide in a hole and take decisions herself without reference to others. Of course ministerial colleagues have to be brought along; however, there is no decision that requires an instant as opposed to an urgent response. I hope that normal processes would be brought in whereby an emergency meeting could be called; otherwise, there would be a fallback position.

Sir Reg Empey: The Member gave the example of the Minister with responsibility for agriculture. As I recall, the Executive met in emergency session on a number of occasions. That is not quite our concern here. The terminology of paragraph 2.14 is as follows:

“and notify him/her of the outcome of their consideration of the matter.”

That refers to the First Minister and the Deputy First Minister. First, a legal point is raised because that phrase implies that the legal power of decision in a Department is being transferred to the First Minister and the Deputy First Minister. That requires further clarification. Secondly, there is a difficulty if the First Minister and the Deputy First Minister disagree. Where does that leave the Minister? As the Member said in his opening remarks, we can imagine all sorts of scenarios but things generally work if the will is there. I understand that. However, there is a flaw in this that could be challenged legally. One can envisage circumstances in which decisions would have to be more or less instantaneous — health and safety issues, for example. The difficulty that we have is this: does the legal power reside with the Minister ultimately, after consultation, or is it being transferred? That is not entirely clear.

Mr P Robinson: I take the Member's point. The issue is, I suppose, in the definition of what the decision is that the First Minister and the Deputy First

Minister are taking. Are they taking a decision that would ordinarily be taken by the Minister or are they taking the decision that the matter should be deferred until the Executive meet? I suspect that it is the latter rather than the former. It is untidy, which is why I indicated that we would probably have to return to the issue. It is safer to have it in the ministerial code in the present circumstances with the very clear caveat that if it is not dealt with urgently, experience will force us to look at this again.

Mr Attwood: I wish to make three or four points. First, it has been acknowledged that there is an issue here that must be addressed. That is important. Whatever happens today, it may have to be reviewed again and re-examined.

This matter did not form part of the outcome of the St Andrews negotiations so all of the parties have been trying to work their way through it in the Programme for Government Committee and at staff level.

The DUP argues that it would prefer the particular model in question. To characterise that preference, that party has invoked issues such as a Minister's holding papers back so as to bring about an emergency procedure. A better argument, and one that the community in the North would acknowledge more readily, would be on the grounds of public safety, as outlined by the UUP and others, including David Ford. Owing to the nature of emergencies per se, the SDLP feels that it would be better to err on the side of public safety and public welfare, rather than introduce a procedure that could legislate in extreme against both.

When one bores down into the various suggestions, it is clear that the issue is about which mechanism parties believe will legislate in favour of public safety and public welfare and whether there is a risk of any other procedure — innocently or otherwise — impeding that outcome.

I suggest to the DUP that, even at this stage, and given that all parties acknowledge that the matter might need to be re-examined, the safer, sounder course of action would be to err on the side of public safety, rather than on the side of the risks outlined by Peter Robinson. No one is suggesting that the DUP's argument — that a Minister could deliberately hold back papers to avail of an emergency procedure — is invalid. However, in the current circumstances in which we could have a Government within a week, and in which — as stated by David McNarry — there are all sorts of safety and security threats that might arise, would it not be better to go one way rather than the other, acknowledging that all of this will have to be looked at again?

Arlene Foster mentioned collectivity. The record demonstrates that the SDLP has outlined more mechanisms than any other single party to enhance collectivity during the years of the first Executive, and

since. The record of proposals made during the review of this matter at Leeds Castle, at St Andrews, and since, shows that a body of proposals for collectivity has been proposed by the SDLP, some of which have been adopted.

The SDLP proposed Executive subcommittees on key policy priorities, and proposed that the Executive should have the power to call for people and papers. The SDLP also argued for better ways to implement the Programme for Government.

I suggest that I have presented an evidence-based argument as to why the SDLP is in favour of mechanisms that will enhance collectivity, rather than those that could end up frustrating it.

Question put, That amendment No 1 be made.

The Assembly divided: Ayes 14; Noes 79.

AYES

Alex Attwood, Mary Bradley, P J Bradley, Thomas Burns, John Dallat, Mark Durkan, Tommy Gallagher, Carmel Hanna, Dolores Kelly, Alban Maginness, Alasdair McDonnell, Patsy McGlone, Declan O'Loan, Margaret Ritchie.

Tellers for the Ayes: Thomas Burns and Carmel Hanna.

NOES

Gerry Adams, Martina Anderson, Billy Armstrong, Roy Beggs, Cathal Boylan, Mickey Brady, Allan Bresland, Francis Brolly, Lord Browne, Thomas Buchanan, Paul Butler, Gregory Campbell, Trevor Clarke, Willie Clarke, Robert Coulter, Jonathan Craig, Leslie Cree, Kieran Deeny, Pat Doherty, Jeffrey Donaldson, Alex Easton, Reg Empey, Stephen Farry, David Ford, Arlene Foster, Samuel Gardiner, Michelle Gildernew, Simon Hamilton, David Hilditch, William Irwin, Danny Kennedy, Anna Lo, Naomi Long, Alex Maskey, Paul Maskey, John McCallister, Fra McCann, Jennifer McCann, Kieran McCarthy, Raymond McCartney, Nelson McCausland, David McClarty, Basil McCrea, Ian McCrea, William McCrea, Barry McElduff, Alan McFarland, Claire McGill, Michael McGimpsey, Martin McGuinness, Gerry McHugh, Michelle McIlveen, Mitchel McLaughlin, David McNarry, Adrian McQuillan, Lord Morrow, Stephen Moutray, Conor Murphy, Sean Neeson, Robin Newton, Carál Ní Chuilín, John O'Dowd, Michelle O'Neill, Ian Paisley Jnr, Ian R K Paisley, Edwin Poots, Dawn Purvis, Sue Ramsey, George Robinson, Iris Robinson, Peter Robinson, Caitriona Ruane, George Savage, Jim Shannon, David Simpson, Jimmy Spratt, Mervyn Storey, Peter Weir, Brian Wilson.

Tellers for the Noes: Carál Ní Chuilín and Jim Shannon.

Question accordingly negatived.

Paragraph 2.14 agreed to.

Madam Speaker: Two amendments to paragraph 2.15 have been selected and published on the Marshalled List of Amendments.

Mr P Robinson: I beg to move amendment No 2: Leave out paragraph 2.15 and insert

“Where, by virtue of paragraph 2.4 of the Code, a Minister, including the First and Deputy First Minister acting jointly, or junior Minister, is required to bring to the attention of the Executive Committee any matter which ought by virtue of section 20(3) or 20(4) of the Act to be considered by the Executive Committee, the Executive Committee may, subsequent to a decision being taken, nonetheless determine that the decision has been taken in accordance with paragraph 2.4 of the Code.”

I am moving the amendment in the name of my friend Lord Morrow of Clogher Valley and myself. Today’s debate represents an important milestone in the path towards devolution. For my colleagues and I in the Democratic Unionist Party, it is the culmination of our campaign to make ministerial decisions accountable and a necessary precondition to any return to devolution.

A statutory ministerial code of the kind set out in the Northern Ireland (St Andrews Agreement) Act 2006 represents the fulfilment of the DUP’s long-held manifesto commitment to create accountability for decision-making in Northern Ireland. Today will not determine whether there will be a statutory ministerial code in place upon the restoration of devolution, but as Jim Wells said earlier, the question is whether the ministerial code will be determined by the Assembly or by the Secretary of State for Northern Ireland. If the Assembly cannot agree a ministerial code today, the Secretary of State — pursuant to schedule 1 of the Act — is legally required to prepare a draft ministerial code that is satisfactory to my colleagues and myself, as already stated in legislation.

While the imposed code would satisfy the needs and agenda of the DUP, it is in the best interests of the Assembly and of the Executive to agree their own code. I hope that this will prove possible, and I am keen that the new arrangements will not only provide the safeguards we require but will allow for the efficient running of Executive business.

Agreement would not only send out the signal that the Assembly can agree vital operating procedures for the Executive, but it would produce a more tailored solution for the Executive to work with and for it to face the challenges that will lie ahead.

2.00 pm

Today is not a day, and this is not an amendment, that allows me to dwell on the reasons for a statutory code being so necessary or on the failings of the last Executive. It is a time to look forward and to try to create the best possible arrangements.

I believe that the draft code produced by the Programme for Government Committee offers a

positive way forward. However, there is a particular issue that is of some significance to my colleagues and me and for which we have tabled a constructive amendment for consideration. The issue addressed by this amendment must be resolved. If it is not resolved today, then my colleagues and I could not support the ministerial code and would instead rely on the Secretary of State’s exercising his function.

First, I will address the issue on which we require change. Paragraph 2.15 in the draft ministerial code deals with retrospective approval for ministerial decisions. It should be noted that there is no requirement in the Northern Ireland (St Andrews Agreement) Act 2006 for such a paragraph to be inserted in the Northern Ireland Assembly’s code, and, in the event that Members cannot agree today, it would not be in the code imposed by the Secretary of State. However, the DUP believes that there is value in having a paragraph that deals with such an eventuality, though not in the precise terms that are suggested in the draft ministerial code that is before the Assembly today. That flows from the structure of the legislation. Section 28A (10) states that:

“Without prejudice to the operation of section 24, a Minister or junior Minister has no Ministerial authority to take any decision in contravention of a provision of the Ministerial Code made under subsection (5).”

Section 28A (5) states:

“The Ministerial Code must include provision for requiring Ministers or junior Ministers to bring to the attention of the Executive Committee any matter that ought, by virtue of section 20(3) or (4), to be considered by the Committee.”

As David Hanson confirmed in the House of Commons during the passage of the Bill, the combination of those two provisions means:

“that a decision that by virtue of section 20(3) or (4) ought to be brought to the attention of, and considered by, the Executive committee, is not validly taken without the approval of the Executive committee, and that without such approval, a Minister has no ministerial authority to take such a decision.”

He went on to confirm that a decision taken without Ministerial authority:

“would have been taken in contravention of the code itself. As such, it would not be a legitimate decision and would be open to legal challenge.”

That is a vital safeguard for the Assembly and the Executive, but one can imagine circumstances in which, in good faith, a Minister might inadvertently or through some other reason not bring a matter to the Executive that he or she was required to bring.

In the absence of a procedure to retrospectively approve of such a decision, there would be significant adverse legal implications. I am sure that all Members are keen to avoid such an eventuality. However, the provision, as it is presently drafted, runs the risk of undermining its own intention. For those Members

who do not have a copy of the draft ministerial code to hand, it states that:

“Where a Minister, including the First Minister and deputy First Minister acting jointly, or junior Minister takes a decision and subsequently brings that decision to the attention of the Executive Committee for its consideration, the decision will be deemed to have been dealt with in accordance with paragraph 2.4 of this Code.”

The difficulty with the provision is that it is not sufficiently clear that the decision needs to receive the approval of the Executive, as well as merely being brought to the Executive, to avoid legal challenge. Bringing the provision to the Executive alone is clearly no safeguard. Again, as David Hanson said:

“such matters are for the Executive committee.”

A Minister cannot discharge his or her obligations subsequently by simply telling the Executive about the decision that he or she has taken. The DUP has tabled an amendment to replace the current provision with a new draft. I assume that Members have read the amendment on the Marshalled List, and I believe that that will give the Executive the ability to approve a decision retrospectively. It will not, however, create the presumption, or allow any argument, that bringing the matter was, of itself, sufficient.

For my party, it is critical that the amendment is passed. There is no reason why it should be opposed, and I am not aware of any fundamental objection to the principle it contains.

Mr Durkan: The SDLP opposes the amendment. Paragraph 2.15 allows the Executive to consider decisions that have already been taken. A Minister can bring to the attention of the Executive a decision that he or she has already made. Under paragraph 2.15, as it stands, the decision is deemed to have been brought to the attention of the Executive at the time that it was taken. That provision protects such decisions from being invalidated by the courts.

This relates to a point that my colleagues and I made earlier. The SDLP’s intention is not to constrain or limit ministerial accountability in this House or to this House. We want to maximise accountability. We are trying to ensure that competent decisions, properly taken, are not imperilled in the courts.

The DUP amendment to paragraph 2.15 would change that. It would result in a decision being deemed to have been brought to the attention of the Executive only if the Executive were to agree on it. To my party that makes no sense. The SDLP is endeavouring to prevent ministerial decisions from being found to be invalid by the courts. The amendment — and certain other provisions — will work only to heighten the risk of Ministers and decisions being challenged, on these procedural grounds, in the courts and beyond the control of anyone in this House.

If tighter rules are needed to enable Ministers to carry out their duties, the SDLP is open to considering that option. Members should note that compared with the current ministerial code, the draft ministerial code is a very slim volume. It was recognised correctly that it would be wrong to transfer all the previous ministerial code into a new statutory ministerial code, thus giving it all the force of law. If it is wrong to give the new ministerial code all the force of law, Members should be judicious in deciding what provisions are given that force. The force of law potentially puts leverage into the hands of other, sometimes vested, interests who might be out to prevent or overturn decisions taken in the public interest.

All the other material that was in the old ministerial code is to be included in new procedural guidance. Tighter rules can be included in that guidance, which is being drafted by officials at the moment. As with the previous ministerial code, it will be binding upon Ministers. The Assembly will be able to hold Ministers to that procedural guidance and punish Ministers who do not comply with it. However, as it is not legally enforceable in the courts, those outside the Assembly will be unable to use legal action to overturn a decision that the majority of Members have accepted.

The SDLP is not in favour of an approach, whereby failure to comply with some procedural mechanism would lead to a decision being invalidated and, possibly, compromise the public interest, which might suffer as a result.

The DUP’s response to that issue is to make paragraph 2.15 more onerous. That makes it more likely that perfectly sensible decisions could be struck down by the courts, with the risk of damage to the public interest. For that reason, the SDLP opposes the amendment.

Mrs Foster: I would like to bring up a very brief matter in response to Mr Durkan’s comments about this mechanism, which is a difficulty.

As the code currently stands, under paragraph 2.4, there is a duty to bring matters to the attention of the Executive Committee if it falls into one of several categories, such as cross-cutting responsibilities or requiring agreement on prioritisation. If the proper channels are gone through for that, it has to be agreed and approved by the Executive.

However, if a Minister uses the mechanism for retrospective consideration of ministerial decisions under paragraph 2.15, the decision does not require approval by the Executive; it has simply to be brought to the attention of the Executive Committee for its consideration.

I contend that there is a direct contravention between paragraph 2.4 and paragraph 2.15. This is not a procedural mechanism. It could become a very substantive mechanism if people were taking decisions

and then seeking retrospective consideration. It is not an approval mechanism as it currently stands.

Mr P Robinson: Is the key issue not that there is no provision of this type in the Act of Parliament? Therefore, if it is left to the Secretary of State, there will be no provision for retrospective decisions. If we do not have agreement in the Assembly, there will be no provision at all. This side of the House will only support a measure that ensures that if a Minister takes a decision that should have gone before the Executive, the Executive will deal with it as they would have had it properly been brought to them and not been taken by the Minister beforehand.

In opposing this, the SDLP needs to be clear that the only option it leaves to the DUP is to vote against the whole of the ministerial code and to let the Secretary of State bring it in.

Mrs Foster: Yes, indeed. If the SDLP proceeds in this manner, the DUP will not be able to approve the draft ministerial code, and the Secretary of State will impose a ministerial code without a mechanism to deal with retrospective decisions. To the DUP, this is not a procedural mechanism; it is a substantive matter, and therefore the amendment should be taken as it is laid before the House.

Mr Attwood: Let us take a step back from the comments of the deputy leader of the DUP that it is this or nothing; it is either this or what the Secretary of State decides. The Assembly should make a decision about what is in the best interests of the Assembly and the Executive. The Assembly should say to the DUP that what came out of the Programme for Government Committee was a proposal that dealt with the issue of retrospective decision-making: the best model that we have come up with, to date, in order to deal with that.

2.15 pm

I suggest that, rather than thumping the table, the DUP adopts the same approach that it adopted to emergency decision-making and allow the retrospective consideration of ministerial decisions. If it becomes necessary to revisit the subject because Arlene Foster's worst fears of Ministers making decisions and using the retrospective procedure are realised —

Mr P Robinson: If the DUP were to do that, every Minister could take every decision retrospectively and simply notify the Executive later. Decisions would be taken for which the Executive would have no collective responsibility.

Mr Attwood: That was another expression of the worst-fears argument. Earlier in the debate, however, the DUP clearly indicated that when all the systems are in place, collectivity will transcend all the internal, narrow party differences. The DUP berated the SDLP for, arguably, opposing collectivity, while that party made collectivity its goal, yet Peter Robinson is telling us

that the Assembly must ensure that no single party or group of Ministers can go into a huddle to make decisions and rush them through using retrospective procedure.

I suggest that there is a tension within the DUP: on one hand, it argues for legislating against its worst fears by creating a model that will face all sorts of potential legal challenges; on the other hand, it says that everything will work out because the mechanisms of collective decision-making are all in place.

The Assembly should base its decision on the correct approach to retrospective decision-making rather than basing its decision on the DUP's assertion that if the Assembly does not agree to a certain approach, the Secretary of State can do his worst. I suggest that all parties that will have ministerial responsibilities probe what all that might mean.

It is interesting that the DUP makes retrospective decision-making the issue over which it would die in a ditch. It is revealing that, in his opening remarks, Peter Robinson said that there would be consequences if the issue were not resolved. He later intervened during Arlene Foster's speech and said that the resolution of this issue is "critical" in shaping what happens next week and thereafter.

I ask Members to consider why retrospective decision-making is the issue over which the DUP is prepared to die in a ditch. Having successfully negotiated — as I acknowledge — the reworking of so much of the Good Friday Agreement in respect of North/South operations, Executive responsibility and ministerial power, through the comprehensive agreement and the negotiations up to and including those at St Andrews, why is the DUP making so much of this issue now?

Mr P Robinson: Will the Member allow me to answer?

Mr Attwood: I will let Mr Robinson respond later.

Returning to the core point, the SDLP suggests that the Programme for Government Committee's proposal provides a more appropriate mechanism, whereby any decision for which a Minister required retrospective approval would be brought before the Executive. By that stage, the Minister's actions would, in the best way that can be devised, be legally validated.

Not to adopt that approach would mean that any refusal by the Executive to retrospectively validate a decision taken by a Minister would open the door to legal action. At that stage, all sorts of people would begin to argue that decisions had been taken without due process or legal authority and were therefore invalid. The consequences of that would be claims for compensation, legal action and judicial review. The SDLP suggests that the model proposed by the Programme for Government Committee is better.

The model proposed by the DUP would open the Executive Minister and the Assembly to all sorts of legal challenges. Equally important is the political point about why the DUP is so dogmatic about this particular matter. Other parties' reasonable concerns were dealt with in the findings of the Committee on the Programme for Government.

Madam Speaker: I have no indication that any other Member wishes to speak on the issue.

Question put, That amendment No 2 be made.

The Assembly divided: Ayes 74; Noes 14.

AYES

Martina Anderson, Billy Armstrong, Roy Beggs, Cathal Boylan, Mickey Brady, Allan Bresland, Francis Brolly, Lord Browne, Thomas Buchanan, Paul Butler, Gregory Campbell, Trevor Clarke, Willie Clarke, Robert Coulter, Jonathan Craig, Leslie Cree, Pat Doherty, Jeffrey Donaldson, Alex Easton, Stephen Farry, David Ford, Arlene Foster, Samuel Gardiner, Michelle Gildernew, Simon Hamilton, William Hay, David Hilditch, William Irwin, Danny Kennedy, Naomi Long, Alex Maskey, Paul Maskey, John McCallister, Fra McCann, Jennifer McCann, Kieran McCarthy, Raymond McCartney, Nelson McCausland, David McClarty, Basil McCrea, Ian McCrea, William McCrea, Barry McElduff, Alan McFarland, Claire McGill, Michael McGimpsey, Gerry McHugh, Michelle McIlveen, Daithí McKay, David McNarry, Adrian McQuillan, Lord Morrow, Stephen Moutray, Conor Murphy, Sean Neeson, Robin Newton, Carál Ní Chuilín, John O'Dowd, Michelle O'Neill, Ian Paisley Jnr, Ian R K Paisley, Edwin Poots, Sue Ramsey, George Robinson, Iris Robinson, Peter Robinson, Caitríona Ruane, George Savage, Jim Shannon, David Simpson, Jimmy Spratt, Mervyn Storey, Peter Weir, Brian Wilson.

Tellers for the Ayes: Robin Newton and Jim Shannon.

NOES

Alex Attwood, Mary Bradley, P J Bradley, Thomas Burns, John Dallat, Mark Durkan, Tommy Gallagher, Carmel Hanna, Dolores Kelly, Alban Maginness, Alasdair McDonnell, Patsy McGlone, Declan O'Loan, Margaret Ritchie.

Tellers for the Noes: John Dallat and Alban Maginness.

Question accordingly agreed to.

Paragraph 2.15, as amended, agreed to.

Mrs Foster: I beg to move amendment No 3: Insert a new paragraph after 2.15:

"The Executive Committee may make additional provision to enable the duty set out in paragraph 2.4 of the Code to be satisfied."

I am pleased to speak to amendment No 3, which is in the names of my noble and hon colleagues The Lord

Morrow of Clogher Valley and Mr Peter Robinson, a Member from East Belfast.

Today, we have heard much about Ministers being unduly shackled, and, hopefully, amendment No 3 will deal with some of those concerns. Indeed, Members have heard a lot from the SDLP about what will happen if the draft ministerial code is adopted as it stands. We have heard of dire consequences, such as the possible intimidation of Members who table private Members' Bills. Indeed, at one stage, I was reminded of Private Fraser from 'Dad's Army' whose catchphrase was "We're all doomed". The SDLP seems to believe that we are doomed if the draft ministerial code is adopted.

The key to the draft ministerial code is accountability. The lack of effective accountability in the pre-2002 Administration should be instructive to all Members. The DUP will have more Ministers than any other party in the new Administration. Therefore, the DUP will be held to account more than any other party. However, it is the party — *[Interruption.]*

Madam Speaker: Order.

Mrs Foster: However, it is the party that will have the fewest Ministers that is making the most noise about accountability.

Amendment No 3 is a straightforward way of adding an enabling power for:

"the duty set out in paragraph 2.4 of the Code".

The amendment will allow the Executive the freedom to deal with other issues should the need arise. In full, it states that:

"The Executive Committee may make additional provision to enable the duty set out in paragraph 2.4 of the Code to be satisfied."

It will give the Executive the freedom to create procedures to deal with many eventualities. It will have no immediate impact but will merely allow the Executive to react appropriately, without the need for subsequent changes to the ministerial code.

Essentially, this part of the ministerial code will provide a mechanism to filter out everyday, non-controversial matters, and, as amendment No 3 states, it will provide an enabling power that will help Ministers to avoid the danger of legal challenges, of which there has been much discussion today.

One can only try to avoid legal challenges; one can never be sure that a legal challenge will not be made. This House — even those in the SDLP — knows full well the creativeness and ingenuity of lawyers. Members can but try to make adequate provision.

I hope that the House will support the amendment.

Madam Speaker: As I have been given no indication that any other Member wishes to speak, I shall put the Question.

Question, That amendment No 3 be made, *put and agreed to*.

Rev Dr Ian Paisley: I do not know what is wrong with this House today. There have been difficulties with the recording machines, and there is a clock that does not know whether it is working. There is also a breath of what I call “stepmother’s air” in this Building today. I draw your attention to that, Madam Speaker. You would be more comfortable if you could hear all the nice things that are being said, and Members would be more comfortable if the draught could be stopped and there could be some hot air in the Chamber.

Madam Speaker: Even I would like some hot air, Dr Paisley. It is very cold in the Chamber, and I have asked that enquiries be made about the temperature. As regards my hearing the proceedings, I can hear them now, provided that Members do not whisper among themselves when other Members are speaking. I have asked the Whips whether we can adjourn for 30 minutes after the debate on the draft ministerial code has been concluded to allow the engineers to investigate the heating problem. It is very cold in the Chamber, and we must make sure that it does not affect the debate. Be as hot as you can, Members — do not put that in Hansard. *[Laughter.]*

We now move to paragraph 2.16.

Paragraph 2.16 agreed to.

Madam Speaker: We shall proceed to consideration of paragraphs 3.1 to 3.22 of the draft ministerial code, which relate to the North/South Ministerial Council and the British-Irish Council (BIC).

Paragraphs 3.1 to 3.22 agreed to.

Madam Speaker: That concludes the consideration of the draft ministerial code. One amendment to the substantive motion has been selected and is published in the Marshalled List of Amendments.

Mrs Foster: I beg to move amendment No 4: Leave out “takes note of” and insert “approves”.

We have all been made aware that for this ministerial code to become the ministerial code for the new Assembly and Executive it must be actively approved by the Transitional Assembly. Otherwise, the Secretary of State holds the power to impose a ministerial code. Much reference has been made to that today, and it would be a good signal to send to the community in Northern Ireland for the Assembly to approve the ministerial code in totality.

Madam Speaker: I have received no indication from any other Members that they wish to speak. Before I put the Question, I call the Chairman of the Committee on the Programme for Government to wind up the debate.

Mr Wells: There is a website that offers our constituents a free service whereby, every time one of their Assembly Members rises in the Chamber, they receive text messages outlining what we have said.

2.45 pm

There are some poor, sad people in South Down who have received at least 15 text messages stating that all that I have said is: “Moved, Madam Speaker.” I shall not add to their pain by saying those words again, but I would like to thank Members for their contributions.

As I said during my opening remarks, and as has been evidenced by the comments of Members, this is a matter that Members consider to be extremely important and one on which they have strongly held views. The various views on what should and should not be included in the draft ministerial code were reflected during the debate and mirrored those of the parties on the Programme for Government Committee. Members will note that the Committee’s report on the draft ministerial code did not state a view on the contents of the draft that is before the House. Nevertheless, the Committee considered it extremely important that the Transitional Assembly should have the opportunity to consider and debate the draft ministerial code, and Members have availed themselves of that opportunity, some more so than others. We have had a successful outcome to today’s business, and it now remains for the Question to be put.

Question, That amendment No 4 be made, *put and agreed to*.

Madam Speaker: Approval of the draft ministerial code requires cross-community support in accordance with paragraph 5 of schedule 1 to the Northern Ireland (St Andrews Agreement) Act 2006. I therefore intend to divide the House.

Main Question, as amended, put and agreed to nemine contradicente.

Resolved (with cross-community support):

That this Assembly approves the draft Ministerial Code.

The sitting was suspended at 2.50 pm.

On resuming (Madam Speaker in the Chair) —

3.25 pm

Draft Standing Orders for the Northern Ireland Assembly

Madam Speaker: The Business Committee has agreed that each contribution will be limited to a maximum of five minutes. It has also been agreed that amendments appearing on the Marshalled List will be treated similarly to amendments to Bills. In other words, Members will be entitled to make one contribution on each question.

I shall say something about how I propose to conduct proceedings. I shall call the Chairman of the Subgroup on Standing Orders to move the motion, and I shall then propose to ask the Assembly to approve the draft Standing Orders in numerical sequence either individually or, where they are unchanged from the current Northern Ireland Assembly Standing Orders, and no amendment appears on the Marshalled List, in groups.

Where a draft Standing Order contains only a consequential change as a result of a substantive change to another, later draft Standing Order, I intend to conduct proceedings so that that consequential change will be provisional and can be made formally later only when that substantive change has been made.

Decisions on those Questions will be decided by simple majority, as provided for in draft Standing Order 17. At the end of the process, the Question on the approval of the draft Standing Orders will be put as it appears in the Order Paper. That decision will require cross-community support in accordance with schedule 1(5) to the Northern Ireland (St Andrews Agreement) Act 2006.

Members will appreciate the complexities of the procedure that is required, and, if matters are unclear, I urge them to seek guidance from the Table at any time during the debate. The process may become less confusing as we proceed so we shall make a start.

The Chairperson of the Subgroup on Standing Orders (Mr Poots): I beg to move

That this Assembly approves the draft Standing Orders for the Northern Ireland Assembly (dated 13 March 2007).

I can see the headlines of tomorrow's papers: "Poots proposes Standing Orders report".

The considerable work underlying the motion was carried out by the Transitional Assembly's Subgroup on Standing Orders. That subgroup differed from the Assembly's other subgroups in that it was a subset of the Business Committee and not of the Programme for Government Committee.

Following a decision of the Business Committee, the subgroup was formed on 11 December 2006 to take on

the responsibility of meeting the requirements of schedule 1(5) to the Northern Ireland (St Andrews Agreement) Act 2006. To that end, at its meeting of 5 December 2006 the Business Committee established the subgroup and agreed the following terms of reference:

"A subgroup of the Business Committee should consider draft Standing Orders for the Northern Ireland Assembly;

The subgroup's membership should reflect the party strengths on the Business Committee (2 members each for DUP, Sinn Féin, UUP and SDLP and 1 member from Alliance);

Membership should be drawn from those who were members of, and alternate attendees at, the Business Committee;

The subgroup should seek representations on Standing Orders through written correspondence with those members not represented on the Business Committee;

The subgroup's quorum would be 5 members;

The subgroup would agree its own chairing arrangements;"

and that the subgroup should report to the Business Committee by Tuesday 16 January 2007.

The subgroup comprised nine members, with a quorum of five, and its first meeting took place on 11 December 2006. It was agreed at the meeting that voting would be made on the basis of consensus, and where that could not be reached, voting would be carried out on the basis of party strengths in the Assembly. The Chairman would have a casting vote. It was also agreed that deputies could attend if members of the subgroup were unable to do so.

The subgroup met on eight occasions between 11 December 2006 and 15 January 2007 and operated under the following arrangements: meetings were chaired in rotation by parties with more than one member on the subgroup.

It is this arrangement that has dictated that I carry out my function today as Chair.

3.30 pm

We wrote to the Independent Members seeking representations or contributions. We took the existing Standing Orders of the Northern Ireland Assembly as a base document. A programme based on an assessment of the essential burden of work on Standing Orders imposed by the Northern Ireland (St Andrews Agreement) Act 2006 was agreed. In addition, the Committee noted that some other amendments to existing Standing Orders would be desirable and undertook to consider those, where time permitted. We decided that the services of the Office of the Official Report would not be used, as the work of the subgroup was largely deliberative and discursive. Drafts of revised Standing Orders were prepared under its direction and subsequently formally agreed.

During the course of our work we were contacted by the Chairperson of the Programme for Government subgroup dealing with policing and justice, who asked

that the Standing Orders subgroup take on board some of its concerns — those relating to potential conflicts of interest with the establishment of a new policing and justice Committee. That resulted in the drafting of a single Standing Order and advice note.

I should also say that we addressed the requirement of section 11 of the Northern Ireland (St Andrews Agreement) Act 2006 to establish an institutional review mechanism. In considering that, we came to the view that in this area in particular the legislation did not appear to be fully consistent with the terms of the agreement on which it was based. We concluded that the matter would be best taken forward if and when the Standing Orders of the next Assembly were debated in a plenary sitting. It was the subgroup's recommendation that the Standing Orders, as amended, be considered as the Standing Orders of the Northern Ireland Assembly in accordance with paragraph 5 of schedule 1 to the Northern Ireland (St Andrews Agreement) Act 2006. There were some very minor amendments to drafts upon referral to the Business Committee.

I would like to express my appreciation to all those who worked hard and with enthusiasm and for the experience that they brought to bear, in particular the Committee Clerk and the staff for their diligence and expertise in bringing our task to a conclusion here today.

These Standing Orders will come into play only if the Assembly comes into play. Therefore the basic rules of democracy would need to be adhered to by all parties and accepted by all parties.

Mr O'Dowd: On a point of order. Is it appropriate for a Chair of a Committee presenting a report on behalf of the Committee to make a political statement during that presentation?

Mr Poots: Madam Speaker, in drawing my remarks to a conclusion, I can say that I received a threatening letter from the Secretary of State regarding the position that we are in.

Madam Speaker: Order.

Mr Poots: This may well be the last debate in the Assembly —

Madam Speaker: Order.

Mr Poots: I wish to move —

Madam Speaker: Order. I must respond to Mr O'Dowd. That was not a point of order, but if you think that Mr Poots's remarks were political, I will examine the Hansard report to see if that is the case. I do not think that his comments were political, but I will look into the matter and give my ruling at the next sitting of the Assembly.

Lord Morrow: Further to that point of order.

Madam Speaker: As I said, Lord Morrow, that was not a point of order. *[Interruption.]*

Order. Please address remarks through the Chair.

Mr Poots, have you concluded your remarks?

Mr Poots: Yes, thank you, Madam Speaker.

Madam Speaker: We will now proceed to the consideration of the draft Standing Orders. We will deal, first of all, with draft Standing Orders 1 and 2, which are unchanged from the Northern Ireland Assembly Standing Orders. I propose to take these en bloc.

Mr Storey: I welcome the opportunity, as does my party, to speak in what is the first day of debate after the recent election. All returning Members who have demonstrated their commitment to solely democratic means are to be congratulated on their electoral success. I hope that in the not-too-distant future those who have some work to do to catch up with the rest of us with regard to their democratic credentials will be able to deliver. We look forward with interest to see how that will be achieved.

This House must, of course, have adequate Standing Orders so that debates can be regulated in a way that is appropriate and the issues that are brought before it dealt with effectively.

My party's position was very clear in the negotiations that took place at St Andrews and in the arrangements that followed. The DUP entered into those negotiations in order to help to bring about the changes that could rectify the problems that so fundamentally undermined the operation of devolution under the terms of the Belfast Agreement. That is why it is so important that those arrangements are reflected now, as it is to be hoped that they will make up yet another element of the foundation that is required for a stable and lasting devolved Administration to operate.

The DUP in particular pressed for the need for accountability arrangements to be built into the working of any new Administration, given the problems that dogged the previous Assembly. In the House today, we have heard ample examples of the problems that the previous Executive faced when proper rules and regulations were not in place. Therefore, proper rules and regulations are an imperative, given the fact that the SDLP has given us a glaring example of its desire not to have rules and regulations that benefit the good governance of the people of Northern Ireland.

The Subgroup on Standing Orders has been careful, and has worked extremely hard on the detail. I, along with the Chairman, Edwin Poots, wish to thank subgroup members and staff for the work that they undertook. They deserve credit for the hard work that has been carried out to date. The subgroup was able to settle on most of the areas that required attention and would be broadly content with the work that was done.

It is never possible to foresee everything that could happen; therefore it is necessary to retain the possibility

of reviewing Standing Orders. They should be considered a work in progress. That would give the House flexibility to adapt Standing Orders to meet its needs and challenges in the coming months and years. I hope that we will move forward with the job of legislating for the people of Northern Ireland when the conditions have been met.

Although the initial Standing Orders will give us a platform from which to start that work, changes to them will need to be made over time, and it is important that the opportunity exists for those changes to occur.

In conclusion, this debate is unlikely to provide any controversy. However, given the happenings earlier, I may have to eat my words — I trust that that will not be the case. It is important that Standing Orders be agreed for the House. It is also important to ensure that all parties, even the party that still has considerable work to do in order to measure up to the democratic credentials, have rules and regulations placed on them. Rules, and the rule of law, have been glaringly missing from the party that sits opposite.

Draft Standing Orders 1 and 2 agreed to.

Madam Speaker: Draft Standing Order 3 reflects the requirements of section 13 of the Northern Ireland (St Andrews Agreement) Act 2006 under which circumstances a Member may change his or her community designation. I call Mr David Ford.

Some Members: Hear, hear.

Mr Ford: Good gracious. It is good to know that some people still have a sense of irony despite all that this society has been through over the past few years. It will come as no great surprise that I view draft Standing Order 3(8) with supreme indifference.

As one of only three Members who have gone through the process of changing his or her designation for the good of society and to enable other people to take opportunities, which, sadly, they did not take, to make this a better place some years ago, I have no intention — and nor does any of my Colleagues — of making any use whatsoever of Standing Order 3 (8).

However, I want to draw Standing Order 3(7) to your attention, Madam Speaker, and to the attention of those who will form the Committee on Standing Orders. The announcement that you made earlier about the designation of Members who have signed into the Assembly proves that that Standing Order is actually out of line with the 1998 agreement and the Act which is supposed to be based on it. The agreement refers specifically to Members choosing a designation of “nationalist, unionist or other” — with those words appearing entirely in lower case and without quotation marks. However, Standing Orders has given each of those designations a capital letter and has placed them inside quotation marks.

Last week, my seven colleagues and I signed into the Chamber with the designation “United Community”. That is our designation — not “Other”. The rules may require you, Madam Speaker, to regard us as “Others”. However, they certainly do not — according to the 1998 agreement — require that we sign the Roll as such. Therefore, we did not. It is incorrect for Standing Orders to pretend that we should have. If Standing Orders were correct, you would have had to rule that we had not validly signed the Roll of Membership, because we had not used the term “Other”. That issue must be dealt with.

When those points were being discussed during the past couple of years, members of the four main parties said that it would be good if we could move away from those divisive designations and that we must do so sometime. However, the mood was always that the time was not quite right. Some day, the Assembly must become a normal legislature in a normal society. We must move away from the utterly bogus and fictional view that we are a society of two divided groups that do not relate to each other or have any crossovers. That is patently not the case, as anyone who looks at the breadth of backgrounds in my party can see clearly.

Let us accept that if, as Mr Storey says, we must regard Standing Orders as a work in progress, a key starting point is to recognise that Standing Order 3(7) is at variance with the 1998 agreement and actively discriminates against a small group of MLAs. Rather than delivering platitudes about how they wish we could move away from those designations, it is time that Members were prepared to do something about them.

Madam Speaker: I have received no further indications from Members that they wish to speak on draft Standing Order 3.

Draft Standing Order 3 agreed to.

Madam Speaker: Draft Standing Orders 4 to 11 are unchanged from the Northern Ireland Assembly Standing Orders.

Mr Beggs: I want to put on record my appreciation of the Committee Clerks and staff for their efforts during a concentrated period. We were all under a great deal of pressure at that time. Without the use of email to speed up communications, we would have been lost.

I rise to speak on the motion. I want to highlight one issue that came out of the work of the Subgroup on Standing Orders. After the St Andrews Agreement, one party claimed that it had won a great victory by increasing the reporting of North/South Ministerial Council meetings. Section 52C was added to the Northern Ireland Act 1998. Subsection (3) states that:

“A report under subsection (2)(b) shall be made orally unless standing orders authorise it to be made in writing.”

However, when the subgroup examined the existing Standing Orders —

Madam Speaker: Mr Beggs, I ask you to clarify what you are speaking to in this instance. The discussion is on Standing Orders 4 to 11. You have indicated to me that you wish to speak on Standing Orders 5, 6 and 8, which are included in that.

Mr Beggs: I apologise. I did not ask to be called to speak to draft Standing Order 4; I thought that we had moved on to draft Standing Order 5.

3.45 pm

Madam Speaker: We are dealing with draft Standing Orders 4 to 11.

Mr Beggs: These draft Standing Orders cover Standing Order 18(1) of the Standing Orders of the Northern Ireland Assembly, under which —

Madam Speaker: We are dealing with draft Standing Orders 4 to 11.

Mr Beggs: I want to clarify that I did not ask to speak to those draft Standing Orders; therefore, there must have been an oversight.

Madam Speaker: I shall query that. We shall move on and let Mr Beggs speak later.

Draft Standing Orders 4 to 11 agreed to.

Madam Speaker: Draft Standing Order 12 contains a consequential change. We shall not consider that consequential change until we consider the substantive change that gives rise to it at draft Standing Order 45.

Draft Standing Order 12 agreed to (subject to any change which may be required to it as a consequence of any decision on draft Standing Order 45).

Madam Speaker: Draft standing orders 13 to 25 are unchanged from the Northern Ireland Assembly Standing Orders.

Does Mr Beggs wish to make a statement?

Mr Beggs: I indicated in writing the debates on which I wanted to speak, rather than the Standing Order numbers. I wrote that I wanted to speak on debate number five, so there was a misunderstanding.

At St Andrews one party claimed a great victory in increasing the reporting of North/South Ministerial Council meetings. New section 52C was added to the Northern Ireland Act 1998, and that took parliamentary time and the time of legislative draughtsmen to put together. New section 52C(3) states:

“A report under subsection (2)(b) shall be made orally unless standing orders authorise it to be made in writing.”

When the Standing Orders Committee examined this aspect of the legislation it referred to Standing Order 18(1) of the Northern Ireland Assembly, which states that the Minister:

“shall where possible make a written copy available to Members as early as possible before delivering the statement in the Assembly.”

In the previous Assembly that was the custom and practice. Legislation on this matter was unnecessary; therefore, there is no need to change existing procedures. Some people claim that there has been a wonderful change in the reporting mechanism, but in fact, none has occurred. I wish simply to put that on the record.

Mr Storey: Earlier we saw some infighting in the nationalist family, and it is not my place to start infighting among the unionist family. However, the election results made it abundantly clear that our electorate understood what we achieved in negotiations with the Government where Mr Beggs's party had failed abysmally.

Some Members: Hear, hear.

Madam Speaker: I have no indication that any other Members wish to speak.

Draft Standing Orders 13 to 25 agreed to.

Madam Speaker: We move to a new draft Standing Order, draft Standing Order 25A, which reflects the provisions of section 17 of the Northern Ireland (St Andrews Agreement) Act 2006 and provides for the exercise of a vote in the event of a vacancy in the membership of the Assembly.

Mr Beggs: The provision, in effect, allows dead Members to vote, which is regrettable. The draft Standing Order allows for a vote to be exercised in the case of a vacancy. I therefore oppose draft Standing Order 25A.

Mr Ford: I concur with Mr Beggs' comments, having supported him on the matter in Committee meetings. The provision may have been imposed upon us in the Standing Orders of the Transitional Assembly, but there is no reason whatsoever for us to continue that practice.

Draft Standing Order 25A negatived.

Madam Speaker: Draft Standing Orders 26 and 27 are unchanged from the Northern Ireland Assembly Standing Orders. I propose to take them en bloc.

Draft Standing Orders 26 and 27 agreed to.

Madam Speaker: We now move to another new draft Standing Order, draft Standing Order 27A, which deals with the referral of ministerial decisions to the Executive Committee.

This new Standing Order arises from the requirements of section 6 of the Northern Ireland (St Andrews Agreement) Act 2006. It envisages a situation whereby a large number of Members consider that a ministerial decision either breaches the ministerial code or relates to a matter of public importance. In circumstances where at least 30 Members sign a petition to that effect, the Speaker will consult the parties in considering whether to refer the matter to the Executive Committee.

The Standing Order lays out the procedure for such a circumstance.

Mr Beggs: I appreciate that this Standing Order reflects the Northern Ireland (St Andrews Agreement) Act 2006. Nevertheless, it is very bureaucratic. If 30 Members sign a petition of concern, it would be handed to the Speaker, who would consult the parties, and then decide whether the ministerial decision is a matter of public concern. However, if 30 Members have signed a petition and at least one party has indicated its concern during a consultation period, when would the Speaker ever say that a matter is not one of public concern? I wish to highlight the fact that the process is quite bureaucratic and has not been well thought out; however, it reflects the legislation.

Mr Weir: This draft Standing Order allows the Speaker to act as a filter in circumstances where one party, or a group of parties, wants to act in a disruptive manner by repeatedly submitting frivolous petitions.

One hopes that that attitude will not be taken by any parties. However, there must be some degree of provision in the Standing Orders to ensure that one party or a group of parties does not try to gum up the machinery by consistently putting in petitions on frivolous issues. That is the reason for the inclusion of Standing Order 27A.

Draft Standing Order 27A agreed to.

Madam Speaker: Draft Standing Orders 28, 29 and 30 are unchanged from the Northern Ireland Assembly Standing Orders. I propose to take those en bloc.

Draft Standing Orders 28 to 30 agreed to.

Madam Speaker: We will now consider draft Standing Order 31, which contains a consequential change. The consequential change appears in your draft. We will not consider the consequential change until we consider the substantive change that gives rise to it at draft Standing Order 45.

Draft Standing Order 31 agreed to (subject to any change which may be required to it as a consequence of any decision on draft Standing Order 45).

Madam Speaker: Draft Standing Orders 32 to 40 are unchanged from the Northern Ireland Assembly Standing Orders. I propose to take those en bloc.

Draft Standing Orders 32 to 40 agreed to.

Madam Speaker: We will now consider draft Standing Order 41, which contains a consequential change. The consequential change appears in your draft. We shall not consider the consequential change until we consider the substantive change that gives rise to it at draft Standing Order 45.

Draft Standing Order 41 agreed to (subject to any change which may be required to it as a consequence of any decision on draft Standing Order 45).

Madam Speaker: Standing Order 41A deals with the taking up of office by the First Minister and Deputy First Minister.

Mr Beggs: I wish to speak on the motion, and, once again, I note that the Standing Order has been adjusted to reflect legislation. I appreciate that that limits what can be done. There are flaws in that legislation, and I was disappointed that the amendment that I tabled in that regard was not accepted. However, I respect the decision of the Speaker.

Standing Order 41A refers to sections 16A and 16B of the Northern Ireland Act 1998, but section 16C is more significant, because, on occasions, it overrides sections 16A and 16B.

4.00 pm

That has created a destabilising effect. It has created a rat race to become the biggest political party in Northern Ireland. That, in turn, encourages voters to go to the extremes to stop the other political extreme from being top dog. There are flaws in draft Standing Order 41A and the associated legislation. It is bad for community relations and for Northern Ireland. It is also detrimental to the unionist community, because ultimately we will have no say in who is appointed to the position of Deputy First Minister. That is a gift that has been handed entirely to another party.

How did this happen? Interestingly, it is not in the St Andrews Agreement. However, when it came to passing the legislation in Westminster, that additional clause was somehow slipped in, and it appears that neither Sinn Féin nor the DUP decided to make a stand on the issue. I believe that they have an advantage from it. They have, therefore, taken a political advantage for themselves over the long-term interests of the entire community in Northern Ireland. The Ulster Unionist Party MP, Lady Sylvia Hermon, moved amendments, but they were defeated by filibustering. Ulster Unionist peers also attempted to change the Northern Ireland (St Andrews Agreement) Act 2006 at Westminster but were unsuccessful. Essentially, the extreme political parties are looking after their narrow self-interest rather than the interests of the entire community in Northern Ireland.

Mr Donaldson: I must respond to the points made by the Member for East Antrim, because I am curious as to what it is that makes me extreme in comparison to him. Is it because I am a unionist? Maybe it is because, like him, I am a Presbyterian or a member of the Orange Institution. I would be interested in knowing what it is that makes my colleagues and me extreme. If we are, then the majority of the unionist population is extreme, because the majority of the unionist population voted for this Assembly.

Mr Weir: Perhaps it is the fact that this party is extremely popular? *[Laughter.]*

Mr Donaldson: I thank the Member for North Down for that intervention — he stole my punchline. He is absolutely right.

This is not about extremes; if it were, rather than seeking to move Northern Ireland forward, the electorate would be dragging it backwards in the way that it has voted in these elections. The reality is that the electorate in Northern Ireland voted for progress.

The DUP will take no lectures from the Ulster Unionist Party on the structures in this Assembly. It was the Ulster Unionist Party leadership — and Mr Beggs supported that leadership — which introduced the voting systems that we have in this Assembly, the idea of designations and so on. The Ulster Unionist Party need not try to wash its hands of what it did in the past. The consequences of that are there, and every day of every week they rise up to bite that party because it made those mistakes. The changes that are being introduced are about putting right what was done wrong and fixing the mistakes made by the Ulster Unionist Party. That is why I am proud to be on these Benches and I am glad I am not on those Benches. *[Interruption.]*

Do not worry, I will be staying here. I hope that in time the Member for Newry and Armagh will catch himself on and come and join us. *[Laughter.]*

Madam Speaker: Order. Please keep to the issue.

Mr Donaldson: These changes are for the good of the operation of this Assembly, and I believe that hon Members should support these amendments because they are about progress, and not about the past to which the Member for East Antrim would try to drag us back.

Draft Standing Order 41A agreed to.

Madam Speaker: We will now consider draft Standing Order 42, which contains several changes to the Northern Ireland Assembly Standing Orders.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle. As has already been stated, there are three changes to Standing Order 42. Standing Order 42(2)(e) reflects the Independent Monitoring Commission (IMC) legislation that was introduced in the British Parliament in 2003, giving authority to the Secretary of State over the elected Members of this Chamber and also over the electorate, which a fortnight ago went to the polls and, in the words of Mr Donaldson, voted for progress.

At the stroke of a pen, Standing Order 42 and the legislation from which it derives gives the British Secretary of State the right to exclude any Minister from the Executive and to reinstate that Minister after a period of exclusion. Sinn Féin can endorse neither the IMC legislation nor Standing Order 42(2)(e) and will vote against this provision. If 42(2)(e) is included in Standing Orders, Sinn Féin will vote against all the Standing Orders at the cross-community vote. Sinn

Féin cannot endorse the role of the IMC, which allows secuocrats to override elected representatives of the Assembly and the wishes of the electorate.

I am joint Chairperson of the Standing Orders subgroup. I was asked to present the report and refused because I wanted to make some political statements to the House and I did not wish to undermine the position of Cathaoirleach — the Chairperson — by doing so. It is unfortunate that that happened this morning. However, I am not about getting my name in the headlines of the local newspaper; I am about trying to ensure that we make progress in the Assembly and that next week we have a fully functioning, up-and-running Executive.

DUP Members must remember one important thing: they are not the gatekeepers to democracy; they do not have the qualifications for that task. If we make progress together, we can make change in people's daily lives and create the society that David Ford spoke about earlier. However, the DUP must not put itself on a pedestal or claim to be the gatekeepers to democracy.

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

Mr Storey: I find it strange to come to the House and be lectured by a party whose sole mandate for 35 years was to undermine democracy, which was quite happy to endorse the murder of our constituents, and which was quite happy to tear the heart out of the economy of Northern Ireland. Although some would like us to forget what happened in the past, that will not happen. Sinn Féin has a long way to go to prove to my constituency that it can measure up to the credentials of democracy.

Mr O'Dowd: I thank Mr Storey for his intervention. Neither my party nor I ask anyone to forget the past; however, I will not engage in a debate that we have had many times in the Chamber and which, no doubt, we will have many times in future. Everyone has their own pain from the past. As one of Mr Storey's colleagues said, the electorate voted a fortnight ago for progress. Let us all move forward towards that progress for the sake of the whole of society.

A LeasCheann Comhairle, Sinn Féin will not support Standing Order 42(2)(e).

Mr Ford: Mr O'Dowd and his colleagues have made their position on the IMC legislation clear; doubtless they will continue to do so. However, if they vote against Standing Order 42(2)(e), they run the risk of removing any opportunity for people to re-enter ministerial office after a period of exclusion has ended. They are in danger of cutting off their nose to spite their collective face. They might not like the primary legislation — many of us do not like aspects of primary legislation that affect Standing Orders — but Mr O'Dowd's argument does his case no good.

Mr O'Dowd: Our stance is that we do not give anyone the right to exclude us in the first place, never mind include us. The only people who can exclude us, as far as we are concerned, are the electorate — and the electorate has spoken.

In relation to this Standing Order we do not have the power to change the primary legislation, because that is set in Westminster. Sinn Féin accepts that. But we do have the power to say to the British Government that the IMC legislation is wrong, and this is our only way to show opposition. If this is not included, Sinn Féin accepts the fact that primary legislation still governs us and that the Secretary of State will still have the power to exclude and reinstate Ministers.

Mr Weir: This Standing Order refers to section 18(1)(d) of the 1998 Act, which actually pre-dates the IMC. Sinn Féin is obviously in a constant state of paranoia about so-called securocrats. One wonders why it is concerned about spies; it seems at times to be riven with them. The reality is that if Sinn Féin is doing nothing wrong it has nothing to fear from exclusion.

The Standing Order refers to the 1998 Act, which derives from the Belfast Agreement, of which Sinn Féin is supposedly an enthusiastic supporter. If it is going to reject Standing Orders, it should at least do it on the correct basis. If Sinn Féin wants to join us in the Lobbies against the Belfast Agreement, we will all welcome its conversion. Sinn Féin is actually rejecting something that is nine years old. It is an attempt at political point-scoring rather than an objection with a degree of substance.

Draft Standing Order 42 agreed to.

Draft Standing Orders 43 and 44 agreed to.

Mr Deputy Speaker: We move to draft Standing Order 45, which contains a number of changes. For example, there is the need to change the status of the Committee of the Centre and restrictions on membership of the Committee of the Assembly responsible for policing and justice. I would also like to draw Members' attention to draft Standing Order 45, which if approved will necessitate consequential amendments to draft Standing Orders 12(1), 31(1), 31(2) and 41(8).

Mr Poots: Section 10 of the Northern Ireland (St Andrews Agreement) Act 2006 facilitates a necessary status change for the Committee of the Centre. As a former Chairman of that Committee, I particularly recognise the need to bring it into line with the other Statutory Committees. The minor changes to Standing Order 45 and the deletion of the existing Standing Order 54 satisfactorily facilitate this and create a Statutory Committee to scrutinise the important work of the Office of the First Minister and the Deputy First Minister. The Committee is free-standing and cannot be combined with any other scrutiny Committee, and therefore cannot be ignored as it was in the past by the First Minister.

Mr Beggs: I believe that the proposals are in line with the legislation. The DUP Chairman of the Subgroup on Policing and Justice wrote to the Standing Orders Committee on 12 December 2006, requesting that the potential conflict of interest between membership of the Policing Board and any Assembly policing and justice Committee should be avoided. This Standing Order will clearly achieve that. If policing and justice is not going to be devolved between Standing Orders —

4.15 pm

Mr Poots: Perhaps Mr Beggs's comments relate to the next item on the Order Paper, as opposed to the one concerning the Committee of the Centre.

Mr Beggs: The proposal to add wording to Standing Order 45 will clearly bring about the avoidance of conflict between the two groups. The Ulster Unionist Party does not believe that the Assembly is ready for the devolution of policing and justice or that it should debate such divisive issues, as that could have a destabilising effect. The unionist community is not ready for the devolution of those powers.

Draft Standing Order 45, and the consequential amendments to draft Standing Orders 12(1), 31 (1) and (2) and 41(8), agreed to.

Draft Standing Order 46 agreed to.

Mr Deputy Speaker: Draft Standing Orders 47, 48 and 49 remain unchanged. However, I draw Members' attention to a printing error in the draft version, which incorrectly indicates that there is an amendment to draft Standing Order 47. That is simply a duplication of the text already inserted in draft Standing Order 45. I propose to take draft Standing Orders 47, 48 and 49 en bloc.

Draft Standing Orders 47 to 49 agreed to.

Mr Deputy Speaker: Draft Standing Order 50 reflects a change from the Northern Ireland Assembly's Standing Orders in paragraph 5 relating to substitutes and voting rights on the Business Committee and in paragraph 6 as a consequence of the new Standing Order 25A.

Mr Ford: I thought that the motion to create a new Standing Order 25A was defeated.

Mr Deputy Speaker: Yes, that is correct. Consequently, that has been deleted.

Mr Beggs now wishes to speak.

Mr Beggs: I appreciate that Members previously chose not to give a dead person the ability to vote. My amendment intends to deal with a similar situation that arises under Standing Order 50(6).

I beg to move the following amendment:

In Standing Order 50 (6) leave out all after the second "party."

I want to ensure that anything that allows dead people to vote does not end up in Standing Orders. If that can be resolved without my having to move an amendment, I am happy. However, I wish to get a ruling, because I would not like such a provision to appear in Standing Orders. Therefore, I leave Members to make a decision.

Question, that the amendment be made, put and agreed to.

Draft Standing Order 50, as amended, agreed to.

Mr Deputy Speaker: As draft Standing Orders 51 to 53 remain unchanged from the Northern Ireland Assembly Standing Orders, I propose to take them en bloc.

Draft Standing Orders 51 to 53 agreed to.

Mr Deputy Speaker: We move to draft Standing Order 54.

Mr Beggs: Although the proposal reflects the legislation, I wish to comment on it. In light of the experience of the previous Assembly, Members could easily have agreed how they should be regulated without the need for legislation, and it is unfortunate that legislation has been used. Regulation could have been achieved under Assembly rules.

There could well be a need for cross-community support if there is to be an outcome as a result of the proposal. No one crowed about that aspect of the review when this powerful review mechanism was achieved. I wish to highlight the fact that it seems very powerful on paper; however, unless there is subsequent cross-community consensus, it might amount to nothing.

Draft Standing Order 54 agreed to.

Mr Deputy Speaker: Draft Standing Orders 55 to 75 are unchanged from the Northern Ireland Assembly Standing Orders. I propose to take them en bloc.

Draft Standing Orders 55 to 75 agreed to.

Mr Deputy Speaker: That concludes the consideration of the draft Standing Orders. I call the Chairman of the Subgroup on Standing Orders to wind up the debate.

Mr Poots: I thank the Deputy Speaker for his assistance and my democratic colleagues for bringing the matter to a conclusion. I am disappointed that one party veered away from the issues during the discussion and introduced some that indicated that they still have problems with fulfilling the democratic requirement in Northern Ireland. Ultimately Mr Deputy Speaker, I trust that those rules will be in place in the new Northern Ireland Assembly and that Members will be in a position to carry out the work of the Assembly for the good of the public. The draft Standing Orders will give us a template from which to work. I trust that everyone else will fulfil all other rules to ensure that happens.

(Madam Speaker in the Chair)

Madam Speaker: Do any other Members wish to speak?

As approval for the draft Standing Orders requires cross-community support in accordance with schedule 1(5) to the Northern Ireland (St Andrews Agreement) Act 2006, I intend to divide the House.

Question put.

The Assembly divided: Ayes 58; Noes 23.

AYES

Nationalist:

Mary Bradley, P J Bradley, Thomas Burns, John Dallat, Mark Durkan, Tommy Gallagher, Carmel Hanna, Dolores Kelly, Alban Maginness, Alasdair McDonnell, Patsy McGlone, Declan O'Loan, Margaret Ritchie.

Unionist:

Billy Armstrong, Roy Beggs, Allan Bresland, Lord Browne, Thomas Buchanan, Trevor Clarke, Fred Cobain, Robert Coulter, Jonathan Craig, Leslie Cree, Jeffrey Donaldson, Alex Easton, Reg Empey, Arlene Foster, Samuel Gardiner, Simon Hamilton, William Hay, Danny Kennedy, John McCallister, Nelson McCausland, Basil McCrea, Ian McCrea, Alan McFarland, Michael McGimpsey, Michelle McIlveen, David McNarry, Adrian McQuillan, Lord Morrow, Stephen Moutray, Robin Newton, Ian Paisley Jnr, Edwin Poots, George Robinson, Iris Robinson, Peter Robinson, Jim Shannon, David Simpson, Jimmy Spratt, Mervyn Storey, Peter Weir.

Other:

Stephen Farry, David Ford, Anna Lo, Kieran McCarthy, Brian Wilson.

Tellers for the Ayes: Robin Newton and Jim Shannon.

NOES

Nationalist:

Martina Anderson, Cathal Boylan, Mickey Brady, Francis Brolly, Paul Butler, Willie Clarke, Pat Doherty, Michelle Gildernew, Alex Maskey, Paul Maskey, Fra McCann, Jennifer McCann, Raymond McCartney, Barry McElduff, Claire McGill, Gerry McHugh, Daithí McKay, Conor Murphy, Carál Ní Chuilín, John O'Dowd, Michelle O'Neill, Sue Ramsey, Caitriona Ruane.

Tellers for the Noes: Paul Maskey and Carál Ní Chuilín.

Total Votes 81 Total Ayes 58 (71.6%)

Nationalist Votes 36 Nationalist Ayes 13 (36.1%)

Unionist Votes 40 Unionist Ayes 40 (100.0%)

Question accordingly negatived (cross-community vote).

Mr Kennedy: On a point of order, Madam Speaker. As the Secretary of State has the authority to impose Standing Orders on the Assembly, can you confirm that the amended Standing Orders will be referred to him? That being so, will the Speaker reflect to the Secretary of State the minor, yet important, changes to which the Assembly has agreed?

Madam Speaker: I cannot confirm that the amended Standing Orders will be referred to the Secretary of State. He will have access to Hansard, and it is up to him as to whether he imposes the Standing Orders. He will inform my office of his decision, and I will pass on that information to Members at the next plenary sitting.

I wish to remind members of the Business Committee that it will meet in Room 106 half an hour after the sitting is adjourned, which will be at approximately 5.00 pm.

Mr P J Bradley: On a point of order, Madam Speaker. Must the Business Committee meet 30 minutes after the House is adjourned? Can it not meet earlier than that?

Madam Speaker: The Committee is scheduled to meet at 5.00 pm. My officials and I have to do a few things before then, and I am sure that the Committee's members will be glad of a short break.

Adjourned at 4.39 pm.

**Reports of the evidence-taking
meeting of the subgroups
of the Committee on the
Programme for Government**

SUBGROUP ON ECONOMIC ISSUES

Thursday 7 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr George Dawson
Ms Michelle Gildernew
Dr Alasdair McDonnell
Mr David McNarry
Mr Peter Robinson

Mr Vistor Hewitt }
Mr Mike Smyth } Economic advisers
 to the subgroup

Witnesses:

Mr David Sterling }
Mr Nigel McCormick }
Mr Tony Simpson } Department for
 Regional Development

Mr Richard Pengelly }
 } Department of
 Finance and Personnel

The subgroup met at 2.00 pm.

(The Chairman (Mr Wells) in the Chair.)

The Chairman (Mr Wells): Welcome gentlemen, and thank you for coming along. I am sure that you know most of the folk around the table. We would like you to make a brief opening statement, and then members will put questions to you.

Mr David Sterling (Department for Regional Development): I apologise that we have only been able to bring our presentation with us owing to pressure of work. I understand that we have 10 minutes for our presentation in order to allow the subgroup plenty of time for questions.

The subgroup asked us to consider the potential Budget deficit in the event that the water reform legislation and other revenue-related issues do not proceed or are deferred. We want to cover three issues. We will give the subgroup a very quick overview of the strategic and public expenditure context; we will talk about how we might set about estimating the impact of delay, and we will deal with questions at the end.

Mr Pengelly will set the scene as regards the fiscal outlook.

Mr Richard Pengelly (Department of Finance and Personnel): I will spend a few minutes on the context and financial environment in which water

reform will be taken forward over the coming years. At the moment the Treasury is leading the work on the comprehensive spending review, and its forecast for the coming three years is that public expenditure growth at UK level will be at a maximum of 2% per annum in real terms.

Application of the Barnett formula effectively sets an upper limit in respect of the implications for Northern Ireland. At best, if we are fully comparable, we can get 2%. However, some of that 2% growth will go into areas that are not comparable, such as the Ministry of Defence and the Home Office, or into areas that are only partially comparable.

Our expectation is that if a significant element of UK-level funding goes into areas such as health and education, we could be looking at real terms growth of between 0.5% and 1% for Northern Ireland via the Barnett formula.

Northern Ireland's starting position is that it has a significant per capita lead in funding for services over England. Thus a population-based share through the Barnett formula means that per capita growth in Northern Ireland will always be less than the position in England.

Drilling that down to the next level, much of any consequential that we get come through health and education. However, there are no Barnett consequential for water because that sits outside the public sector in England. The extent to which we then need to fund water through the use of Barnett consequential means that those consequential coming in through areas such as health and education cannot go into health and education in Northern Ireland. This position, on top of the fact that we are starting from a position in which we cannot sustain comparability, further compounds the problem.

Mr Sterling: The water reform objectives that Ministers are pursuing are largely designed to address the problem we have with water; namely that we get nothing through the Barnett formula for water and sewerage services and that, therefore, we have to use our share of general taxation for water services.

The Government's reform objective, as you probably know, is that the new company that they are planning to set up from next April should be self-financing by 2010. However, it is not just about financing. There is a desire to improve environmental and water-quality compliance; to improve customer service; and to do this by levying charges that are fair and affordable in comparison with elsewhere.

This, they believe, is a solution that will be cost effective in public expenditure terms and will produce an efficient business model as well. One of the by-products of the reform agenda is that as the new company starts to charge, the public-expenditure

resources no longer needed will be available for allocation to other public services.

I now want to move to the meat of the presentation. It is difficult to give a straight answer as to how much a delay would cost, because we have not been planning for a delay in the introduction of charges and therefore it has not been precisely costed. Furthermore, we have not developed alternatives. There are major differences in how public expenditure rules apply to the existing agency and the way in which the new public corporation would be financed. That makes it difficult to cost alternatives.

In the existing agency the operating costs score as resource departmental expenditure limit, and the capital costs score as capital departmental expenditure limit. Non-cash charges, such as depreciation and cost of capital, are accounted for in annually managed expenditure. In other words, they do not affect the spending power of Northern Ireland Departments. However, that is a concession from the Treasury, which will run out if new domestic charges are not introduced by next April.

In contrast, the Government-owned company (Go-co) will score in public expenditure in a different way. The only thing that will score in resource departmental expenditure limit will be subsidy. Net lending — what the company borrows to fund capital investment, minus what it repays through borrowing — will score in the capital departmental expenditure limit. We will show how that works as we proceed with our presentation.

Mr P Robinson: What does the word “subsidy” mean in that context? Do you mean reliefs?

Mr Sterling: In that context, there would be three types of subsidy. First, there is the subsidy that will pay for the affordability tariff — the reduced tariff that will be available to low-income customers. Secondly, there is a pegging subsidy. As members know, the Government will peg the tariffs during the first three years to the average charge in England and Wales. Thirdly, there is a phasing subsidy — the charges will be phased in, with customers paying one third in the first year of charging and two thirds in the second. The term “subsidy” encompasses those three separate elements during the first three years of charging.

The way in which certain company costs will be calculated will differ because the company will be a Go-co, which, in public expenditure terms, will be classified as a self-financing public corporation. Capital investment, capital maintenance and the depreciation cost of capital charges will be calculated differently to the way in which those charges and costs are currently calculated because of the organisation’s current status as an agency within the Department for Regional Development.

The Government have concluded that the potential for efficiencies is much greater through the Go-co compared to running the service as an agency within Government. That conclusion is based on the strategic financial review of Water Service, which found that the organisation is much more likely to be efficient if it is outside Government and can enjoy commercial freedoms and flexibilities.

There will be some additional costs involved in setting up the new company, which the organisation does not incur now. For example, the new company will have to set up a new pension system and will have to purchase insurance rather than carry its own insurance as it does now as part of a Government Department.

The company will need to procure new internal systems to manage human resources, personnel, finance, and charging and billing. The affordability tariff is, in a sense, a new cost, and other transformation costs will be required to set up the new company and put it on the path to greater efficiency.

The table in our presentation shows the revenue sources for the organisation as an agency. The first line shows the resource departmental expenditure limit, which is going into fund the operating costs of the company. The next line shows the capital departmental expenditure limit being provided to the company for capital expenditure. The departmental expenditure limit subtotal is important, because it shows the amount of spending power available to the Northern Ireland Departments that is currently being consumed by the Water Service.

The next line below shows annually managed expenditure, which is not subject to annual control but is demand led. That expenditure covers depreciation and the cost of capital charges. At the moment, it does not affect the spending power of the Northern Ireland Departments, however, as Mr Pengelly has just said, it is a concession offered by the Treasury up to the point at which the company is set on the path to becoming self-financing. If we do not set up the company on a self-financing basis from April 2007, the concession will end, and the depreciation and capital charges will score in our departmental expenditure limit.

The next line shows the tariffs currently being paid by non-domestic customers, and there is a total for public expenditure requirements. The final lines show what we currently collect in the regional rate, broken down by domestic and non-domestic sectors.

The next table shows the current Budget allocations for the new company. The resource departmental expenditure limit, which is £153 million, covers the subsidy to the company in 2007–08. The capital departmental expenditure limit line shows the amount that it is projected the company will need in net lending.

There is nothing shown in the annually managed expenditure line. The projection is that total tariffs collected next year will be £133 million. That is a combination of the approximately £40 million already coming from non-domestic customers, plus the new domestic and non-domestic charges.

The next table provides a comparison between what people in Northern Ireland pay in taxes and charges with what is paid in England, Wales and Scotland.

As regards the consequences of delay — I emphasise that we have not estimated exactly what the costs would be, for a variety of reasons that I will deal with. If the project is deferred, we would lose between £85 million and £90 million in revenue — the new revenue collected from domestic and non-domestic customers. Clearly, if there were to be a delay of more than a year, there would be knock-on consequences in subsequent years.

There is a strong likelihood that we would lose the reinvestment and reform initiative (RRI) borrowing concession, which allows Northern Ireland to borrow up to £200 million a year for investment in infrastructure. The company would stay within the Crown immunity regime; the European Commission has already begun infraction proceedings against us because the Department of the Environment (DOE) cannot regulate the company properly. The DOE's advice is that if the company is not set up in April 2007, there will be a heightened risk of those infraction proceedings leading to infraction fines.

Any deferral could lead to constrained investment in the infrastructure, and other benefits to water customers and to other public services would be delayed.

Mr McNarry: What is the reason for the delays pending the threat of European infraction fines? Those fines were going to be imposed a few years ago, and they were to be hard-hitting. Why have they not been imposed?

Mr Sterling: The previous infraction proceedings concerned the non-compliance of a number of wastewater treatment works; the new infraction action was launched within the past six months. The European Commission has taken action against the UK Government because the environmental regulator — the DOE — is unable to regulate effectively. The primary reason for that is that, because the company is part of government, it enjoys Crown immunity.

2.15 pm

Mr McNarry: Have you a ballpark figure as to how much the fines might be?

Mr Sterling: I would not like to predict the amount, although I have heard numbers. I will not estimate how much they will be, nor will I estimate how long the infraction proceedings might take. As members of the

subgroup will know, those proceedings can run on for several years.

Mr McNarry: Would DOE know the figure?

Mr Sterling: The DOE might have a better idea, but the Department for Environment, Food and Rural Affairs (DEFRA) takes the lead on the handling of infraction proceedings on behalf of the UK. However, if the subgroup so wishes, I will try to get a better estimation of the time risks and the risk of potential fines.

I would now like to refer to some of the nugatory costs that would arise if the reform was delayed. As the Government have been planning that Northern Ireland Water Ltd (NIWL) will be set up from next April, they have had to put a number of measures in train. A contract has been awarded for billing and charging, and a new contact centre has been established, recruitment to which has started. By next April, up to 200 staff will have been recruited to deal not only with billing and charging but with all contacts between Water Service customers and the company.

The Northern Ireland Authority for Energy Regulation (NIAER) is planning to appoint 15 new staff by next April, and the Consumer Council has already appointed five new staff to deal with water complaints. Major transformation and restructuring are ongoing in the Water Service, and, again, those are predicated on NIWL becoming a Go-co. Procurement procedures are under way to buy the corporate systems that I mentioned.

Slide 14 is titled "Time taken to develop alternatives?" It is difficult for DRD to estimate the public-expenditure implications of the delays without knowing how long they will last, and what alternatives, if any, might be advanced. For example, if the delay were to be for one year only, and it was intended to proceed with the reforms as planned, the accrued loss would be the sum of the lost income in the first year, plus nugatory costs, plus any delayed or deferred benefits, plus whatever might happen with the RRI borrowing concession.

If it were decided to abandon water reform and maintain the status quo, the costs would be factored in through, perhaps, a material increase in the rates and/or a reduction in spending on other services.

If the delay were to allow a review of policies and the introduction of different, although not radically changed, policies, new legislation would need to be developed. It might also require new consultation and impact assessments to be conducted. That could lead to uncertainty around the timescale for that.

Therefore, each scenario would result in different public expenditure and cost consequences, possible loss of the RRI borrowing power, the cessation of the Treasury concession, whereby non-cash costs score in

annually managed expenditure (AME), and, perhaps, significant implications for rates.

It is worth highlighting that the Treasury has stated that funding the Water Service through the rates, rather than through direct charges, will result in capital charges scoring in the departmental expenditure limit. Perhaps Mr Pengelly can confirm that.

Slide 15 outlines an indicative timetable that speculates as to how long the legislative process might take if the Executive wished to review the policies and develop new proposals that required fresh legislation and consultation. I reiterate that the timetable is indicative, but it suggests that it could take two or more years to introduce reforms by a different means.

In conclusion, the Government are committed to introducing the charges on 1 April 2007 because of the current public-expenditure context, and because of the environmental and other benefits that they believe customers will get.

It is worth pointing out that it would be open to the Assembly to amend that policy in legislation, if it were able to finance any new proposals. Even with existing legislation, there is plenty of scope to amend policies by changing the Regulations.

The Chairman (Mr Wells): That has been helpful. Will you confirm that the three-stage charges that were announced last week, the household rebates for pensioners and the right to a water meter are all in line with what is in your presentation, and that, if they all go through, there will be no slippage?

Mr Sterling: That is correct.

The Chairman (Mr Wells): If you get your way, there are no implications for budgets.

Mr Sterling: That is correct. If the House of Lords passes the legislation on Monday, we will be on track to have the reforms, as I have described them to you, in place from next April — subject to finalising the business plan for the company. We are not projecting the public-expenditure consequences that are set out here.

Dr McDonnell: What if the legislation does not go through the House of Lords?

Mr Sterling: My understanding is that the Government have one shot at this. If the legislation fails on Monday, that is it. They would then have to try to take the draft Water and Sewerage Services (Northern Ireland) Order 2006 through Parliament again, but they would not be able to do so in time to have the new arrangements in place for next April. The Government's prime objective is to have devolution in place by 26 March, in which case it would be up to the Assembly to decide what it wished to do with the legislation.

The Chairman (Mr Wells): Assuming that the legislation goes to the Privy Council, when will the various provisions commence?

Mr Sterling: Some provisions will commence at the beginning of January 2007. They are provisions to set up the company to prepare to operate from 1 April 2007. Other provisions must commence, too, to enable us, for example, to develop the affordability tariff, so that people who are entitled to it can do so by 1 April. A small number of provisions will commence on 1 January, but the vast majority will not commence until 1 April.

Mr P Robinson: Referring to the legislative timetable in slide 15, I notice that you have a very short period for consultation. I assume that two years is required for any piece of legislation?

Mr McCormick: Two years is considered to be optimistic. That is a better guide to the minimum timescale.

Mr P Robinson: Therefore it would be optimistic to expect an Irish language Act in place before March.

I wish to return to the fiscal backcloth that Mr Pengelly was painting, and in particular the forecast for UK growth and what may happen in Northern Ireland. I am confused as to where the Chancellor's £35 billion fits into this. What assumption on growth has been made with that £35 billion? What difference would a variation of 0.5% make? You cited 2% growth for the UK as a whole, but that might only be 1.5%.

Mr Pengelly: The Chancellor's £35 billion is predicated on flat growth in real terms; therefore, flat or zero growth in real terms for Northern Ireland.

Mr P Robinson: That was very generous of him.

Mr Pengelly: That is in the context of the Chancellor's announcement of early settlements for some Whitehall Departments in March of this year, such as the Department for Work and Pensions (DWP) and the Chancellor's own Departments that settled on a 5% reduction per annum in real terms. The Home Office has settled at flat cash, which is a reduction of about 2.7% per annum. Growth of 2% depends on where the money goes at UK level. If the bulk of that 2% real-terms growth, which is about 4.7% cash growth, went into areas such as health and education, Northern Ireland would expect to have between 0.5% and 1% growth in real terms.

However, that is by no means a given. International events mean that a great deal of that money may need to be skewed towards areas such as defence spending and towards the Home Office to combat international terrorism and crime. If money went there rather than to health and education, a Barnett formula could result in reductions in real terms for us. The Chancellor's

package offers a guaranteed minimum of standing still in real terms.

Mr P Robinson: The other question related more to what happens if we look at new policies. Can I suggest a “for instance”, so that people can bounce consequences back to me? If, for instance, the proposed system were retained, but a very generous relief or benefit system were put in place — with perhaps 50% or 75% of average bills to be paid out of the departmental expenditure limit — what would be the implications, particularly for the RRI? Could the RRI still be accessed under existing rules, and would the AME advantages be retained in those circumstances?

Mr Pengelly: We have never had complete clarity from the Treasury on that. However, we can define the two ends of the spectrum. At one end, the Treasury says that access to borrowing and the AME concession is conditional on moving to self-financing status. If self-financing status is total, it defines itself. There is acceptance that there may be some form of reliefs for low-income and affordability tariffs at the margins. However, we have never had a definitive engagement about the point at which it is no longer considered close enough to self-financing status for those concessions and that access to borrowing to be in place.

Mr P Robinson: What would happen if you decided to phase it in over seven years? You would still be moving towards self-financing status, although perhaps more slowly than the Chancellor might wish.

Mr Pengelly: Our interpretation is that the Treasury has accepted the phasing as currently structured. Treasury officials would see anything beyond that as a step backwards, away from the current agreement to move to self-financing status within a defined period. That would open up the question of access to borrowing.

Ms Gildernew: How was the figure of £1 billion reached for the regulatory asset base? The dividend of 5·8% proposed for the Go-co is above the allowed rate of return set by the regulator across the water. How can that be the case if Go-co carries less risk than a private company? Why has the dividend been set higher than the normal rate? What implication does that have for the relatively high local percentage of families on low incomes?

Mr Sterling: The Government carried out a strategic and financial review to look at the way in which the company might be set up and what its financial structure might be. That report was published last February, alongside the Government’s decisions on the report’s recommendations. The Government decided to value the company at set-up at £1 billion — the regulatory capital value (RCV) to which you referred. That will be the level of the Government’s investment of their resources in the new company.

DRD must comply with the public-expenditure rules set down by the Treasury. These require the Department to ensure that there is a rate of return for Government companies. The weighted average cost of capital or rate of return that has been prescribed in Government is 5·8%. You are quite right; the OFWAT rate of return is 5·1%. The justification is that there is a higher risk in the new company, and that higher risk justifies a higher rate of return.

You referred to the dividend. Within the rules for public corporations, DRD puts the investment into this company on behalf of Government.

We are required to extract a dividend from the company that is equal to the rate of return that it is allowed to charge on its capital investment. Therefore that dividend will be 5·8% of £1 billion, which is £58 million, and that is the Government getting their return on the investment that they have put into the company. I will look to Richard in case I get this wrong, but essentially the way in which the dividend rules work is that, if the company underperforms and finds itself unable to pay its dividend, or part of its dividend, the risk falls to the Department for Regional Development.

2.30 pm

In those circumstances, we would either have to approach the Department of Finance and Personnel (DFP) for more money to cover that shortfall in the dividend, or we would have to cut other services in DRD. Underperformance by the company in those circumstances would not have an immediate impact on customers.

You mentioned low-income customers. Government policies for dealing with those customers are contained in the affordability, or reduced, tariff, which is the guarantee that households should not spend more than 3% of their household income on water charges. That is why a special tariff, capped at £180 at the full amount, has been set. Those who are eligible would pay that tariff.

The Chairman (Mr Wells): Peter wishes to ask a supplementary question on that issue.

Mr P Robinson: I do not think that we got an answer — or at least a satisfactory answer — to the two specific questions that were asked. The first question concerned the figure of £1 billion.

Mr Sterling: Do you mean why the value of the asset was set at £1 billion?

Mr P Robinson: I presume that that figure was simply plucked out of the air.

Mr Sterling: The strategic and financial review recommended that the asset valuation should be £1 billion.

Mr P Robinson: Based on what?

Ms Gildernew: That does not answer the question.

Mr Sterling: It was based on analysis that the review team had conducted. The review team was a consortium that was led by Union Bank of Switzerland (UBS), the investment bank.

Mr P Robinson: Can we see that analysis? I rather suspect that the figure was plucked out of the air.

Mr Sterling: The 'Financial and Strategic Review of Water Service' has been published and is available on the Internet.

Mr P Robinson: Can the breakdown of the Water Service's assets be found in the review?

Mr Sterling: Nigel, perhaps you can answer that question.

Mr P Robinson: I am not simply talking about somebody saying, "This is the valuation", and putting it on the Internet. That does not impress me at all. I want to see a breakdown of the facilities that are available to the Water Service that arrive at that figure.

Mr Nigel McCormick (Department for Regional Development): The strategic and financial review reviewed the business, the assets and the business risks of the Water Service becoming the Go-co. It then considered how those business risks might materialise, and what capital might be required to ensure that the business continued to be financially sustainable. It examined all the issues surrounding the type of capital structure that would be required to enable a business to be self-financing.

The 'Financial and Strategic Review of Water Service' is quite an extensive document. It could not be easily summarised in a couple of sentences; quite a lot of analysis is required. As I have said, a consortium led by UBS undertook the strategic and financial review. That consortium identified a high-to-low range of regulatory capital value (RCV) for the Go-co. In its judgement, that valuation was about £1 billion. That does not answer directly every specific question that you have asked, but I probably could not do that in a couple of minutes.

Mr P Robinson: The Department clearly did not really challenge how unhelpful that valuation was.

Mr Sterling: We are here under strict instructions to explain Government policy. We cannot state a departmental view. I am sorry that I cannot be more helpful than that.

Dr McDonnell: Chairman, was Government policy not to challenge something that was inaccurate? I have had somebody assess the asset value of the Go-co, and I have put that assessment on the table, and it would have been more appropriate for the figure to have been set at £350 million, which is a little over a third of the Go-co's current valuation. That valuation is as good as

the valuation of £1 billion, for the Department would still receive a third of the £58 million dividend from it. Sorry, Peter.

The Chairman (Mr Wells): You interrupted a question.

Ms Gildernew: I agree with Peter — that did not answer the question. I still do not really know whether we have heard a fair assessment of where we are at. If the dividend is there to provide the Department with a return, the public are going to have to pay for that entire dividend. If the 5.8% dividend brings in £58 million, ultimately the Department will have put nothing into the company. It will have put in the initial funding, and then withdrawn it from the public coffers. It will reap the benefit without having to pay anything. The Government are taking no risk.

Mr Sterling: DRD is taking a big risk. If the dividend is not paid in full, the Department will have to make up the shortfall, either by asking the DFP to bail us out or by cutting services elsewhere; for example, in roads or public transport.

Ms Gildernew: I still do not understand how it has been calculated that £58 million must be clawed back from the public. You are talking about the risk to the Department — the risk is still with the public. The public will have to carry the cost.

Mr Sterling: The Department is a manifestation of, and represents, the taxpayer. The £58 million is the return that Northern Ireland taxpayers will receive for their £1 billion investment in the company. Perhaps Mr Pengelly can explain this better.

Mr Pengelly: The Go-co is valued at £1 billion, and that amount is being invested in the water company. Given a different set of ministerial decisions, that money could be taken from the water company and invested elsewhere. The company must generate a return, but that return is available for the Government to redeploy.

Mr Sterling talked about the implications of underperformance. However, if the company over-performs to the tune of, say, £10 million, that sum would become available to Ministers for reallocation to other public-service priorities in Northern Ireland. There is a risk to services, but there are also rewards.

Ms Gildernew: However, such a reward will not go towards a water-charges rebate.

Mr Pengelly: That would be a decision for Ministers. They could decide to spend it in that way, or they could invest to offset pressures in health, education or other public-service priorities.

The Chairman (Mr Wells): Mr McClarty and Dr McDonnell want to ask further questions. Sorry; I meant to say Mr McNarry. Have the possible effects of

non-compliance — a withholding campaign or non-payment of water charges — been factored into the figures?

Mr P Robinson: They will not get Bob's money.

Mr Sterling: DFP is working with the Water Service to develop a strategic business plan. In that plan, we will be making assumptions on levels of bad debt, and so on. We have not yet finalised that.

The Chairman (Mr Wells): That plan would be based on normal levels of bad debt that any utility might expect. Has the effect of a campaign for withholding payment been considered?

Mr Sterling: We must take account of political realities. However, through the affordability of the reduced tariff, we will be providing considerable protection to the 200,000 least well-off households in Northern Ireland — one third of all households. It is very hard to predict what the impact of a non-payment campaign might be, but we are taking into account all the factors that we believe to be relevant.

The Chairman (Mr Wells): Mr McNarry has a question.

Mr McNarry: Thank you, Francie. That is kind of you.

Slide 5 of your presentation mentions “anticipated pressures”. I must ask a hypothetical question: if there were to be efficiency savings in education, what relief would those have on the pressures that are being talked about? Correct me if I am misinterpreting the Chancellor's pre-Budget speech yesterday, but if he did say that education here were to receive an extra £6 million — without conditions — would that have an impact on the pressures on education? The reason why I ask that is that the pitch being made to the subgroup is based on pressures. Good management would strive to alleviate those pressures as far as possible.

If those two factors were to kick in, what effect would they have? Would it amount to small beer, or is it the argument that such a contribution is necessary from the public because the pressures are so strong?

Mr Pengelly: Rather than going through the specifics, we are dealing with matters on a more strategic level. The key points at the strategic level in the health sector in particular are —

Mr McNarry: Skip health for a minute and stick to education.

Mr Pengelly: As part of our work on the 2007 comprehensive spending review, we are actively seeking efficiencies in education and all other sectors to the tune of approximately 3% per annum. That is initially designed to remove the hard edge from some of those pressures.

However, we know that the demographics of the education service, and other services, will create pressure as we proceed. At the same time, declining pupil numbers and rationalisation of the schools estate will create opportunities for savings. There is scope to lever out efficiency savings that will make a contribution.

Mr McNarry: Do you have some figures on efficiency savings? You refer to making efficiency savings, so can you tell me what the figure is?

Mr Pengelly: I cannot give specific figures. As a general approach to the strategic management of public expenditure, we are trying to squeeze out all possible inefficiencies from all services. That will apply as equally to education as it will to health services and to DRD services.

Mr McNarry: Is it not possible to put a figure on the cost of turning around the inefficiencies of the Department of Education? Turning those inefficiencies around would make that Department more efficient and would make a saving. Are you telling me that you have some figures that say that the Department is inefficient to the tune of £X?

Mr Pengelly: We certainly cannot quantify the extent to which a particular service is inefficient, and we are not saying that any one service lacks efficiency. However, there is scope for all services to become more efficient without us making a judgement call as to how efficient or inefficient they are.

Mr McNarry: It was wishful thinking on my part for some figures to be available.

Mr Pengelly: Looking at the strategic level, many of the efficiency savings in education will flow from fundamental infrastructural changes. However, those savings cannot be captured quickly, because they are medium- to long-term savings.

I apologise for going back to health, but demographic issues apply to that sector. In particular, an ageing population will put massive pressures on funding for health services. Given that health expenditure accounts for more than 40% of the block, there are implications for education, roads, water and all other services.

Mr McNarry: Am I right? Did the Chancellor say yesterday that £6 million will be available unconditionally for education? What difference would that make?

Mr Pengelly: Are you asking what difference that would make overall? That sum applies for just one year.

Mr McNarry: You are making a pitch on pressure; what difference would £6 million make to that pressure?

The Chairman (Mr Wells): You need to stick to the issue of water; we are drifting a bit.

Mr McNarry: I am discussing water issues. Mr Pengelly is saying that those reforms are being introduced to alleviate pressure on health and education spending.

Mr Pengelly: Those reforms are designed to alleviate pressures in the long-term strategic view. Yesterday's pre-Budget report dealt with 2007-08; however, the reforms and the pre-Budget report do not necessarily deal with the same issues.

Mr McNarry: What billing arrangements have been made? Have any contracts been agreed or entered into? Are there any associated costs?

Mr Sterling: Yes. A seven-year contract has been agreed. It will provide billing, charging and customer-contact-centre services for domestic and non-domestic customers. If a decision were taken not to proceed with domestic charging, costs would be incurred, in that the contract would have penalty clauses that the company could cite.

Mr McNarry: Would there be provision for metering in that contract?

Mr Sterling: Yes.

Mr McNarry: Is the metering aspect of the contract written in general terms only?

Mr Sterling: Government policy is that, from April 2007, a meter will be installed in all new properties and for all new connections. Pensioners — those who are aged 60 or over — will be able to choose whether to have a meter. If a meter does not suit their circumstances and they let us know within a year, they will no longer be metered.

The Government have also said that there should be another review in two years' time to define how metering should be rolled out further. The Government's overall policy is that there should be a long-term transition to widespread or universal metering.

Mr McNarry: I picked up on what was said about new contracts and new builds. For some years now, developers of new builds have made provision for metering. Will that be taken up? Will people who can have access to a meter use it? Technically, everything is provided: people just need to have it connected. I understand that there are thousands of homes in that position.

2.45 pm

Mr Sterling: That is correct. I believe that all new builds since 1994 have contained that provision.

The Chairman (Mr Wells): We must be careful. The subgroup is not tasked with having a general

discussion on water metering or bills; its task is to work out whether there will be any shortfall in public expenditure if there is a delay in introducing water reform. I knew that this would happen, because it is an emotive issue. However, the subgroup must keep within the confines of what it is here to identify.

Mr McNarry: If there were a failure to proceed with the existing legislation that is before Parliament, would that result in a loss on RRI borrowing?

Mr Pengelly: As Mr Sterling said in the presentation, we have not planned for deferral. Our position is that of a couple of years ago when the Treasury made it explicit that access to RRI borrowing was absolutely conditional on the introduction of water charging.

The Government's position is that water charging will be introduced in 2007-08. If there were to be any slippage, we would be obliged to have a discussion with the Treasury. Its position has always been that any deferment would have serious implications for access to borrowing. However, we have not had a definitive conversation on that, as we are not planning for deferment.

The Chairman (Mr Wells): Surely you should be able to identify a figure, because you know what borrowing entitlement the income figures being discussed would achieve.

Mr Pengelly: It would affect access to the full £200 million. The Treasury line is that, at present, Northern Ireland can access £200 million. The ability to access any of that money would lapse were we not to proceed with water charging.

The Chairman (Mr Wells): Therefore it is £200 million.

Mr McNarry: We knew that it was £200 million.

The Chairman (Mr Wells): Is it no more than that?

Mr Pengelly: It is limited to £200 million.

Dr McDonnell: Much ground has been covered. Forgive me if I digress slightly, but it is very hard to stick to a single dimension of an issue. If one tries to probe at all, one tends to probe a little bit further.

I wish to return to the point about the valuation of the company, and what one can infer from that. I remain deeply concerned about the company being overvalued. Has any comparison been made with the privatisation of electricity here?

Mr Sterling: Not specifically. However, the consortium that dealt with the valuations examined those of other water companies, certainly in England and Wales, and, I believe, in Scotland.

Dr McDonnell: Was that valuation in respect of pipe work only or were elements such as goodwill taken into account?

Mr Sterling: RCV is a valuation of the business in its entirety rather than of its assets. Water Service's accounts show that its assets are valued at a replacement cost of £5 billion to £6 billion. However, that, in a sense, is not a valuation of the business. The RCV is an estimation of the value of the business, and the rate of return is the determination of what is a reasonable amount that that business should earn.

Dr McDonnell: You said that, from April 2007, all new houses and pensioners would have access to metering. If I want to have access to metering from April 2007, can I have it?

Ms Gildernew: Yes; he is over 60.

The Chairman (Mr Wells): I am sure that he is not. Are you, Dr McDonnell?

Dr McDonnell: Chairman, I probe the issue because it will have an impact. If I were to install a water meter, I want to know whether that will cut my charge if I use very little water.

Mr McNarry: If somebody reads your meter.

Mr Sterling: The reason why meters might be attractive to pensioners is that they tend to have smaller households of one or two persons who would have lower-than-normal water usage. In those circumstances, a meter is likely to result in a lower bill. However, whether an average family would save money with a meter would depend on the value of the property in which they live.

The Chairman (Mr Wells): We must stop discussing such matters, because you will be appearing before a separate subgroup.

Mr Sterling: We are to attend next Wednesday, I believe.

The Chairman (Mr Wells): That subgroup will ask you identical questions about the mechanics of water rating, how meters will be read and whether rating is good value for money. Those issues have nothing to do with this subgroup.

Mr Sterling: I apologise.

The Chairman (Mr Wells): I realise that you are concerned, Dr McDonnell, but you should ask your colleague on that subgroup to raise those issues.

Dr McDonnell: Chairman, you are being very harsh and very cruel.

The Chairman (Mr Wells): I am, but we will be meeting next Thursday to spend hours going through the same process with the same people. We are only giving the officials some practice.

Dr McDonnell: Can I ask another question?

The Chairman (Mr Wells): Does it concern slippage?

Dr McDonnell: Are implications for staff outside this subgroup's remit?

The Chairman (Mr Wells): Again, that belongs in the remit of the subgroup that will be looking specifically at water reform. The issue of redundancies, and so on, has nothing to do with the specific issue that we are discussing today.

Dr McDonnell: I was considering the issue only in the context of the valuation being a guesstimate.

The Chairman (Mr Wells): You can ask about the public expenditure that will be incurred by redundancies, which is within our remit, but not whether it is right or wrong that there will be redundancies.

Dr McDonnell: That is my point. I am not querying the rights or wrongs of redundancies but the cost of redundancies and the cost of the transition. Will public servants who currently work for the Water Service be moving to the Go-co? Will they still be public servants? Is there a significant cost implication?

Mr Sterling: Water Service staff are currently civil servants. On the date of transfer, which is 1 April next year, those staff will transfer to the Go-co under The Transfer of Undertakings (Protection of Employment) Regulations 2006 — the TUPE arrangements — and lose their status as civil servants. On the numbers question, we are still working on the strategic business plan, which will set out the financial parameters, and so on, for the first three years of the company's existence. Such issues will be discussed as part of the business plan's formulation.

The Chairman (Mr Wells): We can ask questions about those issues next Thursday.

Mr Dawson: I want to return to the valuation question and the figure of £1 billion. Did the consortium specifically recommend that figure or was a range of figures offered from which somebody had to choose?

Mr Sterling: My colleagues can keep me right on the detail, but the consortium's view was that the company would be financially sustainable between £650 million and £1 billion. However, the consortium recommended that the valuation should be £1 billion. That is contained in the report, which, as I have said, is available on the Internet.

Mr Dawson: Therefore the company could have been sustainable at a figure of £650 million, had that decision been taken?

Mr Sterling: It could have.

Mr Dawson: That would have been a better scenario for consumers.

Mr Sterling: There are arguments for and against.

Ms Gildernew: Either £1 billion is paid back or just over half that amount is paid back.

Mr P Robinson: What answer is there other than yes?

Mr McCormick: The consortium's concern was to ensure that the company was a financially sustainable business. The consortium's view was that the figure of £650 million carried too much risk to ensure that it would be. If the business is not financially sustainable, that means that there is some sort of —

Mr P Robinson: Is a business more financially sustainable if it costs more?

Mr McCormick: Yes. If the business suffers some sort of financial shock, a new injection of capital is needed if it is not financially sustainable. The consortium said that, if the business were to be self-financing and sustainable, an RCV in the region of £1 billion was required. That was the consortium's judgement.

Mr McNarry: Nice business if you can get it.

Mr Dawson: It sounds like the electricity issue all over again.

Slide 7 referred to the potential for greater efficiencies under the Go-co option. Those efficiencies seem to have been reflected in the costs. What are those efficiencies?

Mr Sterling: Do you mean the quantum of the efficiencies or how they are made?

Mr Dawson: I want to know the specific efficiencies and the cost to each.

Mr Sterling: I cannot give you the cost to each, but we expect efficiencies to be delivered in various ways, such as through better procurement, more efficient working practices, or simply by taking different approaches to doing things. There is a range of different ways in which we believe the company should become more efficient.

Mr Dawson: Are the Government prevented from choosing those different options in the current model?

Mr Sterling: The evidence shows that it is much more difficult to deliver that level of efficiency in Government, especially the closer a body is to Government. A body cannot be much closer to Government than to be a Civil Service agency. That is at one end of the continuum, with completely privatised companies at the other end.

The strategic and financial review concluded that the further the company is from Government and the greater the private-sector involvement, the greater the

likelihood that the optimum level of efficiency would be delivered.

Mr Dawson: Have you included those efficiencies in the figures in slide 9, which give a total cost of £436 million?

Mr Sterling: Those allocations were determined in the 2005 Budget, so they do not necessarily reflect all the up-to-date work. However, by and large —

Mr Dawson: Based on that figure, is there £300 million of efficiency savings or difference in cost?

Mr Sterling: I hesitate to draw that conclusion, because we are not comparing like with like.

Mr Dawson: What conclusion would you like me to draw?

Mr Sterling: The main differences between the figures for 2007-08 and the figures for 2006-07 are as a result of the different public expenditure treatments — one shows the Water Service as an agency and the other shows it as a public corporation.

Mr Pengelly: The figures in slide 8 show £319 million for AME. AME is driven by an organisation's asset base. As an agency, it has an asset base of £7 billion; as a Go-co, it is worth £1 billion. That is the biggest component.

Mr Dawson: Discounting that, what is the value of the efficiency savings that are reflected in the figures?

Mr Sterling: I am not sure that I have the figures to hand.

Mr Dawson: We are very clear about the difference as regards AME, so what are the efficiency savings?

Mr Sterling: Until the beginning of this year, the company had delivered about £18 million of efficiency savings against its 2003-04 baseline. By the end of this year, subject to meeting its targets, it will have delivered £25 million of efficiency savings. We have not yet finally settled the strategic business plan for 2007-08 to 2009-10, so the exact efficiency target that will be put on the company has not yet been determined.

Mr Dawson: Fine.

The Chairman (Mr Wells): You have lost me. I could, for example, create and build up a company and hand it to my son, telling him that it is worth £1 million. However, I may then decide that it is not worth £1 million; rather it is worth £600,000. Why would that company be any more or less viable as an entity because I decided that it was worth £600,000 rather than £1 million? Obviously, the knock-on effect of what DRD is doing is crucial because the decision that has been taken on the valuation of the assets is costing the taxpayer an extra £20 million a year in water charges. Why would the company be any less attractive or less viable if it was valued at £650 million rather than £1 billion?

Mr McCormick: It is not so much about whether or not it is attractive; it is about trying to establish a capital structure that would allow the company to be financially sustainable.

The Chairman (Mr Wells): Why would it be any less or more sustainable if I decided to value it at £650 million as opposed to £1 billion?

Mr McCormick: If, for example, its future revenues were considerably less than anticipated, it would need to have sufficient capital resources to draw on to enable it to continue trading without a new capital injection. In the case of a Government-owned company, such an injection would mean a call on public expenditure.

Mr Dawson: It would mean a call on public expenditure anyway. If it does not produce the £58 million dividend, you will have to fund it anyway.

Mr P Robinson: Does that mean borrowing against the value of the company?

Mr McCormick: No. Normally, when a company experiences a financial shock, ordinarily it must seek further investment to keep the company financially sustainable, and that would involve a call on public expenditure. The work on the strategic and financial review tried to establish a capital structure that would allow a company to continue trading after a financial shock without the need for a capital injection.

Mr P Robinson: I thought that it was supposed to be self-sufficient. Surely the call would not be on public expenditure but on the consumer.

Mr McCormick: That was the point: to ensure that the company would be financially self-sufficient so that it could absorb any financial shocks itself.

Mr P Robinson: I do not follow that logic.

The Chairman (Mr Wells): I am lost, but we have experts here who can no doubt explain the logic of this to us.

If Members have finished asking questions, I will ask our two advisers, Victor Hewitt and Michael Smyth, to enter the discussion.

3.00 pm

Mr Hewitt: The layperson will find the whole subject completely baffling due to a combination of public-expenditure rules, the way in which the company has been set up, the models that have been used, and so on. Therefore, I will attempt to clarify some points.

In your presentation you set out the differences between the agency and Go-co set-ups. As regards the Go-co, there is no reference to a capital charge against the Department. Is there no such charge against the Department in respect of the company?

Mr Pengelly: Do you mean a cost-of-capital charge?

Mr Hewitt: Yes.

Mr Pengelly: There is, but it does not appear in the presentation because it nets to zero. The cost-of-capital charge against the Department is offset by the extraction of the dividend.

Mr Hewitt: The dividend, therefore, will cancel out the cost-of-capital charge, and that is why you need the dividend to be paid across.

Mr Pengelly: Yes; and the extent to which the dividend cannot be paid would have to be met through the increased subsidy. Therefore, it is captured in that item.

Mr Hewitt: OK. In your presentation you provided a comparison of public expenditure requirements. Public expenditure is calculated net of receipts. However, you have included a tariff line in the table you have provided: are those not receipts?

Mr Pengelly: Yes.

Mr Hewitt: Should there not, therefore, be a negative against them?

Mr Pengelly: The table aims to show the full cost of running the Water Service.

Mr Hewitt: So, are we talking about gross cost rather than public expenditure cost?

Mr Pengelly: The figures on the first two lines of the table show the net departmental expenditure limit costs. The table is showing the full cost.

Mr Hewitt: Would the tariffs net off those departmental expenditure limit costs?

Mr Pengelly: A departmental expenditure limit resource cost of £118 million allows expenditure of £160 million.

Mr Hewitt: It appears that the Treasury is setting the rules in order to make the existing situation look extremely expensive for Northern Ireland and make the proposal for the Go-co attractive in public expenditure terms.

In a sense, therefore, retaining the agency format is being made to look like the worst-case scenario for the Province. Going down the other route is being made to look sweeter by such things as riding down the asset base from £5 billion or £6 billion to £1 billion, which you are charging on in the AME line in your table. Of course, you will be taking those charges through to the customer, which you are not doing at present.

Mr Pengelly: I have a contextual point to set against that — as regards the figure of £717 million and the agency context. That figure grows every year by a percentage uplift, however, we get nothing through the Barnett formula. That means that an annual uplift of 5%, 6% or 7% — where nothing is coming into the block grant to fund that increase — is the worst-case

scenario, but that is because of the mechanics of the way in which Northern Ireland is funded.

Mr Hewitt: There was an interesting revelation that access to the borrowing requirement now depends on the introduction of water charges. Interestingly, the Northern Ireland Audit Office (NIAO) this morning published its analysis of the RRI in 'Reinvestment and Reform: Improving Northern Ireland's Public Infrastructure'. Helpfully, in appendix 1 to that report, the formula used to determine the RRI borrowing power has been published for the first time. No mention was made in the report that access to the borrowing requirement now depends on the introduction of water charges. Was the NIAO aware that that condition has now been imposed on top of the other conditions?

Mr Pengelly: I cannot say definitively. However, given the NIAO's access to a range of papers when producing that report —

Mr Hewitt: So, they simply did not bother to mention it.

Correct me if I am wrong, but it appears that the consortium that advised on the Go-co considered it as though it were a private sector company. They asked themselves what asset base the company would require in order to be credible in the market situation. As Mr McCormick said, it serves as a buffer against bad times. It is a case of the shareholder picking up the tab by putting assets into the company. The question is whether it is an appropriate model to be applying in these circumstances.

It has been stated that the taxpayer is putting £1 billion into the company. As it stands, the taxpayer has put £5 billion into the agency. Short of privatising the agency and selling it off as a company, there is no way in which the taxpayer can recover any of that money. In what sense are the Government putting £1 billion into the company and applying private-sector required rates of return?

Mr Pengelly: With regard to the point that the investment capital is already there — that there is a current asset base of £7 billion, which is coming down to £1 billion, I agree that there is not £1 billion of additional money going in at this point. However, there is £1 billion of taxpayers' equity in this organisation.

Mr Hewitt: Which one cannot get out, short of actually selling it.

Mr Pengelly: Regardless of that, in the UK public expenditure context, the fact that £1 billion of UK capital is tied up in an organisation means that there must be a return, to reflect the fact that the capital is sitting in that place as opposed to another.

Ms Gildernew: But taxpayers here paid that money. It is not as though it was a handout from the Exchequer. We pay taxes too.

Mr Pengelly: Yes, but it was funded from UK general taxation — the funding was made available to Northern Ireland through a formula. The £58 million, which is the return on that funding, will come from the people who will pay water charges in Northern Ireland. That money will come to Northern Ireland and will be available to Northern Ireland.

Mr McNarry: Are we allowed to ask if this is a set-up for privatisation? It looks ripe for that.

Mr P Robinson: Are you expecting to get an answer to that question?

Mr Sterling: David Cairns would want me to say this. He would want me to repeat —

Mr McNarry: He told Stephen Nolan all this. I heard that.

Mr Sterling: He said that it was unthinkable that this company would be privatised within five years. In saying that, he took account of the fact that he could predict only for the next three years. The Labour Party is only going to be in power for three years before there is a general election. That comes on top of the Secretary of State's statement in which he said that it would be unforeseeable that there would be privatisation and that he has no plans for privatisation.

Mr McNarry: That is not what I asked. I just asked if the company was being set up for privatisation.

The Chairman (Mr Wells): Mr Cairns did not say what was going to happen in year six.

Mr Smyth: I have a couple of questions. First, you mentioned that the dividend of 5·8% was set higher than that of similar water companies in Britain because of the higher risk involved. It is not immediately obvious why that should be. How can you justify such a high dividend when the Go-co must be less risky than a private company?

Secondly, could water charges be construed as a new income stream with respect to the RRI? If so, would it be possible to borrow against those for investment purposes instead of investment having to be funded from the block grant?

Mr McCormick: As Mr Sterling said earlier regarding the business risk, there is the setting up of the new company and its income streams. A lot of what is happening is new, and the business risk is reflected there.

Additionally, the financial and strategic review of Water Service identified the regulatory risk. That would be higher here because there would be a new, untested regulatory regime. The conclusion was that, overall, there would be a premium for risk here in comparison with England and Wales because of the local circumstances in which we find ourselves, both for the company and for its regime. That goes some

way to explaining the difference between the figures of 5·1% and 5·8%.

Mr Pengelly: The position is that access to RRI borrowing is conditional on what is called “qualifying revenue”. The policy in Northern Ireland is that only rates increases count as qualifying revenue — water charges do not.

Mr Smyth: Says who? Was that negotiated in 1998 under the RRI, or has that been subsequent evolution?

Mr Pengelly: The position has been clarified in the last few years. There was a lot of uncertainty, when the RRI was first negotiated in 1998, about the introduction of water charges. Subsequent to the policy on the clear-path introduction of water charges, the Treasury has clarified the position.

Mr Smyth: There might be a case for revisiting that and arguing that this is a new income stream.

Mr Pengelly: The policy at the moment is that it does not count for qualifying revenue purposes.

The Committee Clerk: Mr Sterling provided a note clarifying the date on which the change took place at the behest of the Treasury. Was it in 2004 that water was added?

Mr Sterling: Yes, I believe so.

The Committee Clerk: The note did not include a rationale for the addition.

Mr P Robinson: Were they not attempting to be helpful by adding water reform at that stage — so that it would count for qualifying revenue purposes? RRI funding could not be accessed unless the gap between the increases here and those in Great Britain was met. Was adding water reform not supposed to narrow that gap?

Mr Pengelly: When the RRI borrowing power was negotiated, the correspondence was predicated on closing the revenue gap between Northern Ireland and Great Britain. In 2004 it was clarified that, for the purposes of RRI borrowing, the revenue gap should be defined purely by reference to rates and council tax as opposed to rates and water charges.

Mr P Robinson: That is not the question that I wanted to ask. Since there are no Barnett consequentials for water, why is the Treasury charging anything? Surely the issue is one for a Northern Ireland Government. The Treasury pays nothing towards water here.

Mr Pengelly: In the overall context of UK public expenditure the Barnett consequentials —

Mr P Robinson: There are no Barnett consequentials for water; we get no money from the UK Exchequer towards water. Is that not right?

Mr Pengelly: That is right. However —

Mr P Robinson: Therefore it is ours.

Mr Pengelly: The UK Exchequer looks at the unhypothecated nature of the Barnett consequentials: it was UK public expenditure that put the asset base in place, therefore, it is still an asset of the UK taxpayer. According to the UK public expenditure system, it must generate a return.

Mr P Robinson: In fact, it was Northern Ireland Government expenditure that put the infrastructure in place. How far back do we go? The asset is one over which the Northern Ireland Government have control, because no money comes from the Exchequer towards it. Why does the Exchequer control whether the asset value of the Go-co is £650 million or £1 billion? Surely that should be our decision. Is that decision flexible? Can it be changed?

Mr Pengelly: I am not sure of the position post-restoration. At present, the valuation of any public expenditure asset is subject to Treasury ratification.

Mr P Robinson: Can it become a devolved matter?

Mr Pengelly: I would need to confirm that definitively, but my view is that the Treasury would regard the matter as primarily a fiscal one in which there would be a reserved element and in which the Treasury would continue to have an interest.

Mr P Robinson: Responsibility for water is devolved, as is responsibility for our finances. Why should water revenue not be a devolved matter?

Mr Pengelly: If an Executive were to lower the valuation from £1 billion to, say, £500 million, the loss of £500 million would be a hit against the resources available to the Executive.

Mr P Robinson: If the issue were deferred, for example, for six months, the decision to proceed with a Go-co would be taken by a Northern Ireland Executive, would it not?

Mr Pengelly: Yes. The Executive could decide on a lower valuation. However, the decision to reduce the valuation from £1 billion to, say, £600 million could affect resources available.

Mr P Robinson: However, we are not talking about real money, are we?

Mr Pengelly: That is an entirely different debate.

Mr P Robinson: What I mean is that you could have chosen a figure of £650 million and not £1 billion.

The Chairman (Mr Wells): By how much would a valuation of £650 million on the asset base reduce water bills? Would the £58 million dividend go down to £32 million a year, which is what, roughly, the figure would be, given that asset base? Would that not take £20 million off water rates bills in Northern Ireland? Would it not wipe out a significant proportion of those bills?

Mr Pengelly: I am not sure about the proportion, but I agree that that would take £20 million off the cost base of the organisation, and that, as it is to be self-financing, would take £20 million off bills.

The Chairman (Mr Wells): That equates to £20 for every adult in the Province: the first year's bill could be as low as £30. If that simple economic measure were taken, what would be the impact on people's bills?

3.15 pm

Mr Hewitt: The impact would be to increase the subsidy required from the Department to the company. It would be like a carousel in which they pay a dividend to you, but you pay a subsidy back to them.

Mr Dawson: Are the subsidy and dividend not exactly the same amount?

Mr Hewitt: No. The subsidy would be higher than the dividend.

Mr Pengelly: That will be the case in the first year.

Mr Hewitt: Therefore if the company brings in less money and is constrained in what it can do with its charges, would it not require a higher subsidy to maintain itself?

Mr Pengelly: If, instead of starting with a value of £1 billion, the starting point were at £650 million, the Department for Regional Development would require a rate of return of 5.8% on £650 million. Therefore the requirement on the Go-co would be lower, with the result that there would be an impact on bills — because the cost base of the Go-co would be reduced.

The Chairman (Mr Wells): Therefore, one of your options would have reduced the bills to the public substantially.

Mr P Robinson: It is bound to.

Mr Hewitt: Yes. It is inevitable that that would have happened.

The Chairman (Mr Wells): Therefore, this is just a paper exercise. You could have chosen the option of £650 million, which was available and which was entirely within Treasury guidelines. However, you went for the neater figure.

Mr Sterling: It was not an option for us.

Mr Dawson: The range was set, though.

Mr P Robinson: The option was available to the person who took the decision.

Mr Pengelly: That is correct.

The Chairman (Mr Wells): However, you went for the neater and easier to remember figure of £1 billion because that would get you £58 million a year as a dividend.

Ms Gildernew: That is also the bigger figure.

Dr McDonnell: Most of the points that I wanted to discuss have been probed already. However, taking a slightly different angle; is there the option to review the £1 billion figure a year or two down the road or is it fixed for ever? When the mistake in valuing the asset at £1 billion has been realised, can it be revalued at £500 million or £600 million?

Mr Sterling: The regulator could review it in the pricing — or periodic — review in 2009. However, if the regulator decided the value should be reduced, we understand that that reduction in valuation would be an impairment on our accounts and, therefore, would result in a cost to us. For example, if we wrote it down by £200 million, there would be a cost to us.

Dr McDonnell: Does that mean that we are locked in at the £1 billion figure?

Mr Sterling: That is my understanding.

Dr McDonnell: Not to play games: I feel that the company is grossly overvalued at £1 billion.

Mr McNarry: Is the point not that —

The Chairman (Mr Wells): Please let Dr McDonnell finish.

Mr McNarry: I am sorry; I thought that he had finished.

Dr McDonnell: What is the argument against a handover to the Go-co at zero-asset value and allowing it to build up the asset value? There is a very strong argument for that, and other members have picked up on it.

There has already been investment in the assets over the years — the infrastructure already exists; it is in the ground and cannot be dug up. Theoretically, in a virtual situation, it could be claimed that the assets are worth £1 billion. However, rather than fiddle around with a phased-in system, surely the honest thing to do would be to say that the company has a zero valuation, and as such its value could increase, and people could be charged X amount for water. Effectively, that would mean that the assets would be given to the Go-co at zero value. What is the argument against that?

Mr Sterling: The value of the asset helps determine how much the company can collect from its customers. The lower the asset's value, the lower the amount that can be recouped to recover the cost of the company.

Dr McDonnell: You are therefore telling me that the value of the asset will set the dividend to the Government, and that that dividend will set the cost of the water charges? That means that this is a virtual exercise, which is largely similar to what happened with the electricity companies. The overvaluation of those companies set the price of our electricity for 15 or 18 years. The artificial and excessive valuation of the

water company at £1 billion will set the price of water at a much higher level than it should be.

That is all that I wanted to know; you have probably answered the question. Much of this relates to the valuation that is put on the company.

Mr McNarry: Following on from that simple question, would a new Executive be able to restructure the Go-co?

Mr Sterling: Yes. However, DFP would make the call on the extent to which Treasury rules apply during devolution.

Mr Pengelly: The Executive would have significant flexibility. The provision of water and sewerage services would be a devolved matter and the Executive would be the primary body taking decisions on those services.

However, the limiting factor is the extent to which those decisions have public expenditure consequences within the public expenditure framework as defined by the Treasury. The Executive would have to deal with those consequences also. They would have the flexibility to restructure, but the issue would be about managing the implications.

The Chairman (Mr Wells): Would that require primary legislation?

Mr Pengelly: It would depend on the extent of the change.

Mr McNarry: Have we reached this point because the person who wanted to take the decision, did so, and dismissed other options? In so doing, has that person bound the Treasury to a level that it will be very difficult to get it away from, were a new Executive to be formed? According to what was said earlier, there is now a query about what might be devolved and reserved matters.

Mr Pengelly: To make it clear, the provision and structuring of water and sewerage services in Northern Ireland would be a devolved matter, and the Executive would deal with that exclusively. The reserved matter is the UK public expenditure framework.

Mr McNarry: However, restructuring the Go-co might involve restructuring the equity.

Mr Pengelly: There would be a transitional implication from the point of transition from the structure that already exists to one that an Executive would establish.

Mr Sterling: Again, much would depend on what the Executive would want to do.

Mr McNarry: Will we be getting a copy of the Hansard report of this session?

The Chairman (Mr Wells): Yes.

This has been a useful session. Have efficiency savings been built into the system so that they can be used to offset bills?

Mr Sterling: Efficiency savings, and the tariffs that flow from them, will be built into the cost structure of the company. Those elements are being developed through the strategic business planning process.

The Chairman (Mr Wells): To what extent are we locked into this situation once the legislation goes through the Privy Council? I would like to know that, and our researchers could possibly help the subgroup with that question. What scope would the Executive have if they were to come to the Assembly on the issue? Any primary legislation required would take quite a long time to be enacted, and the system will have been up and running for several years by then. It would be interesting to know what scope is available before we start making promises that, technically, we may not be able to keep.

Are there any other questions?

Mr Hewitt: I have a point of clarification. The Chairman mentioned efficiency savings. Are those not linked to the dividend issue? In a sense, requiring the company to pay a dividend while simultaneously capping what customers can be charged pressurises the management of the company to make efficiency savings within the company in order to balance the books. Therefore all aspects are interconnected: one element cannot be removed without having an influence on the others. Reducing the dividend reduces the pressure on the company to become efficient; increasing the dividend increases the pressure to become efficient. Is that a correct interpretation?

Mr Sterling: Yes.

The Chairman (Mr Wells): Is everybody happy? Perhaps the correct question is whether everybody is finished.

Mr Dawson: Moving on from the water issue, I have a question for Mr Pengelly about the Chancellor's £35 billion figure. I think that he said that it was a no growth figure.

Mr Pengelly: It is flat real growth.

Mr Dawson: If real growth of 0.5% or 1% is assumed, what would the four-year projection for Northern Ireland be vis-à-vis the £35 billion?

Mr Pengelly: I do not know the exact projection off the top of my head.

Mr Dawson: Would you come back to the subgroup on that?

Mr Pengelly: Yes, I will reply very quickly.

Dr McDonnell: Is there any perspective on the innovation fund or how it might work? Part of the information on that was vague.

Mr Pengelly: We have heard nothing beyond the Chancellor's letter of 13 November.

Dr McDonnell: Does that mean that you cannot put any parameters on that?

Mr Pengelly: Yes.

The Chairman (Mr Wells): Thank you. The discussion was illuminating and interesting, if somewhat quirky at times. The subgroup will be seeing some of your team next Wednesday for a much more intensive question-and-answer session on the whole principle of water charging.

Adjourned at 3.25 pm.

SUBGROUP TO CONSIDER THE SCHOOLS ADMISSION POLICY

Friday 8 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Jim Wells
Mr Dominic Bradley
Mr Jeffrey Donaldson
Mr Barry McElduff
Mr David McNarry
Ms Caitríona Ruane

Witnesses:

Mr Leslie Ashe Dr Robson Davison Mr John Leonard Mr David Woods	}	Department of Education
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The subgroup met at 10.20 am.

The Chairman (Mr Wells): Good morning and welcome to the first meeting of the Subgroup to Consider the Schools Admission Policy.

As is the normal practice, I will call out the name of each Member as they ask their first question, rather than waste time with introductions. I will begin by asking the representatives of the Department of Education to commence with opening remarks. Then I will allow Members to ask questions. School admissions policy is an issue on which everyone has strong views, and I am keen to hear as many views as possible.

Dr Robson Davison (Department of Education): The Department has put together some short papers covering topics such as previous developments, the current position, and the main elements involved in the admissions process. Do you want us to begin by summarising the papers, or would you rather we started straight into the discussion? Have Members received their copies of the papers?

The Chairman (Mr Wells): Yes. Please begin.

Dr Davison: I will be brief. The papers explain how policy has developed, the present position and the main elements of the process in which we are engaged. We are here to clarify anything that we can for Members in relation to the various processes. We are bound by the Secretary of State's letter to the Assembly setting out the parameters within which we can operate. We are here to explain things as best we can for Members, but we are unable to supply personal or speculative views.

The Chairman (Mr Wells): Do any other members of the Department's deputation have anything to say at this stage? No?

Members, this is your opportunity to ask questions. You are all aware of the reference to this issue in the St Andrews Agreement. My understanding is that the form of selection represented by the 11-plus is over, although other forms of selection are not precluded.

Dr Davison: From the Department's perspective, the last transfer test will take place in 2008. However, the St Andrews Agreement refers the decision on selection by ability or otherwise to the Assembly. The Assembly's decision, endorsed by the Executive, would then become policy. Present policy may therefore change.

Mr D Bradley: The Independent Strategic Review of Education, carried out by Professor Sir George Bain, proposed an area-based approach to future school planning. Might that approach be streamlined to match enlarged catchment areas for schools, so that transport planning, building development and other services might be co-ordinated? There would be obvious advantages, including financial savings.

Dr Davison: You will appreciate that the Department has just received the Bain Report. We are still studying its implications — not only as regards the issues we are discussing today, but for the breadth of ground that the report covers. My only comment is that in our paper on admissions, catchment areas are one possibility that could be incorporated. Like other elements of policy, catchment areas might be aligned to area-based infrastructure planning. That would be for a future Minister and a future Assembly to determine. Certainly, catchment areas are one option on the admissions side.

Mr D Bradley: Is that a possibility?

Dr Davison: Catchment is a current consideration, but it would be for the Assembly and a future Minister to determine what is built around it.

Mr Leslie Ashe (Department of Education): Catchment is just one of a number of elements in the admissions criteria — it is important to remember that.

Mr D Bradley: If there is an opportunity for alignment between what Bain is suggesting and future admissions criteria, that may prove to be useful.

Dr Davison: That is at one end of the spectrum. It has the benefits of a central planning view of the world. However, there are downsides as well.

Mr D Bradley: What are the disadvantages?

Dr Davison: Parental choice would be involved. The catchment areas drawn up might not match everyone's choice.

Mr D Bradley: People will not be pleased anyway.

Dr Davison: You cannot win in a lot of cases.

Mr D Bradley: I said that an enlarged catchment area might overcome some of the problems that people have referred to in the past as the postcode lottery.

Mr David Woods (Department of Education): That is one point, certainly. One of the papers that we have submitted touches on the Department's current thinking on how certain admissions criteria might be defined.

The Department assumed that it would leave the definition of a catchment area to the schools themselves — recognising the other side of the coin, that one size may not fit all. We are conscious that the catchment areas of schools differ quite markedly depending on whether one is in an urban or rural area. We had been allowing flexibility around that. Other jurisdictions have defined catchment areas separately for their own reasons, and there are other ways of coming to a decision.

The Chairman (Mr Wells): I wish to outline the way forward for the rest of the meeting. We have extra time, as the opening remarks were quite brief. I wish to invite Mr Jeffrey Donaldson to ask a series of questions, then Mr David McNarry, then Ms Caitríona Ruane and then Mr Barry McElduff. That saves introducing each individual later.

Mr Donaldson: I want to return to Mr Bradley's point about catchment. Research Services have provided us with a paper on the new admissions arrangements for post-primary education. It contains the following question:

"Will the geographical criteria not result in selection by post-code?"

The answer given is:

"One of the underlying principles of the new arrangements is that schools normally service their local community."

Forgive me, Mr Chairman, for being parochial: I wish to use the city of Lisburn as an example. Within a two-mile radius of the urban core there are six post-primary schools. St Patrick's is a maintained school, and there are five state-controlled or independent grammar schools. Some of them — for example, the two grammar schools, Friends School and Wallace High School — sit almost side by side. How do those schools define the local community that they service? If someone lives in Moira, Hillsborough or Annahilt, which school's local community does that person fall into?

10.30 am

Dr Davison: You have illustrated one of the problems with catchment areas, which is the simple issue of definition. Lisburn is an example. However, one could name several places where there is the same

problem: it might be extremely difficult to define a catchment area. However, that is not to say that it is impossible. It would be a difficult call in a town that has five or six schools.

Mr Woods: Although we have not attempted to define what a catchment area is, it is on the list of admissions criteria that a school could decide to use. Some schools have a clearly defined catchment area, such as the local parish. However, to return to the wider issue, which is that schools normally serve their local community, there are costs involved in pupils travelling long distances to schools. There is some inconvenience to families as well as costs to the education budget. The aspiration is that a school that is well regarded in its community will serve its community without the need for pupils to travel in other directions. However, we have not sought to constrain or confine people in any way.

Mr Donaldson: Therefore, the idea of a catchment area or of serving a local community is, at the moment, a broad concept that has not been pinned down. With regard to a particular local community, what is going to happen to the Dickson plan in Craigavon under those proposals? As you know, transfer in Craigavon takes place at age 14 — albeit there is transfer at age 11, but selection takes place at age 14. Will the Dickson plan continue under the new system, and if it does, what does that say about the capacity to develop local arrangements in, for example, Lisburn, where there are several schools in close proximity to one another?

You mentioned that there is not a "one size fits all" approach. However, I must say that as a parent and a public representative, nothing that I have read from the Department has made clear how it is going to handle that in practice. It was made clear in the Burns Report, which went into some detail about local collegiates, and so forth. However, there has not been any clarity since. I am not sure whether there has been a move away from that. Where does the Dickson plan lie under those arrangements, and what is there to stop other areas adopting the Dickson plan under that system?

Mr Woods: To date, nothing in the Government's thinking has had any impact on the structure of schools or on how schools are organised in any locality. The key difference is in the Government's current stance to introduce a non-selective system by which pupils in Craigavon, for example, could still go to junior high schools up to the age of 14 and transfer to other schools thereafter, but not on the basis of academic selection. Therefore, the structures would stay, but the basis of transfer beyond that would not include academic selection.

Mr Donaldson: Does that not render the whole point of the Dickson plan irrelevant? The idea was that there would be transfer at age 14 on the basis of a form

of selection which would allow children to transfer according to their aptitude, vocational interests, and so on. What is the point in maintaining a system that transfers children at the age of 14, when it is not based on any academic criteria?

What would be the role of Lurgan College as against Killicomaine Junior High School, Clounagh Junior High School or Portadown College, for example? What will be their role in the future? They are clearly defined at present, but what will Portadown College become when this new system is in place? Will it become an all-ability comprehensive?

Mr Ashe: There is nothing to prevent those schools from retaining their existing status, position and role among the schools in the area. Like transfer now at the age of 14, a parent would have to examine a child's attributes and consider what the school can offer before deciding whether Portadown College or some other school is appropriate for the child's needs at that particular age. The system of transfer at the age of 14 would be identical to the system at the age of 11.

Mr Donaldson: If I were a parent living in Moira, and I had a choice between the schools in Lisburn and the schools in Lurgan, when would I take that decision? Would it be when my child is aged 11 or 14?

Mr Ashe: It could be at both ages.

Mr Donaldson: Is it possible to have two transfers?

Mr Ashe: At the moment, two transfers are possible under the Dickson plan.

Mr Donaldson: The Department's submission notes the complexity of the current admissions criteria; your approach in the new system is to simplify those criteria. However, I have read your detailed documentation and, as a parent, am left very confused about how this system will work. That is not a cheap point; it is a genuine concern as someone who deals with parents appealing decisions about what school their child will get into and so on — as I am sure all my colleagues do every summer. I know how confusing all that form-filling can be. I appreciate that the current system is far from simple, but I feel that issues have not been simplified for parents. There is so much uncertainty in much of what you have said this morning that I am still left very confused.

Nevertheless, I want to turn now to the issue of the pupil profile. The Department is at pains to make clear that the pupil profile is not a means of selection. The Department is clear in saying that the objective of the pupil profile is to inform parents. I accept that parents need information to make informed decisions about their child's education. The Department has made provision whereby, if it is the parents' wish, the school can see the pupil profile, but not for the purposes of

selection. Why is the Department opposed to the pupil profile being used as a basis for selection?

Mr Woods: It is not so much that we are against it, but that the pupil profile is not designed for that purpose. It is an information document — a standardised annual report. All schools give annual reports to parents at the end of the school year.

Mr McNarry: Is that the pupil profiling that you are pushing, or is it profiling per se?

Mr Woods: It is the pupil profile that has been under development. We are talking about the position to date.

The Chairman (Mr Wells): Ms Ruane, I think that you may be concerned about the way in which the subgroup is being conducted?

Ms Ruane: Yes, I think that we should stick to your earlier arrangement.

The Chairman (Mr Wells): I am allowing Mr Donaldson to go down a line of questioning, but I will be equally generous with other members so that they can tease out their own issues.

Mr Woods: The current concept of the pupil profile is a standardised annual report that gives parents consistent information about how children are progressing at school. At the moment, if parents have children attending different schools, the format of their reports will differ from school to school. The pupil profile will be more consistent in order to benefit parents. A profile will indicate a child's progress in the core skills areas — communication, use of maths, information and communication technology — as well as in the other broad curriculum areas.

Its purpose is to provide information. As currently conceived, it does not place pupils in any sort of rank order. Therefore, in its present form, it could not be used for the purposes of selection.

Mr Donaldson: Implicit in your remarks is the suggestion that the pupil profile could be developed, by changing its layout and so forth. My children's reports clearly tell me where they came in the class in their examination results, the class average for the results and so on. If it is possible to include that kind of information in a pupil profile, is it not also possible, at least in theory, to develop pupil profiles so that they could be used in other ways? For example, in the event of oversubscription, a school could use pupil profiles as one of the criteria for selection.

Mr Woods: In theory, everything is possible. However, two issues must be borne in mind. First, we know from historical experience that primary schoolteachers will not be comfortable with the idea that what they write in a pupil's report will determine

which school that pupil goes to at the age of 11, and their position must be considered.

Secondly, using the information contained in the profile in that high-stakes manner would raise the issue of ensuring consistency. For example, my child's profile could show that he is third in the class, but how would that profile compare with that of another child who is fourth or fifth in a different class, based on a different class test? There are issues about ensuring consistency and validity in that sort of arrangement.

Mr Donaldson: I appreciate that. The consultation document stated that the pupil profile was to provide parents with information about the most appropriate school for their children. What does the word "appropriate" actually mean in that context? Does it indicate a tacit acceptance that certain schools are better for children with particular aptitudes? Does that not implicitly represent a form of selection, even if it is the parents who are making the decision?

Mr Woods: I am not sure about the particular reference that Mr Donaldson mentioned — it may be a bit of poor drafting on our part. The purpose of the profile is to allow parents to determine which is the most appropriate school for their child. The Department does not determine that — it does not have a definition of the most appropriate school.

It is clear that some form of differentiation—selection is perhaps the wrong word — is implicit. The Government have not said that they will abolish grammar schools, so there will be different types of schools with different educational characteristics and different styles of curriculum. Thus, under the current proposals, parents must choose which type of school is most suitable for their child.

Mr Donaldson: Finally, what work has the Department carried out on alternatives to the 11-plus examination since 2000? Has any work been carried out on a proposed acceptable alternative to the 11-plus? For example, has any work been carried out on whether future admissions criteria might involve some form of examination, either through continuous testing or through pupil profiling? Is any such work available from the Department?

Mr Woods: No.

Mr Donaldson: The Department has not carried out any work on replacing the 11-plus?

Mr Woods: Not with regard to selection by ability. The work that has been carried out has been based on the Minister's view that there ought not to be selection based on ability.

10.45 am

Mr McNarry: Gentlemen, you are welcome. The message that I receive from parents and teachers in my

constituency, and in every constituency that I have visited lately, is that education is overwhelmed by documentation but underwhelmed by satisfactory outcomes. The issue of academic selection has been held over for consideration by the Assembly, with which comes the murky world of deadlines and compelling handovers. Given that that is happening despite the possibility that a devolved Assembly may not be restored, it surely prompts some interesting thinking.

If there were to be no restoration — and I am sure that you are not betting against it — then, under continued direct rule, the passing of those deadlines vis-à-vis the future of the Assembly causes a state of confusion about the handover of deadlines relating to the 11-plus. I would welcome a statement from you outlining exactly how, in the absence of a restored Assembly, the Department would handle things under direct rule.

Dr Davison: You have entered political territory there, which the Department is not in a position to debate. The Department's understanding of the legislation is that there is a deadline and that if it is not met, Ministers will proceed with the policy as enunciated before the legislation was passed. The Department cannot debate speculatively about what might happen if that deadline is not met: those are political issues.

Mr McNarry: Correct me if I am wrong but, in effect, the Department is preparing either for a deadline to be met or missed. If it is missed, the fate of academic selection will no longer be in the Assembly's hands. The part of the legislation that leaves academic selection to be considered by the Assembly will be nullified, and the Department will kick into action with its proposals under new legislation.

Dr Davison: That is our understanding, but that is clearly a matter for Ministers.

Mr McNarry: It is a major concern for parents. I understand the restraints under which you are operating, and I am not trying to take you into political waters. However, some clarification would be helpful, because parents and teachers are trying to prepare for all eventualities. It is unfair to parents that the situation is so unclear — and I am sure that other Members have been hearing the same thing. They are asking what school uniform they should buy. Are you saying that you cannot offer the parents any help on that?

Mr Woods: Given that it is not a matter of opinion but of legislative fact, the Department can clearly state that if the Assembly is not restored by the date specified in the Northern Ireland (St Andrews Agreement) Act 2006, the automatic consequence will be that the element of the Education (Northern Ireland) Order 2006 banning academic selection comes into effect. There is no other intervening process.

Mr McNarry: You will understand that I cannot accept your choice of words — “the automatic consequence” — because that almost puts the blame on the Assembly.

Mr Woods: Sorry, I am not blaming anyone. It is what the law states.

Mr McNarry: The law does not refer to “consequences” and does not deal in consequences.

Mr Woods: The law simply states that if the Assembly is not restored by the specified date, academic selection will be banned.

Mr Ashe: It is also important to say that while academic selection will be banned at that point, the ban will not take effect until admissions in September 2010.

Mr McNarry: That is precisely the point, and I am glad that you have made it. That is a grey area for parents; they find —

Mr Ashe: The existing arrangements will continue until then.

Mr McNarry: I understand that, but the situation is not clear for parents. There is an onus on the Department of Education to try, where possible, to clarify the situation for parents. Equally, there is an onus on politicians to seek the Department’s help in clarifying the situation for parents. That would be valuable.

One of the principles set out in the post-primary consultation document is that:

“the interests of the child”

should be

“at the centre of the decision-making process”.

However, none of the Department’s criteria mentions the real interest of the child. In your opinion, has that principle been achieved? Parental choice, which is given a great deal of credibility throughout the documents, is still an individual choice, yet there has been no recognition of the deserving case for a parent’s choice to be put into a parental voice, forum or organisation in order to give it some formal status. We have gone through all of this without having the benefit of a formal parental voice being heard on the admissions guidelines. I know that one of the Department’s tributaries is working on the new single education authority, and a parental voice may be considered there. Will the Department consider expediting that in light of the involvement of this subgroup and, in broader terms, the Assembly?

The new admissions criteria allow post-primary schools to use the category of “feeder” primary schools. What freedom or autonomy will post-primary schools have in determining which primary schools will, or could be, feeder schools? Many parents are

anxious about that issue. It is important that parents know what degree of autonomy schools will have in determining which primary schools they use as feeder schools.

Parents will be selective about which primary school they send their children to. The restraints for bussing are not the same at that stage. Parents will say that they want their child to attend a certain school, because it is a recognised feeder school and their child will stand a better chance. That could lead to a form of discrimination. Parents cannot be faulted for seeking what is best for their children, and the system allows that to be explored by parents.

Dr Davison: The question of the parental voice is for the Minister to determine. The parental voice has been expressed in various consultations over the past few years, but on the specifics of where we go at this point or subsequently, it will be for Ministers to determine the way in which they want to assess the parental voice. Whether that be a forum, an organisation, a consultation or whatever will be a call for Ministers.

Mr McNarry: Do you agree with the principle, referred to in the consultation document, that the interests of the child should be central? One would expect, perhaps, that a parent would be the best person to uphold the interests of a child.

Mr Woods: That is certainly recognised; it is the rationale behind parental preference and giving parents the information to exercise that preference in an informed way, accepting that they have the best interests of their child at heart. That is one aspect of admissions. As Dr Davison said, the wider issue of the parental voice will have to be considered by Ministers in the context of the new education structures.

Mr McNarry: Will you take it back to the Minister? She is not really listening.

Mr Woods: The proceedings of the subgroup will be reported, and I am sure that the Minister will be able to pick that up.

Mr McNarry: She did not listen to previous proceedings. She was very badly briefed at an earlier meeting.

Mr John Leonard (Department of Education): Post-primary schools will define their feeder primary schools. The basis of the proposals is to try to have as much flexibility as possible for schools.

Mr D Bradley: On what basis will feeder primary schools be defined?

Mr Leonard: They will be defined on the basis of the extent to which the children who already attend the post-primary school have come from them. That will be a matter for the post-primary school. There are indications from the current system that —

Mr D Bradley: Therefore, a post-primary school cannot decide to add feeder primary schools to its list unless that primary school has contributed pupils over a number of years?

Dr Davison: The school will be free to choose on the basis of historical attendance. However, that freedom will be constrained. The Department of Education has the power to consider and approve where it thinks that there is doubt. What it would not want, for example, is for a primary school that has historically sent children to a post-primary school to be excluded on rather strange grounds. The Department will be in a position to monitor and challenge those sorts of decisions.

Mr McNarry: I accept what you say, Mr Leonard. However, given the school closures and amalgamations that we face today, what degree of flexibility is built into those criteria? What if an established school, with those kinds of links, hits the wall? How does the post-primary school make a decision when, for instance, it used to be school A, but now schools A and B have joined together? How does it address that situation? Is it still the school's decision?

Dr Davison: In that situation the new school would revisit —

Mr McNarry: Who would sanction that revisit?

Dr Davison: Given the Department's power to intervene, it would want to examine what emerged from that.

Mr McNarry: When a primary school has closed or been amalgamated, and is in the process of making representations to re-establish links with a post-primary school where there is now no history, must that be sanctioned by the Department of Education, and could there be disruption to that process?

11.00 am

Dr Davison: In the current system, when an amalgamation takes place, the same process applies. The difference will be the Department's role in the process. I am not assuming that there will be any major dislocation of any process. The purpose is to leave as much in the hands of the school as possible, because it knows the local circumstances best.

Mr Woods: There will be no mystery about what are, or are not treated as feeder primary schools. The post-primary schools will have to list the feeder primary schools in their admissions booklet or prospectus, so parents will know what the position is. In circumstances where there is an amalgamation — which would not happen overnight — there would always be adequate notice. The list of feeder schools can be extended.

Mr McNarry: I understand that. I know that you have not had a chance to adopt the Bain Report, but there is a reference in it about the funding of preparatory schools. They are obvious feeder schools in a true sense. Is that likely to have any impact?

Dr Davison: It is too early to speculate on that.

The Chairman (Mr Wells): The next question is from Ms Caitriona Ruane, to be followed by Mr Barry McElduff. They have been waiting for some time.

Ms Ruane: Fáilte romhaibh. You are very welcome. Thank you for the papers that you presented and for taking questions from us.

There is much angst about all the changes. Perhaps that is because — as you can hear from my accent — I did not grow up in the North of Ireland, although my children are in school here.

In my town, the changes happened very seamlessly and easily, and parental choice was fundamental to the process. Very few parents were unhappy about the changes and the schools that were chosen to transfer pupils from primary to secondary school. Different factors were taken into consideration, such as whether the pupils wanted to go to an Irish-medium secondary school, etc. I am not as worried about the situation as some other people. However, I understand the angst, because change is difficult.

The changes will benefit society in the longer term and create a more cohesive society. Initially, there will be much angst, but eventually, common sense will prevail. Parents with busy lives will get used to sending their children to the nearest school, because they do not want to spend half an hour travelling every morning. Change also brings dynamism and creativity. Once we get over the initial difficulties, that dynamism will kick in.

I come from a border area: I live in the South and my kids go to school in the North, so you can see where my question is coming from as regards catchment areas. Are you meeting with an Roinn Oideachais agus Eolaíochta (Department of Education and Science) in the South of Ireland? There would be no point in setting up a system in the North of Ireland when we will have North/South Ministerial Councils. The nearest post-primary school for my kids is in Newry rather than in Dundalk, as is my nearest primary school of choice for the Irish language. What thought has been given to North/South catchment areas? I am sure that the same applies for Inishowen and Castleblayney, and vice versa. That has other implications; one of the banes of my life is that there is no transport for my kids, which is a pain in the neck and does not make sense. What thought has been given to that issue, and what work are you doing in relation to that?

I love the idea of schools specialising in different subjects, such as music. How would that work in relation to catchment areas or criteria?

I must declare an interest as regards my next question. What would the development of Comhairle na Gaelscolaíochta — Irish-medium secondary, primary and pre-schools — naíscóileanna — mean for the development of new schools? At the moment, there is a gap in provision. My child had all her primary education in a bunscoil, and yet there is no meánscoil for her, and she is now in an English-speaking secondary school, which is heartbreaking for me. Comhairle na Gaelscolaíochta has plans for development in areas where there is a gap in provision, such as Downpatrick, Newry and west Tyrone.

The same is true of the integrated sector, and there will be dynamism in the way in which schools will work together. I hope that we will start to see more natural integration of the current schooling system rather than a new integrated set-up, although that is an issue in which people are also interested. What is the Department doing about gaps in provision, and are there any barriers to groups such as Comhairle na Gaelscolaíochta and the integrated movement? It would be very worrying if there were any barriers.

The issue of special needs is very dear to my heart, as it is to other politicians around the table. Children who do not get the right intervention at the right stage is something that breaks my heart. There is some very good early intervention, but what are the plans for special needs? Mainstreaming is also an issue. We really must examine the provision for giving children the best start at post-primary level. Go raibh maith agat.

Dr Davison: Where do we start? Let us take catchment areas. The Department has been working on a set of proposals that emerged from a consideration of the existing system. The Department has not consulted on what the admissions criteria would be, so there is no agreement on them. Ministers intended to consult on the issue, but it has still to be considered. The North/South dimension means that there is clearly an issue about border areas. The Department of Education is in regular contact with colleagues in the Department of Education and Science. At this stage, full consideration has not been given about what is incorporated formally. Nonetheless, the Department is aware that it would be wise to talk to colleagues in the Department of Education and Science about catchment areas around the border. That is the best answer that I can give you on that issue.

Catchment areas have not yet been an issue with regard to specialist schools. The Department's approach to specialist schools is via school improvement. The school uses its specialism to improve on a more general basis and to link into the new curriculum 14+,

with its emphasis on a wider provision and a more collaborative approach to the curriculum, where the specialist school can be seen in a wider context. Specialist schools have not yet been read into catchment areas in a detailed way.

The Department has clearly established criteria for the establishment of new schools in the Irish-medium sector. Those proposals go through the same development proposal route as those for other schools. That is the policy at the moment. It is too early for us to say what we make of proposals in the Bain Report.

Ms Ruane quite rightly said that special needs is an area of real importance. We have brought in a schools inspector with expertise in that area to review special educational needs; that review is under way. We have brought together a panel of the main players in that area, and work has been ongoing for three or four months. We hope to have an outcome in the new year. The Department regards special educational needs as a really important issue.

Ms Ruane: Who is the inspector, and who is chairing that?

Dr Davison: The inspector is Marleen Collins.

Mr Ashe: Parents will have a choice of different types of schools. There will be those with an academic curricular emphasis and those with a vocational curricular emphasis, and there will be specialist schools. Therefore, specialist schools will be one of a range of schools from which parents can choose. At the moment, there is a small number of such schools, but that will increase.

Mr McElduff: From the information that you have provided, I understand that 100 schools have trialled the pupil profile, which has been evaluated independently. Two questions arise from that. First, what information about the profile would parents like? Secondly, what do teachers say about its manageability? Perhaps we should deal with those questions first, and I will ask my other two questions later.

Mr Woods: Parents and teachers in the schools that have undertaken the pilot generally reacted positively to it. Parents have appreciated the format of the pupil profile and the information that it contains. They expressed views about ensuring that it was written in good, clear English rather than in teacher-speak, as it were. Therefore, we must ensure that the language in which it is expressed is meaningful and accessible to all parents.

Teachers were generally content with the pupil profile. At an early stage, they expressed fears about its being an additional burden. However, since it is meant to replace the annual reports that schools already provide, there should be no extra burden. We are making arrangements to provide computer software

that will allow teachers to complete the pupil profiles using their laptops or other equipment. They can call down comment banks that would help them to populate the report. The aim is to make the pupil profile meaningful for parents but manageable for schools, and the pilot work to date confirms that that is the case.

People have issues with parts of the pupil profile, but the Council for the Curriculum, Examinations and Assessment (CCEA) has been adjusting the format of the profile to address those concerns.

Mr McElduff: Named parishes, named feeder schools and named catchment areas play a part in admissions. I am thinking of schools such as the Christian Brothers Grammar School in Omagh. Primary schools in Castlederg and Aghyaran are natural pathways to schools in Omagh, but people might consider that those areas are, technically, in the Strabane district. However, people who live in Castlederg or Aghyaran shop in Omagh, or perhaps in Ballybofey; in the main, however, people from those places go to school in Omagh.

Are natural, cultural and social pathways taken into account? For example, a big fear that I have heard expressed in that community is that its enriching contribution to Omagh CBS may not continue, even though people would like it to. Is a cut-off planned that would mean that people from that community would be discouraged from going to Omagh and encouraged to go elsewhere?

Dr Davison: In the first instance, it would be for the schools in Omagh to determine their feeder schools. When it comes to monitoring, I doubt whether we would intervene to stop that connection being as broad as the school felt that it should be. It would not be in our interest to break natural pathways.

Unfortunately, I am not as familiar with the Omagh area as Mr McElduff is, but we need to see how maintaining those connections would work in practice. The first call would be to ask what schools see as their feeder schools and how they see their natural pathways. I am sure that a historical picture would be built up over many years.

Mr Woods: A wider issue relates to rural schools and rural communities in general. If a school is oversubscribed after it has applied whatever other criteria it has decided to use, it may still retain some sort of a tie-breaker at the bottom end. If it were to use proximity to the school, the most rural would be most likely to be disadvantaged. We anticipate that our advice to schools in those areas would be that a randomised approach, rather than a distance-based approach, tie-breaker might be better. That approach would not disadvantage those at the greatest distance.

11.15 am

Mr McElduff: I have learnt about the development of learning partnerships in communities such as Limavady, which is very progressive in its approach. What value is there in establishing learning partnerships now to be ready for the future?

Mr Woods: Learning partnerships are coming about naturally from the bottom up as part of the work that schools have been doing in anticipation of the entitlement framework requirements, which seek to provide access to a wider range of subjects for pupils. It has always been recognised that schools cannot do that if they are working in isolation; they will need to collaborate with one another and with their local further education colleges.

Schools in several areas have been developing their thinking and holding conversations among themselves about how they might make arrangements to provide that wider range of subjects. The Limavady partnership pre-dates anything that the Department was doing on the entitlement framework requirements, to be honest. Nevertheless, it is a good example of what can be done. We are aware of similar developments in other areas.

Earlier, Mr Donaldson mentioned the Burns collegiates. These did not receive much positive comment, as it was felt that they were over-engineered and were brigading schools into certain clusters without the schools having had a say in the matter. The present approach is to leave it to schools to make pragmatic decisions on collaborative arrangements. The idea of considering provision on an area basis, which I notice is a feature of the proposals in the Bain Report, has much to commend it, as the proposals should ensure that when individual components are taken together, they make for a broader range of provision for the young people of an area.

Dr Davison: Mr McElduff asked about the value of learning partnerships. We have always considered education to be of personal benefit: it is a good thing to be an educated person. We have always regarded schools as having social and cultural value. The revised curriculum, of which the entitlement framework is a key part, recognises the economic purpose of education in opening up the curriculum to include not just academic provision after the age of 14 but what the Department for Employment and Learning calls professional/technical provision for all pupils.

Therefore, the value of learning partnerships in either school to school, school to further education college or in a broad mixture of those settings is in trying to develop that aspect of schooling as well as the more traditional aspects. That ties in with the work that the Department for Employment and Learning has done in skills development. That is another dimension of learning partnerships.

The Chairman (Mr Wells): Although we have had the main questioning, several members wish to ask a supplementary question. Can we keep the questions to one or one and a half?

Mr D Bradley: Since I asked only one question in the first place —

[Laughter.]

The Chairman (Mr Wells): It is an important issue, and I have allowed members to tease out points with the representatives from the Department. Mr Donaldson, Mr Bradley and Mr McNarry will now put their questions, and then there will be an opportunity for other members to ask one final question.

Mr Donaldson: Your paper says that non-academic admissions criteria:

“would be required whether or not it is decided that academic selection should form part of future admissions policy: they would be used by non-grammar schools, and also by grammar schools where it is necessary to differentiate within a given ‘ability’ group.”

I am anxious to explore what you mean by “ability” in the context of non-academic admissions criteria.

Mr Leonard: At the moment, grammar schools that are oversubscribed within a grade — A or B1 or B2 — apply their non-academic criteria to decide which pupils to admit. That is the current pattern. Under an assumed non-academic scenario, all grammar schools would apply non-academic criteria all the time and would not have academic criteria. The purpose of the criteria is to give them a menu from which to draw.

Mr Donaldson: I appreciate that, Mr Leonard, but, with respect, that is not what I asked. I understand that what we are moving to at the moment is non-academic selection procedures. However, the Department talks about:

“where it is necessary to differentiate within a given ‘ability’ group.”

I am anxious to explore what you mean by “ability” and how you define that. What does that mean in the context of non-academic selection procedures?

Mr Woods: In the context from which you quoted, we are saying that if there were to be academic selection, those same criteria would serve a certain purpose. That is perhaps what has caused the confusion. In that context, “ability” would be determined by whatsoever means a future Administration decided. That would be the issue. It is one of the questions that you must grapple with. If we are not going to have the existing transfer test but still want to have something that allows for academic selection, the question is quite what —

Mr Donaldson: I am sorry, Mr Chairman, for pursuing this, but I am not getting what I am looking

for. I appreciate where the gentlemen are coming from, but that is not actually what the paper says. The paper states:

“These would be required whether or not it is decided that academic selection should form part of future admissions policy.”

So it is in either context.

Mr Woods: You are right. That is bad drafting, specifically on my part. I contributed that sentence; I should stop contributing sentences. We tried to deal with both sides. Of course, in a non-academic situation, all the criteria that schools apply would be non-academic. If — and it is still “if”, depending on what happens with devolution — there is going to an element of selection, we are simply saying that the work done on the non-academic criteria has not been nugatory. It will still be required, even in the event of academic selection. First, there will be a group of schools that will not use the academic criteria, and, secondly, the grammar schools will need it further down their list of criteria. I apologise for any confusion.

Mr Donaldson: My half-question is a very simple one. You talked about the different elements that a school might include in its admissions criteria. There is the “nearest school” or “nearest suitable school” aspect. My question concerns school transport. As you know, at the moment a child qualifies for school transport at post-primary level only if the distance between his or her home and the nearest suitable school is more than three miles.

Currently, “suitable” is defined in different ways. How will it be defined in the future? If the term “nearest suitable school” has a much wider definition in the future and can include any post-primary school — or will it include any post-primary school? — then what do you mean by the word “suitable”?

Dr Davison: One issue that feeds into that is the Bain Report, and how Sir George Bain sees the world developing in the future. One of the issues will relate to that definition and the world that Bain portrays. We will then need to consider what is meant by the term “nearest suitable school”, because there is a picture that suits the current situation, but that may not suit the decisions that are taken in relation to the Bain Report.

We will have to consider the direction that the Bain Report takes us in as regards the overall planning of the schools estate, the nature of the schools estate and, importantly, the transport implications. One of the main school transport issues is the resource implication, the costs. We need to take that issue on board in relation to the debate on the Bain Report.

Mr D Bradley: I want to return to the issue of pupil profiling. I understand that the pupil profile will be a formative document, in so far as it will outline a

pupil's successes and achievements, as well as areas for future development that will be addressed by the school, the teacher and even the parents. It is on that basis that primary schoolteachers have agreed to co-operate in the production of pupil profiles, and I believe that they have the support of their unions in that.

I assume that, if pupil profiles become an instrument of academic selection, that goodwill will not be forthcoming, either from the teachers' unions or, indeed, the teachers themselves. Does that mean that pupil profiles could not be used as an instrument of academic selection in the future, purely on the grounds of the probable withdrawal of support for pupil profiling from teachers and teachers' unions?

Mr Woods: It would be inappropriate for me to comment on what the position of individual teachers' unions might be. I mentioned that we would have to have regard to that issue in the context of whether pupil profiling will be used as a basis for selection or whether it will form some part of the selection process.

Those with long enough memories will remember a process that was attempted for a few years in the late 1970s whereby the recommendation of the primary school determined whether a pupil moved to a grammar school or a non-grammar school. That process was fraught with difficulties and only survived for a couple of years. The evidence of history tells us that there are certain constraints on what can be done.

Mr Ashe: There is further historical evidence on the use of assessment outcomes for transfer purposes. That proposal was originally mooted when assessment was introduced but had to be shelved, simply because teachers were not prepared to take part in the training, and so forth, if the assessment outcomes were to be used for transfer purposes. That example contributes to the historical picture.

Mr D Bradley: Just to make up the balance from my only having asked one question at the beginning —

The Chairman (Mr Wells): This is your half-question.

Mr D Bradley: If academic selection were introduced, how would it impact on the other provisions of the Education (Northern Ireland) Order 2006, given that that Order is largely predicated on the existence of a non-selective system during its period of operation?

Mr Woods: The other main provisions of the Order concern the curriculum and the entitlement framework. Those provisions can proceed, and are proceeding, on the basis that was originally planned. Those provisions are free-standing and can, therefore, proceed.

11.30 am

Mr D Bradley: You said that the new curriculum could be a driver for the economy. I understood by that

that it would provide many skills that are currently lacking in the workplace. If academic selection were reintroduced, the present situation would continue. Those skills that we would expect to get in the workplace through the operation of the new curriculum would not, in all probability, be forthcoming.

Dr Davison: Under the proposals, one third of the curriculum offered to all children — whether they are in academically selected schools or not — has to be what the Department for Employment and Learning calls “professional and technical”. The provision offered to children would have to include that dimension of learning. That would obtain whether selection continues or not. That is an important part of the plan.

Mr McNarry: How can you square the circle on curriculum content and vocational education for 14- to 19-year-olds on the back of this morning's report when so many pupils fail to reach standards? Many are not achieving; their education stops, in effect, at the age of six. That is a point to which I hope to return.

Does the Department categorically rule out any elements of selection while direct rule continues?

Dr Davison: The Department cannot answer that; that question should be addressed to Ministers. Policy is determined by legislation. Ministers, whether devolved or direct-rule, will decide what happens. It is not for civil servants to determine.

If I may address your first question —

Mr McNarry: I wish that you had answered my second.

Dr Davison: I cannot. It is for Ministers to determine direction.

Mr McNarry: Surely the Department can determine the direction that a Minister might take.

The Chairman (Mr Wells): Or advise Ministers.

Mr McNarry: Is that not why this Minister and her predecessors are in such a blooming mess?

Mr Donaldson: Resist the temptation.

Dr Davison: My job is to give advice to Ministers and to implement their policies.

Mr McNarry: And therefore you cannot possibly comment.

Dr Davison: I will answer your first question, which is important. The Audit Office and the Public Accounts Committee have illustrated an important issue. It ties in with the importance of providing for special educational needs.

The Department rightly congratulates itself on the quality of outcomes in its system. Sometimes, however, that success masks underachievement, which

was pointed out in a straightforward manner by the Audit Office and the Public Accounts Committee. Underachievement presents the Department with a significant problem. One of the Department's responses is to strengthen greatly the emphasis in the revised curriculum on basic skills such as literacy, numeracy, and information and communications technology. It is conscious that underachievement is a significant issue.

Mr McNarry: This is my half-bit now —

The Chairman (Mr Wells): Strictly speaking, this is not in the subgroup's terms of reference.

Mr McNarry: If you allow me to complete my question —

Mr D Bradley: If I leave the room at this stage, does he have to stop?

Mr McNarry: Do you accept that academic selection has had no bearing whatsoever on the figures in that report, and that it is not a barrier to pupils?

Dr Davison: That is a big question, to which I cannot give you a simple answer. It is a moot point as to whether the selection of pupils with the highest ability has a negative impact on those not selected.

Mr McNarry: We are talking about eight-year-olds.

Dr Davison: We are not just talking about eight-year-olds: underachievement is a significant problem at Key Stage 3 and at Key Stage 2.

Mr D Bradley: It continues into adulthood.

Dr Davison: Whether selection affects those not selected is a moot point.

You said that there are problems at primary-school level, which would come through; however, it is a moot point whether those problems are accentuated by what happens at the age of 11. That is a huge question, to which I cannot give a simple answer.

Mr McNarry: Could you give me an answer in writing? Could you give the subgroup an answer in writing?

Mr Woods: It comes back to the question of how relevant it is to the subgroup.

The Chairman (Mr Wells): You were given a clear indication of the constraints under which we, as a Committee, were acting. I am happy that you have dealt with that subject to the satisfaction of most members.

We have time for a final supplementary question. It must be extremely short, because we must stop at 11.45 am.

Ms Ruane: I wish to make a point that I hope will be taken in the right — Nílím in ann.

Mr D Bradley: Spirit.

Ms Ruane: The right spirit. Go raibh maith agat.

Mr McElduff: I know what point you are about to make, Caitríona. Go for it.

Ms Ruane: I am a big fan of gender equality.

Mr McNarry: Try to include the rest of us in this.

Ms Ruane: I will, David. I always include you.

Mr McNarry: You wanted to be called "Caterina", or whatever, earlier. Now we do not know what you are talking about.

Ms Ruane: Gender equality is important in society, and many of our teachers and educationalists are women. Any future delegations should include a senior woman from the Department of Education.

Dr Davison: I will certainly pass that request to Will Haire. After all, I have come from a Department where I was a token male.

Mr Donaldson: I want to return briefly to the guidance principles for admissions criteria. There is great public concern about postcode lotteries, particularly in areas in where there is likely to be oversubscription, such as my Lagan Valley constituency and, in particular, Lisburn. You talk about the need to ensure that:

"the combined effect of the criteria does not result in postcode selection or social exclusion, and that it does not disadvantage pupils living in particular areas e.g. rural areas or pupils attending feeder primary schools that are not given an appropriate degree of priority for admission."

I am anxious to know how those living in rural communities such as Glenavy, Ballinderry, Moira, Hillsborough and Annahilt can avoid ending up with postcode selection. There is a massive population in the urban core where schools are located. How can the Department ensure that pupils who live in rural areas and attend rural primary schools are not disadvantaged?

Mr Woods: Part of the answer to that lies in the flexibility that the Department envisages in the admissions criteria, which will allow schools to define for themselves the range of feeder primary schools or other catchment arrangements. The new education authority, as and when it arrives, will be anxious to ensure in considering those issues that no small primary school in a rural setting has, inadvertently or otherwise, been omitted and the children not given an appropriate measure of priority. It is simply to ensure that whatever arrangements are put in place operate as fairly and comprehensively as possible across the board, so that there is inclusion for everyone.

Dr Davison: Also, sitting in Bangor and not knowing the specifics of every locality, the Department is open to taking representations if areas feel that in some way the arrangements that are being arrived at by schools are going to disadvantage them.

Mr D Bradley: Are you saying that it may be possible for grammar schools to retain their current catchment areas, which one could say are defined by their feeder primary schools?

Dr Davison: In the first instance, the grammar school, or any school, will nominate what it considers to be its feeder primary schools. As far as the Department is concerned, it will be a matter for the local body — either the board, if the boards still exist, or the education authority — to look carefully at what that says about the area from which the school is drawing its pupils to see whether there are any issues with that.

I believe that folk would raise those issues locally with the new education and skills authority, the boards or the Department if they felt that, in some way, they were being particularly disadvantaged. The system itself would have to be satisfied that they were not being disadvantaged.

Mr D Bradley: As Jeffrey said, if it were possible to ensure that rural children would not be disadvantaged under those circumstances, the fear that some people have of a postcode lottery would also be removed.

Dr Davison: The Department has stated that it does not want a postcode lottery. It will do its best to ensure that that does not apply.

The Chairman (Mr Wells): I must call it a day at that point, gentlemen. Thank you for coming. As you can see, we read your briefing notes carefully and ask some difficult questions. The subgroup reserves the right to give you feedback in written form or to ask further questions, because, as you know, the issue is controversial and difficult. It has attracted much interest. The subgroup appreciates your coming at short notice to give us that highly adequate briefing. Undoubtedly, we will see you again at some stage. Thank you.

Dr Davison: Thank you very much.

Adjourned at 11.40 am.

SUBGROUP ON THE REVIEW OF PUBLIC ADMINISTRATION (RPA) AND RURAL PLANNING

Friday 8 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Francie Molloy
Mr Tommy Gallagher
Mr Alex Maskey
Mr Philip McGuigan
Mr Edwin Poots
Mr Peter Weir
Mr Jim Wilson

Witnesses:

Ms Laura Hague Mr Jim McKeown Mr Damian Prince	}	Office of the First Minister and the Deputy First Minister
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Mr Ian Maye	}	Department of the Environment
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Mr Mike Thompson Mr Tom Matthews	}	Department for Regional Development
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The subgroup met at 2.00 pm.

(The Chairman (Mr Molloy) in the Chair.)

The Chairman (Mr Molloy): You are all very welcome to the first meeting of the subgroup. Let us allow the members of the team to introduce themselves and open the presentation. We will ask questions afterwards.

Mr Damian Prince (Office of the First Minister and the Deputy First Minister): Thank you, Chairman. My name is Damian Prince, and I am head of the Review of Public Administration (RPA) Central Unit of OFMDFM. On my left is Laura Hague, and to my right Jim McKeown, who are also with the unit. At the far end is Ian Maye, who deals with RPA in the Department of the Environment.

We have modelled our initial presentation to the subgroup around its own terms of reference. I will cover the first three items and then hand over to Jim for the fourth and to Ian for the fifth.

Members will know that in the current circumstance we can give some factual briefing of where we are with the RPA, but must steer clear of items that are

subject to confidential briefing to Ministers. However, we hope that everything that we say will be helpful.

We do not propose to use this time to rehearse all the reforms that will arise from the RPA, but rather to tell the subgroup how we are implementing it and to provide an update on the progress on the various strands. We will also leave an information pack containing useful links, which members can peruse at their leisure.

If members are happy for me to do so, I will deal with terms of reference 1 and 2 together. Taken together, they start to embrace the full scope of the RPA. A programme structure has been put in place to help with the implementation. To make the programme manageable, we have divided the RPA programme into four sectors: the first is health and social services; the second, education and libraries; the third, local government; and the fourth, other public bodies. Each of the relevant lead Departments has its own implementation team. The range of changes that we have embarked upon is so complex that we may not be able to answer some of your questions today. In that case, we will have to refer them to colleagues in other Departments, but we will try to bring the information to you as soon as we can.

We think of the four sectors as the four vertical strands of the RPA. They represent the outcomes: the changes that the man and woman on the street will see. For example, the five education and library boards will become one education authority and one library authority.

However, it is also important to draw members' attention to the 12 cross-cutting themes. They are very important because if we accept that the four vertical streams — health, education, local government and other public bodies — mean that we are doing the right thing, the 12 cross-cutting streams ensure that we are doing our job correctly and that equality, cost benefit and common boundaries are taken into account.

The scope of the 12 cross-cutting themes can be found on our website, which sets out exactly what each theme will endeavour to do. Four of the 12 themes relate to local government, and the fifth relates to legislation, which Ian and Jim will pick up on later. The remaining seven themes are all very important, but I want to draw your attention to two in particular: common boundaries and capacity building. I mention those themes because we recently published new research on each area, and that is available on our website.

As regards the governance arrangements, members will already know that David Hanson has ministerial responsibility for the RPA. A steering group has also been set up, which is headed by Nigel Hamilton. It meets monthly and reports to the Minister.

I also wanted to bring to the subgroup's attention the important work of the Public Service Commission (PSC). The RPA will bring big changes for service users, but it will also have a big impact on service providers. Staff in organisations affected by the RPA will see a great deal of change in their work.

The PSC has produced six guiding principles, which are designed to steer the human resources strand of the RPA. There have been principles on communication, managing vacancies, staff transfers, filling posts in new organisations, voluntary severance schemes, and employer responsibilities. To date, the Government have accepted and endorsed four of those guiding principles; the remaining two are still under discussion.

Staff interests are also represented by the Northern Ireland Committee, Irish Congress of Trade Unions (NICICTU) and the various medical unions, with which we meet monthly to resolve any issues and to keep the lines of communication open.

I will give an overview of progress to date on each of the main themes in the situation report. However, I will leave local government and legislation to Jim and Ian. Members probably already know that David Sissling has been appointed chief executive of the new health authority. The chief executives and the finance directors have been appointed for the new health and social services (HSS) trusts. The five new HSS trusts are scheduled to go live on 1 April 2007, as are the seven local commissioning groups.

It is hoped that the chief executive of the education and skills authority will be in post by January and that the chief executive of the libraries authority will be in post shortly afterwards. It is also hoped that the education advisory forum will be established, on an informal basis, in the spring of 2007.

The fourth sector that I mentioned is that of the other public bodies. Changes to that sector are primarily driven by the legislative programme, which is moving ahead as we speak. For example, one of the main developments so far is that the Public Record Office of Northern Ireland (PRONI) has become a division of the Department of Culture, Arts and Leisure and is no longer an agency.

Under section 3 of its terms of reference, the subgroup is to consider the work of the Boundary Commissioner. As the Boundary Commissioner is an independent officer, I cannot comment on the detail of how he is going about his work and so forth. Nevertheless, it should be useful for members to know that OFMDFM has put a great deal of information and research on the RPA website. That research provides information about the current design model that OFMDFM is using to implement the RPA, including the 7C seven-council model that has been the subject of so much recent debate.

Some of the research is quite technical. However, the picture that the body of research paints is, in our view, fairly consistent. In the pack that OFMDFM will leave with members is a reading list detailing all of the available research, from attitudinal surveys to comparative studies with other areas of the UK and Ireland.

I also want to draw the subgroup's attention to two particular pieces of research: Queen's University's research on population and geographical compactness, and the University of Ulster's research on the evenness of the rating base. To put their findings into ordinary language, both say that the seven-council model provides the best means of avoiding major disparities between rich and poor councils, big and small councils and of deriving councils capable of delivering a new, enhanced portfolio of functions.

At this point, I will hand over to Jim McKeown to give members an update on the relevant legislation.

Mr Jim McKeown (Office of the First Minister and the Deputy First Minister): Good afternoon, everyone. Since September 2005, part of my role has been to work alongside the RPA Central Unit, initially to design implementation arrangements at the centre, in OFMDFM, and subsequently to provide an overview of the progress on legislation and relationships with the Public Service Commission.

As Damian mentioned, the implementation process, which includes the preparation of relevant legislation, is carried out by lead Departments. In addition to subordinate legislation, seven pieces of primary legislation are required to implement the RPA decisions taken by Ministers. The main items are listed in the information pack that I will leave with members this afternoon. I will talk about the legislation with reference to each of the four strands that Damian mentioned.

In relation to health and social services, legislation enabling a reduction in the number of trusts is already in place in the form of the Health and Personal Social Services Order 1991. Five pieces of subordinate legislation have been made under the 1991 Order creating the five new trusts that will come into operation on 1 April 2007. One piece of primary legislation is required to create the new health and social services authority and the patient client council, with effect from 1 April 2008, and it is currently being drafted.

In the second strand, one piece of primary legislation is required to create the new education and skills authority. The Department of Education has recently put some related issues out to consultation, and drafting of that legislation has, therefore, not commenced. A single piece of primary legislation is also required to establish a new library authority. That legislation is

well advanced, and it is expected that drafting will be completed in December.

Thirdly, there are three pieces of primary legislation on local government issues. The first of those, the Local Government (Boundaries) (Northern Ireland) Order 2006, has been made. It enabled the appointment of a Local Government Boundaries Commissioner and established the procedures that he must follow in relation to the creation of seven new district areas. The other two provide for the operation and modernisation of councils and for the transfer of new functions to local government.

The fourth strand and final piece of primary legislation deal with those public bodies that do not fall into the three main sectors and provides for their winding-up or dissolution.

The Secretary of State initially asked that Departments aim to have the remaining six pieces of primary legislation laid at Westminster by July 2007. Elections, and the restoration of the Assembly in March 2007, are likely to have an impact on that timetable, since there is normally a period in advance of elections when no new consultation processes are commenced. All matters dealt with in the legislation fall within the Assembly's competence, and proposals would therefore be introduced as Assembly Bills.

Finally, as part of this summary, it is worth drawing specific attention to the fact that there are likely to be common provisions in primary legislation for the transfer of staff to new organisations. The Public Service Commission has just published a third guiding principle to deal with that matter. The Government have accepted its recommendations and are translating them into legislative provisions in the Draft Libraries (Northern Ireland) Order 2007, which will act as the model to be followed.

The Chairman (Mr Molloy): Thank you very much.

Mr Maye (Department of the Environment): I shall speak only briefly. We will leave a paper with you on the origins and evolution of the local government task force. However, I want to talk to you about the work of the task force since its inception in March 2006. Some members present are on the task force and will know that, since its inception, 10 meetings of its political panel have taken place, and there have been several meetings of the task force working group and the nine subgroups.

The initial task force structure was designed with the modernisation and reform of local government in mind. The implementation of the review of public administration was part of that, but the task force was not initially designed to deal with the transfer of functions. It subsequently took that work on after Easter, when Ministers decided that the Department of the Environment should take the lead in working with

local government and with Government departments on the transfer of functions. That is an important point to bear in mind: it was not designed with the transfer of functions in mind at the outset. However, it took that work on board.

The initial focus was on developing policy on the preparation of two pieces of legislation. First, the Local Government (Structures) (Northern Ireland) Order 2007 will modernise and reform local government and put new finance and governance arrangements in place. It will deal with several modernisation and reform issues and give effect to ministerial decisions on the RPA.

The second major piece of legislation, which the initial work of the subgroups helped to inform, is the Local Government (Transfer of Functions) Order, which will give effect to the decisions made by Ministers about the functions that will transfer to local government on the creation of the new councils in 2009.

The initial focus of the task force, from political panel level — the top-level leadership group — to the working group, which was essentially an officer group, and the nine thematic subgroups, was to develop the policy that would underpin those pieces of legislation. However, the nine subgroups and the political panel began to map the way forward on how we would manage the process of modernising and reforming local government over the next two and a half to three years and beyond. The political panel, in particular, recognised that modernisation and reform was a long-term process and that it was not just a matter of implementing the decisions of the RPA.

The subgroups reported at the end of June. The political panel and the working group considered those reports in July and broadly endorsed them, although some required further substantial work, particularly the report by the governance subgroup. That work has been in hand since then. We have been using those subgroup reports as the basis for preparing the legislation and for thinking again about the shape and structure of the task force.

In July, the political panel agreed that it was time to review the task force structures and that we had moved beyond the initial policy development phase. There was still further policy development work to do, but we needed to look at the task force again to ensure that there was shared political ownership of the implementation process between central and local government. We also had to make sure that the structures that we had in place were designed to take us through the implementation phase of the modernisation and reform programme.

We jointly commissioned the Improvement and Development Agency (IDeA) of the English Local Government Association. Throughout September, they

met a range of key stakeholders, including the members of the political panel and the working group, in which they brought forward proposals that the political panel and working group considered in the two months that followed. We considered that report, in particular, at the political panel over the course of the last two meetings. In those meetings we agreed on how to take forward the top two elements of the structure that the IDeA proposed.

The top element of the structure will be the driving force for implementation, and will be known as the strategic leadership board. It is designed to clearly demonstrate central Government's commitment to working in partnership with local government and the five main political parties in modernising and reforming local government. The Minister will chair it, and the president of the Northern Ireland Local Government Association (NILGA) will be the vice-chair. It will have 10 representatives from the five main political parties, and NILGA will act as the voice of local government. It will be supported by a number of chief executives from local government, and by a number of senior officers who will be transferring functions. The Department of the Environment and NILGA will provide a joint secretariat to that board. The aim, having agreed the composition of the board, is to hold the first meeting on 15 January. NILGA and the political parties agreed nominations to the board yesterday.

The second layer in the new task force will comprise five policy-development panels. Those panels will weave together the work and issues identified by the nine subgroups, and the transferring functions. By agreement, the work has been divided among those five policy-development panels. One important item of note, which is a significant change from how the work was carried out at earlier stages, is that each panel will be politically chaired, and there is agreement on how those chairs will be distributed among the five main political parties. There will be strong political representation — each policy-development panel will have 10 members, representing political parties and local government. They will be supported in their work by a range of officers and officials from central Government, and potentially others. A joint DOE and NILGA secretariat will support them.

The policy-development panels will be responsible for devising regional policy that will inform the development of detailed work at a lower level. They will be able to commission, task and finish work. They will be able to call on local government, central government, and other bodies such as the Housing Executive to look at particular issues and bring forward proposals on how they should be dealt with in the next two and a half years and beyond.

Below that level, the IDeA recommended the establishment of seven local implementation pilot schemes, in

the seven prospective council areas. There has not yet been agreement on whether those pilots will be put in place, and if so how. There is further discussion to be undertaken, in particular in the strategic leadership board, on how to take that recommendation forward. There is recognition that work must be done at a local level to examine local implementation issues, but because of continuing debate about the number of councils, there is not yet agreement on how the pilots should be formed. That work is still ahead of us, but it must be addressed in due course.

Our aim is to have the first meeting of the strategic leadership board in January, and we want to agree with them how the five policy-development panels should be put together; their terms of reference; their initial tasks; and the officer and official support staff who will work with the 10 elected members on each panel. We wish to establish those panels and have them up and running as quickly as possible — certainly before the end of March.

2.15 pm

Mr Maskey: I would like to clarify one point. There was a discussion at the last panel meeting about their composition of the policy-development panels. You have mentioned the two members from each of the five major parties, but there was also an issue about the need to bring in other stakeholders who are not politicians. I was not sure how you would do that.

Mr Maye: At the first meeting of the strategic leadership board we plan to propose what the composition of those panels should be. We will do that as part of the joint secretariat relationship that we have with NILGA. It must be decided whether officers and officials will be involved in the panels. We must also decide on the involvement of the social partners and other bodies, such as the Local Government Staff Commission, which is likely to have a role in developing work on human resources over the next couple of years.

In some cases, our proposals will mean that wider discussion in the strategic leadership board will be necessary. The Minister and the Department have not yet taken a view on precisely how those panels will be comprised; that issue is still open for discussion at the board.

Mr Maskey: I do not know the official NILGA position, but its representatives argued that no one, other than politicians, should be on the policy panels. That argument was not agreed to. Therefore I am concerned as to whether the delivery will proceed with just NILGA representatives. However, those representatives had a clear view on the matter.

Mr Weir: There was no consensus on the matter. Some of us took the view that the policy development panels should comprise elected representatives and

officials; others had a different view. The final decision on whether additional people will join the elected politicians, how many there will be and in what circumstances they will join has been left to the strategic leadership board. There are other issues of whether their joining is accepted in principle, whether the level of involvement means that social partners should be on the panels almost permanently, or whether the membership should rotate when different subjects are being discussed.

There are five boards, and even if it were agreed that a certain number of representatives sit on those boards, that number may not apply necessarily to all the boards. It could be argued that certain subject matters have a greater need. For example, the trades unions would have a strong input on human resource matters.

I would like to clarify one point of Ian's. No nominations were made to the strategic leadership board yesterday, and none was intended. It is a matter for each of the parties to decide who its two representatives should be. However, the five parties selected which of the five panels they would chair, and it was also suggested — although this may not be adopted — that a vice-chairperson should be chosen and that each party would have one. That point needs to be put on the record.

The Chairman (Mr Molloy): Do you have any further questions to ask on that?

Mr Weir: I am perhaps more familiar with the Government aspects of the issue, but this matter is perhaps more concerned with what happens on the other side. Therefore I wish to comment on three areas. First, although some discontent was expressed, through local government, there is clearly direct political involvement. What consultation or opportunities for discussion with politicians has there been on the health and education aspects of the implementations?

Mr McKeown: I do not have an answer to that. We would need to ask the individual Departments.

Mr Weir: Perhaps you would come back to the subgroup on that.

Secondly, with regard to transparency and ensuring that people are informed, you mentioned that four of the cross-cutting issues involve local government. Presumably meetings are going on in Government in those four areas.

Mention was also made of the higher-level steering group. I appreciate that a lot of its work will involve technical issues, but has any thought been given to making available the information that arises from those meetings in minute form to the strategic leadership board when it is established in January? We cannot have a situation at one level — particularly where

those issues that affect local government are concerned — in which decisions will be taken by a strategic leadership board while, behind the scenes, the Civil Service will make completely different decisions.

We need to take decisions on the basis of knowledge. Has anything been done to ensure that the minutes of that steering group, which is chaired by Nigel Hamilton, are published?

Ms Hague (Office of the First Minister and the Deputy First Minister): They are published on the RPA website.

Mr Weir: A lot of claims were made regarding funding, cost implications and efficiency. As regards health and education, what is the current estimate of the overall costs and savings of implementing RPA?

Mr Prince: We are still working on the Deloitte report, which provided the strategic outline case for RPA. At the high level, the report stated that RPA would cost a maximum of £400 million and that there would be the potential for £200 million per year in efficiencies and savings. The report was based on a series of assumptions about the use of shared service centres. However, it did not actually cover the full ambit of RPA as it currently stands, principally regarding the transfer of central Government services to local government. Work is ongoing to consolidate the figures and set a budget for RPA.

Mr Weir: I cannot speak for the health and education sectors, but there was a feeling of scepticism, and that is putting it mildly, on the parts of finance officers and elected politicians in local government towards some of the assumptions made in the Deloitte report and, consequently, on some of the potential savings and costs stated in the report.

It would be useful if a better idea could be given as regards savings. You specifically mentioned the cost of transferring functions, but a main area of concern for the public purse is that there are heavy cost implications in transferring Civil Service staff into local government pension schemes, say under the Northern Ireland Local Government Officers' Superannuation Committee Pension Scheme (NILGOS) system. Has that cost been estimated? You may not be in a position to give me a figure today.

Mr Maye: We do not have a better estimate than that which appeared in the Deloitte report.

Mr Weir: What was that estimate? Obviously we do not have the Deloitte report in front of us. Was there a particular figure put on the pension side?

Mr Maye: There was a range identified, from £37 million to well over £100 million.

Mr Weir: Was that on the local government side?

Mr Maye: Yes. There were quite substantial costs involved. We are trying to refine those cost, and we will be working over the next few months to develop a much more detailed business case, which will look at costs and savings — not only the cash savings that might flow from this process but non-cash benefits such as improved service delivery to the citizen. We want to spend quite a bit of time on that over the next few months.

Ms Hague: There is an executive summary of the Deloitte report on the RPA website with a break down of all figures.

Mr Weir: One really has to question a potential cost gap of between £37 million and £100 million. I appreciate that there is a range of different assumptions involved. However, it is useless trying to draw satisfactory information from that, given such a wide range. Questions were raised by a lot of people about the assumptions that were made in the Deloitte report. For example, assumptions made about savings were based on the number of chief executives involved and their salaries, which were fairly wide off the mark.

Ms Hague: The main reason for the range of people costs in the Deloitte report is whether to give enhanced pensions.

2.30 pm

Mr Maskey: In the few short weeks that we have to deal with this matter, we cannot pour over it or deliberate on all the detail of the huge amount of work that has been done. However, I want to endorse what Peter said about the health and education sectors. I said many times at the political panel that it would have been very helpful for us, when dealing with the local government aspect, to have more awareness of how the RPA will affect the health and education sectors. Health and education are a big part of the review, yet we on the political panel did not even get an update on them.

I hope that we get some more information over the next couple of weeks in our work programme, although we cannot second-guess the work that has been done to date. However, not having a good sense of what is happening in the health and education sectors — which are a big part of the review — makes our job more difficult.

Mr Gallagher: I must apologise for my late arrival. I want to ask about the governance subgroup and the report. You described the report as needing further work, and you said that although there was broad endorsement, more work needs to be done. Am I right in saying that there is not agreement on the governance subgroup's report?

Mr Maye: It was clear from the report and from the discussions in the task force and from the discussions between the Minister and the political parties that there

are broad areas of support for the governance arrangements. However, some issues remain to be teased out, and there are one or two differences. They are not major differences, but areas on which the parties suggest slightly different approaches; we still have to work through them.

Our aim, through the task force and through the strategic leadership board in particular, is to introduce much more detail into the governance arrangements over the next few months, particularly into the legislative proposals. We would like to do that before legislation is published that can be used for public consultation. There is work in hand that we want to bring back to the leadership board and to others on the task force to test our work before we go to public consultation on the legislation. Beyond the legislation, there will be more work to do, as much of the detail of what is likely to happen will not be contained in the primary legislation. The standing orders, the subordinate legislation and the statutory guidance will have to be worked out. That will be a strong element of the task force's work over the next couple of years.

Mr Gallagher: One of your colleagues spoke about the workforce and voluntary redundancies. Is it fair to assume that, as a result of the reform, job losses will go beyond those who leave under voluntary redundancy schemes?

Mr Prince: It is recognised that there will be fewer jobs at the end of the RPA process. Employers are required to ensure that they avoid redundancy as best they can and take all measures to avoid compulsory redundancies. However, it is unlikely that compulsory redundancies can be avoided altogether.

Mr J Wilson: I am not my party's spokesman on health or education, so I am not as well tuned in on those matters as I might be. However, I share the concerns that have been expressed on those issues. Most of us accept that every opportunity has been afforded to us to have a political input into the proposals as far as local government is concerned.

However, I am not aware of any opportunity being presented to us to have a political feed into health and education. I look forward to your response to our concerns about that.

With regard to local government, there is a view, which is gathering some support, that the programme leading up to the shadow elections in 2008, with councils in place by 2009, is simply not doable. The review of council boundaries is ongoing, and the commissioner has expressed concern that his programme for reporting is extremely tight — he did so at the launch in Belfast. That review will then be followed by the appointment of a district electoral area commissioner, with a further review of district electoral areas. Furthermore, the uncertainty of this Assembly and the

result of the vote on the debate on the RPA this week should also be considered. Taking all those factors into consideration, and given that, as you said, there is an extensive legislative programme, which you outlined clearly to us, between now and 2008-09, surely you must all be concerned that that entire programme is not doable by those dates.

Mr Prince: You raise some interesting points. We shall note what you have said. At the moment, we are planning on the basis that the programme is still doable, but there are so many variables that could intervene. We cannot see into the future.

Mr Poots: Chairman, it would be useful if we could have some questions answered today, as opposed to evaded, otherwise this session will be a pointless exercise. My question is about coterminosity. Who decided not to go ahead with that? When was that decided?

Mr Prince: Coterminosity is still very much on the agenda and is part of the benefit of the RPA. Is that the question you asked?

Mr Poots: Yes, absolutely.

Mr Prince: Coterminosity is still on the agenda. One of the benefits of the RPA will be common boundaries. That will allow services to be delivered to citizens within a boundary in which they can get the full range and ambit of services available to them. It is more important that that delivery of service is coterminous in relation to commissioning, that people have the services available to them. The location from where services are delivered is a different matter — there are five health trusts, and the hospitals are where they are. Our research found that people feel that it is more important that they can get the services that they need when they need them, that those services are of good quality, that they are responsive and that people can influence those services. That is done from the commissioning side rather than from the supply side. In that sense, common boundaries — coterminosity — are still being pursued.

Mr Poots: I thought that that had been forgotten. There will be five health trusts and seven councils, but it appears that the Department for Employment and Learning (DEL) gets to do what it likes. That Department went off at a complete tangent and did nothing to deliver coterminosity in any respect. Within the new councils, certainly in my area, three very important functions will be stretched across new boundaries. I thought that that was to be done away with.

Chairman, I should declare that I am a member of Lisburn City Council.

Mr Prince: Coterminosity works, and the greatest benefits come from common boundaries. With the people who commission services making sure that those services are available to citizens. The actual supply of

the services is of less importance; the real benefits come from ensuring that all services are available to a common area.

Mr Poots: I have one further question. What does that mean for local economic development? Councils are currently responsible for local economic development. Will that stay the same? Will it be enhanced? How much of Invest Northern Ireland's (INI) current work will come to local government? Will INI pick up the type of work that the Local Economic Development Unit (LEDU) used to do? Can we have some more teeth on that one?

Mr Maye: Unfortunately, we do not yet have answers to those questions. I am not being evasive. The task force structure has been deliberately designed to tease out those answers, because there are questions over exactly what Ministers meant when they announced that local government would take a greater role in local economic development and local tourism development.

Ministers clearly meant for our local Government to have a more extensive role than at present. We do not yet know just how extensive that role should be, but we want to use the new task force structures to facilitate the debate on that role and, ideally, reach agreement on what it will mean in practice.

Mr Maskey: I have two points to make. The task force will recommence next month. In the last number of months, members from all parties have been concerned about the transfer of functions, the functions to be transferred, whether the correct budget will transfer with the functions and so forth.

We have received a number of presentations from the various Departments involved in the transfer of functions. I stand to be corrected, but it is probably fairly accurate to say that most members of the political panel thought that the presentation from the Department of Enterprise, Trade and Investment, for example, was a bit minimalist, to say the least. I am probably being generous with that comment.

Among the issues that the political panel raised were the supporting people programme and the provision of Travellers' accommodation. All that work is ongoing. In fact, as the departmental officials have explained, we have already agreed that a policy panel will be set up specifically to deal with the transfer of functions. All the issues will be teased out through that policy panel in the time ahead.

Chairman, I want to put something on the record because of misleading statements in relation to the governance arrangements that were made during the Assembly debate on Tuesday. To be clear, the final detail of the governance agreements has not been agreed. In fact, several months ago, I rejected an earlier set of proposals on those governance arrangements from the political panel. That work is in hand.

There is no question that most parties agreed on the issue of proportionality and that some other checks and balances should be built in. For the record, there is not yet full and final agreement on the extent of the checks and balances that are required — certainly not from Sinn Féin's point of view. I put that on the record solely because of the misleading things that some Members said during the debate.

Mr J Wilson: I want to pick up on two points that I raised earlier. How much time has been set aside for the appointment of the district electoral area commissioner and the completion of the commissioner's work? Has that been factored in?

Mr Maye: We have factored that in to the overall timetable insofar as possible, given our current knowledge. However, the timetable could well change. If the current Boundary Commissioner takes longer than initially expected to produce a report, for example, that will impact on the district area electoral commissioner, the work that must be done and the timescales to which the commissioner will have to work.

Mr J Wilson: Are you factoring in the result of the Assembly debate on the review of public administration this week? If so, how will that decision be dovetailed into the presentation that you made earlier?

Mr Maye: The decision in relation to —

Mr J Wilson: The decision in relation to the number of councils.

Mr Maye: At almost every political panel meeting within the task force, all but one of the political parties made clear their opposition to the option 7C model. Equally, however, those parties have continued to engage in the process because the process does not concern the option 7C model; rather, the process concerns modernisation and reform.

The option 7C model is part of the modernisation, but it does not represent the totality of what the local government task force is seeking to achieve. That issue has always been on the table, but it has been parked because local government, central Government and the political parties recognised that there was a broader job of work to do. At the last meeting of the political panel, we agree with the parties to push ahead with that broader job of work.

We want to take account of what emerges from all debates and discussions. We will also want to take account of this subgroup's report. Of course, we will have to take into account the effect that a restored Assembly and Executive will have. However, there is a valuable job of work to be done in the meantime, which is to continue to press ahead with the much-needed reforms and modernisation work that we are already engaged in.

Mr Gallagher: I want to return to the issue of modernisation and the huge task involved, both in terms of resources and personnel. I want to ask about the work that has been done so far. First, has the cost of modernisation been estimated? Secondly, is there a timescale for modernisation?

2.45 pm

Mr Maye: We do not have firm estimates yet, but we are working with NILGA to tie down a firm estimate of implementation costs and the longer-term savings it will produce. We plan to spend time on that over the next six months. We will have to keep an eye on costs, because as work continues and the detail of implementation emerges, it will have an impact on costs and the potential for savings over the longer term.

We intend to put the basics of modernisation in place by April 2009: that is the instruction that has been given to us by Ministers, and that is the timetable we are working to. However, Ministers — and everyone involved in the process — recognise that modernisation will continue well beyond that date. We have embarked upon a modernisation and reform programme that will continue over the next 10 years or more. Much work will remain after 2009 to continue modernising local government.

The Chairman (Mr Molloy): Are there any further questions for the members of the delegation? They are leaving a paper for the subgroup and will forward the other documentation to which members referred. The Clerks will contact the representatives about that. I thank the delegation for attending.

I remind Members to switch off mobile telephones. They interfere with the sound recording.

The next delegation is on rural planning. I welcome Tom Matthews and Mike Thompson from the Department for Regional Development. Members have before them the terms of reference:

"To consider —

- *the proposals set out in PPS 14;*
- *the impact of the proposals, if adopted,"*

— although it does seem as though they have been adopted already —

"on rural development, rural regeneration and future planning in the countryside; and

To identify any alternative proposals."

Mr Thompson, would you like to begin?

Mr Mike Thompson (Department for Regional Development): I thank members for the invitation. Members will be aware that draft Planning Policy Statement 14 (PPS 14) is subject to a judicial review, which was granted to Omagh District Council and

Liam Ward. The case is scheduled for 15 to 17 January 2007. That will have an impact upon what I can say.

Our job is to provide the subgroup with factual briefing. I propose to summarise the rationale behind draft PPS 14, review the policy and try to provide a review of the results of the consultation process undertaken by the Department for Regional Development. That would be the most useful way to spend the time. It will provide fresh and useful information for members.

Draft PPS 14 was published on 16 March 2006 and introduced, for the first time, a presumption against development across the whole of Northern Ireland. Large areas were already in green-belt zones, so for those there was not much change. The rationale for the statement was grounded in 'Shaping Our Future: Regional Development Strategy For Northern Ireland 2025', which was published in 2001. It identified concerns about the cumulative impact of development in the open countryside; the loss of agricultural land and habitats; fields being sold off to house townspeople; increased traffic on rural roads; increased risk of pollution from growing numbers of septic tanks; and so on.

Since the regional development strategy was published, there has been an explosion in the number of planning approvals for single dwellings in the countryside. During the 1980s and 1990s, approval rates were approaching 3,000 per annum; however, those figures started to push up in about 2000.

There were approximately 8,800 planning approvals for single dwellings in the countryside in 2004-05. That was for full and outline planning applications, not reserved applications. To put that into context, that is like approving the size of a town like Coleraine in one year. Those levels of approvals are unprecedented. It is a new phenomenon. It was those levels of approvals that led Ministers to the view that the regional development strategy was being undermined and that a presumption against development in the countryside had to be introduced.

I have already mentioned the ministerial statement to give draft PPS 14 immediate, substantial weight in the determination of all planning applications after 16 March 2006. Ministers took that decision because they felt not to have done so would have meant that the Planning Service would have been swamped with pre-emptive applications.

I wish to make a couple of points about Draft PPS 14. First, many have said it is a moratorium on development, but it is not: single dwellings can still be approved under draft PPS 14, but at a reduced level. The evidence for making that statement comes from looking at the old green belts in the east of the Province. There were usually 1,000 approvals a year, so, pro rata, the introduction of draft PPS 14 would have meant that

approvals for single dwellings in the countryside would have gone down to about 2,000 to 3,000 a year. That was a guesstimate and no more than that.

The exceptions to draft PPS 14 are based on local people. It is those exceptions on which much of the consultation focused. At the consultation, we had community technical aides facilitate six public meetings, which about 380 people attended. The PPS 14 team and I were available to appear at council meetings and public meetings. A number of members present at this subgroup attended or, indeed, chaired those public meetings. We met with councils, interested groups and, of course, elected representatives. There was a good, open, wide-ranging debate in both the community and the media about what rural planning should mean and about what the right rural planning for Northern Ireland should entail.

The consultation closed on 9 June, and we received 8,513 written responses. That is a phenomenal number of responses for a consultation to receive. Breaking down the results, the vast majority of responses — 87% — was made up of about 10 different types of petition letters for which political parties, pressure groups and other interested parties canvassed. For example, the largest number of responses came from Sinn Féin, from whom we received 3,247 pamphlets that were opposed to draft PPS 14. The other 13%, or 1,147 responses, were usually, but not exclusively, substantive replies from individuals, professional bodies, councils, political parties and other non-Government bodies. To set aside the petition-type letters for a moment, those 1,147 responses amount to a really large number for any consultation. Normally, consultations receive 100 or 200 replies.

What were the conclusions of the consultation? Of the 8,513 responses, not surprisingly 95% of respondents were opposed to the broad thrust of draft PPS 14. The main focus of those who objected to it was on the presumption against development. The type of comments that we received were:

"Draft PPS 14 should be withdrawn, reconsidered and substantially amended", and:

"Its proposals are too sweeping, too restrictive and take no account of their impact on the rural economy, house prices or the history and social life of rural dwellers."

That gives a flavour of the comments that we have received.

Another comment said:

"PPS 14 is inherently wrong as it fails to acknowledge or illustrate any real understanding of the sensitivities, needs and complexity of the rural context. The proposals are simply inappropriate and threaten to undermine the future of rural communities."

On a similar note, many expressed the view that that PPS 14 was a ban on building single dwellings in the countryside and that it would have a detrimental impact on rural schools, community groups, sporting organisations, businesses and, by definition, the rural community. Many held the view that rural areas and populations were not homogeneous and that implementing a one-size-fits-all blanket policy such as draft PPS 14 across all regions was inappropriate. There was much debate about that one-size-fits-all approach. We have always believed that adopting a pepper-pot approach — different policies in different areas — would only result in demand being moved around and funnelled into areas that had looser planning policies.

I will turn now to specific policies, and I want to mention four areas about which people had useful ideas. The first area involves farmers and the farm viability tests. Draft policy CTY 2 states that planning permission for a dwelling house on a farm would be granted where it was essential to the needs of the farm and the farm business was established and viable according to the definition of viability as stated by the Department of Agriculture and Rural Development. That test of viability, and the linking of it to PPS 14, was discussed by a lot of consultees and participants. People pointed out that farming has changed so much in recent years that many farms would never meet that viability test. We had to look again at the test because it was irrelevant to a large swathe of agricultural Northern Ireland. It simply did not work.

It was also pointed out that part-time farming is increasing and financial input to many farms comes from income earned off-farm. Part-time jobs provide essential supplementary income that helps to support farms. People told us that the overall total financial input from farming families should be taken into account rather than simply an assessment of the farm viability. There were many thoughts and ideas about that, and it was felt that any new definition of viability should allow both small and large farms to be considered eligible. People felt that the farm viability tests worked against the smaller farm and discriminated against small agricultural holdings.

The replacement policy also generated a lot of interesting debate. Many of those who were unsupportive of that policy expressed a view that it was just too restrictive and recommended that it should be much more flexible. The issue involved residential abandonment — the old abandoned house out in the countryside with the roof falling off it. Many people felt that as such houses were blots on the landscape, they should be able to bring them back into residential use. Again, I will quote from a interesting comment made by a consultee at one of our workshops:

“There are far too many examples throughout Northern Ireland of what were once sound family

homes that have now become derelict and cannot be replaced because of antiquated planning regulations.”

Restrictions on the size and siting of replacement dwellings were considered unnecessary by some, and many felt that they led to additional costs. Some also suggested that policy should maximise the potential afforded by rural brownfield opportunities. Similarly, it was suggested that not allowing the replacement of existing derelict buildings could actually lead to a greater loss of built heritage. In many instances, replacement, conversion and re-use of existing buildings as residential accommodation was seen as the only economic and viable alternative.

Issues around VAT were also raised. Many felt that it was wrong that VAT was payable when restoring an existing building, but that it was not payable on new builds.

I will discuss only four policies today, the third of which is the social housing policy. It was generally welcomed, but people were aware that it had problems and shortcomings and could be improved in a number of areas. That leads to the issue of affordability, which obviously applies to urban, as well as rural, Northern Ireland. It is an important issue, and Sir John Semple is currently investigating it. One consultee remarked that:

“Future policy should proactively address integrated social and affordable housing in rural Northern Ireland.”

3.00 pm

In view of the current trends, many people felt that there was an inconsistent approach to planning and that rural approvals lacked effective enforcement.

Therefore, they called for greater accountability in the planning process and better co-ordination between Government departments.

Many people felt that the planning policy should be tailored across the region to reflect differing needs and pressures. Furthermore, they wanted the dispersed rural community designation to be reinstated. There were similar calls for the reinstatement of policy to facilitate special personal or domestic circumstances.

I now turn to kinship ties and occupancy conditions, the most strongly represented alternatives to the proposed presumption against development.

Participants suggested that we operate instead a presumption favouring development with restrictions, and that such restrictions could perhaps focus on providing connections with the land.

A frequent request in the consultation was that planning permission for houses be given to local people who could provide evidence of links with the land in their local area. It was suggested that such a link might be to have lived, worked or gone to school locally; to be able to trace grandparents back to a

particular bit of land; or to provide a family connection with the land through parish records. The Republic of Ireland's system was often cited to us as a system we should operate here.

However, there are a number of reasons why we have not implemented that system. We discussed those issues in the consultation. First, we raised issues about enforcement. Would a kinship or local needs test work when approximately 400,000 people already live in the open countryside? Would there be any point in having it?

Secondly, we raised equality considerations, which were not accepted by the people we were talking to. They said that the presumption against development would have a better chance of success if realistic exceptions that centred on genuine rural need were factored into the equation.

I think that everyone agreed that speculative development around the countryside was harmful and that we must stop it and address genuine rural needs.

In that quick overview I focused on four broad areas that may clarify the consultation. I make two final points.

The contents of draft PPS 14 already applied to a large extent across Northern Ireland, particularly in the east of the Province, via the old green belt regulations. Therefore, many did not see it as a new policy. However, its impact has been felt particularly strongly in the west of the Province, and most of the consultation responses came to us from that area.

The general agreement seemed to be that something needed to be done to stop the speculative developers. There was broad agreement about the need for balance between sustainability and thriving rural communities. However there is a strong feeling that these two should not be mutually exclusive: we should be able to have both. The challenge for us was how to marry the two.

The Chairman (Mr Molloy): We will take questions beginning with the DUP, then Sinn Féin, the SDLP and finally the Ulster Unionists.

Mr Weir: Thank you. Mr Thompson, you mentioned that there had been an escalation from 1,800 to 8,500 successful single-building applications. You said that as a measure that the policy was working, you would expect that number to be between 2,000 and 3000 per year in areas that would be covered by PPS14. What are the figures now?

Mr Thompson: We do not know yet, because there is a time lag in the introduction of draft PPS 14.

Because of the backlog of applications, our colleagues in the Planning Service are still working through applications that were made before draft PPS 14 was introduced. I am not sure whether the Planning Service has started to process any applications that

came in after the introduction of draft PPS 14. The only reason that I used the figures 2,000 to 3,000 is because, historically, that was the typical number of applications for single dwellings in the countryside. I do not think that there is any right number.

Mr Weir: I appreciate that, because of the timing of applications that are going through the system, DRD is not in a position to monitor the figures. However, if only 300 applications were being made in countryside areas, that would clearly indicate that the policy had gone badly wrong. At the other end of the scale, if the idea were restricted and there was a shift down from 8,500 to 8,000 applications, there would not be a great deal of impact. There may not necessarily be a right number, but there would be clear indications as to whether the policy has gone badly wrong — or not.

Mr Thompson: I totally agree with that.

Mr McGuigan: Thank you for your submission. You will be aware of my party's position with regard to draft PPS 14. My party submitted a proposal and felt that that the Minister made the wrong policy choice. My party is still of that opinion today.

I want to make a few points about your presentation. The 3,427 leaflets that you mentioned were not Sinn Féin leaflets. They were submitted by 3,427 individuals who chose to use that method. Those people should not be disregarded; I certainly do not want that to happen. The fact that 95% of people are opposed to the policy gives a good indication of the strength of feeling that the policy has engendered.

I do not want to rehash all the arguments that were made throughout the consultation process. At the time, there was a dispute — a non-consensus, shall we say — with regard to figures. Your presentation highlighted that a large number of people submitted applications at a time when they knew that proposals were being put forward that would later restrict those applications. That does not create an accurate sense of the number of people who were planning to build at that time. People submitted applications because they knew that restrictions were being put in place. I do not believe that it would have been the case that several thousand houses would have been built in the countryside in any given year.

Under the previous policy, as members who are also local councillors will know, it was quite clear that one reason for refusing applications to build dwellings in the countryside was the build-up argument. To some extent, that was built into the previous policy. Many of my party's difficulties concerned the level of enforcement of the planning policy that was in existence.

I have some further general points. The consultation process ended in June. I would have expected that a decision would have been announced. You raised four of the policy issues. Is that an indication that you

expect changes to be made on those four policy areas when the Minister has responded? Does the judicial review restrict the Minister in making a decision?

Mr Thompson: Thank you for those points. I will try to cover them all. If I do not, please return to any that I have missed.

The Department certainly did not in any way disregard the 3,427 people who submitted leaflets. I apologise if what I said came across as otherwise. That was not intended. Indeed, the Department acknowledged every single one of those responses individually and separately — as it did with the other 8,500-odd people. In our analysis, each one is included as a unique individual response. I hope that, from our presentation, members are in no doubt about our understanding of the clear message that came through from the consultation.

I attended many of the meetings, and I am in no doubt about the views expressed.

There are many factors involved in the increase in the number of approvals. There is no question that a number of pre-emptive applications were submitted. However, a trend started from around 2000, and the number of applications has crept up every year since then. There were other factors responsible. The change in agriculture and Common Agricultural Policy (CAP) reforms were driving forces. It is hard to consider rural housing in isolation. Rather, it is necessary to examine the housing market as a whole. As house prices began to increase, building in the countryside became a much more attractive option. People's perceptions of where they want to live and work are changing, and many people travel greater distances than they did 30 or 40 years ago. There is a wide range of factors: lifestyle choices and perceptions are starting to kick in, as are mortgage rates and readily available finance.

However, although I do not dispute that pre-emptive applications were being submitted, that alone does not explain the total number of applications made. It is difficult to say how many applications were due to one cause and how many were due to another. It is a complicated picture, and all the factors are mixed up.

That point strengthens the reason for the ministerial statement, if that is the case, for the immediate introduction of draft PPS 14 — but that is another point. The judicial review impacts on the Department, and legal advice is that we should not move to finalise draft PPS 14 until after the outcome of the review, which is currently listed to be heard by the courts on 15–17 January 2007. The two cases will be heard at the same time, and the judgement will be made about three or four weeks after that. We are in the hands of the court, but that is the sort of time frame involved.

Mr Gallagher: I am very concerned about the outworkings of draft PPS 14 and the way in which it has been handled. With respect to the Department

officials here today, they are preoccupied with the pre-emptive and speculative applications submitted over a number of years. On top of that, there was a consultation period that was not really a consultation period. On such a contentious issue as planning, there should be, in the future, a proper and detailed consultation on rural planning. I hope that there will be an Assembly to facilitate that.

A further couple of points, which bear out what I have just said, relate to some of the issues that have arisen today. Part of the replacement dwelling issue to which Mr Thompson referred is the test of abandonment. Already, in my experience, that test is creating problems and is impacting unfairly on some applicants. Everyone understands that a house with four walls, no roof, no windows and no doors can hardly qualify under the rules for a replacement dwelling.

However, I have experience of cases in which new farmhouses were built, perhaps 20 years ago, without Housing Executive grants or anything like that, and where the original farmhouse has been maintained in good condition: roofed, weatherproofed and could be habitable. However, when an application is submitted to planners, there is a strict interpretation of the test of abandonment. That aspect must be re-examined.

Some outworkings of draft PPS 14 are also unfair in respect of applications submitted before 16 March. I am referring to unresolved issues, and we all know that in going through the process unresolved issues will crop up. Up until draft PPS 14, resolution was facilitated. Now, if an issue arises with an application submitted before 16 March, such as road frontage, it can be difficult to resolve if neighbouring property comes into it. I have come across several examples, and my colleagues, and elected representatives from other councils, have had the same experience. A little bit of time resolved the issue, and the planners are now saying that because an application was made before 16 March, it has to come in as a new application, which means that it comes in under the very strict criteria operating since the date of effect. That must also be examined urgently.

3.15 pm

Mr Thompson: The point about the consultation is, perhaps, one for another day. The matter of the replacement and abandonment test was raised frequently, and there was a great deal of good discussion about it. Many ideas and options to consider came out of the consultation.

On the question of applications received before 16 March, or applications not fully completed, the Planning Service line has been that an application only becomes a proper application when it is complete, and some have been caught out. That is an operational issue that

is outside my remit, but it is an issue for the Planning Service, so I cannot comment on it any further.

Mr Tom Matthews (Department for Regional Development): I may be able to offer some help on the abandonment issue. It was a part of the old rural strategy policy, Housing and Mixed Use (HMU) 13. Draft PPS 14 has utilised some guidance provided by the Court of Appeal in 2000, which clarified how to assess the issue of abandonment properly. Much of the thrust of that is in the old policy. What is new is the decision on what an owner's intentions were. It is not really a new test, but the courts provide clarification, and we have tried to adapt and incorporate that clarification into the new policy, albeit that it was something that came forward during the consultation as a major issue.

The Chairman (Mr Molloy): One of the things that I picked up on was that even in Tommy's example, where there was no roof on a house, it had mature trees around it, was on a good site and had integrated well with its surroundings over a 50- to 100-year period. It may be down to its foundations now, but it was a good site. It also lends credence to the line being followed in the case of normal brownfield sites. The example that was given was that of a brownfield site that had been reactivated.

Mr J Wilson: I would not agree with those who argue that draft PPS 14 should be scrapped and that we should go back to the drawing board — far from it. As someone who has lived his whole life in the countryside, I tend to get uptight when people who live in cities try to tell me how I should spend my life in the countryside and what the countryside should be like.

That is the personal element out of the way.

Mr Maskey: You have too much time on your hands, Jim.

Mr J Wilson: There is an argument for re-examining the particular part of draft PPS 14 that says that there should only be a "few exemptions" to the presumption against new development. We must examine the whole question of exemptions, particularly with regard to retirement dwellings for farmers. In the research that we have been provided with, there is an interesting phrase, which is "dwellings for non-farm enterprises." I think I know what that means, but at a time when the farming community is under considerable pressure, diversification is very much the "in" thing, and there surely is a case for looking at other developments in support of farm incomes. To scrap the whole thing, however, is out of the question.

I can give many examples of bad planning in the countryside, planning verging on the irresponsible. Great damage has been done to the countryside. In some instances, bad planning policy is to blame; in others, ill-considered implementation of policy. There

are many examples of large-scale development in the countryside with little or no consideration for infrastructure. The infrastructure — roads, sewerage or drainage — is simply not there. That has resulted in gridlock in many small towns and villages. Villages are used not just as places for commuters to begin their journey, but as through-routes, yet they are not designed for the traffic they are taking.

With respect to some planning decisions, it is the case that, during the consultation process, the Environment and Heritage Service advised against the granting of planning permission, yet permission was granted nevertheless. So much for joined-up government. In other examples the Roads Service advised against the granting of planning permission, and its advice was disregarded. I have proof of that. I am not simply making it up. There are examples, although members might find them hard to believe, of several hundred houses being built on a greenfield site without connection to a main sewer — the sewage was tinkered for a long period until the Department could find the money to provide a sewerage system. Houses can hardly be brought closer to the sewers. Those are all examples of bad practice which had to stop; and cessation of those practices was due more to pressure groups like Friends of the Earth than to sensible proposals by the Government.

I therefore support the broad principles underlying draft PPS 14, but in certain circumstances, it may be too restrictive. It should remain in place as a principle. Were I a candidate for the proposed super-councils, I would relish taking the planning portfolio, for restrictions and exemptions are best dealt with at local level.

Mr Thompson: Thank you for those comments. Many of those consulted offered their experience of the implementation of existing planning policy. Many had concerns about inconsistencies in planning.

The Chairman (Mr Molloy): Mr Wilson mentioned the lack of sewerage. I recall several instances when the Water Service refused to consider provision of a main sewer until houses were in place. It refused to put in a sewer in case the houses were not built. Chicken-and-egg situations then arose. In such cases overall planning is poor.

Mr McGuigan: In the countryside there are developments that have not been well-planned. No one here argues that good decisions have been made with regard to every application. However, a presumption against development was a drastic way of addressing the problems. Other measures may have been taken to ensure that good planning practice was implemented and supported by sound enforcement policies.

The Minister was presented with a number of options prior to his decision on draft PPS 14. Requests under the Freedom of Information Act have attempted

to garner the information given to the Minister and the nature of those options — it would be useful to this subgroup to have all of that information without redaction.

If the Assembly were to get up and running in March, I imagine that it would consider that issue very carefully under devolution. If this subgroup is to do the job that is expected of it, we should be furnished with that information.

Mr Thompson: That freedom of information request is currently under appeal. I will check its status and see what we can do.

Mr Poots: Thank you for coming to the subgroup today. It seems that you have gone from a free-for-all to something that Trotsky would be proud of in respect of state interference in an individual's rights.

I am concerned about paragraph 4.26 of the consultation document, which refers to other development opportunities and states that permission for additional houses will be refused where other development opportunities exist. Many people have found themselves in a situation that they could not have foreseen, in that sites have been sold off from farms that were not originally in the green belt.

Under the new policy, sons and daughters working on their parents' farms will be unable to get a site because a site has previously been sold off. That will apply throughout the country, given the circumstances of the agriculture industry, particularly in the last 10 years. Many farms were only sustained because farmers sold off sites from their dwellings.

That is one of the most reprehensible aspects of draft PPS 14. I note that you did not mention it, even though you referred to other matters. I hope that that will not pass unnoticed, because that policy will have a crucial impact on individuals whose farms were not previously part of the green belt, as most of my constituency was. However, if those people now try to get a site through legitimate means and there is a farm to act as a basis for the site, they will not get a site because of those circumstances.

Mr Thompson: I mentioned two areas within the range of available policy options that could address such a situation. The first is the farm viability test. Many people wanted the test changed to make it more adaptable for such a scenario, namely for farmers' sons and daughters. The second option, which many people indicated to the Department as their preference, is the kinship option. However, implementing the kinship option involves many operational and practical difficulties.

I understand your point, but suggestions that would address those concerns have been highlighted in the

range of options that have been put to us through the consultation exercise.

Mr Poots: My local planning office has referred me to paragraph 4.26 of the consultation document, which is very clear about other development opportunities. It states that:

"if any houses or sites have been sold off from the farm holding."

In other words, if anyone has ever sold a site, there is no specific period of time during which the policy applies; it applies for ever. If a site has ever been sold off from a farm holding, an applicant will not be entitled to a site. It does not matter whether a farmer has 500 milking cows and only one house on the farm; the farmer will not be entitled to an additional site.

Mr Matthews: I can perhaps provide some assistance. Under the old rural strategy and the policies that applied, that was the criterion. However, it was agreed that that option was essentially only applicable in green belts or countryside policy areas.

Mr Poots: Under the old system, there was a time frame of about 10 years, but there is no time frame with this policy.

Mr Matthews: There was not a time frame in the old one; a 10-year period may have been as a rule of thumb. However, one issue that arose through the public consultation was that the criteria dealing with other development opportunities, and their sell-off, should be time limited. At some of the public meetings held as part of the consultation, time limits of five, 10 or 15 years were bandied about. Perhaps the policy should be time limited, and that is something to consider.

The Chairman (Mr Molloy): The main problem is that the policy has effect from 16 March 2006, so anyone who had already sold sites did not have that type of opportunity.

Mr Matthews: Yes; that is a question of planning ahead.

The Chairman (Mr Molloy): The idea of Lord Rooker as a Trotskyite is interesting. *[Laughter.]*

Mr Poots: That will cut no ice with the Department.
3.30 pm

Mr J Wilson: There is something that I should have mentioned earlier. I do not wish to get too bogged down in detail, but I referred to restrictions that apply to the farming community and those who provide services for it. That matter must be re-examined. However, in doing so, we should also re-examine criteria that may be laid down by agencies other than the Planning Service. For example, when a farmer makes a proposal to diversify or build a retirement dwelling, DARD lays down strict criteria, particularly in respect of diversification. The Tourist Board may

also impose criteria. Easing such restrictions would assist in removing hostility to draft PPS 14. The principle behind draft PPS 14 is not wrong.

Mr Poots: There are a couple of other issues that I would like to raise. One is health, which was addressed in the old policy but has since disappeared. I do not suppose that health problems suffered by people in rural areas have disappeared. It is critical that that measure is restored. The number of sites approved in such circumstances was limited but, nonetheless, the health measure should be reinstated. There was no reason for its removal.

Other matters include the building of developments within older courtyards, which contain many vernacular buildings. Has consideration been given to crossroads developments, where four or five dwellings already exist around a crossroads and there is scope for further development? In such cases, a small sewerage works might be built so that a proliferation of septic tanks does not arise.

Mr Thompson: Both of those suggestions are interesting. The development of a social housing policy was challenging, but the service did not get it quite right. We are starting to push in the right direction. People talk about the old clachan concept: a small group of houses at the crossroads, beside the church, the sports club or school, where one can install support facilities. The idea of using older farmyards and vernacular buildings is very interesting.

The Chairman (Mr Molloy): There is concern about social housing policy because some small blocks of Housing Executive houses were simply dropped into the middle of the countryside without provision of services. The style and design of developments is important.

Mr J Wilson: I have concerns about development around settlements. I recall that, in the past, extension of development around small villages and settlements was permitted. However, instead of one or two houses being built along the roadside in support of a local school, or a church or — dare I say — a local pub, fields to the north, south, east and west of those settlements were bought, and thousands of houses were built around villages, creating commuter and gridlock problems. That policy contributed to instances of housing development without infrastructure.

The Chairman (Mr Molloy): And the need for a bigger pub. [*Laughter.*]

Mr McGuigan: On the agricultural viability test, has DARD set a test in terms of income, for example, on an average industrial wage? Even before draft PPS 14, in green belt areas, many complaints were made to the effect that the Planning Service had rejected applications that had been approved by other agencies. For example, when the Tourist Board has agreed that

there is a need for tourist accommodation, and has proved that need, the Planning Service should take that into account.

Mr Thompson: I cannot speak about individual cases. I have no knowledge of them, nor do I have the authority to comment on them. However, the Tourist Board looks at proposals from one perspective only; the Planning Service considers it from a different perspective. It is feasible and understandable that each may, from time to time, produce different answers because each asks a different question. However, I do not know the details, and that is beyond my remit. I take the point about joined-up governance and, as we are striving to promote farm diversification and tourism, the views of the Tourist Board are an important consideration. Much depends on other factors in making a determination.

The farm viability test is a test undertaken by DARD. There are options with how that test is utilised.

The Chairman (Mr Molloy): Another measure that the Assembly introduced was that DARD would undertake rural proofing that should cut across all Departments. Rural proofing seems to have become lost in PPS 14.

Mr Thompson: Reference is certainly made to that. We went through a rural-proofing process in developing this policy. Rural proofing is about the differential between urban and rural, but by definition this policy is a rural policy.

The Chairman (Mr Molloy): But you need people living in rural areas.

Mr Thompson: Absolutely.

The Chairman (Mr Molloy): That is important. Are there any other pressing questions?

Mr Poots: I have a question relating to business and diversification. Some time ago, I became aware that DARD grants from European funds were being awarded but could not be used because about one third of planning permission applications were not being granted. That was before this policy came into operation and when about a third of Northern Ireland was green belt. My concern is that, as virtually nobody in the green belt was getting planning permission then, virtually nobody will get it now. Those people who want to stay in the countryside, who want to establish a business in the countryside or who want to develop tourism in the countryside will, as a result of this policy, come under the same restrictions. As a consequence, a substantial number of economic development opportunities will be lost.

Let me put it like this: I am glad that this is a draft document and that it will not be the final PPS 14. Issues such as those that I have outlined need to be

addressed prior to draft PPS 14 becoming a fully operational document.

Mr Matthews: On the diversification issue, we are working with our colleagues in DOE in respect of where there is overlap, for example, between draft PPS 4, which includes an element on farm diversification, and draft PPS 14. We need to iron out the overlaps and ensure that there is less ambiguity and as much clarity as possible.

The Chairman (Mr Molloy): This has been a useful meeting as regards the subgroup's consultation with the Department. However, I hope that you will be able to view this meeting as consultation with the Assembly subgroup in regard to draft PPS 14. As such, it is a two-way process. We may request additional papers or information from you.

I have a final question. I heard recently that a new policy is being developed in relation to farm buildings, as opposed to farm dwellings. If that policy is in draft form, it might be useful for the subgroup to see it. If the policy will restrict the building of silos and other buildings on farms, it will have a big effect on the viability of farms.

Mr Thompson: That is not something that I am fully familiar with.

The Chairman (Mr Molloy): I think that it may be a Planning Service document.

Mr Thompson: We will check with our DOE colleagues. I am not aware of that policy, but I will check.

The Chairman (Mr Molloy): You will come back to the subgroup on that?

Mr Thompson: Yes. We will also reply on the FOI issue. We will check the progress on that and see whether we can give you further information.

The Chairman (Mr Molloy): Thank you very much.

Adjourned at 3.38 pm.

SUBGROUP ON THE REVIEW OF PUBLIC ADMINISTRATION (RPA) AND RURAL PLANNING

Wednesday 13 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Patsy McGlone
Mr Tommy Gallagher
Mr Philip McGuigan
Mr Alex Maskey
Mr Edwin Poots
Mr Mervyn Storey
Mr Jim Wilson

Witnesses:

Dr Andrew McCormick Dr Denis McMahon	}	Department of Health, Social Services and Public Safety
Mr Dick Mackenzie	}	Local Government Boundaries Commissioner for Northern Ireland
Ms Amanda Morrison	}	Secretary to the Local Government Boundaries Commissioner for Northern Ireland
Mr Stephen Peover	}	Department of the Environment
Dr Eddie Rooney	}	Department of Education

The evidence session started at 10.32 am.

(The Chairman (Mr McGlone) in the Chair:)

The Chairman (Mr McGlone): We shall now hear evidence from representatives of the relevant Departments. That will be followed by a question-and-answer session. Mr Peover, have you agreed a speaking order?

Mr Stephen Peover (Department of the Environment): As members received a presentation on local government on Friday, I did not intend to make a presentation today. However, I am happy to do so, if members prefer. I understood that the subgroup wanted to use this morning for questions. Andrew McCormick has brought some papers that he wishes to make available to the subgroup, but it is the subgroup's decision as to how it wishes to use the time.

The Chairman (Mr McGlone): We shall begin with Andrew's submission on health and social care,

and members may ask questions on any issue arising from that. We shall then turn to health and education.

Dr Andrew McCormick (Department of Health, Social Services and Public Safety): The Department of Health, Social Services and Public Safety (DHSSPS) has the privilege of being first in line in the review of public administration (RPA), so its process is further advanced than that of other Departments, as I will explain. That sequence affects the nature of our present work.

I shall begin by setting the context in which changes are being driven and in which the factors leading to the current model have emerged.

Health and social care can be organised in several ways. The DHSSPS is characterised by several unique features whereby social care is integrated with healthcare. The nature of the organisation is such that there are increasing demands on the service, as members will know from their constituency business. There is no more pressing issue than the day-to-day demand for better health and social care. There are rising costs, rising opportunities to provide new forms of care and demographic changes. Northern Ireland has a higher level of ill health than other regions, so all of those issues must be addressed. The major expansion and expenditure that has taken place over the past few years will tail off, owing to the nature of the comprehensive spending review.

Those issues make up the context in which the DHSSPS is organised to achieve the best outcomes.

The objective of the structural change is to secure those best outcomes. Northern Ireland has had too many small health and social care organisations, and that is an issue with regard to providing safe and high-quality hospital care. Securing the best outcomes is difficult to do when the trend in medicine is to increase specialisation, etc. There are also serious issues to consider in providing the best possible care for rural areas.

The service needs to secure better performance and to deal with efficiency and productivity. Those issues, along with a range of other challenges were highlighted in the independent review of health and social care in Northern Ireland that Prof John Appleby produced last year.

The strategy that was carried through into devolution is essentially public-health led. The only way to improve health and social care is to make more people take responsibility for looking after themselves and to have a system that makes prevention and early intervention high priorities. However, the present structures do not serve those aims very well, so some of the structural changes are designed to make that better.

Although we plan to enact some elements of the reform programme first — that is a matter of fact —

those elements are part of the wider RPA process. Therefore, we must consider how we can improve coterminosity and have the same principles that are applied in the rest of the RPA, in which accountability, efficiency and getting services closer to the public are the underlying principles. Those are the reasons for change.

The overarching diagram of the model is complicated, so I have created a simpler version. If the subgroup wants to talk at greater length about the Patient and Client Council (PCC) and the Regulation and Quality Improvement Authority (RQIA), we can do so later. However, the simplified diagram of the model draws out the main points.

The Secretary of State last November decided to create a regional health and social services authority that would take responsibility for the management and operation of the service and to reduce the number of trusts from 18 to five. The ambulance trust stands unchanged. However, the idea is to have five health and social care provider organisations that will provide the full range of care from acute secondary care, through to community care. The health and social services authority will oversee the planning process and will work with the new local commissioner groups to plan and prioritise services. The trusts will then provide that service. That is a continuation of the separation that has existed since the early 1990s, with the process of planning and prioritisation on the one hand, and provision on the other.

There is an increasing emphasis on primary and community-based care through the planning process, which provides a proposed strong link with local authorities. Those are the fundamental points of the model, and that is the point of coterminosity in planning and commissioning.

One major strength of the model is that the regional authority will be accountable for delivery and can say to the trusts that it is up to them, as a team, to deliver a better performance for the public. The regional authority will have a strong performance management role in the trusts, and they will require them to deliver part of the improved services. They will also hold them to account. Therefore a challenge is going out and ensuring that that accountability is coming back. That is a major part of how we drive through change.

Present structures have not served that aim of clear accountability very well; it has been more complicated than accountability in the proposed model would suggest. The roles of the Department, the boards and the existing trusts are not resolved and they do not provide clear lines of accountability.

We put together some thoughts on the rationale for the changes, to explain why we use this particular model and why we do things a certain way. If planning

decisions are in the hands of the provider organisations, there is a strong risk that the community would not be as well served as possible. Therefore, the Minister decided to separate the planning aspects from provision, and to link them as closely as possible to a community base.

That is the reason for the alignment between community planning in the local government sector, and health and social care planning by the commissioning groups. That is the reason for the proposal to have commissioning groups aligned with local councils. That is the Minister's position on how things should be organised, and it should better serve the strategy for improving health and well-being. If commissioning were led by public health and by the desire to have better prevention and earlier intervention, the effect would be to change the balance of roles and to secure a better strategic direction. It should result in less dependency on hospital care and more on self-care and support in the community. Patients should be able to stay closer to home.

A further intention is to maximise the benefit of the integration of hospital and community care, so the five trusts will be unique in that sense. They will carry the full range of responsibilities and that provides opportunities for improving service delivery.

It is important to have a strong voice providing feedback from service users, patients and clients. A stronger patient and client council will replace the existing four health and social services councils. That provides a balance between a strong voice at regional level and a strong local voice. Both regional and local dimensions are catered for. There is a need for strong regulation, and the Regulation and Quality Improvement Authority will provide standards. That is its function.

I return to my fundamental point that the Department will step back from the operational management of the service, which has been its preoccupation, because the Department has been the only regional organisation up to this point. Having a strong regional tier of management can provide a different way of doing things.

Trusts came into being as legal entities on 1 August last, and we are making appointments to them. Chairpersons and chief executives were appointed over the summer. Those appointees are now appointing directors. Those organisations are coming into being, and the transfer of staff will occur under secondary legislation. That is all firmly on track; it can and will be completed by 1 April.

The chief executive designate of the Health and Social Services Authority was appointed in August. The decision was taken to proceed with aspects of that appointment without prejudice to future legislation. All of the changes in the organisation of the authority require primary legislation. The trust mergers did not

require that, as that could be achieved under existing powers. That is how it has been possible for those mergers to proceed. The powers are in place already. The plan is to complete the mergers and to have the trusts working as fully fledged service providers by April.

The question is how best to manage the transition to the new structure. A joint committee of the existing boards will be established to provide a step towards the new structures — again, that is subject to legislation. The seven commissioning groups will, on present plans, reflect the configuration of seven councils. We intend to have members of those groups appointed, in place and able to begin work by March because planning of services for 2008-09 and onwards will then be possible. The timetable, as set by the ministerial team, is to have that full process completed by April 2008, although that depends on legislation.

The final diagram illustrates that the idea behind these reforms and changes is that health and social care can be a black hole.

10.45 am

Previously, on that issue, Ministers sensed that it was hard to see what was going on in the system and to have drivers for change. If we have in place a system of planning and commissioning, strong performance management and a new system of financial management, the intention behind all of that is to secure a better outcome for the public. If, for example, those who commission services can say, “That is not a good enough service, and, as commissioners, we have the right to exercise financial control”, and, “No longer will we buy from this provider; we will buy from that provider instead”, then that is a powerful lever for change, and often it is sufficient to have the possibility of that in people’s minds as a way of improving services. That is what we have found in dealing with the waiting list issue over the past 18 months. It is the possibility of change.

Dr Eddie Rooney (Department of Education): As Dr McCormick said, health is a little in front of education in this area. We are working towards the same deadline, but we are behind on some of the elements of the process. I will give you a quick overview of where we are.

The RPA decisions made in November 2005 resulted in fundamental changes in every aspect of education administration. None of the existing groups escaped fundamental change, not least the Department itself. Our decisions were clear: like health, we are much more focused on the policy and strategy, transferring operational functions from the Department to an operational body, and on occupying a strategic leadership role within education.

The bulk of functions and decisions centre around the establishment of a single, large education and skills authority to take all the functions of the current education and library boards, and the support functions of a range of other bodies that currently exist in education, to provide a single home that supports front-line education. That body will also act as a single employing body for all teaching and non-teaching staff in the education sector. These changes are part of bringing cohesion to what has been a fragmented system. The changes will also impact on other educational support organisations, with the support functions that they provide moving to the new education and skills authority.

There is recognition that the Department and the Minister must have a much stronger direct relationship with the widest range of education stakeholders. That means not just the owners of schools and those with an interest in the sector, but, crucially, directly with teachers, staff in schools, boards of governors, parents and young people. Traditionally, those links have been weak, and we acknowledge that information must be communicated directly between those stakeholders and the Department to help it in its strategic role.

Those bodies and interested parties will have a statutory education and advisory forum that will report directly to the Minister to reflect their views, offer advice, and act as a sounding board on how the system is actually working.

From the outset, we have recognised that schools are changing — and changing dramatically. Policies have been in place since 1989 regarding community use of schools, but that was a limited development. In recent years, in particular, we have seen a significant shift in the link between schools and their communities that has been driven by educational needs.

Teachers and those at the front line recognise that the ability to teach and deliver education would be increasingly difficult without those community links. That is very much in the context of the extended school, or full-service school, with health services coming into schools. It is a model of schooling that is very different from what it has been in the past, and an acknowledgement that, within the context of community planning in particular, those linkages are vital in the planning of education.

Yesterday we named the chief executive designate of the new Education and Skills Authority (ESA), which is the first concrete appointment to the new body. We have been concentrating on fleshing out the decisions taken on 22 November and getting under the detail of the policy. We have issued policy papers to all stakeholders, including political parties, and we want feedback by 19 January 2007 to help us refine the next stage. That is the basis of the legislation. The policy

papers are there to help us write the legislation and to ensure that it is in place by April 2008.

Mr Peover: Members are probably as familiar with the local government position as I am. The RPA timetable is diverse, and ours is the furthest back of the three and currently scheduled for implementation in April 2009. Our process has been open. The structure in place to date consisted of a political panel, supported by a working group and underpinned by nine subgroups.

The real rationale for local government reform is to give local government a fuller role in the governance of Northern Ireland overall. That will be done by increasing the size of the authorities and their budgets and functions on the one hand, and giving them a role in community planning on the other, which would allow them to engage, as of right, with other public bodies in the determination of the services provided for local populations.

The concept is fairly straightforward, but the policy is tricky. The subgroups reported on time at around the end of June or early July, and some further work had to be done after that. We are now in the process of replacing the structures that were used for the purpose of policy development with a new structure for the next phase of implementation, consisting primarily of a strategic leadership board chaired by the Minister, with a vice chairman from the Northern Ireland Local Government Association (NILGA) and 10 political party representatives supported by various officials. Underneath that, there will be five work streams, again led by politicians and supported by officials. The work streams will spin off subgroups — research and task groups, etc — and we see that structure being in place from now right through to the implementation phase of the process.

Our documentation, including policy papers and minutes, is all on our website and is freely available to anyone who wants to read it. It is a challenging process. Dick Mackenzie, the Boundaries Commissioner, will be joining us and giving evidence later. The legislation in place on our side is The Local Government (Boundaries) (Northern Ireland) Order 2006. Mr Mackenzie has been working to the remit given by the Government to the Boundaries Commissioner to devise boundaries based on the seven areas defined in the RPA provision.

That legislation is in place, but the rest is not. Our intention was to publish proposals for a draft Order in Council in the spring, and that will depend on political developments. We will have to wait and see what happens with the Assembly. The work involved in drafting the legislation is going on. We have had inputs from the subgroups under the political panel and the working group, and that informed the process of

legislative development. However, how that will be managed from here is not a matter for officials. We will have to wait and see how it shapes up.

So far, it has been going well. The issue that we have in common is how the other public services, and not just education and health, fit into their own government structure through the community planning process. That is key to the whole arrangement and the chosen route, which gives local government the purchase on the wide range of services.

We in the DOE, and certainly our Minister, see local government as the point for looking at the needs of a defined population in a geographical area. It has a clear geographical focus, and it is a broadly-based one, not a functional focus on any of the specific public service delivery areas. The aim is to try to ensure that there are arrangements in place that allow the other services, whether housing, health, education, the police or anybody else, to integrate with Government and to allow the various services to develop a creative synergy, and build up a more unified delivery of service to local populations. That will be the challenge for all of us. Most of you are as familiar with this as I am. We have had the general inquiry where we had to take questions on it, but you know what the arrangements are for it.

The Chairman (Mr McGlone): Go raibh maith agat. Before we move on to the questions, may I advise people in the room to switch off mobile phones, which may cause some interference with the audio recording system.

The members will be called in party order as follows: DUP, Sinn Féin, SDLP, UUP.

Mr Poots: I wish to ask Dr McCormick a question about the health trust model that has been set up. Previously, we had a situation in which the patients had the primary care, the general practitioners, the providers, health trusts and the health boards. Now we have a situation in which we have the trusts, the commissioning groups and the health and social services authority. So, there is another group there, when this exercise is about achieving efficiencies. I am sure that you have an explanation for that.

Dr McCormick: The commissioning groups are not separate specific organisations. They are subcommittees — the proposal is that they are subcommittees of the health and social services authority — so all the rationalisation of employment is possible in that context. The difference is that, previously, there were 15 local health and social care groups, so they are being, in a way, replaced by seven local commissioning groups. The intention is that they will play a significant part with the new local commissioning groups.

At every level, there is a smaller number of organisations. The clear requirement of Ministers is to

deliver substantial efficiency savings within the new structure.

A lot of things are coming together on a regional level because of the commissioning groups and a better relationship with primary care. This exercise is about finding a way to have simplification, as well as a strong engagement with communities. The desire is to achieve both.

Mr Poots: Can you demonstrate how efficiencies will be achieved? Huge amounts of money go to paper trails and to the exercises that take place currently in commissioning. We want work to be carried out so that patients can benefit from the new builds that are coming along and the extra care packages that are needed as a result of the reductions in the waiting lists for operations. That is what public representatives are being asked to deliver.

We support any aspect of the RPA that achieves efficiencies, so it can deliver more services on the ground, and reduce the amount of paperwork involved. I am sure that you can demonstrate to us how there will be a reduction in the paperwork work that needs to be done.

Dr McCormick: Yes; the process that you are describing is related to the relationship between the current Department and the four boards. There is an extensive amount of process among the boards, 18 trust organisations and 15 local health and social care groups. That is a very large number of networks to deal with. This model will be simpler, with fewer senior posts. A very substantial amount of work is already happening in the trust context, with the number of senior executives going down from around 150 to around 50. That is a very significant change in leadership and personnel.

11.00 am

The second stage will be when those groups merge into the new authority in April 2008. There will be some cost in providing for the commissioning groups, but that is a means to promoting the relationship between the community planning side in the wider sector to secure links with other services, and to promote a public health agenda. That is regarded as a worthwhile investment to improve health and social care. I can provide more detail if that would be helpful.

Mr Poots: What we have heard thus far is helpful; if there is any further detail we would be interested in seeing it.

Mr Maskey: There are a few points that I would like to raise with Dr McCormick and Mr Peover. Dr McCormick, you dealt with the question of the impact on management staff. Can you give us any indication of what, if any, greater role the medical side will have in the placement of resources to health provision? I am

interested, as coterminosity is one of the drivers of all this, to know why we have five trusts and seven commissioning groups. Can there not be the same number?

Dr McCormick: A role is intended for doctors as well as other health and social care professionals in designing and commissioning services. The commissioning groups will include GPs, other independent contractors such as dentists and pharmacists, and other professional staff from the boards. They will make up the new authority. As colleagues have said, the commissioning groups will have lay representation as well. There will be a balance of a strong professional lead and accountability and openness to wider community interests. That is an essential feature of the model.

I am sorry; I have forgotten your second point.

Mr Maskey: It was about coterminosity.

Dr McCormick: Coterminosity is essential at the planning stage; hence the alignment of planning and the prioritisation of services. That is the idea. The trusts are providers; it does not matter so much if they are not coterminous, because they are there to do what the commissioners ask them to do. We should think of the trusts as groups of people, assets and equipment. They are there to serve whomever plans the service.

Of course, a lot of business is done by the Belfast hospitals on behalf of other major hospitals. There are lots of services that cross boundaries anyway. It is up to us to ensure that we promote equal and fair delivery of services. The money and the planning power should be in the hands of the seven coterminous commissioning groups. They should have the leverage to require the service-provider organisations to answer to them.
[Inaudible.]

Mr Maskey: Is there any direct link between the current level of the health budget and the proposed changes: in other words, is there any tangible link between reducing management, or other structures, by a certain amount and freeing up X amount of the budget for front-line services?

Dr McCormick: The obligation to produce savings has already been taken into account in the financial decisions taken by Ministers over the last year or more. Those decisions have produced savings and have made some service developments possible. Looking ahead, service developments will only be made possible by the efficiency gains secured.

Mr Maskey: The public is fairly well aware of current developments. As regards the structure of the task force, there is a bit of work to be completed on policy planning. Drafts are being worked on in order to put into practice some of the deliberations that have taken place thus far, or to prepare for legislation. What

portion of the work done by the subgroups and the RPA political panel has the Minister taken on board?

Mr Peover: The DOE has not had any great difficulty with any of the subgroups' recommendations, although the subgroup that discussed local governance left some issues unresolved. In general, the draft legislation closely reflects what came out of the subgroups, and I cannot think of any major disagreement that we have had with their work.

The issue for us is how much should be put into primary and subordinate legislation. As regards Dr McCormick's point about commissioning groups, one community-planning issue is how to define those who are mandated to be at the table and who will have a duty to engage with local authorities when decisions are being made about community planning. That issue could be dealt with in primary legislation, but the Department will probably not choose to do that, because it would be too awkward to amend the legislation in the future.

I cannot think of any major issue that arose from the subgroups' reports that the Department could not live with. The Minister is still considering some of the issues. Although not all issues have been resolved, we are getting close to that point, and I do not foresee any major difficulties. There may be some negotiations in some of the policy development panels on specific issues, but there are no major problems with broader policy.

Mr Gallagher: I have a couple of questions for Dr McCormick on coterminosity and on the apparent sense of confusion that persists, even when people look at the new arrangements. He talked about how the Department can handle coterminosity and how groups of hospitals within the new trusts are already working well together.

From my experience, that is not the case. For example, patients with fractures cannot be transferred for treatment — and that occurs in hospitals that will be grouped together under the new trusts. Patients who require dialysis, some of whom are seriously ill, will have to be transferred between hospitals that will be grouped together under the new trusts. I am concerned whether that arrangement will deliver an efficient service.

I want to ask you about the legislation. The commissioning groups have the important role of ensuring that the needs of service users are met. Is the legislation specific about the wider groups to which you referred? I am sure that other subgroup members have had the same experience in dealing with people with physical and learning disabilities and with those in need of respite care. Those people say constantly that they are never asked about the kind of service that is delivered to them. Will the legislation be specific

about who exactly will be consulted so that we can better target the resources at those who need them?

My second question is about jobs. How many people does the Department employ centrally now and how many will it employ when this exercise is over?

My third question is about the very short consultation exercise on the new boundaries, a question that I also intend asking of the Boundaries Commissioner. That is compounded by the Christmas holidays. We will end up with a shorter consultation period than usual on this important issue.

Dr McCormick: I take your point about the difficulties in the present system. Part of our intention is to drive through performance improvement to help to set the minimum standards of service that people can expect. We will enforce those standards and require their delivery. Our challenge is to do that, as much more needs to be done to improve networking between the various agencies.

Dr McMahon will speak about the specifics of the legislation later. At this stage, the plan is to try to get the legislation into the public domain for consultation before 23 January 2007. We are nearly ready to do that. We want to ensure that the public has an input into the process.

Dr Denis McMahon (Department of Health, Social Services and Public Safety): There are two important elements in the primary legislation that were not included before. One is the structure and role of the patient/client council, which will be a statutorily separate organisation. At present, there are four health and social services councils, and the people who work for them are employees of the boards. The complaint has been that something more independent with teeth is needed, so there will be statutory provision in the proposed legislation to allow for that.

The second important element is that, for the first time, we are proposing a duty of engagement, which will involve much more than the consultation requirements under section 75. It will mean engaging with people in communities about their health and well-being and about the design, management and prioritisation of services. Under the new arrangements, that statutory duty will be placed on all the new health and social services organisations. Those are proposals at this stage.

Dr McCormick: The new arrangements will deal with what are often thought of as the Cinderella services, but those services are critical to people in the long term. I am thinking of carers and those with a learning disability. We also have to deal with the Bamford review. There is a range of issues to be addressed.

11.15 am

On your third point, indicative figures show that the number of departmental staff will be reduced from around 1,000 to around 500 as some of the main functions move to the regional authority or to other organisations, leaving the Department to support the Minister on policy, legislation, the highest level of performance management and planning. A lot would be delegated.

Mr Peover: As regards timescales — let them blame me for this. The timescale is set by working back from the end date, 1 April 2009. It is like the old Irish saying: if we had wanted to get to where we are going, we would not have started from where we did. In our case we would have started about two years earlier.

All of us could have done with more time. There are several key stages for the DOE. First, there is the establishment of councils in shadow form in the summer of 2008, and the political panel has discussed how long the shadow period should be. The longer the period, the better. However, given the timescales we are working to, we do not think that it is possible to make it longer than the period from June 2008 to April 2009.

If you work back from 1 April 2009 as regards the legislation, the work of the Local Government Boundaries Commissioner, the decisions needed on the basis of his work, followed by the decisions needed on the district electoral areas, the Commissioner had to be given a very tight timescale in which to complete his work. He did a very good job. He produced the proposals on time and is still working to the timetable.

I take the point that the formal consultation period is relatively short. However, there will be public hearings, and a submission went to the Minister yesterday about the appointment of assistant boundaries commissioners to chair those hearings. I hope that that submission will be cleared in the next few days. The process will kick off in January 2007, and I know that Mr Mackenzie wants to make arrangements so that he and the assistant boundaries commissioners can engage with the politicians and other interest groups in the run up to the hearings.

The timetable is tight in every respect. It will be difficult for any of us to meet the deadline of 1 April 2009; the only way we can possibly do it is by keeping every element in the process as tight as possible. All I can do is offer my apologies. The process is dictated by the timetable.

To pick up the point about numbers, I will answer your question before it is asked. The DOE will change dramatically for several reasons. A large part of the Planning Service will move out of the Department because of the RPA, and we expect that the outcome of the review of environment governance will, more than

likely, result in the creation of an independent body, although that decision has yet to be made. There is also the merging of the Driver and Vehicle Testing Agency (DVTA) and Driver and Vehicle Licensing Northern Ireland (DVLNI) and the efficiencies resulting from that.

The DOE has 3,030 staff, but we expect that number to halve as a result of the RPA, the review of environmental governance and the merger of DVTA and DVLNI.

Mr J Wilson: Following on from that, you will all be aware that there is only some support — from one particular party — for the seven-council model. Indeed, the Assembly voted against having seven councils. Should a future Assembly decide to increase significantly the number of councils, how would such a decision be factored into your proposals with respect to the target date?

As regards health, during the consultation period many folk took the view that a separate hospitals authority would be a good proposal. It did not turn out that way. As time has passed, is that over and done with, or is there still some support for that?

Looking at the models that you have presented to us, I see that community care is not mentioned. Having read material in support of the models, it seems to me that community care is deemed to be taken care of under primary care. However, those are two separate issues. I am wondering why community care is not mentioned; it is an important matter. I would like to hear your comments on that.

Dr Rooney, you mentioned sharing of services. You suggested that better partnerships would be formed with the new local authorities, whatever number is decided upon. Some of us remember the bad old days when most schools closed at 3.30 pm or 4.00 pm and services — school halls, playing fields — were locked up. That attitude still exists in many education circles. I hope that you are suggesting that partnerships will be formed with local government — local government being a provider of sporting and leisure facilities. I would like you to comment on that.

I would like to ask Mr Peover how he is factoring in an Assembly decision to change from a seven-council model.

Mr Peover: All that we can do at present is to have in place a contingency plan. As the Chairman said at the outset, we are working to the decisions made by the Secretary of State earlier this year. Therefore, our planning has been based on the structural model decided upon by the Ministers. In the local government sphere, there is not a huge amount that is contingent on the number of councils. Community planning, the new roles of local government, the modernisation process and the governance arrangements are, largely,

independent of numbers. They are affected by, but not dependent on, the number of councils.

One issue that is slightly dependent on numbers — or more than slightly, I suppose — is the transfer of functions. In the case of my Department, it is envisaged that the bulk of Planning Service staff will move from the centre to the local authorities. That amounts to between 600 and 700 members of staff — probably 700. If there are seven local authorities, that means a pretty substantial planning department in each authority. If there are 11 authorities, the planning departments will be smaller. If there are 15, they will be smaller still. If there are 26, they will be very small.

If there were to be a different number at the end of a process of decision by the Assembly, a lot of thought would need to be given to the operational arrangements for the Planning Service, the Roads Service, the transfer of functions, and so on. That is the major issue with regard to changes to structures.

If the legislation does not proceed on the basis of a seven-council model, we will have to find a boundaries commissioner and give that person a remit to look at a different number. The process can be curtailed slightly because of the work that Dick Mackenzie has done. There is a framework of factual information in place that can be drawn upon. We would have to go through the basic process again of considering that information and mapping it onto a different structure, looking at the consultative arrangements — hopefully, a longer period of consultation than the one that Mr Gallagher referred to — and holding public hearings.

It would not be possible to have a neat and tidy timescale that takes us to 1 April 2009. It would be possible only if there were no shadow period for the councils. Otherwise, it would be unmanageable. There is huge jeopardy for our planning in all of this, and we are conscious of that. However, as we said earlier, we are working to the remit given to us by the Secretary of State; we have no other remit at the moment. We shall see how matters pan out over the next three months.

Dr McCormick: As far as we are concerned, the plan is to go ahead with the recruitment and appointment of members to the seven local commissioning groups by the end of March. It would be possible to reassign those individuals, even after they have been appointed, to a different configuration. That is possible, and we need to make sure that it is possible.

Whether it will continue to be one commissioning group for each of the, say, 15 councils, or whether it might be better to have one commissioning group for each two councils together rather than have too many commissioning groups, will have to be decided. Coterminality could still be preserved if the ratio were 1:2 rather than 1:1, and the action could proceed. There is no great impediment to timetable or action, as

far as we are concerned. We can proceed, and we can adapt if necessary at a future stage. That is manageable and achievable.

In terms of your questions about hospitals authority and community care, the model that we are trying to promote is the one that has maximal integration, so that trusts have the full range of responsibilities from the acute side in hospitals through to, and including, community care. Community care is there in full; all five trusts will have that as part of their responsibilities. The strategy is to strengthen and promote that and to see more care being provided in a community setting, through investment in infrastructure and through changing the pattern of delivery; moving money; fewer beds in acute hospitals; more community care packages. We see a hospital as a provision of last resort. The norm should be the maximum possible care outside hospital. No one is asking for a separation of hospitals. All the trends in service delivery and in terms of the consultation are to promote integration.

Dr Eddie Rooney (Department of Education):

The number of councils is probably less critical for us than for some other Departments. The unit of delivery of education is at a very local level. It is done by schools and youth services throughout the community. Some of those have fewer than 20 pupils. We have the flexibility to adapt to whatever the structures may be. Likewise, the new education and skills authority will have the flexibility to adapt to whatever way those areas are defined. It is not yet embedded.

You are right about the relationship between schools and the community. We are at the start of a very long path. There have been many difficulties for a whole host of reasons, whether structural issues, support issues or attitude issues. They have isolated schools from communities. It is changing very dramatically, faster in some areas than others. It is recognised officially. We have an extended schools policy and funding streams in place for that. This is the first year of those developments, and the take-up is very high. There is an immense amount of interest in schools. It is the way of the future.

With a different hat on, I chaired the task force on tackling childhood obesity. The policy rationale for joint working is screaming out. These are the same children in the same communities; there are only so many directions that you can hit them from in terms of separate policies. The “joined-up” concept is being firmly embedded. We all recognise that that is the way we have to go in the future.

The Chairman (Mr McGlone): Are there any members who have not spoken and wish to ask something, or members who want to request further detail?

Mr Storey: I have a question for Dr McCormick. I appreciate the answers that we have been given and that there may be some more detail to follow. Recently, you wrote to us with regard to the estates and how that process will be managed. I noticed that the title “Permanent Secretary and Chief Executive” was at the top of your letter; I had not noticed that previously. Will you clarify why that is?

11.30 am

Dr McCormick: That title was used to emphasise the fact that those roles reflect the management responsibility in the current and future structure. They also encompass the classic policy advice role. There is a need to bring together the different aspects of the service and to provide for the overarching nature of the new authority, the existing boards, the Regulation and Quality Improvement Authority and the Patient and Client Council. For example, the Department of Health in England is managed by two individuals, one of whom is the Permanent Secretary and the other is the Chief Executive of the NHS. Our structure shows that you are getting two for the price of one.

Mr Storey: Certain education providers have expressed considerable opposition to change. That has been highlighted by this week’s statement from the Catholic bishops. What problems do you see in implementing a more streamlined and efficient educational service, given that there is a plethora of education providers and a reluctance to change?

Dr Rooney: Inevitably, this scale of change means that a lot of issues will emerge, some of which were expressed last week. I do not think that the nature of those views and concerns are surprising, given that we have recognised within the policy development processes that we still have to nail down a number of implementation issues. A lot of those relate to how much the legislation — when we finish that work — will reflect the balance of functions between the Education and Skills Authority and local schools. There are not only sectoral issues; there are general issues about where within the continuum of provision we have consistency and very clear, effective and efficient central support within a model that also recognises maximum autonomy for those who deliver education.

We have a fair bit of work to do to specify those issues. That was the purpose of the policy papers that stimulated the comments. They were designed to create debate and to get the issues fleshed out so that we can reflect on those views and put them into the legislation.

Therefore, we are not at the end of this road. It is not surprising that those issues will come up for comment. There will be further detailed discussion on

those matters to find a resolution and a clear way forward for us.

However, that is in a context of us never having had a sense — and a lot of this came from yesterday’s stakeholder meetings — of people not recognising that fundamental change is necessary and is happening. We are on that path —everybody is on that path — but we have issues to resolve.

Mr Maskey: I would not like Eddie to go away thinking that, because I have not asked any questions, I am entirely happy with all of the Department of Education’s proposals. I am currently taking counsel on that, so I will not go into the issue now.

The Chairman (Mr McGlone): Do members have any other questions?

Members indicated dissent.

The Chairman (Mr McGlone): Thank you very much for giving your time to be with us today.

I have been advised that you may stay to listen to the rest of the meeting, if you wish.

Mr Peover: I am happy to stay if you want me to.

The Chairman (Mr McGlone): This part of the meeting relates to the local government boundaries. I do not think that I have met Mr Mackenzie and Ms Morrison before. You are very welcome. As with your previous appearance before the subgroup, you will make a presentation and then field questions from members.

Mr Dick Mackenzie (Local Government Boundaries Commissioner): I am a bit blind as to what presentation I am to give.

The Chairman (Mr McGlone): Have you not been advised what was requested of you?

Mr Mackenzie: No.

The Chairman (Mr McGlone): We will look over the previous minutes.

The Committee Clerk: The subgroup wanted Mr Mackenzie to give an overview of the work that he is carrying out, and the timescales involved. At the last meeting of the subgroup, a concern was raised that the timescales were particularly tight, and members wanted to explore that matter.

The Chairman (Mr McGlone): Is there a specific reference to that in the minutes?

The Committee Clerk: The subgroup’s terms of reference state that the subgroup should consider the initial proposals on the new council area boundaries that were published by the Local Government Boundaries Commissioner in November 2006.

Mr Mackenzie: If it would be helpful, Mr Chairman, I could give an overview of the work that I have been doing to date, and the timescale involved.

The Chairman (Mr McGlone): I would appreciate that.

Mr Mackenzie: I started this work on 1 June this year. Mandy Morrison, who is the secretary to the Commissioner, was appointed a few weeks before me.

At the outset of my work, I did two things. On 26 June, I met representatives of the political parties represented in the Assembly. I explained the work that I was proposing to do, the timescale involved, and the various procedures that I would follow. I then met the chief executives of the current district councils in Northern Ireland and explained the procedures to them. I am enjoined by the legislation not to consult before I make my provisional recommendations, so I did not speak to anyone about what I proposed to do in making my provisional recommendations.

I started work on the provisional recommendations in the last week of June. To do that, I had the assistance of the Geographic Information System (GIS), which was provided by Ordnance Survey Northern Ireland (OSNI). Over the two summer months, I worked in the Ordnance Survey offices in Stranmillis. I finished my preliminary work on the boundaries in the first week in September. That work was sent for mapping and printing, and the proposals were published on 7 November at an event at the Ramada Hotel. Copies of my provisional recommendations were circulated to all MLAs and district councils. In addition, the provisional recommendations were displayed in 160 venues in Northern Ireland.

I allowed a period of eight weeks for responses to the proposals to be made, plus three additional days to allow for the three public holidays of Christmas Day, Boxing Day and New Year's Day. In setting an eight-week consultation period, I had regard to the code of practice for the public sector, which states that a minimum of eight weeks should be allowed for responses to consultation processes. Following the minimum period, plus three days, responses to the preliminary proposals should be received by 5 January 2007. I gave the subgroup staff a copy of my programme. Has that been circulated?

The Committee Clerk: Yes.

Mr Mackenzie: I will begin a series of public hearings on 11 January, which will run through to 9 February. At an early stage, I decided that I would not hold the hearings myself; I have asked the Department to appoint seven assistant commissioners. I was concerned that people at the public hearings might be worried that, if I held the hearings, I would be seen as judge and jury in my own cause. The Department has been very helpful and is about to appoint seven

assistant commissioners, whose names I expect to be announced next week.

The assistant commissioners will hold seven hearings and, under their terms of reference, I have asked them to report to me within four weeks.

A verbatim note will be taken of those hearings, and a full record will be published on our website. I will start to receive the commissioners' reports in February, and we will start working on revised recommendations. As you can see from my schedule, I need to start publishing my revised recommendations by the end of March. If I make any revisions — and, at this point, it is fair to assume that I will — there will be four weeks to respond, as set out in the legislation. I will finalise my report in May, and the Minister has asked me to report by 31 May.

That is the procedure and timescale that I am following. Thus far, we have received 12 representations in response to my provisional recommendations. I have not as yet heard from the political parties or the local councils, bar one council.

When I produced my provisional recommendations, the parties asked for additional information. They wanted to know the street names in each ward in Northern Ireland, and we had to do some work on our GIS software to make that available. The street names and postcodes for all the wards have now been posted on the website. We are trying to be as helpful as we can to the parties. In the four weeks since I published my provisional recommendations, it is the parties that have engaged with us most.

Chairman, is that fair enough for an opening statement?

The Chairman (Mr McGlone): Yes, thank you.

We now move to members' queries. We will work in the following order: DUP, Sinn Féin, SDLP and UUP.

Mr Poots: Dick, it is good to see you again. Your task of producing boundaries for the seven councils flies in the face of what most people in Northern Ireland want. I recognise that you have a job to do, but none of us will be happy with the outcome because we were not happy with the terms of reference in the first instance.

However, the terms of reference allowed for up to 65 councillors in certain areas, and they also allowed for the number to fall below 60. Why did you decide to have 60 councillors in each council when there is a significant disparity between certain areas? Some have a high population concentration and others a more dispersed population. You may put forward the argument that it is harder to meet the needs of rural communities than those of urban areas, which have denser population centres, but that does not stand up. For example, councils in the south-east of the Province cover areas

of high population that are also quite rural. What was the thought process behind that decision?

Mr Mackenzie: The legislation is interesting because it pushes the commissioner towards a 60-ward model. It states that, subject to two sub-paragraphs, in each district, “the number of wards shall be 60”. Thus, there is a presumption that there will be 60 wards. It goes on to say that that number can be varied between 55 and 65, having regard to the size, population and physical diversity of a district.

In my initial work, I did not see a particular case, based on those three criteria, for moving away from the presumptive figure of 60. However, the recommendations are provisional, so if people put forward persuasive arguments, I am open to moving between 55 and 65 wards. For example, I would be surprised if the proposed West Council, which runs from Belleek to Ardboe —

The Chairman (Mr McGlone): Ballyronan, even — it straddles three counties.

Mr Mackenzie: Ballyronan; even better.

I suspect that there will be arguments about the proposed West Council, as it will cover a substantial area. People will point out that the area that a councillor in the West Council would have to cover would be substantially greater than the area that a councillor in Belfast Council would have to cover.

Mr Poots: That is why I drew the south-east as a comparator, particularly the area around Dromore.

Mr Mackenzie: I am open to persuasion on the matter, Chairman.

Mr Maskey: Mr Mackenzie, since my party colleagues are already engaging with you, I am happy to leave that process to one side.

Mr Mackenzie: That engagement is very helpful.

11.45 am

Mr Maskey: As you said, there is quite an amount of detail to consider. Our party’s support for a particular model is based on a number of outcomes. If those are not delivered, we are not wedded to any figure whatsoever, so we are very keen that that process should continue.

For the record, Sinn Féin’s initial submission argued that, while there was no real need for the number of councillors in Belfast to be changed, for example, we are not voting the argument down. However, we could see anywhere up to 75 members in some councils, taking land mass, rural nature and other factors into consideration. We are more than happy that there should be a very critical look at, and consideration of, the number of councillors that it would be appropriate to have in some of the council areas. Depending on the nature of community planning and the range of

functions that have to be transferred, there is an important issue around dealing with the democratic deficit caused by reducing the number of councillors by a couple of hundred.

Mr Mackenzie: That figure is 160.

Mr Maskey: There will still be a couple of thousand or more public appointees to the quangos, so the democratic deficit argument does not stack up. Sinn Féin is happy that that very detailed work should continue. My colleagues, along with the other parties and other stakeholders, are involved in very detailed discussions. There is a lot of work to be done.

Mr Gallagher: Earlier, I asked the permanent secretary about the length of the consultation. You have said that it is to be the minimum, rather than the maximum. If there were a spectrum of low, middle and high public interest, in my view there would be a high level of public interest in what is a pretty contentious area of work, whether on Westminster boundaries or anything else, and yet we have settled for the minimum period of consultation. I find that very odd, and I wonder if you have any views on that.

That brings me, again, to the length of the delay. You pointed out that some unforeseen enquiries arose from the maps that you published, because there was a lack of detail, particularly in the urban areas, which concerned the political parties, who then wanted clarification.

What was the length of the delay? How long did it take to produce the new maps? That is important, in terms of the case for extending the consultation period. Work in many areas could not start until that information was available again.

Finally, when you complete your part of the work, do you hand over to commissioners?

Mr Mackenzie: It goes to the assistant commissioners.

Mr Gallagher: You will be handing over information to them, I presume?

Mr Mackenzie: Yes.

Mr Gallagher: Could you give us an idea of exactly what kind of information you will be handing to them? Following that, there will be a commissioner for the district electoral areas, as I understand it.

Mr Mackenzie: Yes; that is right.

Mr Gallagher: Could you tell us what kind of information, if any, you will make available? What do you think that you will be required to hand over to the commissioner for the district electoral areas?

Mr Mackenzie: I shall start with the point about the timescale. At the meeting that I had with the parties on 26 June, I outlined the programme that I proposed, including the timescale for representation — the eight-

week period — that I mandated at an early stage. One of the first things that we did was to work out a programme as to how I would deliver by 31 May 2007. In a room down the corridor from here, I mentioned that I would propose an eight-week period. No issue with that was raised at that time.

It took four days for the software to be changed in order to give the parties the street names in each ward.

Although the closing date is 5 January 2007, the first public inquiry does not open until 11 January in Derry. Therefore, an extra week is available between those dates. I will not hold parties to the deadline of 5 January as long as they provide information before the opening of the relevant public inquiry. I hope that we have been as helpful as possible to the parties. We met some party representatives to discuss what further information and help we could provide. In the end, however, I decided on a period of eight weeks, with a further three days to allow for the public holidays. I discussed that matter with the parties and with the chief executives in June. If I were to extend the deadline beyond 5 January, the consequence would be that I would have to seek dispensation from the Minister to report at a later date.

We have produced a booklet with information for the assistant commissioners. The contents are as follows: terms of reference; a code of practice; a brief on the work that I have done; legislation; the legal advice that I have received; questions and answers; a procedure guide; and suggested opening remarks. All being well, if the Minister appoints the assistant commissioners next week, I hope to provide them with a written brief then, and to take them to Ordnance Survey to give them a demonstration of the software. Perhaps the subgroup would also like to see a demonstration of that. It is the most amazing software. I drew up the boundaries, from start to finish, in nine weeks. I was able to do that simply because of the software, the aerial photography and the skilful operators in OSNI.

What was your third question, Mr Gallagher?

Mr Gallagher: I asked about the district electoral areas commissioner.

Mr Mackenzie: The district electoral areas commissioner is the person who comes after me, as it says in the good book. He or she will be given all of the data and information that I have. The Northern Ireland Office, not the Environment Minister, appoints the commissioner. In 1980 and 1990, the local government boundaries commissioner was the late Sir Frank Harrison. He also became the district electoral areas commissioner. Maurice Hayes was the boundaries commissioner in 1991. He could not be appointed until the same process that I have undertaken was finished.

Last week, legislation was presented at Westminster to enable the district electoral areas commissioner to be appointed as soon as possible. The intention is that the district electoral areas commissioner will be appointed before I finish my work. Therefore, that person will be in post, I imagine, in January or February.

Mr Gallagher: At the meeting that you mentioned, I recall pointing out concerns on behalf of the SDLP about the short timescale. I referred to the mid-winter and the roads in Tyrone and Fermanagh as being possible problems. Poor roads, combined with bad weather conditions, could cause problems.

Mr J Wilson: Over many years, I have had contact with a number of commissions, and, like yourself, Mr Chairman, I have done so wearing the hat of party official, councillor or MLA. This time, the contact between the political parties has been good, and the available information has been helpful.

However, I have concerns about the timescale. I mentioned that to you at the launch of your provisional recommendations. I think that you agreed that the timescale was very tight. There are two upcoming matters that might derail your plans. First, as Tommy Gallagher said, the appointment and work of a district electoral area commissioner will take a long time.

The second matter relates to the option seven-council model, and I mentioned that to the departmental officials who were here earlier. You are working on that option now, but that could change. How much work would be involved in changing that proposal to an option that involves more than seven district councils?

Mr Mackenzie: I will take the second question first. I am not supposed to think about that, but, of course, I have. Before a revised system can be devised, the Assembly would have to set out the context for it. The first necessary action would be to introduce new legislation on local government boundaries. Given that cross-party support would be required to pass such legislation, I do not know how long it would take the Department and the Assembly to deal with it.

The new legislation might prescribe the number of wards per council, but the current legislation does not do that. Therefore, there are a varying number of wards in each of Northern Ireland's 26 district councils. If the legislation were to prescribe the number of wards per council, the process would be speeded up dramatically. For instance, it is easy to calculate the electoral average if there are 60 wards per district. The Chief Electoral Officer could tell me the number of electors in each of the districts. I would then divide that number by 60 to get the electoral average. Therefore, defining wards becomes almost a mathematical exercise.

Depending on the legislation, the delineation of wards could be achieved in nine weeks, which is what I did previously. It might even be possible to delineate the wards in eight weeks; a few glitches with the software in our first week prevented that from happening previously.

Interestingly, the mapping and the printing take almost as long as the delineation; therefore, another eight weeks could be added. In that case, it would take four months to delineate the boundaries and get to the stage of making provisional recommendations. Another eight or 12 weeks could be added for the public hearings. Therefore, from the point of decision, it would take an additional year to 18 months to change the system. Is that helpful, Mr Wilson?

Mr J Wilson: Yes.

Mr Mackenzie: What was your first question?

Mr J Wilson: I commented on how long it would take to complete the work of a district electoral area commissioner.

12.00 noon

Mr Mackenzie: Again, that is hypothetical. If I were in a court of law, I would probably not answer the question. However, I am trying to be as helpful as I can. Because of the hearing system, the process will take a minimum of six months.

The delineation of the district electoral areas could be achieved very quickly, once the final number of wards per district is known. The legislation provides that there will be five, six or seven wards per district. The timescale will have to allow for the public hearings, objections and so on. From what I hear, the district electoral areas could be more problematical for local politicians than the electoral wards. The process will take at least six months. If my boundaries are eventually accepted by the Assembly — which is itself another issue — by July 2007, the district electoral areas will not be finalised until the end of 2007.

Mr J Wilson: That brings me back to the timescale. I am not trying to box you into a corner, but, being realistic, even without increasing from seven districts, a timescale leading up to 2009 is impossible.

Mr Mackenzie: With respect to the Department, if the district electoral area model changes, keeping to the deadline of 1 April 2009 will not be possible.

Mr J Wilson: Even if the model is not changed, adhering to the timescale will be extremely difficult.

Mr Mackenzie: I am determined to report by 31 May 2007. It will then be up to others.

The Chairman (Mr McGlone): Thank you very much for your time. It has been good to meet you, Mr Mackenzie.

Mr Mackenzie: All that is left is for me to wish you a merry Christmas.

The Chairman (Mr McGlone): Thank you — we will be spending Christmas looking at the boundaries.
[Laughter.]

Adjourned at 12.02 pm.

SUBGROUP ON THE COMPREHENSIVE SPENDING REVIEW AND PROGRAMME FOR GOVERNMENT; RATES CHARGES; AND WATER REFORM

Wednesday 13 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr David McNarry

Mr Leslie Cree

Mr Paul Girvan

Mr Raymond McCartney

Ms Margaret Ritchie

Mr Jim Shannon

Ms Kathy Stanton

Witnesses:

Mr Iain Osborne } Northern Ireland Authority
for Energy Regulation

Mr John Corey } Coalition Against Water
Reform

Ms Goretti Horgan } Northern Ireland
Anti-Poverty Network

Mr Pat Torley } Water Service Trade Union

Mrs Eleanor Gill }
Mr Steve Costello } Consumer Council

Ms Katharine Bryan } Water Service

Mr Nigel McCormick }
Mr David Sterling } Department for Regional
Development

The subgroup met at 10.30 am.

(The Chairman (Mr McNarry) in the Chair.)

The Chairman (Mr McNarry): I welcome Members to this first meeting of the subgroup.

A paper from the energy regulator is to be tabled. I apologise that Members are receiving it only now; the subgroup staff received it only yesterday.

I welcome Mr Iain Osborne, chief executive of the Northern Ireland Authority for Energy Regulation (NIAER). I regret that we are pushed for time; I do not mean to be dismissive, but perhaps you could keep

your opening remarks brief. Members will benefit not only from your contribution but from your responses to their questions.

Mr Iain Osborne (Northern Ireland Authority for Energy Regulation): Have Members received, and had an opportunity to read, the papers that I sent last night?

The Chairman (Mr McNarry): Unfortunately, as a result of the delay in receiving the papers, Members have not had time to digest that material fully. As you speak, they will be reading through it. However, the material is now on record and will be of benefit to them.

Mr Osborne: I will summarise in one or two minutes what I have written. I apologise that the material arrived late. Events are moving quite fast.

I have two prefatory remarks to make. This is the first time that I have spoken to a subgroup of an Assembly Committee, and I am extremely pleased to do so. I wish to record my heartfelt desire that I might be speaking to Committees of the Assembly for years to come.

I also wish to clarify the status of my remarks. We are the Northern Ireland Authority for Energy Regulation. We will have no powers over water reform until the new legislation is passed. We have a consultancy contract to advise the Department for Regional Development (DRD), and some of the steps that we have taken over the past six months have been taken under that contract. In addition, I have made a number of statements in my capacity as chief executive about steps that I thought appropriate for the water regulator to take and about positions that I will be putting to my board when we have the powers. It seemed important to get certain statements into the public domain, although we recognise that, until our powers become effective, we are legally restricted.

The paper that I have put before the subgroup essentially says that we have the powers to make the regime work for customers. It may not be the best water rate reform that could have been devised — given another three years, perhaps we could have done better. However, that is not the question. The question is, rather, whether the package will work for customers and whether it will be better than not proceeding with water reform.

Our view is that we have strong regulatory powers. Taken together, they are stronger than the powers enjoyed by the Water Services Regulation Authority (OFWAT) in Britain. Indeed, they are stronger than those of any United Kingdom utility regulator. I have previously worked in both energy and telecommunications.

In the paper, I have set out a number of areas in which the position has moved on significantly over the

autumn. When I was first appointed, only six months ago, DRD's position was that our powers should be quite strictly curtailed, and that we should be in a position that I would not regard as being fully independent. DRD has rarely been given credit in the past few weeks, but it ought to be given credit for listening to the arguments and changing its position. It has come up with quite a robust regulatory regime.

We look forward to starting. In my paper I have mentioned three concerns. Two of them are about the transition. I had hoped to have more staff in place. We are now advertising for staff to manage the water aspect. Funding has been agreed, but we have not increased our staff as quickly as we wanted. I am happy to discuss the reasons for that. Our powers commence on 1 April 2007, which makes it harder to prepare.

The regulator should consider the issue of metering quite quickly, because we recognise the widespread concerns about capital values as a basis for charging, and, in the absence of meters, it is hard to determine a fair basis for water charges.

The Chairman (Mr McNarry): Thank you, Mr Osborne; we are now open to questions from members.

Ms Stanton: If and when power is transferred, could you lower the regulatory capital value (RCV)?

Mr Osborne: We could if we thought that it was the right thing to do. The Government are using £1 billion as the basis for charges over the first three years. I have said that I will propose to the board that we use £1 billion as a starting point going into the next price control.

However, we must consider two things. The first is the amount of investment in the first three years. That investment will be significant, and it is appropriate that, in any regulatory regime, the capital value reflects the investments that have been made. Secondly, we must look at the sustainability of the financing regime that is put in place. If it appears to us, for example, that sticking to £1 billion would make the water company financially unsustainable, our statutory duties would require us to change that figure.

Ms Stanton: Is that how you would regulate the self-financing?

Mr Osborne: It must be financially sustainable, which is to say that we will look at the business as if it were a commercial entity, and we will look at the cost of capital being broadly benchmarked to commercial levels. The fact that this is a Government-owned company is not particularly relevant. We will regulate it as if it were a commercial company, and that means that if the initial cost of capital has been set at the wrong level, for whatever political reasons, we will not necessarily stick with it.

Ms Ritchie: My question is in three parts. What difficulties do you anticipate in regulating a self-

financing system after 2010 when customers, as envisaged in the legislation, will pay for everything? What risks will customers face before 2010? What reporting arrangements will you put in place to advise the Northern Ireland Assembly, and the Consumer Council, about the performance and efficiency of the new Go-co in each year between 2007 and 2010 when you take on your full role?

Mr Osborne: It would be logical to speak about the first three years first and come to the first of your questions last.

Until 2010, the main risks for customers are the problems that are being stored up for after 2010. We ought to be concerned about water poverty and about environmental problems that are part of the backlog. The subsidy regime has been designed by people who know more about this subject than I do to take most of the edge off water poverty. We should ensure that the efficiency of the water service improves as it should. If it does not, and the company has been missing its efficiency targets by 2010, that will give us a problem going into the first price control regime. If the company remains substantially inefficient, water poverty will be all the more acute.

The reporting arrangements over the first three years are not set in stone. As a new regulator, we will be open to views on them.

The regulator will publish an annual report, which would be laid before the Assembly, and which will give an indication of how all areas of work are progressing. If it is seen that there is would be value in an additional publication, particularly on water, then I would be open to that suggestion. If the Assembly would like to discuss that matter with the regulator during the first three years, I would be happy to facilitate that.

The third question referred to the difficulties of regulating a self-financing system. Fundamentally, it is about the bare bones of what the business is doing, and how well it is doing it. If the business is substantially inefficient then it may get to the point at which the regulator is setting price controls on the basis that the company achieves efficiency but is missing its target systematically. In that context, a commercial business would be put under great pressure by its shareholders, and its management might be expected to change. We will have to wait and see how the Government perform as a shareholder in that situation.

The finance package that has been put in place for the company is intended, in some ways, to duplicate the pressures of the commercial world. The rate of return has been set on the basis that it is, in some sense, the opportunity cost of the capital that has gone in — I understand that that is the rationale behind it. It is not completely clear at this point how well that will

work in reality, and that will be a real difficulty if we run into the situation where, under the OFWAT regime, a company would be seen to be failing and the capital market would be imposing its own discipline on that company.

Ms Ritchie: Thank you for that information. Your answers reveal that this is a very unsatisfactory state of affairs. Have you yet received the ministerial guidance under which you will be allowed to regulate, and, if so, is it open to scrutiny?

Mr Osborne: There is no legal basis for the regulator to receive guidance, as the legal regime has not yet come into force. I have received assurances from the DRD; and Lord Rooker went on record in House of Lords on 11 December 2006 to say that the various authorisations needed to operate as a regulator will be given at the beginning of April 2007.

There is more than one set of guidance — there is a whole series. The regulator will expect Ministers to provide guidance about the balance required between environmental needs, social needs and customer prices. The approach in Great Britain has been that guidance has been given in stages, which grow increasingly precise as one works through the price control. I expect that Ministers will be providing the first set of guidance next spring, with the other two sets of guidance following in the following 18 months.

The Chairman (Mr McNarry): Following on from what Ms Ritchie said, there is a distinct possibility that government could be provided by the Assembly. You said that you would wait to see how the Government would perform as shareholders, if they were facing a deficit. Please elaborate on that for the benefit for those who might be preparing to take over the reins of government?

10.45 am

Mr Osborne: This conversation is about the situation post-2010. If price controls are put in place, which will enable an efficient company to make a normal return on capital based on those prices, what will the shareholders' attitude be to the dividend if that company turns out to be inefficient? Will they expect it to be paid? What steps will they take to improve the company's efficiency? There is a range of steps — from giving the company a ticking off, to selling it. In a capital market situation, the shareholders could think about selling the company. This is not within the ambit of the regulator; it is very much a question for direct rule, or Executive, Ministers.

It would be helpful if people in Northern Ireland who will have control over the matter would start thinking about what they would do in such scenarios.

The Chairman (Mr McNarry): Thank you for clarifying the matter.

Mr Shannon: Many of us feel that the emphasis is on setting tariffs at the same level as those in England in Wales, and the subgroup will be speaking to other people today who share its views. We feel that the level is being driven in order to keep the tariffs equal, rather than looking at the costs that will be needed to implement the system and the service. What is your view on that issue as it affects us until 2010?

After 2011, should water rates be greater here than they are in England and Wales, would you view that as failure?

Mr Osborne: For the first three years, the DRD will be setting prices, and those prices will be fixed in the licence that will be issued by the direct rule Minister. The regulator will set the prices from 2010. That is logical, because, otherwise, we would just be recycling subsidy if we were shaving prices that were held down by subsidy. Going back to Ms Ritchie's question, it is explicit that prices are being pegged to the levels in England and Wales as part of the effort to remove risks from the customer.

After 2010, prices will be set by the regulator through the normal regulatory process, which is cost based. If the company has not improved its efficiency to the point that it is at the same level as those in England and Wales, prices may be higher here than they will be in England and Wales. Prices may be higher here anyway because people in Northern Ireland use more water — for reasons I find quite difficult to understand.

I would see failure if the first price control set by the regulator does not allow for the investment that is required. Investment is badly needed to ensure that customer service standards and environmental standards in Northern Ireland are on a par with those everywhere else.

Whether direct rule, or Executive, Ministers want prices to rise is a question on which I am neutral. I would be happy to facilitate a continued subsidy regime after 2010 if Ministers choose to put one in place. As the regulator, I will be seeking to balance the long-term interests of customers, which require investment and funding, with their short-term interests, which are that prices should be kept as low as possible and consistent with investment.

Mr Shannon: I would view it as failure if the prices you set here were higher than those in the rest of the United Kingdom after 2010. That would concern the subgroup.

With regard to the tariffs here, are they being set at the level that will provide the service here, or are they being set at a level that is the same as that in England and Wales?

Mr Osborne: It is ministerial policy, not regulator's policy. I understand that they have been pegged to England and Wales for those three years so as to remove one of the risks from the customers, and that from 2010 onwards, for the first price control, NIAER will do that through a normal regulatory process based on an analysis of costs.

Mr Shannon: There is pressure on all of us to ensure that, but perhaps more so on the regulator. I have a few more questions to ask, if that is OK.

You said that the RCV is likely to be about £1 billion. Have you any views on the accuracy of that figure? Is there a danger that the RCV could be set lower — perhaps at around £600 million in the short term? What impact would that have in the long term?

Mr Osborne: I take it that by “accurate” you mean if we had done it on a normal commercial basis, looking at historic investments and depreciation?

Mr Shannon: Yes.

Mr Osborne: This is not an area that NIAER has looked at directly, but I am led to believe that if a normal commercial approach to setting the capital value of the agency had been taken, it would have been five or six times higher; £1 billion is very much lower than the value that a commercial approach would have arrived at.

That said, could it have been £600 million rather than £1 billion? That is a question for Ministers, in that they are setting the initial tariff package and providing the subsidy that covers the gap between prices and costs over the first three years. I have already described the approach that NIAER will take once we are setting prices, which will be a much more normal regulatory approach. There will be a starting point — whatever it is — plus whatever has been spent in the intervening period; then we will have a sanity check to make sure that the business can be financed and sustained on that basis.

The Chairman (Mr McNarry): The Members of the Transitional Assembly want to get people like you to give evidence and bring forward your recommendations. The Members are keen to delve into this, and you can assist by giving answers to their probing and some guidance as to how to take these matters forward in the form of a report to the Programme for Government Committee so that it can take it into negotiations. If we pursue that dual purpose we can get a report that we will all find useful.

I am asking a lot; these people are used to probing, but this is not a court, so feel as free as you can to answer. We need guidance; we want to hear what you think is best. Some penetrating questions have been asked and your answers have been very useful. Mr Shannon has already picked up on your answer to the first question. We want to know what you think.

Mr Osborne: As I have already said, I think that the risks for customers in the first three years are quite substantially mitigated by the package that is already on the table. I hesitate to offer advice, but in terms of the amounts of money involved, if the RCV was successfully shaved from £1 billion to £600 million — and assuming that the cost of capital did not change — 40% of £58 million would be saved, which is £20-odd million. That is neither negligible nor an enormous amount of money.

It might be worth considering the situation beyond 2010 in more detail. If Northern Ireland Water Ltd (NIWL) does not succeed in reaching the efficiency levels achieved in England and Wales — which is to say that on the economics, prices ought to be rising higher than in England and Wales — will there be an openness to the continuation of a subsidy regime, particularly for vulnerable customers?

I hear two fundamental concerns time and again. The first is about water poverty, and a support regime for the poorest is something that we need to worry about for a long time to come — probably until the Northern Ireland economy as a whole is much stronger. The second concern is about fairness, and the regulator will consider, at a very early stage, what we can do to accelerate the move to universal metering. That is another issue that the subgroup may want to consider.

I understand why many people do not like using the capital value of properties as a basis for charging. However, in the absence of any data on how much water each household is using, it is difficult to see what would constitute a fair basis for pricing. Therefore, the way to deal with public concern is to introduce universal metering as quickly as possible.

If I were in the subgroup's shoes, I would focus on those two issues. I would concentrate less on the capital-value issue than on the scope for a subsidy for vulnerable customers after 2010. Secondly, I would examine the issue of universal metering.

Mr Shannon: I am greatly concerned that the burden of costs seems to fall on the householder and domestic user. Everyone on the subgroup is concerned about how that will work. My worry is that if costs are in line with the rest of the UK, then they will be too high, and that there will be real trouble if they are greater than those in the UK by 2011.

I do not want to hog the available time for questioning, because I realise that other members must have their chance.

The Chairman (Mr McNarry): Everyone is grateful to you for saying so.

Mr Shannon: Mr Osborne, does the current charging system meet the EU Directive to promote the efficient use of water?

Mr Osborne: Quite honestly, I am not sure that I have an answer to that question.

Mr Shannon: I agree that the question was somewhat pointed. Nonetheless, I would like to hear your comments.

Mr Osborne: We have not carried out any analysis on that topic. I have described our situation: we have limited resources as we are in a shadow regime. I do not know the answer.

Mr Shannon: The subgroup would be happy if you could come back with an answer at a later date, when you have had time to think about it.

Mr Osborne: Perhaps when we have the legal powers and resources, but that will be in the spring of 2007. If I promised to write to the subgroup with a quick answer, I would have to go back to the office and write to the DRD and ask for its view — and the subgroup could do that. I do not have the resources or the legal basis to spend a lot of money on water issues at the moment.

The Chairman (Mr McNarry): Are you are saying that you will be able to address the question when the position changes?

Mr Osborne: I will be happy to take a view on that matter when, as regulator, I am in a position to do so.

Mr Cree: Good morning, Mr Osborne. Thank you for your report, which I have read a couple of times. I have a few questions arising from your submission. You refer to the draft Water and Sewerage Services (Northern Ireland) Order 2006 as being “reasonably robust”. In view of the widespread concern about water charging, is the phrase “reasonably robust” good enough? Can you identify any further weaknesses in the draft Order?

Mr Osborne: Mr Cree, we have been asked to do a job. No one elected me, or any of my board members: we exist because of statute. If I were being asked to do a job in a way that I thought was basically unsustainable, I would be sitting here telling you that.

Frankly, the basis on which the job was being scoped last summer was unsustainable, and I warned the Department then that I would not go quietly. When I say that the framework is “reasonably robust” I mean that we now have the powers to move down the track towards bearing down on the company so that it becomes more efficient, because efficiency is at the heart of the issue. If we want to achieve sensible prices for water and sewerage, the company must be made much more efficient.

Only time will tell whether there are weaknesses in the draft Order. A piece of legislation cannot be judged to be perfect, because it “glitters” as it is being passed. It can be judged only on whether it does the job.

11.00 am

One of the good things about the current debate is that many people now understand the issues relating to utilities, including water, in Northern Ireland. That is not always the case. Utilities tend to be a ‘Cinderella’ subject. If the regime is failing two or three years down the track, many people will want to revisit it.

Mr Cree: It may be false to say that the framework is removing all of the risks to the consumer. On the contrary, it may just be storing them up until 2010. What do you think about that?

Mr Osborne: That is not terribly different from what I said to Ms Ritchie.

Mr Cree: You referred to metering, which is an obvious bone of contention. You say that in the absence of universal metering, no charging methodology will be fully fair. I agree with that. You are to consult on metering in the summer of 2007. How do you foresee your findings on that consultation being enacted? What timescale do you see for implementing it, bearing in mind that it is the only way in which we can meet the EU Directive and ensure the efficient use of water?

Mr Osborne: There is a range of options available to a regulator. If in the second half of next year we decided not only that we wanted universal metering but that we could see a reasonable plan for moving towards it, we could do a great deal simply by having discussions with the company. If, for example, we made it clear to Northern Ireland Water Ltd that anything it spent on metering in the first few years would be covered by the first price control, we would be solving a problem for them as well as for the customers. We might be able to do it on a purely voluntary basis for the first couple of years.

We approve the charging scheme each year, and we could intimate that if the charging scheme did not reflect rapid movement towards universal metering, the company would have increasing difficulty in getting its scheme approved.

We could propose a licence condition; if the company chose to resist that licence condition, the whole question would have to go to the Competition Commission to be resolved. That would probably take six or nine months, so it is probably not the first option, but it is there as a backstop.

Those are all things that we could do in the first few years. In 2010, we will set the price controls. It would be reasonably straightforward to do that on the basis that the company would have relatively little economic option but to go down the metering route. It would not be able to recover its costs otherwise.

Mr Cree: Do you have a view on the efficiency improvements that you will expect from the company between 2007 and 2010? Have you any views on what

might happen to the affordability tariff after 2010? Have you identified a real need among those people just above the benefits level who, because of the implementation of water charges and the review of the rating system, could well be forced into the poverty trap?

Mr Osborne: I do not have a number to give you regarding the progress we want on efficiency. If we had chosen to be intimately involved in the preparation of the company's strategic business plan, we might have a number in mind. It seemed to us that it would be better if we did not, as it were, give our seal of approval to the business plan, so we have not been involved in that. We have not yet gone through the careful benchmarking process that we will use, as part of the price controls, to get to those numbers. I have seen enough evidence to be convinced that the efficiency gap is very large indeed.

The issue regarding the people just above the affordability tariff bracket is primarily for Ministers. It is not a problem that will go away in 2010; in my view it is something that we should all be very concerned about. We would be very happy to facilitate an extension of the subsidy regime beyond 2010.

In energy regulation we have experience of a range of ways of dealing with affordability issues. NIE customers pay a levy, most of which is used to help customers who have difficulty paying for electricity. A number of schemes are being developed. Broadly speaking, the water poverty agenda in Britain is less developed than the fuel poverty agenda, but nevertheless there are a few ideas in Britain. So, on the basis of our experience in energy there are a number of levy ideas that we could play with. The core of this is probably about the affordability subsidy, which is not something that we are in a position to put in place, although we would be very happy to facilitate it being extended.

Mr Cree: What about the band just immediately above those covered by the affordability subsidy?

Mr Osborne: In a way it is the same question. Who should have access to this subsidy and how do you structure it? It is not really a question for the regulator.

Ms Stanton: Is it not true that the people themselves are paying the levy towards the groups on the outside?

Mr Osborne: Yes, that is true. That is one of the things that limit the overall size of it. If you had a very large levy you would damage the overall competitiveness of Northern Ireland, although you would be able to help the poorest more.

Ms Stanton: It is not the private company giving anything away; it is the people themselves who are paying for it.

Mr Osborne: Under the latest network price control that we announced a couple of months ago, NIE —

Veridian — has announced a fund for vulnerable customers that it will be funding itself. That is an innovation that is not yet in place.

Ms Stanton: It is still a reality that it is people themselves who are funding it. We cannot deny that.

Mr Osborne: The levy that is already operating is a recycling scheme. NIE has proposed something additional, which it will be funding itself.

Ms Stanton: Jim Shannon asked about the large fixed standing charge. It does not promote efficiency. Do you agree?

Mr Osborne: Yes, I do. In these issues one is always balancing different factors. It may be that a large fixed standing charge is cost-orientated, because there is a large fixed cost in serving a customer. The reason these questions are not simple and need to be consulted on is that you are balancing off different factors. Certainly a stepped tariff, for example, that did not have a fixed standing charge — if for the first volume you use you pay a relatively low price, and then it becomes more expensive the more you use — would be a much stronger incentive to efficiency. However, that too has impacts on different groups of customers.

Ms Stanton: It does not promote efficiency. None of the other models have proved that it promotes efficiency.

Mr Osborne: That is true.

The Chairman (Mr McNarry): Thank you. The meter is running on this session.

Mr Raymond McCartney: Perhaps some of the questions we do not get to ask could be tabled for written replies.

I am sure you are aware that the Consumer Council took a judicial review about the consultation process, and the judge found that it was flawed. You submitted an email to the judicial enquiry in which you said you were not happy and suggested that perhaps the Department was deaf and stupid. We are meeting DRD this afternoon, so we would like to know whether the concerns that you had then have been properly addressed.

DRD has chosen the Go-co model, which is a commercial model for self-financing, but are there alternatives? I am sure you know that people are not happy with the Go-co model. A future Assembly would have to look at the other models, because Members feel that the decision to choose the Go-co model should be deferred. What implications would deferral have?

Mr Osborne: In my evidence to the judicial review, I set out the context in which my email was written. We did not take a view on the issues that were the subject of the judicial review; we left that to the judge. We intervened only because one side had introduced

the e-mail and was co-opting our position. We wanted to make sure that our position was set out clearly.

I was hopping mad at that time as regards regulatory independence. The proposals on the table were unclear as to the date when the regulator would be given enforcement powers over water. I was also concerned about the draft licence in circulation at the time because it contained a number of provisions that would have fettered us as regulator. I was particularly offended by the provision in the licence which stated that the regulator would have to pass through to the customer any costs arising from the PPP, regardless of whether it was efficient or inefficient. There was a whole suite of issues that I was concerned about in addition to that.

People may feel that I have had some kind of Damascene conversion since then, but I do think that it is reasonable to give DRD credit for changing its mind on those issues. The licence, as circulated for consultation, gives the regulator a strong and complete suite of powers, and DRD has been clear that the commencement of our enforcement powers will be immediate, in April 2007.

What was your second question, Mr McCartney?

Mr Raymond McCartney: It was in relation to the Go-co model.

Mr Osborne: I would refer the subgroup to a review carried out by a consortium led by the UBS Investment Bank in 2004-05, which considered the different models that could be used for water reform. I cannot remember whether that review included keeping the status quo as one potential model.

However, the consortium considered the options of a Government-owned company; a Government corporation; a partly privately owned company, and a fully privately owned company. Anybody with ten minutes to spare and a blank sheet of paper could figure out the options. They came up with an analysis, which I think is correct, and concluded that the closer you get to a fully privately owned company — such as the GB model — the stronger the pressures for efficiency will be. The consortium recognised that there were a number of other pressures — and I think that the Government opted for the Go-co model on that basis.

If the Assembly wants to revisit that question I would suggest that Members read the consortium's report. From the regulator's point of view, it makes relatively little difference who owns the company, because we will regulate it as if it were a commercial company. We will use the same cost-of-capital benchmarks and the same approach to efficiencies.

The Chairman (Mr McNarry): Are you saying that as the regulator you would make no difference in how you regulated a Government-owned company and

a commercial company, or would your approach to the latter be different, because you would expect inefficiencies from a Go-co?

Mr Osborne: We would regulate them both the same, more or less. However, the likelihood of encountering the difficulties that I mentioned earlier — failing to hit targets — would probably be higher if the company were Government owned. There have been four price reviews in GB, and the regulator there has set targets that have seemed, at the time, challenging, because the company is under strong pressure from its shareholders. However, the company has not only hit the regulator's targets, it has exceeded them.

11.15 am

I want shareholder pressure to come from the Government to the shareholder, and we will have to see how well the Government perform that role.

Mr Raymond McCartney: Do you believe that it is the best model? Are there alternatives or is the suspicion that the Go-co is the easiest model to privatise?

Mr Osborne: I am going to duck that question, as it is political. The UBS analysis is right in that the efficiency pressures are stronger the further into the commercial world you go. As a citizen, I recognise that that is not the only criterion, and that the other criteria are essentially political. Therefore I give the question back to you.

Mr Raymond McCartney: Do you feel that the break-even date of 2010 can be stood over?

Mr Osborne: In what sense do you mean "stood over"?

Mr Raymond McCartney: Will the company break even in 2010?

Mr Osborne: If you are asking whether it will have reached efficiency levels such that the prices can compete with those in England and Wales, I do not know; we will have to wait and see.

Mr Raymond McCartney: We are to put those claims to DRD this afternoon. The broad question in the first instance was about consultation. People, including the Consumer Council, are saying that it became obvious during the judicial review that the Department was consulting because it was told to do so, but that it did not listen to people. That is why I ask whether this is the best model.

Mr Osborne: The judge has spoken about that, and I do not have much more to add.

The Chairman (Mr McNarry): I need your co-operation, for we have eight minutes.

Ms Ritchie: Mr Chairman, I have a short question to ask.

The Chairman (Mr McNarry): Do you promise to keep your question short, Ms Ritchie? The less we waffle, the more quickly we get the questions asked.

Ms Ritchie: Mr Chairman, there has been much discussion about how the Water Service intends to collect its debt and how it has impugned people's integrity. Such presumptions should not have been made about anybody's ability to pay or not to pay. Has the regulator any concerns about how the draft licence proposes to deal with bad debt? Would the regulator have any role in relation to lands and assets owned by the Water Service that could be disposed of over the next three years?

Mr Osborne: It was stupid to call the customers names; it is certainly not a commercial thing to do. We will expect the water company to apply commercial best practice to debt collection with the kind of process that is used across the economy as a whole. You do not hear of banks or companies that sell furniture on hire purchase calling customers rude names; it was a crass thing to do.

The licence is quite high-level; it incentivises the company to be commercial as it will have to pick up the first element of bad debt. Five percent of the revenue is quite a lot of money, and if the company fails to collect that money that will be its problem. Recognising that there is potential for widespread non-payment, the proposal is that it be rolled in to the regulatory capital value. The proposal is a compromise. One cannot allow large-scale non-payment to threaten the viability of the business, as it has to operate and provide a vital service to society. That means that most customers would end up paying for non-payment by other customers.

Above all, we have to deal with uncertainty. We do not yet know the value of the assets held by the company that are not needed for service delivery. I recall an analogous situation with the electricity company 15 or 20 years ago. We had a nasty shock when the value of the asset turned out to be a lot more than was expected. However, that situation was not managed properly.

I am therefore pleased that the water company will have to provide an annual report that details its intentions of what it proposes to sell. The licence allows no scope for sweetheart deals. The company has to show us that it has achieved an appropriate market value on each sale.

That will prevent any fire sale, or accelerated selling of land early on, perhaps to avoid payment of the subsidy. Once we have a business-as-usual situation, from 2010, the expectation is that there will be a 50:50 split between shareholders and customers. That approach is used in England and Wales, and it seems acceptable. Broadly speaking, I am comfortable that we have the powers that we need to avoid another Danesfort situation.

Ms Ritchie: Do you not think that, as the regulator, you are too wedded to the Department?

Mr Osborne: I do not accept that we are wedded to the Department. My office is a creature of statute: no one has elected me. If, a year from now, the Assembly chooses to change the regime, I will happily work under a new legal framework. I will not work to counteract the wishes of this Assembly any more than I actively work to subvert the wishes of Ministers at the moment.

The Chairman (Mr McNarry): Is your question about licensing, Mr Shannon?

Mr Shannon: No, it is about metering.

The Chairman (Mr McNarry): I understand that the licence provides for reference to the Competition Commission. In the event that Northern Ireland Water Limited (NIWL) disputed a price limit that the authority set, what would be the Competition Commission's role and powers? Are you in a position to clarify that?

Mr Osborne: I am. Price controls are complicated animals that are made up of many elements. Essentially, the Competition Commission could unpick the whole package and change individual elements, or it could change the whole thing if it wanted to. The commission would essentially substitute its view for that of the regulator; it has quite a broad remit. It also tends to use a straightforward, economics-driven approach, without much sympathy for local factors.

The Chairman (Mr McNarry): What about efficiencies?

Mr Osborne: The Competition Commission's traditional approach has been to pull in evidence from the company and the regulator about why each believes that one level of efficiency as opposed to another is achievable. The commission then takes a view that is based on the expertise of the people with whom it deals. The process is a little unpredictable.

The Chairman (Mr McNarry): Everything seems unpredictable at the moment. That is why we are probing the issues, but I hope that we get to the bottom of some of them.

Mr Shannon: If, at some stage, the Assembly wanted to introduce universal metering, would legislation be necessary, or could the regulator implement it without having to ask the Assembly?

Also, at what percentage of the average would a standing charge be set? Would it be at the level that has been set in Scotland or at that which has been set in England? I am keen to hear your opinion.

Mr Osborne: In answer to your first question, the Assembly could legislate for universal metering, or we could do it without further legislation. Either would work.

Mr Shannon: Could you do it without the approval of the Assembly?

Mr Osborne: We could.

Mr Shannon: If the Assembly were in place would you not introduce it?

Mr Osborne: I am not saying that. If the Assembly strongly opposed universal metering, we would have to think carefully before we introduced it.

Anything we do must be demonstrably in order to fulfil our statutory duties, and not just because it is something that we think is good to do. If we did think that it was an exercise of our statutory duties, then we should do it. We have the powers to push through universal metering. Sorry, what was your second question?

Mr Shannon: The metering option — would the starting average be similar to Scotland or similar to England?

Mr Osborne: I do not have an answer to that. That is a question about what DRD is putting in place, and I do not know. I would be happy to write to you with the answer to that.

The Chairman (Mr McNarry): As usual, when we come to the end of something, we wish it were the beginning. I would love to have a long conversation with you about what you just said about metering. We are grateful to you for coming here. Thank you for your openness and frankness. The Members have asked that some information be solicited at a later date in writing, and we are grateful that you have agreed to that. I sense that we will see you again, in some or other guise. Many thanks, on behalf of the Committee, for coming and making your presentation to us.

Mr Osborne: I am happy to help, and happy to come again.

The Chairman (Mr McNarry): Members, the next evidence is from the Coalition Against Water Charges. I refer you to the written submission received from the coalition, and that of the Northern Ireland Anti-Poverty Network, which is part of the coalition. I assume that you have not had time to digest these either, so perhaps we need a few minutes of speed reading.

We will hear what they have to say, and then take questions.

You are welcome, and thank you for taking the time to come to the subgroup. The Committee would like to hear a brief introduction, and, without sounding rude, I emphasise the word “brief”. We are pushed for time, but we are on schedule, so it will be your fault if we miss lunch, and we have no intention of doing that. If you could open with your brief remarks, the Members are finding that the greatest benefit in these sessions comes from asking questions and listening to your answers.

11.30 am

Mr John Corey (Coalition Against Water Charges): I represent the Northern Ireland Committee of the Irish Congress of Trade Unions and the Coalition Against

Water Charges. It is in the latter capacity that I speak to the subgroup today.

I want to set out the four principal reasons why we have opposed the introduction of household water charges and why we intend to continue to oppose it.

First, it is a fundamental human right that every home should be supplied with clean water by the state; it should not become a commodity to be bought and sold like any other. People must have clean drinking water supplied for their public health. Consequently, we do not accept that it is right that the provision of that fundamental service should be on the grounds that a person has to pay for it through an annual bill. That is fundamentally wrong.

Secondly, we reject the Minister’s recent protests that the people of Northern Ireland are not paying for the current water service. The Minister said in media broadcasts and press articles that people have not been paying for water through the regional rate since 1998, at which point the regional rate element for water was 37% — a figure of £127 was quoted.

I do not remember — and I am not sure if anyone else remembers — being consulted at that time about such a fundamental change in our public finance arrangements whereby people no longer contributed towards water services in Northern Ireland. I refer the subgroup, and also the Minister, to a report prepared by the Economic Research Institute of Northern Ireland (ERINI) in response to the Government’s public expenditure programme, which highlights and explains that in the 1990s the people of Northern Ireland contributed up to £1 billion towards the cost of investment in their water service, but that money was never invested in the Water Service. We are arguing on two grounds that the introduction of water charges requires people to pay twice: once because they are already paying, and twice because the money that they paid previously was not invested.

Thirdly, the trades unions believe passionately that water should remain a public service, and they reject Ministers’ statements that say they do not intend to privatise the Water Service. My colleague from the Water Service trade union may explain that privatisation is already taking place within the Water Service. However, why go to all the trouble of bringing in water charges if not for the purpose of introducing privatisation? In response to a recent request under the Freedom of Information Act 2000, we discovered that £18.5 million has been spent on consultants in the water-reform exercise. That must all be for a purpose, and we believe that that purpose is privatisation.

A letter dated July 2004 from the then Secretary of State to the Chief Secretary of the Treasury at that time — referring to a meeting between the Secretary of State and the Chief Secretary of The Treasury — stated:

“At our meeting on 17 June 2004 you said there needed to be an independent assessment of all the financial options for the water industry in Northern Ireland and privatisation must not be ruled out in the medium term.”

That was the Treasury’s view in 2004 and I have seen nothing since then to indicate that its view has changed. We believe that the introduction of water charges is ultimately for the purposes of facilitating privatisation.

The fourth point is that water charges are a regressive tax. The introduction of household water charges will negate the positive impact of the change to the domestic rating system, which is a progressive tax inasmuch as, although there are exceptions, those who can afford to pay more will pay more. The positive impacts of the changes to the domestic rating system, with respect to equality and targeting social need, will be negated by the introduction of water charging.

Water charges are a regressive tax because those who are well off will not pay proportionately more than the poorest in society. I am sure that my colleague will pick up on that point.

Those are the four reasons why we have opposed water charges from the beginning and will continue to oppose them.

I would like to make some brief points about the events of the last month or so. First, we are very concerned about the Government’s publicity campaign for water charging. Goodness knows how much is being spent on that campaign. There are newspaper advertisements, booklets to every home, television advertisements, billposters etc — the cost must be enormous.

We are concerned that the Government is not providing the public with accurate information about water charging. The banner headlines are that the bills for water charges will be £100 and £30. However, what is not being made clear to the public is that those bills are only, in the Government’s terms, for the short transitional period of two years.

If one takes the trouble to read the Government’s leaflet, one will see that, for example, on the basis that published data indicates that the average price of a home in Northern Ireland is now in excess of £162,000, the water charges for a home worth £160,000 will be £390 per annum.

Therefore, the truth is that the Government are introducing water charges that will cost householders up to £400 per annum; not £100 or £30 as indicated in the headline figures. We believe that it is wrong for the Government to be publishing a picture to the public that is different from the real picture.

I wish to make one last point on current events so that there are no misunderstandings. The trades unions in Northern Ireland intend to campaign against the introduction of water charges, and they intend to take the unprecedented step of urging people not to pay water charges. We recognise that it is a big step for the trades unions, but we believe that we are right and that we are justified in challenging the Government on their proposals to introduce water charges.

The Chairman (Mr McNarry): Thank you for your presentation. Our task is to tempt you into giving us some recommendations, proposals and guidance, which you can hopefully address through the questions asked, to help us compile a report that will be sent to the Programme for Government Committee. That is very important to us.

I understand the challenge that you have laid down as regards Government propaganda — or perhaps it would be more correct to say Government information. That is something that the subgroup may or may not wish to address.

With the subgroup’s indulgence, I will steer members away from some particular activities that you may be promoting, because this is a subgroup of the Assembly. What you have said has been duly noted; it is on record, and it could not have been clearer. However, the subgroup must address its remit, and should members want to explore certain issues with you, I will ask them to steer away from those so that we can get some ideas from you.

Mr Corey: Would it be possible for my colleagues to make a short contribution? We will be guided by the subgroup.

The Chairman (Mr McNarry): I do not wish to deny you that opportunity, but there is the time factor to be considered. If you wish to say something that you feel is new and has not been on record before, then it will be deeply appreciated by the subgroup. Having said that, I know how it is when you have made the effort to come here and have prepared something that you want to say. It would not be right to deny you that opportunity. However, I would ask you to be brief, because it is your time. Our job is to try to get inside your heads. In what order do you wish to speak? How is your first name pronounced, Mrs Horgan?

Mrs Goretti Horgan (Northern Ireland Anti-Poverty Network): It is Goretti. Think spaghetti if you are confused.

The Chairman (Mr McNarry): It is nearly lunchtime.

Ms Horgan: I have a couple of quick points. The first concerns the so-called affordability tariff.

The Northern Ireland Anti-Poverty Network is very concerned about the basis of the affordability tariff,

because we believe it to be very misleading. The explanatory memorandum accompanying the legislation makes it clear that the tariff is based on the single person pension credit guarantee, which is £114 a week at present. Forty per cent of the people who are dependent on state benefits in Northern Ireland are single adults without children. They receive less than half of that amount, which is less than £57 a week. Those people are going to be plunged deeper into poverty, even with the affordability tariff. We really need to put that on record, because it marks a return to the idea of the deserving and the undeserving poor.

My second point concerns the dishonesty of the Government's propaganda campaign. Our members live in some of the most disadvantaged parts of Northern Ireland, and yet none of them have been able to find a house that is worth as little as those in the lower three or four bands in Water Service's explanatory leaflet. I defy anyone to find a house worth £20,000, £40,000 or £60,000, even in the most disadvantaged areas.

Finally, a recent report entitled 'Monitoring Poverty and Social Exclusion in Northern Ireland 2006', published by the Joseph Rowntree Foundation, a UK-wide organisation, shows that the levels of income poverty here are likely to soar with the introduction of water charges and the rate increases, because our housing costs have traditionally been lower than in other parts of these islands. The report clearly shows that the new charges will greatly deepen poverty levels.

For that reason, the Northern Ireland Anti-Poverty Network will be supporting the water charges non-payment campaign. Our members — over 300 voluntary and community groups — have made it clear that they think that the campaign is necessary in order to ensure that a revenue stream attractive to private corporations will not be established. We must not replicate the situation in Britain in which people are paying huge amounts of their income towards water charges.

The Chairman (Mr McNarry): Thank you, Goretti, you have done very well, because not only have you got your contribution into Hansard, you also have it in your submission. Pat, can you help us as regards time?

Mr Pat Torley (Water Service Trade Union): I will be brief. I speak more from the industrial perspective. We all know that the plan is to convert Water Service into a self-financing Go-co by April 2007. In order to do that the Government must be making some sort of profit to, allegedly, put back into the infrastructure. Of course, they tell us that they do not have the expertise. So how do they go about it? They bring in another bunch of consultants.

The consultants that they have brought in this time are the Union Bank of Switzerland (UBS), the Royal Bank of Scotland, National Economic Research Associates (NERA), Halcrow Water Services (HWS)

Ltd and Deloitte. That consortium came up with the financial and strategic review of Water Service.

11.45 am

I am sure that no one is surprised that their conclusions pointed to full privatisation. We know, and they know, that there was major opposition to that, so they went about matters in a different way. At present, there are two private finance initiative (PFI) projects being undertaken by the Water Service. The first is the Alpha project, which will put nearly 50% of clean water treatment in Northern Ireland in the hands of a private company. Dalriada Water has told us that out of the 80-odd people who are currently employed in the process of water treatment in Northern Ireland, it will retain around 15. All other requirements will be outsourced.

The second PFI project is named Omega. That will privatise around 20% of wastewater treatment in Northern Ireland. We know that there are around 30 people working on that project. The company, Glen Water, still has not told us how many people, if any, it will retain. Owing to those projects alone, upwards of 100 jobs will be lost. They will cost £270 million. Another contract has been issued for outsourcing customer billing and contacts.

It is interesting that the Water Service put billing before contacts. In effect, that means that if customers have a burst pipe or a dirty water problem, and phone the Water Service to complain, they will not be speaking to a Water Service employee; they will be speaking to the employee of a private contractor named Crystal Alliance. Further down the line, as part of that contract, a system called mobile work management will be used. Water Service management have told us that, initially, that will cost 182 jobs. We asked them how they came to that conclusion, and they told us that it was an estimate, working out at 22 supervisory staff, 24 administrative support staff and 136 industrial operatives. That seems to be a detailed estimate.

Since April 2004, 66 industrial staff have retired from the Water Service on age or medical grounds. None of those people has been replaced. However, the work that those people did still must be done. If you have a burst pipe in your street, and you ring Water Service in order to get it repaired, the likelihood is that a private contractor will repair it.

The average age of a Water Service worker is between 50 and 55. Many of those people have in excess of 30 years' service. However, we are told that when the Water Service becomes a Go-co, they will no longer be eligible to remain in the principal Civil Service pension scheme. Therefore, Northern Ireland Water Ltd will set up its own private pension scheme specifically for those people. A company does not have to be floated on the London Stock Exchange in order

to privatise it. That can be just as easily done through the back door.

Ms Ritchie: John, Pat and Goretti, you are welcome to our meeting. I appreciate the fact that access to water is a basic, fundamental right, irrespective of where someone lives or of his or her income. It is an undeniable right. Everyone should have access to water. However, I am sure that you would agree that the £18.5 million that was spent on consultancy and preparation for water charges and reform, and possible privatisation —

Mr Cree: Margaret, could you speak up a little?

Ms Ritchie: Sorry; I was not aware that I could not be heard.

The Chairman (Mr McNarry): You do not usually have a problem in that department.

Ms Ritchie: No; not usually.

Notwithstanding the position that water is a fundamental basic human right and that we should all have direct access to it, irrespective of our income, would the members of the Coalition Against Water Charges agree that the £18.5 million that was spent on consultants would have been better invested in water services? Can they elaborate on the Economic Research Institute of Northern Ireland (ERINI) report, which demonstrated that funding was provided previously, but was not properly invested in water services? I take on board that you have stated that the additional cost of the activities of DRD, the regulator and the Consumer Council will be at least £4 million per annum and that that cost will be passed on to consumers.

Do you have any concerns that the additional cost of establishing the Go-co with separate personnel and finance arrangements as well as the costs of establishing the charging regime and the bad-debt collection service that you mentioned will add considerably to the overall costs and consequently be passed on to customers?

Mr Corey: I will lead off on the answer, and my colleagues may add points.

We absolutely agree that spending £18.5 million on consultants is unacceptable and, in many ways, inexplicable. Expenditure on consultants by the public sector in Northern Ireland requires serious investigation and examination. The revelation that £18.5 million has been expended on this project alone is deeply worrying. That money would have been better spent on water service investment.

I do not have a copy of the Economic Research Institute of Northern Ireland's (ERINI) report, but I will provide the Clerk with a reference for it. My recollection is that the ERINI report was prepared in response to the departmental budget plans for Northern Ireland Departments. The report contained an analysis of the public expenditure regime in Northern Ireland,

which was quite illuminating in explaining how public finances operate. The author of the report concluded that, during the 1990s, the Northern Ireland public contributed more than £1 billion towards water services. However, that money was never invested in water services but was used for other purposes instead.

I will emphasise our main point: the people of Northern Ireland have already paid for investment in water services, but that money has not been invested in water services. Establishing the Go-co will involve associated costs and will create an impact, and Ms Ritchie is right to raise the issue of how those costs will be passed on to consumers.

Crystal Alliance has been awarded the billing contract for water charging. That company has signed a £70-million contract to provide a billing service and customer-relation service. As Pat Torley explained, it will be Crystal Alliance that customers will have to contact. That is a further privatisation of water services. A few weeks ago, the BBC published Crystal Alliance's views and attitudes on the treatment of customers. If Crystal Alliance maintains those views and attitudes, the impact of water charges will be deeply worrying.

Northern Ireland does not need water charges. We believe that it would have been appropriate to continue collecting the public contribution to water charges through regional rates. As I said in my opening remarks, that method at least ensured a progressive system of contribution, unlike the regressive system that separate water charges will entail.

Ms Ritchie: Is the coalition concerned that the water regulator will not be involved in setting charges until 2010?

The Chairman (Mr McNarry): If I may interrupt for a second, can we try to ask questions that will pick the coalition's brains? They have outlined where we are; we know where we are, and we share common concerns. Mr Corey can, by all means, answer the question; but the purpose of this meeting is to get an idea of where we are going and to discover what the coalition can bring to the subgroup. If we accept the coalition's arguments, we can make them right at the top.

You have a little latitude, John. I am sure that that will not be difficult for you.

Would you like to ask your question, Margaret?

Ms Ritchie: I am being circumscribed in what I can ask. The aim of my second question was to delve into the coalition's mind to find out whether there were any concerns on the back of the previous submission, which related to the role of the regulator in setting charges.

Mr Corey: We have not addressed the role of the regulator in detail at this stage, principally because, as the regulator has stated, he has no role until 2010 at least. Therefore it is not feasible for the regulator to

contribute to the debate on setting water charges. I ask the subgroup to bear in mind our perspective on this matter.

Our perspective remains that the proper course for the Government, and any devolved Administration, is not to proceed with household water charges.

Mr Shannon: Obviously, the Water Service has many assets. What should those assets be used for? Should they be sold off and the money reinvested in the system? Many assets will be identified over the next two years, and we are keen to know your opinion on what should happen to them.

Mr Corey: In broad policy terms, trades unions accept that unused Government assets, be they buildings or land, should be used to assist the provision of other public services. We have no fundamental objection to that proposition.

There is a danger, however, that the assets owned by the Water Service are becoming part of the argument about the potential privatisation of the service, and whether those assets are attractive, or perceived as being attractive, to any companies or other bodies bidding to take over the Water Service. We are deeply concerned about that. Following that logic through, it almost suggests that that should be avoided and that the Government should sell off all unused assets so that the public purse, and the public in general, can benefit.

I do not have details of the exact assets involved, how easily they could be disposed of and whether they could be disposed of quickly. However, that is my instant reaction to the question. Mr Torley may have some points to add.

Mr Torley: An article in a newspaper a few weeks ago said that a number of Water Service assets were to be sold off, with the money being reinvested to deal with education, hospitals and so on. I have noticed that schools and hospitals are also going down the public finance initiative (PFI) route, so money is not being invested in those sectors either. The Government are taking money from the Water Service, allegedly to reinvest it in health and education. Blatantly, that is not happening; neither is the money being reinvested in the Water Service to try to rebuild the infrastructure. My personal opinion is that we are hearing more spin from Government.

Ms Horgan: Once the legislation is in force and the Go-co is established, any money that is made from selling off assets will not be public money — it will be private money. Therefore, that money will not be able to be used for further borrowing against further infrastructure development, under the reinvestment and reform initiative (RRI). That is a really important point, which is often lost in this debate. From the moment that the Go-co is established, all money that accrues to the Water Service, from wherever it comes,

whether it comes from us as private citizens, or from the sale of assets, will not be able to be used for the greater public good. One reason the coalition is united against the privatisation of the Water Service is that everybody will lose out as a result — except, of course, the shareholders.

Mr Cree: Can I clarify something for accuracy? Under the licence, any profits made after 2010 will surely be shared, if there is anything left in 2010 after the disposal of assets.

Ms Horgan: From the legislation, that is unclear. Any profits will certainly be private money, because the Go-co will be a private company. That is made very clear in the legislation and the explanatory memorandum.

The Chairman (Mr McNarry): Mr Cree, your remarks have been noted as regards accuracy.

Are there any further questions?

12.00 noon

Mr Shannon: John, you have mentioned your position in the union and the coalition and where you stand on policy. Does the coalition consider that water metering is out of the question as a possible means of paying water charges? Some people have told us that they would not mind paying for water because they do not use much. Others have said that there is no way that they would pay for water. My point is that there is a diversity of opinion. Given that diversity, I am keen to hear your opinion on metering. Perhaps there must be diversity in the strategy on how to fight it as well.

Mr Corey: The coalition's opposition to metering is clear and logical: as we are opposed to water charges, neither would we want meters to be installed at a huge cost. I cannot recall the precise cost, but it is significant.

Furthermore, the Minister and the Government are playing on the fears of pensioners in relation to the issue of metering. Pensioners worry intensely about having to meet the cost of any household bills. The Government's ploy of announcing that they will install meters for pensioners deliberately plays on those fears. It is disgraceful.

In addition to the reasons that I have outlined, the coalition is opposed to metering because of the sheer cost of installing meters: that money would be better spent on investment in water infrastructure.

Ms Horgan: I have a further point to make against metering, from an anti-poverty point of view. Research in England and Wales has shown that the most disadvantaged people, particularly those with large families or with disability in their families, suffer most as a result of metering. That is the main reason for our opposition to metering. In fact, a report by Save the Children shows the extent to which such families, who

need a lot of extra water for washing sheets etc, end up paying an awful lot more because of metering. I can provide that report to the subgroup, if it so wishes.

Mr Shannon: Do you feel, therefore, that metering will mean that many more people will fall to the poverty level?

Ms Horgan: Precisely; particularly large families and families with disability, who require extra water.

The Chairman (Mr McNarry): A highly significant point is emerging. Iain Osborne appeared to be encouraging a form of universal metering; now we have been given an opposite view. No doubt the subgroup will note that.

Ms Horgan, your submission says that:

“We believe that even quite large increases in rate bills — based on ability to pay — in order to meet the investment needs of the Water Service would be acceptable since people would know that their money was not being used to boost private profit.”

Will you elaborate on that? Can you put a figure on the increase in rates that you propose? Have you done any work to back up the idea that people would accept an increase in rates? That was a surprising statement.

Ms Horgan: No. The vast majority of people are sensible enough to realise that the water and sewerage infrastructure needs to be improved and that that must be paid for. The public has already paid a lot of money that has not been used for its stated purpose.

We consult our members all the time, and their main fear is that water charges will rocket after privatisation, as has happened in other places, such as Britain. Therefore, people would be happy enough to pay a bit extra in their rates bills.

We have not carried out any work in that area, but the trades unions have estimates and have commissioned research from England on this matter, so I will hand over to John shortly. Based on those estimates, we believe that it is possible to pay for the additional work that needs to be done without impacting too much on the poorest in society. One advantage of the rates system is that anybody who is poor enough to be on housing benefit has their rates paid through that benefit. Therefore, the poorest in society, be they pensioners or families, are protected. That is why we will continue to support the proposal for payment of water charges through the rates.

Mr Corey: I am checking my papers to see whether I can give the Committee an exact figure. In 2003, we commissioned research from David Hall, an academic from the University of Greenwich who specialises in water issues. He calculated at that time that adding £35 to every domestic rates bill would provide, over a period, the extra revenue needed for the estimated

infrastructure investment. I am looking at pages 8 of 17 of Dr Hall’s document, but that figure has not been updated.

However, Goretti’s principal point is the same as my earlier point. We do not argue that people should not contribute to the cost of water services through the regional rates system. Using that payment system would not contribute to private shareholders’ profits. However, we object to the water charges system because it means that people are paying towards the profits of a private company — and we do believe that the Government intend to privatise the service.

The Chairman (Mr McNarry): These proceedings will be completed in a couple of weeks, but I would be grateful, John, if you could provide the Committee with an update on that figure, if possible.

Mr Raymond McCartney: I want to pick up on the point about privatisation. The opinion seems to be that the Go-co is a launching pad for privatisation. Have similar situations arisen elsewhere?

Mr Corey: I cannot immediately think of an occasion when a Government have established a Go-co that has eventually become a privatised company. Certainly, it is in my mind that that has happened before, but we are basing that contention on what has already been said and done.

For example, Pat referred to the report undertaken by the consultancy group that was organised by the Department, which followed the correspondence to which I referred in my opening submission between the Secretary of State and the Chief Secretary of the Treasury. The Government organised the consultancy group to assess the position. Given the make-up of the group, it was not surprising that its conclusion was that the Water Service should be privatised. The Government’s response was that they did not believe that it would be popular or politically acceptable at that stage to privatise the Water Service, but they decreed that that decision would be reviewed in 2008. Based on the Government’s statements to date, the plan is to examine the water Go-co again in 2008, with a view to introducing private sector involvement then.

Mr Raymond McCartney: David has already mentioned the coalition’s campaign, which is obviously a “can’t pay, won’t pay” campaign. An incoming Assembly would have difficulty with that problem. How will you gauge the response to your leaflets in terms of how many people will not pay for their water? Would you need a certain number of people to make the campaign a success?

Mr Corey: We have not reached the point of working out that figure. However, we are certain of strong public support against the payment of the charges. For example, one of the constituents of the coalition — a campaign group called “We won’t pay”

— has collected up to 70,000 signatures of people who are pledging that they will not pay. Our soundings indicate very strong community support against the introduction of water charges. The people of Northern Ireland believe, in principle, that water should be supplied to their homes — as it is in many other countries — without it being turned into a commodity that must be paid for annually like other commodities. There is strong support for that. People in Northern Ireland know that they have always paid for their water service. Ministers are wrong in thinking that the people of Northern Ireland will simply accept the charges.

12.15 pm

Ms Stanton: I welcome you here today. We already know that water charges will have a major detrimental effect on the poorest in society. Statistics show that unemployment alone does not cause relative income poverty — inadequate income causes poverty. These charges will cause further hindrance across the board and will affect not only people on benefits but the working poor. The gap is growing between the rich and poor, and these charges will have a detrimental effect on society as a whole — not just one section of the community.

We have heard evidence about levies. Levies have been used in the past; for example, Northern Ireland Electricity (NIE) used levies to help deprived groups and communities. Is it your view that these levies are collected from the most deprived communities and go back to the most deprived communities, with nobody adding to them other than the people themselves? Do you agree with that?

Ms Horgan: Yes. The taxi driver on the way up was making the point —

The Chairman (Mr McNarry): You are lucky that you can afford a taxi driver. According to your man on the TV they charge £12.50.

Ms Horgan: It was only a tenner from the bus station. The taxi driver referred to the cap mentioned in the explanatory leaflet. A millionaire who has a swimming pool and three cars that are washed every weekend would have his rates bill capped at £750 each year, whereas the poorest would pay more than half of what the millionaire would pay. It is impossible to find a house worth less than £100,000 these days. It seems that the poorest always end up paying the most.

Professor Paddy Hillyard — who will be giving evidence to the Committee — did some work for OFMDFM on water affordability before the affordability tariff was introduced. It is very clear from his updated work that the poorest sections of society will continue to pay the most with these water charges. That is a reason for keeping the Water Service in public hands and paying for it in a more progressive way.

I have two points. Mr Corey, you touched on the question of moneys paid in respect of Water Service, and how that money may have found its way to the relevant cost centre. At the time of water privatisation in England and Wales, there was a green dowry, and Northern Ireland received £50 million. I understand that that was meant to be per year, and that it did not go directly to the Water Service. In fact, it went into some other pot. Will you confirm that?

Mr Corey: I cannot personally confirm that, but I am happy to check whether we have dealt with it in a previous document. We have dealt with the issue of the green dowry. David Hall calculated the equivalent amount using the Barnett formula, assuming that the green dowry were made available now for investment in the Water Service in Northern Ireland. He was then able to extrapolate from that what the additional cost and rates would be. However, I cannot answer because I do not know, precisely, what happened in Northern Ireland.

The Chairman (Mr McNarry): Mr Cree, would it be useful to you if we looked at it?

Mr Cree: Yes, it would. My second point is that much has been made of the potential efficiencies to be achieved by this new company. Will you share your views on that?

Mr Corey: The trade unions do not have any fundamental objections to the efficient delivery of service by the public Water Service. However — and Mr Torley will be able to comment on this in more detail — we do not share the approach of the programme to date, namely that efficiency is achieved simply by cutting staff numbers in the Water Service.

One of the big issues for the Water Service is the level of leakage from the system and how much of that goes untraced. To achieve greater efficiencies, it seems logical that more, rather than less, staff should be employed to address the leakage issue. Therefore, we do not disagree with the principle that services should be efficient. We part company with the Water Service and the Government on their view that this is achieved simply by having less staff. Mr Torley may wish to add to that.

Mr Torley: Very much so. I will also pick up on Ms Ritchie's earlier point about £18 million being spent on consultants.

The majority of my members are industrial staff. They are the guys you see in the blue suits, with the white vans, digging up the roads. I am sick and tired of phone calls from my members to say that they went out to a breach in the road and spent most of the day digging it up, only to be told when they asked for materials to repair it that there were no materials in the store, and that they were to backfill the hole. When this happens, a contractor is sent out the following day.

Our people know that the materials are not in the store, yet they are told to go out and do these things anyway. The guys on the ground are actually being more efficient than senior management in Water Service. Any God's amount of money can be found to throw at consultants, towards privatisation, but none to do the basic jobs that are supposed to be done.

Our people want to be efficient. They want to do the job and keep their jobs, and they are out in all weather — 24 hours a day, seven days a week, and 365 days of the year. They do not mind doing the job, but inefficient senior management hinders them.

So yes, the trade union has no problem with efficiency, but efficiency does not, necessarily, mean job cuts or that 'public' is bad and 'private' is good. That seems to be the direction that the Minister and directors of the Water Service are pushing for.

Mr Cree: Are there no existing systems to measure efficiency in the Service?

Mr Torley: I would draw your attention to an interesting article in 'AgendaNI' Issue 2, November 2006. Katharine Bryan, the Chief Executive of the Water Service in Northern Ireland, states that the private companies in England and Wales are achieving efficiencies of, on average, 20%. In Northern Ireland, we are on track to achieve 22%. If we are achieving 22% efficiencies, when we do not even have materials in the stores, what sort of comparison is she giving us? One she makes is with Welsh Water. Welsh Water used to have 4,000 employees — they are now down to 200. Those 200 employees are writing contracts with, and signing cheques to, private companies. That seems to be their idea of efficiencies.

The Chairman (Mr McNarry): Thanks for that, Mr Torley. Ms Ritchie, you asked the first question, so you will be honoured with asking the last question. That is the last time it will happen. *[Laughter.]*

Ms Ritchie: This question is specifically for Mr Torley. When you are managing your staff, from a trade union perspective, do you think that the management of the Water Service have any idea of the assets that it currently owns? Have they carried out an inventory, and is that inventory available for public use and to the staff when they go out to look? It has been my experience that they cannot locate a water main in a rural area because the maps are not available. We want to know what preparations the Water Service has in place. Even under public ownership such information is required. It is my opinion that the Water Service is not ready.

Mr Torley: I do not disagree. They are on their third asset management plan, whereby they are able to tell everything they have. However, the problem — as you say — is that they cannot find a water main on a rural road, because they are not using our people to put the water in. I know that this sounds like I am supporting

our Water Service guys, but they are no longer allowed to do it. Instead, contractors are using what is known as MDPE (medium density polyethylene) — a plastic pipe that is put down the roads.

When our people do it they put in what is known as a tracing wire. It is an awkward, time-consuming job, but the guys do it. If a main needs to be traced then the guys can come out with the detection equipment and trace it. Because it is so time-consuming, private contractors do not bother doing it, and so when our people go out looking for a main they cannot find it. That is basically the long and short of it.

The Chairman (Mr McNarry): Thank you. This has been most interesting. Thank you also for your promise to come back to us in answer to a few things. I do not think that this issue is going away.

Mr Corey: Absolutely not. I have noted and will check the reference to the ERINI report in relation to the expenditure position. I will also follow up Mr Cree's point about the parallel increase — if any — in the Northern Ireland block grant at the time of the green dowry. I will also take on board your own point that you want us to tell you what we think you should be recommending.

The Chairman (Mr McNarry): I wish that you had told us that during this past hour.

Mr Corey: We would like to consider the point in those terms and come back to you.

Mr Raymond McCartney: Will you include the update of David Hall's figure?

Mr Corey: Yes.

Ms Horgan: I will send you the Save the Children Report on the impact of metering in England.

The evidence session was suspended at 12.22 pm.

On resuming —

1.26 pm

The Chairman (Mr McNarry): Mrs Gill and Mr Costello, I noticed that you were observing this morning's evidence sessions, so perhaps you learnt as much as we did; I hope that you did. That is a good sign of your interest, and that is creditable. I hate to labour this —

Mr Steve Costello (Consumer Council): I know the point that you are going to make.

The Chairman (Mr McNarry): I will make it, anyway, for the record. I would be grateful if your contribution could be brief; five minutes would be sufficient. As usual, we have received an excellent presentation from the Consumer Council, but we do not have time for it — as the Committee Clerk has explained to you. Therefore, please confine your contribution to five minutes or so. The meeting will benefit more from a question-and-answer session today.

Depending on how well we get on, and if there is time, we can return to any subject matter that you feel has been missed. The instructions from the Committee on the Programme for Government are that reports should be short and concise with action points, targets and recommendations, so your help in that regard would be appreciated. The report will only benefit everyone if it meets those criteria, and the recommendations will be particularly helpful. You are welcome; please proceed.

Mr Costello: I will say a few words on the principles behind the water reform agenda, and Eleanor Gill will speak for a couple of minutes on what we consider to be the way ahead.

All of us should understand the complexities of what we are embarking on. We are moving to a position where the Department for Regional Development (DRD) will be in charge of policy and be a stakeholder, and in which there will be a new company responsible for our water and an independent regulator. The key to the success of those changes will be in the scrutiny, openness, transparency and accountability of the water company. To date, those qualities have been lacking. The reason for the present discomfort is that lack of openness and transparency.

The strategic business plan will be key to the transparency of the new system. A Go-co is different from any other business. It must have a value system, because the shareholder is the Government, which is owned by the people. Therefore, what could be confidential or secretive about that business plan? Why can it not be put out into the open? It is our plan and our business, and we have rights.

There is a need for an independent regulator, and that will be a difficult job. This morning, someone asked how a self-financing system could be regulated.

I do not think that anybody knows how to regulate a self-financing system for which customers have to pay. That has to be worked out, and we have a right to understand the policies that accompany it.

The draft Water and Sewerage Services (Northern Ireland) Order 2006 went through the House of Lords on Monday. That legislation went through, but its passage was difficult. The Consumer Council believes that side deals were made. A letter was certainly sent from DRD to Lord Glentoran, and Lord Rooker appeared to change the policy as he talked about the affordability tariff and re-examining the dividend and its rate. His comments on how the regulator deals with land were different from what the regulator said this morning, so DRD must give clarity on those side deals, secret deals or letter deals. Do members agree?

The Chairman (Mr McNarry): How do you think an Assembly might have differed from our direct rulers in its approach to this?

1.30 pm

Mrs Eleanor Gill (Consumer Council): I think that the answer came first and then everything else came in behind it. It was about how much money was required. That was agreed at £3 billion, and then they worked back to how it would be put in place. That was done without starting from the premise that public services must be paid for. We must find a fair, affordable and sustainable way of doing that and building around it.

If the Assembly had been in place and providing proper scrutiny, we would not be where we are today. We would still have a method for paying for water, but it would be one that would be owned. It might be uncomfortable for water to be owned and paid for, but there would have been a sense of confidence that it was out in the open and that the principles underlying it were that the service was owned by the people as a Government-owned company and not something that could be masked as something commercial, and in the business sector, when it is not. It is a Government-owned company, and therefore it must work in the people's best interests.

We were clear throughout about amendments to the water reform legislation that would have made it fairer, more affordable and more sustainable, though conscious that they were sticking plasters on something that had started from the wrong place. The Assembly would have come up with legislation, but it would have been legislation that had been scrutinised and had integrity.

Mr Costello: Also, the secret Treasury deal with the Secretary of State would not have been a secret if the Assembly had been up and running.

Mrs Gill: Our objective today is to set out the principles as we see them, but also to help you to examine what needs to be done from now on. We are

conscious of and respect the fact that the water reform legislation is being passed. That is the reality, and our statutory remit requires us to work within that reality and to come up with something better. The three-year phasing-in period provides time for the Assembly to put in place a project that works towards a defined end point, providing fairness, openness and scrutiny for consumers with regard to what they are paying for.

There are six points on which the Assembly could immediately work and make recommendations. First is the need to have a completely independent scrutiny and review of the entirety of water reform by the Assembly — even in its transitional form — starting today. That review should examine everything, from the business plan to the Secretary of State's deal with the Treasury through to the whole area of ownership and whether there are alternative business models through to fair prices.

Secondly, there is a need to examine price protection in particular and the stability of the Go-co. If the subgroup achieves anything in our eyes today, it will be to give a straight answer to one very important question: will this Go-co be in break-even position by 2010? We do not want an aspirational answer; that is what we hope. Has the required position of the Go-co in 2010 been defined? If not, contrary to what the regulator is saying — that consumer risk is covered for three years — we will be building consumer risk for three years, and we are storing up a pretty uncomfortable picture from there on in.

There are unfair elements within the price, such as the capital investment backlog of £1.4 billion. I would press you as an Executive in waiting to negotiate with the Treasury to get it to contribute, at least in part if not full, to that backlog of cost.

In the House of Lords on 8 December Lord Rooker said that central Government and not consumers would pay for the affordability tariff. That must be clarified, because the cost to the Assembly in 2010 will be more than £50 million, and it will rise year on year. Incidentally, once that happens and central funding comes in, it is not a self-financing system. A definition of self-financing would be a good question for the Department for Regional Development. It is a crazy way of doing things.

On land disposal, the Consumer Council is absolutely adamant that the Assembly must ensure that no land — our silver — is sold off to cover for the inefficiencies of an unstable Go-co.

The Chairman (Mr McNarry): I sense that perhaps you are answering questions that have not been put.

With regard to the Minister's assessment, is it fair of me to ask you whether the situation is heading towards privatisation?

Mr Costello: We believe that the agenda is for privatisation. We have possibly stalled that process, but it is driven by the Treasury. That is our firm belief from discoveries that we made in the judicial review, etc. Our surveys have always showed that 90% of the consumers do not favour privatisation, and that is why we asked for a consultation on that point.

Mr Raymond McCartney: We have some indication of models, other than the Go-co, that are available. We particularly need some elaboration on reference to self-financing not being a fair system.

Finally, we need some pointers on the results of the judicial inquiry and its findings on the consultation process with regard to what would constitute a better process of consultation for the future.

Mrs Gill: We recommend that the Assembly review business models and explore the advantages of other models that are available, or indeed hybrids, that would meet the particular circumstances of Northern Ireland.

I was disappointed to hear that your point of reference for looking at business models should be the Union Bank of Switzerland (UBS) strategic financial review. Our comments at the time on that matter was that it was overwhelmingly oriented towards a privatisation agenda and that there was not sufficient evidence in that document to show why that premise would be so, as opposed to any other model.

In saying that, I have to be clear that what consumers are looking for, in particular, is an efficient, effective and accountable system. Therefore, we are not taking an anti-privatisation view, but rather saying that there are other models that should be considered and proper analysis openly conducted. On Friday, one of the commissioners from the ScottishPower model was with us and was able to tell us that, when they took this on the company, it was worth less than £500 million; in 2010, it will be valued at £3 billion. That company did not have to go into private ownership in order to be competitive and efficient.

A total of 40% efficiencies were achieved in four years by Scottish Water. When we asked that commissioner what was the secret to turning things around, he put it down to the clear matching of cash to the outcome of the public service delivery organisation, and to ensuring that efficiencies were driven. Thus, it is not rocket science to see that there are different models. We implore a full study of those models and a recommendation that is open and acceptable.

If the Go-co, or privatisation, turns out to be the right option, I think that we can only fairly rest with that. However, we believe that other options have not been explored fully and with an open mind or properly documented. Therefore, at this point, we believe that the Go-co has not been proven to be the right option because, as we heard this morning, there is not even an

understanding of how one would regulate such a beast, and that leaves us fearing great risk for the consumer.

Mr Costello: On the matter of self-financing, I think that we have a right to know how the regulator — whose job is to try to create conditions similar to competition — would regulate inefficiencies. This morning, Iain Osborne said that prices would go up to cover Go-co inefficiencies and bad debt. That cannot be right because, in a normal regulation competition, the price would stay level until efficiencies are achieved, and the company would bear the risk of inefficiency.

Who will pay for bad debt and non-payment? Will the consumers pay for that? In our fair model of regulation, the shareholders pay for inefficiency, not the consumer.

Mrs Gill: There were several outcomes to the judicial review. I shall explain our motivation in taking that case. Under our statutory remit, we felt that we would be failing in our duty had we not questioned the development of the finalised draft legislation because we had clear evidence that the consumer had not been taken into account. Therefore, we took the case on the process itself. That was not a negotiation tactic to either stop water charges or to force changes to the legislation, but purely to show that the legislation was not drawn up in the right way. That feeds back to the issue of the consequences of lack of scrutiny, openness and transparency, which are a lack of trust and confidence in the outcome, and that is a poor outcome compared to what could have been achieved.

Another outcome to the review was our discovery of the Government's main argument to the court. We were horrified to hear them say that there was no legal duty on them to consult and, therefore, no requirement for them to answer on the issues. That is not a good place to be because we are dealing with a £3 billion project that will be paid for over 20 years out of all of our pockets. The Government should have a duty to answer on those particular issues.

Furthermore, we were able to unearth helpful evidence in trying to get to the bottom of where the parameters and principles lie and to begin to ask the vital questions that we are now putting.

Ms Ritchie: I want to ask about the role of the regulator. I am mindful that we must look forward, and we probably are looking for recommendations from you in respect of that matter. I am also mindful that you were present this morning when Mr Osborne gave evidence.

What does the Consumer Council believe should and could be done by an incoming Executive and Assembly to strengthen the role of the regulator to ensure that he is not a supervisor, but a regulator in the proper sense of the word? What can we do to ensure that his word is stronger, more robust and is there to

defend the rights of consumers as opposed to the duties of the Department?

Mrs Gill: The subgroup and an Assembly could push for greater powers for the regulator. Earlier, Mr Osborne described how the situation has developed from the point where he was hopping mad to the point where he now feels that he has the full powers he requires. However members must appreciate that no legislative changes have occurred as a result of the interaction between Mr Osborne and the Department. Changes are being supplied through secondary legislation. The regulator faces such challenges that he needs our support in calling for the measures that are required, even if he is not demanding them right now.

It is the Assembly's duty to provide input into ministerial guidance, to examine it and ensure that it does not fetter the role of the regulator. At the moment, it looks as though there will be an unfettered monopoly, and the Consumer Council will not be satisfied that that is not the case until we know — and have written evidence of — the enforcement and authorisation powers the regulator is to be given and from what date.

Lord Rooker said that the regulatory powers would become effective on 1 April 2007, whether that day fell on a Saturday or a Monday. Yet we have heard today that the regulator himself is unclear as to which date is correct. It would be useful for members to ask that question.

Members should also ask what reporting arrangements the regulator will have, in order to ensure that he will be reporting to the Assembly and the Consumer Council, as the statutory body involved, as opposed to reporting to the shareholder Department. That distinction must be clearly drawn.

As regards the licence, the issue of land disposal is very important. The Consumer Council is concerned about the issue because the water company could use the sale of land as a get-out-of-jail-free card — the company could be inefficient and its shortcomings could be masked by the sale of land, and, therefore, yet more of the family silver would be sold off.

Certain exemptions must be removed from the draft licence because they tie the hands of the regulator. The regulator receiving an annual report of land disposal is different from his approving those disposals. If the authorisation for land disposal is not with the regulator then there will be no independent force involved in that process. If nothing is done until 2010, we may find that the land disposal issue will have been taken care of because the land and assets will have been disposed of and used in ways that are contrary to the best interests of the consumer. The Consumer Council will advise the subgroup on how the licence can be strengthened to support the role of the regulator and avoid any lack of clarity.

As an example of the problems we face, on Monday, a letter was written from the Department for Regional Development to Lord Glentoran. The Consumer Council has not seen that letter, and we do not know whether it clarifies the situation or obscures it. What we heard from the regulator today differs from what we heard from Lord Rooker on Monday. We need more time to consider those matters.

Mr Costello: The basic principle of how self-financing schemes are regulated needs to be analysed.

Mr Shannon: What does the Consumer Council consider to be the best method of levying water charges? Is there a more appropriate system? Would you advocate metering? Earlier this morning, and together with other members, I drew attention to the point made by the Coalition Against Water Charges that pensioners are being encouraged to consider water metering, and indeed were being directed towards that option whether or not they liked the idea. I am anxious to hear your opinion about that. Some people are saying that a small charge is not too bad; others are saying that charges must be scrapped.

1.45 pm

Mrs Gill: Before we talk about how to pay the water charges, whether through metering, rates, or anything else, we should talk about whether there is a fair price on the table to begin with. As I said earlier, our concern is whether there is in place a viable, stable, sustainable Go-co that can achieve a lower price for the provision of water services, as opposed to keeping to an artificial pegged price into the future.

The Consumer Council is really concerned about this issue for a number of reasons. The Consumer Council has not been privy to the strategic business plan since September 2006. However, on receipt of the second draft of the plan at that time, the Consumer Council sent it to an independent expert in London for review and scrutiny. The findings of that review are extremely concerning. It concluded that that version of the business plan did not set out a sustainable future and could not be sustained without significant price increases in the future.

We must first ask whether the premise of this plan is fair and affordable for consumers. Only then can we ask about the best way in which to meet that need. Is it necessary to install meters? Is it fair that those who can afford meters can get them when others cannot, or should the universal metering approach that the regulator mentioned be adopted?

This issue raises many questions, but the problem is that there has been no public debate about the best way of meeting the costs — and we are all agreed that the costs have to be met. In early 2007, the Consumer Council hopes to hold a symposium at which people can give evidence about the pros and cons of every

proposed method of payment — whether that be via the rates, some sort of income-tax link, metering or whatever.

The Consumer Council's belief is that if there are to be water charges, and if we really are to be pushed by the EU Water Framework Directive, a metering system would be the best option, because it reflects the amount of water that the consumer actually uses.

We have failed to think outside the box. For example, one of the issues that was raised by the Coalition Against Water Charges was that metering would be harmful to bigger families who use more water. However, Belgium uses a universal metering system, and it has in place an allowance per person in the household. Consumers who exceed that allowance are charged for the excess water that they use. That keeps health and hygiene at the top of the list and causes no hardship to the family. If consumers use water inefficiently, they pick up the rest of the bill. Thus, there are many options to be considered, and many pieces of contrary evidence. We would like to assist the Assembly by gathering evidence that presents the pros and cons of every different payment method.

Mr Shannon: We would all appreciate that. We are aware of all the problems that can occur as a result of extra charges, and those charges will multiply with the increased rates next year and the new water charges. What are your feelings about bad debt management? I am keen to get your ideas on how debt can be managed.

Mr Costello: The target for bad debt that has been set in the business plan is 5%, and we believe that that is far too low. If that 5% is added to the “no pay” campaign, the bad debt figure could rise to 15% or 20%. I would have thought that good business practice is to have certainty in a business plan, not assumptions about best possible achievement.

We also take issue with the strategy for collecting bad debt. We fundamentally believe that all people should be treated equally. A strategy for the collection of bad debt cannot be based on location and people being categorised.

Mr Shannon: Have you been involved in any discussions with DRD on some sort of strategy? Has the Department asked for the Consumer Council's opinion at any stage?

Mrs Gill: We have advised the Subgroup on the Economic Challenges Facing Northern Ireland. We have been very frustrated by our lack of involvement in helping to shape the policies and procedures that are being proposed. Members will know that we have a strong track record in representing electricity, gas and transport consumers, and in positively building up and consumer proofing policies so that they are in the consumers' best interests. However, with the water proposals, we are finding time and time again that we

are being informed after the event, as opposed to consulted before the event.

Taking the recent issues concerning debt recovery as an example, it was only after a year of pushing that we got a presentation on the contractual agreement that had been made with Crystal Alliance and learned how issues such as customer complaint handling, billing and debt management were to be taken forward.

It was during that presentation that information was shared with us on the use of the Experian database, which is a private-sector-owned database that identifies people by location and by labels, such as “affluent achiever” or “rock bottom”. We would like an assurance that this subgroup will push for the use of that database to be stopped — it should not be the basis of a debt management strategy in a Government-owned company. The Consumer Council feels that the values of the database are wrong.

It is proposed, without there having been any consultation, that the ability of people to pay will be profiled and there is also the suggestion that there might be a two-tier system for debt management. The Consumer Council is pleased to hear that the Chief Executive of the Water Service has now said that this proposal is up for discussion. Her organisation made us very clear of its intention to proceed without consultation. We wrote in September and said that we are absolutely and fundamentally opposed to any system that is not open to consultation — particularly with the consumer representative body.

There are equality issues involved. Those who cannot pay, for whatever reason, be it because of their location, income or credit history, will be chased down twice as quickly. We do not think that is acceptable.

Further, the way this proposal will work is that if it is self-financing and the bad debt is undercalculated, then that will be passed on to consumers’ bills. The more that a bill increases, the more people come into the poverty band. How does one square such a self-financing system with the anti-poverty strategy that is in place? Such a system will add to the problem as opposed to take it away.

Mr Costello: Yes. There is cycle of debt — prices go up and there will be more debt.

Mr Shannon: My perception is that the figure is closer to 20%. I have a concern about who will have to pay the debt — will that burden be placed on those who are able to pay?

Mrs Gill: We met with John Spellar in January 2005 and raised the point that a figure of 5% was an underestimation. The fact that everything is uncertain after 2010 does not help to give us any confidence or assurance that things will be OK by then. There is an onus to recalculate that bad debt estimate, rather than

sit idly by knowing that it might be different — surely there is a requirement to increase the figure so that it is at the level that might be expected? This matter is causing us great concern.

Mr Costello: We need the regulator to articulate, in policy terms, how he intends to manage bad debt.

The Chairman (Mr McNarry): Arising from that and previous lines of questioning, there is an important thread coming across. The difficulty that you appear to have had regarding consultation concerns us. Why have you been blocked — if that is the correct word — in this process? Do you have any redress? It is unfortunate that a body such as yours, which survives on information gathered through consultation, is arriving after the horse has bolted in many cases. How can that be redressed? That is an important handling issue that contributes to public confusion on issues, because there is no champion out there until either we or the Consumer Council arrive on the scene. Is that a major problem for you? It seems to me that it is one that you are grappling with.

Mr Costello: It has certainly become a major problem in the last three months, especially in the lead up to the passage of the legislation. If the legislation goes through on Thursday we have a statutory place and we can and will be more demanding to have information and consultation available to us. The Judge said in our recent court case that the Minister of the Department failed the legal test of fairness by failing to show conscientious consideration for consumers as a body. We do remain concerned about it — relationships have to be worked on.

We have been very intense in our questioning of the Minister and the Department; at times they found we were too intense and too demanding of them.

The Chairman (Mr McNarry): That is tough luck for them.

Mr Costello: Yes, it is tough, and that is the way we view it.

Mrs Gill: The Consumer Council recommends that the Assembly require the Department and the Regulator to ensure that the water company consults the Consumer Council on all issues that affect consumers rather than merely informing the Consumer Council about matters or asking its advice after policies have been drafted. The Consumer Council has demonstrated that it can engage positively on electricity, gas and transport issues in order to build policies that will last, as opposed to marking homework after the event.

It is around three months before water bills go into people’s homes. At present, the Consumer Council has only the front page of the Bill in its possession, yet there are 140 different types and iterations of that. We do not know what the Bill looks like, front to back.

The Consumer Council knows what recommendations it made. However, it does not know what will happen, despite the fact that 85% of the complaints that it receives are on billing. The Consumer Council has not seen the debt management strategy, nor does it have a copy of the code of practice

The Consumer Council found out, through its diligence and persistence, which annoyed different people, that the Crystal Alliance contract that was signed outlines performance indicators for Crystal Alliance. In the contract, a complaint is defined as one that is put in writing. The Consumer Council has communicated many times to the Water Service that complaints in writing constitute about 5% to 7% of all the complaints that we receive. Despite that, because of the Crystal Alliance contract, the Water Service and Crystal Alliance will only count complaints that they receive in writing. The Consumer Council had to draw them back from that and get an agreement that complaints would include any expression of dissatisfaction by consumers.

The problem is, however, that that was set in a contract that was signed last year. The Consumer Council had to get the contract changed in order to reflect the fact that consumers must have their complaints recorded whether they write them, sing them, or phone them. Every expression of dissatisfaction must count. That has only unearthed one element of a sophisticated contract of which the Consumer Council knows nothing. We recommend that the subgroup examine the Crystal Alliance contract and how it came to be signed off with key performance indicators without the statutory consumer voice being taken into account.

The Chairman (Mr McNarry): I want to interrupt proceedings for a moment to welcome Mr Paul Girvan, who is deputising for Mr Peter Weir. Just to let you know, Paul — the subgroup is working till nine o'clock tonight.

Mr Girvan: Thank you. You have made me feel at great ease.

The Chairman (Mr McNarry): Take your time, Paul, to bed your way in.

Finally, before I call Mr Cree, I want to know how the equality impact assessment affected that. You have left me a bit behind. What did it reveal?

Mrs Gill: The Consumer Council does not have a copy of an equality impact assessment that was done on the bad debt management strategy. The Consumer Council has asked what the consultation and line-up will be with regard to proposals to put in place any type of debt management system; what the consultation processes will be; and what equality impact assessments will be done to it. It has received no answer. It has now been told that there will be another system. The Consumer Council does not know what that other system is. That is an unsatisfactory situation. The

system must put people first. The Consumer Council is there to protect people's interests. However, it does not know what debt management system is being put in place. It does not know what the Bill looks like or what the customer complaints procedures and codes of practice are just three months before the introduction of the Go-co.

The Chairman (Mr McNarry): Do members' wish to find out more about the equality impact assessment? I believe that there is agreement on that.

Mr Cree: Welcome, folk. I want to thank the Consumer Council for its continuing hard work. It has been helpful. It is fair to say that the Department has been less than forthright throughout the whole exercise.

I have three questions. The first arises from your last point about the debt recovery system. How does the Consumer Council characterise the proposed debt recovery system? How do you refer to it?

Mrs Gill: Do you mean the current system?

Mr Cree: I mean the proposed system.

Mrs Gill: The Consumer Council understands that if there is a bill to be paid, it should be paid. There is a duty on the company, whether it is Government-owned or not, to recover that money because revenue is required to keep the company going. That is moving into the area of best practice: how, in a sensitive and proper way, to collect debt or identify those who are in difficulty and need help. We want to get back to the first-base principles of debt recovery with the new Go-co before it starts its work.

2.00 pm

In relation to the information that we have seen to date and what was presented to us in August, the subgroup can have access to the emails that we have sent to the Water Service since then. In them we pleaded with the Water Service to say when it would consult on the debt management system so that our views could be taken into account. On 27 September 2006, that culminated in our being advised that there were no plans to change the proposed system at that point.

We understand from what the chief executive has since said publicly that that system is now off the table. However, we are unsure what system is now on the table and what consultation will take place with us before any further amendments are made.

Mr Costello: The Water Service said that that system was never on the table — it was.

Mrs Gill: The proposed system was odious. Even if the system came from the database of a private-sector organisation, Experian, it should not be the basis on which to proceed. Rather than help people to manage their household bills, it targets and labels them.

Mr Cree: You have been helpful in identifying a possible way ahead. To what extent do the Consumer Council's proposals ensure that the water company's infrastructure costs are what it requires and that it would get the necessary investment? Do you see any difficulty with that?

Mrs Gill: Yes. When we examined the independent analysis of the second iteration of the business plan, it became clear that there was a lack of clarity in the capital work programme. Since then, we have not seen any further scenarios or iterations of the business plan. Therefore we cannot comment on whether the issues that were identified in September have been addressed in the short period since to give the Consumer Council any confidence that the anticipated capital work programme is not gold-plated but realistic and achievable.

We must be careful because, in a self-financing system, an underestimate or overestimate of the capital investment programme will have implications for the price. The excuse that has been given for our not seeing the full business plan is that it is commercial in confidence. We ask the subgroup to recommend that that excuse be removed. It is the public's business plan, and we need to see it. Nothing should be identified as commercial in confidence — certainly not to either the Consumer Council or the regulator. On behalf of consumers, we should be able to see the complete business plan in order to be assured that the issues that we have identified have been addressed. Today, under privilege, we offer to provide the subgroup with a copy of the analysis of the September 2006 business plan that we received. The analysis shows that, contrary to what the Minister said about our being scaremongers, real risks have been identified. Those risks must be addressed.

Mr Costello: The return on the dividend being set at 5.8% also determines the cost of borrowing, which is above commercial rates. It is higher than any other water consumer in the UK would have to pay and, therefore, automatically builds cost into the system, which makes the situation more difficult.

Mrs Gill: The cost of capital in the Scottish public service-owned model is only 4.1%. We are paying 5.8%.

Mr Costello: Lord Rooker said that the figure of 5.8% would be reviewed as part of a side-deal on Monday, I think. We must ensure that it is.

Mr Cree: I am sure that everyone agrees that fairness for consumers is vital. What impact would your proposals have on the water bill for the average Northern Ireland family that is in the band just above the poverty threshold?

Mrs Gill: There are a couple of problems about what is a fair price. At present, there is an artificial price that is pegged to the UK average. We do not know, as we would were it a gas or electricity price,

whether that is cost-reflective. It could be too high or too low. We simply do not know because we have been unable to see the business plan to find out whether the point at which the Go-co will break even has been calculated, at which stage the costs will begin to decrease.

The Chairman (Mr McNarry): May I interrupt for a moment? We are most grateful that you are prepared to talk to us in extensive detail, but parliamentary privilege does not extend to you. Indeed, it does not fully extend to us. I am not cautioning you, but just pointing out that it may be prudent to be a little careful with some of your replies. You have not strayed too far.

Mr Costello: The power of truth.

Mrs Gill: We are quite comfortable that the information that we have outlined is in the public domain. We take full responsibility for what we say.

The Chairman (Mr McNarry): While you are here, I am totally responsible for you, but not for what you say.

Mrs Gill: Thank you. We do not know whether the price is cost-reflective. We must get to a point where that break-even point will be reached. We are concerned that that will not occur in 2010. Aspirations or hopes that that will be the case are not good enough when one is carrying the risk.

We believe that, within the cost, there are unfair elements that need to be stripped out. I have talked about the cost of underinvestment, which perhaps could form part of the recommendations for a financial deal so that the infrastructure costs of the past are not picked up, as well as those of the future.

Mr Cree: Is that the £1.4 billion?

Mrs Gill: Yes.

As for the affordability tariff, the Coalition Against Water Charges is quite right. The affordability tariff does not reach everyone and does not help everyone, but it is a lot better than it was. We were presented with a 25% discount on the price. That is a guarantee that those who are in particular circumstances will not pay more than 3% of their income.

We pushed in the legislation for a provision to allow the Assembly to look at that scheme in the future and extend it — if there is the money — to other groups who may need help. Time and again, the near-benefits group is excluded. There are other elements that we have identified that could be taken out of water bills. Why, for example, are consumers paying for road drainage via their water bills? Our concern is that even if that were removed, it would not result in lower bills, but would be used to pay off some more of the subsidies. Savings never actually come back to the people.

Mr Cree: Did that not happen with the new developers?

Mrs Gill: It did.

Mr Costello: That is the system because the price is not associated with cost; the price is just set by an artificial mechanism based on the price in England and Wales. Therefore, the inefficiencies are at one level, the price is at another level, and the job is to try and squash them both down.

We believe that until the point at which the Go-co breaks even and the efficiencies are at the appropriate level, there should be price capping in the system. If that means that capping must continue until 2015, so be it. That is the only way to ensure that the customer gets fairness in this model.

Mrs Gill: Another matter that concerned us this morning was the repeated assertion that we may need to continue to give pegging subsidies to the company, which is just feeding an inefficient model. If it is known that the model is inefficient, we need to know that now so that if that break-even point is perhaps eight years from now, we know that what we are signing up to is shovelling ever more money into a model that we know is unstable.

The answer that we have received to date is that this is still work in progress. We implore the subgroup, when you speak to DRD and the Water Service today, to ignore the work in progress and ask, “What do you know today — three months from the establishment of this Go-co? From your calculations today, can you tell us when the break-even point will be reached?”

If that is in three years, we will be happy, and I will go home for Christmas and forget about much of this. Our concern in the meantime is that other taxpayers’ money will be brought in to what is supposed to be a self-financing system to help the Go-co to remain stable so that the business turns over — or that the land is actually disposed of.

One of the exemptions within the licence that is out for consultation at the moment is that the regulator need not even be told about the land disposal. As I understand it, although I have not examined this matter in great detail, there are certain exemptions in the land disposal measures. The Go-co can dispose of land if, for example, its asset value is £1 million or less, or a greater amount, if DRD is satisfied.

A second provision is that the Go-co can dispose of land if DRD gives authorisation under legislation, and a third is when the Go-co has already made an obligation to dispose of land before the transfer date of 1 April 2007. I would like to know whether the Go-co has already sought or been given approval to dispose of land ahead of that date. If so, what is that land, and how much is it worth? This is the family silver, and we may be going to lose the assets.

The Chairman (Mr McNarry): Because of the lack of consultation, you are throwing questions in our direction at the same time as we are throwing questions in your direction. We intend to put these questions to the next set of witnesses, but I suspect that they have been put before and ended up at the same roadblocks.

There is talk of efficiencies. However, there is concern that we would be giving the OK to start up a business that would be inefficient. No bank manager would be receptive to that kind of business plan. I am concerned that the general consensus would view this as inefficiency. How, through time, do you think that that will be reflected on charges?

Mr Costello: The regulator said last week on the radio, and again this morning, that there are gross inefficiencies — between 20 and 50 per cent. We know that the Minister has set efficiency targets, but we believe that they will not be met. The only way that the regulator sees that he can sort this out is by putting the price up or by putting it into longer-term debt, where you put the price up but not by so much, because you are borrowing to pay for the inefficiencies. Neither of those scenarios is fair for the customer. Essentially, we would be making the customer pay for an inefficient business from day one. The Government should be responsible for sorting out the efficiency of the business before the consumer starts paying.

Mrs Gill: If we were a private enterprise wishing to buy this service then there would be proper due diligence given to us. The books would be opened and there would be no talk of “commercial-in-confidence” or not being able to see the full business plan. We would see it all to make sure that what we were buying had a fair chance of working. We used this analogy during the week: we have been asked to buy a car and our mechanic is not allowed to look at it before we take it out. We do not know how roadworthy it is. It is unacceptable that consumers should have to take this on in such a blind way. When the Assembly is restored, as I hope it will, this will become your problem and these your questions.

The Chairman (Mr McNarry): This is real politics and real action: we are sitting here as consumers. It is one of those situations where we can say, “Hang on a second, that is going to happen to me”.

Mrs Gill: It may appear that we are asking more questions than we have answers for —

The Chairman (Mr McNarry): It makes a pleasant change.

Mrs Gill: There are five or six fundamental areas that we feel the Assembly needs to concentrate on. A three-year period to 2010 would allow the Assembly to take ownership and get a better model and a better outcome than we have at the moment. We would be more than happy to work through any of those issues

with you. We do not want to come across as having nothing but issues; we have solutions to offer along with everyone else.

The Chairman (Mr McNarry): I appreciate that.

Ms Stanton: I want to ask Mrs Gill for a copy of the strategic business plan that was commissioned. We were told that it would be delivered.

Mr Costello: The independent review of it?

Mrs Gill: It would not be the strategic business plan because, that is “commercial-in-confidence” to the Water Service. You could ask the Water Service for it.

Ms Stanton: We have made mistakes in the past. It would be madness to do exactly the same thing again and have the consumer paying through the nose. I have listened to your contribution, and it seems that the same mistakes are happening all over again.

Mrs Gill: There are five questions. Is capital value the best premise upon which to charge for water; is the financial agreement between the Secretary of State and the Treasury the fairest deal; is the Go-co the fairest model; is self-financing the fairest system; and is the average of England and Wales the fairest charge? The Assembly should ask those questions. It should conduct reviews and commission views on those questions, so that answers can be found. People would then have the confidence to say that paying is painful but it has to be done, and this is the way that we will do it.

Ms Stanton: Is it correct to say that if the water legislation goes ahead in its current form, it will severely hamper an incoming Assembly financially?

2.15 pm

Mrs Gill: The legislation sets a premise upon which the other instruments will sit. The Consumer Council was concerned that it was being asked to sign off legislation without having first seen the business plan, the governance letter, the licence, and so forth. Why bother sending the licence out for consultation three weeks before the Go-co begins on 1 January unless there is a chance that comments will be listened to and recommended changes will be acknowledged?

The events that took place during the judicial review made us ask whether there was any point in asking for such a review, because the Minister was correct in what he said: the judge did not see any problem with the consultation up until it closed. The most important issue following consultation is how people’s comments are considered. We need to make sure that that is taken into account and not dressed up as a technical point of procedure.

We must also be assured that when looking at the whole picture, we can return to the five questions that I mentioned earlier about ensuring that we are receiving the fairest deal possible. The Consumer Council will

not be found wanting in its support for the Assembly, the Department and the regulator once the decisions are openly and properly made. At that stage, we will be content to tell consumers — as we have done regarding gas and electricity — that the water charges may be expensive, but they are fair, cost-reflective and reasonable and, therefore, must be paid.

Mr Girvan: I apologise for arriving in the middle, or probably near the end, of the proceedings. I thank the Consumer Council for its work, and I do not think that it is out of order to do so. It raised many questions to which members will seek answers. I do not know whether we will receive them; we can but try.

In other parts of the United Kingdom billions of pounds were invested in the water services before their privatisation, but that has not happened in Northern Ireland; we did not have that benefit. As someone said earlier, we will be taking over with a millstone around our necks. That shortfall must be addressed, and proper clarification should be given on what mechanism will be put in place to redress that shortfall.

Ultimately, there will be a shortfall, and the charges have caused me major concern. The first-year charges may be achievable for most people, but I am concerned that the charges in the third year will be a major problem and that people will have to make a judgment call on whether to pay a water bill or put food on the table.

We need to make serious judgments, because the proper methodology was not used in completing the table. Water charges per household should not have been based on the property value.

The Consumer Council’s presentation provided guidelines on what questions political representatives should be asking. Chairman, what mechanism will the subgroup be given in order to deal with those questions? Will they be dealt with solely in the Assembly or could the subgroup make some input before that? It would be difficult to make changes in March when the bills start hitting people’s tables.

What mechanisms are in place to deal with those questions? Does the subgroup have any place in the overall plan and can we make an input? Are we merely taking part in a window-dressing exercise that will achieve nothing due to the mechanisms? We must also consider that we are dealing with a Secretary of State who will not listen to what we say.

The Chairman (Mr McNarry): Mr Girvan, I have to interrupt you. I have been waiting a long time for a question, and in the last thirty seconds you have actually asked me questions. *[Laughter.]*

Mr Girvan: I am looking for guidance.

The Chairman (Mr McNarry): I appreciate that. I also appreciate that our role is an issue foremost in everybody’s mind. I intend to address that question and

have it recorded at the end of this session, because it is your subgroup. I am only here to service it and to serve you.

Mr Girvan: Thank you.

Ms Ritchie: The Department for Regional Development has a general oversight role; DOE and the EHS are environmental regulators and overseers of private water matters; and DCAL and DARD also have oversight roles, as has the regulator and the Consumer Council.

Are you satisfied that the roles of all those bodies are clear, adequate and well defined? Are workable provisions in place to facilitate co-ordination? If not, what can an Assembly and incoming Executive do to ensure better co-ordination?

Mrs Gill: It is an extremely complex piece of legislation, and I do not envy the officials' task in drafting it. It ran to some 300 pages and is potentially based on matters that have been ill defined or ill thought out as regards the self-financing premises and the financial deals that underpin the legislation. It is an unenviable task.

We are very much of the view that those issues were not fully thought through in respect of not only our role, but the roles of others in relation to the Consumer Council and vice versa. For example, given that the company will be Government-owned, we felt that a duty should have been enshrined in the primary legislation for the water company to consult with the Consumer Council on all matters relating to consumers.

We now have the opportunity to strengthen the licence to ensure that the water company absolutely must consult with the Consumer Council on all matters impacting on consumers. The Programme for Government Committee may also have that opportunity, and we are happy to give direction on that.

There is a similar opportunity in respect of relationships with the regulators to ensure that we will have the proper relationships to aid information sharing, not only with the economic regulator but the environmental regulator. As it stands, the legislation does not place a duty on the environmental regulator to consult us. Again, there are certain areas where protocols can be put in place to make sure that all partners give proper consideration to what we are trying to achieve. The sad thing is that we could really get it right, if we addressed the issue correctly.

For example, the energy regulator and the Consumer Council as the consumer representative in energy work very well together. We have wonderful relationships and memorandums of understanding, and clear and progressive legislation is in place that allows everybody to understand each other's roles and not overstep those roles. In this instance, however, we are left trying to

make something work that we feel is imperfect in its formation.

We have accepted the fact that the legislation is progressing through Parliament. However, we could still strengthen the licence to make sure those fundamental issues are in place. Everything is not past the post, and we could certainly do more. After its three-year project of answering all those questions, the Assembly may decide to make certain amendments to the legislation in order to strengthen the various roles. However, rather than doing that quickly, the Assembly will probably need time to consider what is a very complex issue.

I reiterate that it has not been easy for anyone. The rush to get things done and to get things right has taken a heavy toll on everybody in the system.

Ms Ritchie: Thank you, Chairman.

The Chairman (Mr McNarry): You are very welcome. Are you any warmer yet?

Ms Ritchie: I am much warmer; thank you.

Mrs Gill: I am roasting.

The Chairman (Mr McNarry): I was concerned about you, so I am glad to hear that.

Ms Ritchie: I began to get worried when I saw that Eleanor was wearing short sleeves.

The Chairman (Mr McNarry): We shall take questions, with quick answers, from Mr Shannon and Mr McCartney. I ask members to be accommodating in respect of the time available.

Mr Shannon: It was suggested this morning that a high, fixed standing charge does encourage efficiency. Is it your opinion that the same answer applies to charges based on the capital value of property?

Mrs Gill: In Northern Ireland, we led the way in removing standard charges from electricity bills and moving to a tariff-meter charge. We have the opportunity to do the same in respect of water charges to ensure that charges are realistic and that a payment system can be established. That is why I suggested that the Consumer Council facilitate a symposium to examine all those issues to determine the most progressive system that will also reflect the need for usage.

If meter tariffs that properly reflect water usage are installed, it is true that that will involve a huge infrastructural cost. However, that is the same for all utilities. We need to consider models used elsewhere, which we have already done.

The Chairman (Mr McNarry): Have you ever heard of a slow foxtrot?

Mrs Gill: Strictly come dancing. *[Laughter.]*

Mr Raymond McCartney: I have a point of information. The subgroup heard from Goretti Horgan from the Anti-Poverty Network about the fact that more people are falling below the poverty line. Do you have any assessment of that in real terms, as opposed to the general terms of rising numbers? You could perhaps give us any information that you have on that.

Mrs Gill: We have research papers on business models on poverty and metering. We will send them all to the subgroup.

Mr Cree: I asked this question of the witnesses that appeared before the subgroup this morning, and I am interested in your response to the same question. Will the regulatory framework remove all risks to consumers or are those risks merely being stored up until 2010?

Mrs Gill: We do not know; we have not been given access to the strategic business plan and the governance letter. If openness and scrutiny existed, we would be happy to be told that we were scaremongers, as opposed to people who identified real risks.

The Chairman (Mr McNarry): Thank you very much for coming.

Mr Girvan: Mr Chairman, we should commend the Consumer Council for the work that it has done and for what it is doing on this particular challenge.

The Chairman (Mr McNarry): Steady on; we have done that now.

Mrs Gill: We posed questions in our presentation that we would like to pass over to you, Mr Chairman, so that you can ask them on our behalf as well.

The Chairman (Mr McNarry): I think that we can receive those.

The subgroup thanks you for your efforts, and that thanks applies to anyone who appears before a subgroup. Your contribution is valuable to us because your brief — consumer care — is similar to that of elected representatives. Our brief is care for the electorate and the voter, but those groups comprise the same people.

I wish you a good Christmas, and I hope that we will see you some time in the new year. Thank you.

The evidence session was suspended at 2.26 pm.

On resuming —

2.38 pm

The Chairman (Mr McNarry): Members, the submission received from the Department for Regional Development is at tab 13 of your pack.

Ladies and gentlemen, you are most welcome. Please turn your nameplates around, so that we can identify you.

I invite you to give a brief introduction, and to outline the portfolio you hold at present. Are you leading the delegation, David? Please introduce yourself and your colleagues.

Mr David Sterling (Department for Regional Development): I am Deputy Secretary in the Department for Regional Development (DRD) and I have overall responsibility for the development of the water reform programme within the Department. I am accompanied by Katharine Bryan, who is the chief executive of the Water Service, and Nigel McCormick, one of the two directors in the water reform unit in DRD.

I do not plan to make any opening statement. I understand that the subgroup wants the maximum amount of time to ask questions, and I am happy for you to begin without further ado.

Mr Cree: It is good to see you. To set the scene, will you explain what DRD means by its use of the term “self-financing”? Will Northern Ireland Water Ltd (NIWL) break even by 2010?

Mr Sterling: A self-financing company is one that recovers its costs, and the NIWL’s costs will be paid for through its customers’ tariffs. I assume that by “break even” you mean whether or not the company will operate at a loss. It is our plan that the company will begin on a cost-neutral basis and continue as such.

Mr Cree: Does that mean that the company will be self-sufficient by 2010?

Mr Sterling: That is the Government’s intention. To avoid confusion, I remind members that the company will break even in the first three years so long as the Government subsidises it during that time.

Mr Cree: Will you describe the subsidy?

Mr Sterling: There will be three forms of subsidy during the first three years. As the subgroup will be aware, the Government are phasing in the new tariffs for domestic customers and non-domestic customers whereby they will pay one third in the first year, two thirds in the second year and the full amount in the third year. To ease the transition and reduce the burden on people in Northern Ireland, the Government have also agreed that they will peg the domestic tariffs, during the first three years, to the English and Welsh averages projected for 2009-10.

The Government have a third policy in place to provide protection to those on low incomes. It is a capped tariff and is sometimes referred to as the affordability or reduced tariff.

There will be three forms of subsidy to address those issues: one to cover the cost of the affordability tariff; one to cover the cost of phasing in the charges; and one to cover the cost of pegging the tariffs to the English and Welsh averages. However, it is the Government's intention that there will be no need for subsidies beyond 2009-10.

The Chairman (Mr McNarry): During the process that led to Northern Ireland Water Limited being set up as a Go-co, did the Department consider any other models? How did you arrive at Go-co as the preferred option?

Mr Sterling: The Government followed two processes. In spring 2003, the Government launched a consultation to identify options for a variety of aspects of what is now known as the water reform programme. One important issue on which the people of Northern Ireland were asked for their views was the future business model for the company. Five options were put forward in a continuum, with privatisation at one end, followed by a not-for-dividend model, a public-private partnership, a Go-co or a statutory corporation.

The responses to that consultation made it clear that the people of Northern Ireland and the political parties — a wide range of interests — were opposed to privatisation. In October 2003, John Spellar MP, the Minister responsible at that time, announced that privatisation was being ruled out for the foreseeable future. He also said that they would rule out the not-for-dividend model as well and that there would be further analysis of the Go-co/statutory corporation model. A decision was taken later, and it was announced that the Government's preference would be for the Government-owned company.

2.45 pm

In 2005, the Government decided to conduct further analysis of their options, and they began what is now known as a strategic financial review. A consortium led by the Union Bank of Switzerland (UBS) Investment Bank conducted that review, and it re-examined a range of options. Its brief, in a sense, was to identify the most appropriate model for Northern Ireland and to examine the implications of the different models with regard to their ability to deliver high quality, efficient services.

The consortium's report looked at a variety of options, including a statutory corporation; a Government-owned company; privatisation; and a mutualised model. The Government-owned company model was subjected to detailed examination. The consortium did not look in detail at the privatisation model or at the mutualised not-for-profit model. The consortium's

report produced evidence to suggest that the greater the private-sector involvement in water and sewerage companies, the greater the likelihood of higher levels of efficiency. The Government published their response to the consortium's report in February 2006 and announced that they were proceeding with the Government-owned company model.

The Chairman (Mr McNarry): Now that the Go-co has been established, is it fair to even dare to think that privatisation is inevitable?

Mr Sterling: No. I do not believe that it is inevitable. I would point to the Secretary of State's statement that it was not likely in the foreseeable future — I think those were his exact words. NIO Minister David Cairns has said that he thinks it unthinkable that it could occur in the next five years. It is worth recognising that the current Labour Administration's term of office will end in three year's time. If there is no devolution at that stage, it will be open to whatever Government come in to do what they see fit. Indeed, you will recognise that there is nothing that could be done legislatively now to prevent a future Government doing something different in the future. Nevertheless, I am clear where I am. I am acting under clear ministerial instructions that privatisation is not on the agenda. It is not being looked at.

The Chairman (Mr McNarry): If it was not fair to suggest that, would it be unfair to suggest that implicit in your answer of "No" is a case built on the fact that the operation is highly inefficient and, therefore, of no interest to the commercial world?

Mr Sterling: The simple answer is that the commercial world will put a price on something, depending on what it regards it as being worth. There are no plans to privatise, but I will say that the Government have set up the Government-owned company on the basis that it could evolve in the future, subject to whatever future Ministers might decide in a variety of ways.

The Government's clear intention was not to lock us into a model that would not be capable of evolution. I know and have heard local discussions about what might be desirable in the future. One of the reasons we went for the Government-owned company solution was that it was capable of evolution in different ways.

The Chairman (Mr McNarry): I am sure that we will return to the question of inefficiency. It has been a major issue in the evidence that we have heard.

I must ask about the strong representations that we have had from the unions. They are concerned about employment. Their concerns were, of course, addressed to you. Are you able to allay the fears of the unions about job losses?

Ms Katharine Bryan (Water Service): It is clear to unions, staff and stakeholders that to raise the Water Service to the level of performance and efficiency of other water undertakings and companies in the rest of the UK, we must lose substantial numbers of staff. That is the path that has been taken in England, Wales and Scotland.

The Chairman (Mr McNarry): May I interrupt?

Ms Bryan: Yes.

The Chairman (Mr McNarry): The suggestion is that jobs may be lost by the Water Service either through efficiencies in the service or as a result of the employment of private contractors. Could you put the two together for us?

Ms Bryan: Thank you for the clarification. As chief executive I have no fixed agenda on whether to in-source or outsource services. We must do what is best for the business in cost and risk terms. As David Sterling explained earlier, the company could potentially be of interest to a commercial operator in the future; however, an inefficient one would come at high risk and therefore at high price.

To return to your question, I want to increase the efficiency and performance of the organisation over the next three years, delivering to the customer good and improving standards of service while protecting the environment. At the same time, we need to meet appropriately stringent efficiency targets, both on our operating costs and on our capital costs. Losing numbers of staff will be one way in which the Water Service will become more efficient. However, an important part of that — for me as the leader of the organisation, for the trades unions and for the staff — is the way in which people depart from the organisation. I hope that, as of April 2007, we will have a means of voluntary severance that will enable people to depart from the organisation with dignity.

I turn now to the balance between contracted services and in-house services. At the moment about 25% of our services are contracted out. This is not a new issue for the Water Service. We expect that by 2010 that may have grown to about 40%. However, our PPP packages, Alpha and Omega, will come online between now and then, and these will outsource, for the contract term, some waste water and water treatment works.

The Chairman (Mr McNarry): Within the package that you are heading towards, if I may put it that way, how might a devolved Executive work with you on prioritising between standard-type employees and private contractors as regards efficiencies?

Ms Bryan: I am sorry; I honestly do not know how to answer that question.

Mr Sterling: Could I pick up that? The intention behind setting up a Government company is to allow

the utility greater commercial freedom than it would have in the Northern Ireland Civil Service.

The idea is that a company has a greater chance of being efficient if it is set up outside Government. That is based on a considerable volume of evidence. The intention behind setting up the Government company is that it should be given a clear remit as to what it is required to deliver in terms of quality of service, the tariffs which it is allowed to collect and the capital investment which it is permitted to deliver. However, once that is all established within the framework set by the Department and the regulator etc, the company should be left to judge how best it should deliver its business. Therefore, decisions about whether to in-source or outsource should be left to the company.

The Chairman (Mr McNarry): That is clear. Thank you.

Mr Raymond McCartney: Thank you for coming.

First, was the non-profit company given any consideration, and why was it the view of the Department that the Go-co was the better model?

Secondly, it has been suggested that on Monday in the House of Lords, Lord Glentoran was given some sort of assurance in relation to the position going into the House of Lords. I would like you to comment on that, if the information can be shared.

Thirdly, Lord Glentoran is on record as saying that in 2010, the £50 million affordability tariff would be paid by central Government. That would not be self-financing; that would amount to consumers paying for it themselves.

Mr Sterling: I will go in reverse order. The affordability tariff, which was announced by Shaun Woodward on 8 December 2005 when he was Minister for Regional Development, was to be reviewed in 2009 after three years of operation. I know there has been concern about this issue, so I will attempt to clarify the points. There is nothing in the legislation, which has now gone through both Houses of Parliament, to prevent the tariff being paid beyond 2009-10. During those first three years it would be paid for out of Northern Ireland public expenditure. Our current estimate is that by 2009-10 it is likely to cost in the region of £40 million, which will come out of Northern Ireland's budget. It is a policy that Ministers have said they are proud of. However, they would not wish to commit a future Administration to the payment of the tariff beyond 2009-10, although of course it would be open to whatever ministerial team is in place at that time to decide whether to continue it.

The review is necessary in any event, because while Ministers are proud of the intention of this tariff and the protection it will give, it has been constructed in the absence of really good knowledge about the

customers it is seeking to protect. In Northern Ireland, we do not have reliable information about the circumstances of people on low incomes and the properties that they live in. The available data is not good enough to tell us the incomes of people in low-value properties. In 2009, when we will have much better information than this, it will be important that we look at whether the protections are really working and whether the people who need them most are getting them.

On the Lord Glentoran point, you may have seen the Hansard report of that debate. Within that, Lord Glentoran referred to a letter he had received from the Department last Friday. I will ensure that the Committee receives a copy of that letter. Other than that, the discussion is detailed in the Hansard report.

3.00 pm

Mr Raymond McCartney: There was the issue of non-profit companies.

Mr Sterling: That option was considered. There are a number of ways that one could have a non-profit company: it could be a mutual company — a bit like a building society — or a not-for-dividend company such as Welsh Water.

The Government felt that there were attractions in the option, although there was no consensus about it in the consultations. The trades unions were quite strongly against the Welsh Water model — I hope I am not misrepresenting them — on the basis that they saw it as just another form of privatisation. Welsh Water employs about 100 people and relies heavily on outsourcing.

There was no consensus on the not-for-profit model. The Go-co model that we have adopted would be capable of evolving into a company limited by guarantee, or into a mutual-type company, if that was what Ministers wanted to do at a later date.

Ms Ritchie: Thank you, Mr Chairman. I welcome Mr Sterling and his team. I wish to ask a three-part question. The first part concerns the affordability tariff. Article 213 of the draft The Water and Sewerage Services (Northern Ireland) Order 2006 provides the legislative basis for the Government to make grants to pay for the affordability tariff. A few moments ago Mr Sterling said that the legislation places no constraint on the durability of the tariff and that the Government are giving a commitment to review it in three years. Surely, that review would be subject to public expenditure constraints and, therefore, would be meaningless. Would you agree with that statement?

Secondly, in relation to privatisation, could the Treasury pressurise the Department to look at privatisation, as was noted in the email from Mr Taylor, which was

shown as part of discovery of documents in the judicial review?

Thirdly, and this is a question for Ms Bryan, could she give us a guarantee that Water Service and Crystal Alliance have withdrawn the Experian database, which labels people as rock bottom? Can she guarantee that location does not, and will not, play a part in debt management and recovery? Those are important questions that require answers, and we have to address those issues if there is going to be a future here.

Mr Sterling: I will answer the question on the affordability tariff. As I said to Mr McCartney, it is expected that the affordability tariff will cost in the region of £40 million of Northern Ireland public expenditure in 2009. As with all things, Ministers will have to make choices, and I am assuming that we are speaking in the context of a devolved administration here. It would be open to devolved Ministers at that stage to do what they thought was best given the consequences for public expenditure. By that stage, the affordability tariff will be in the baselines of the Northern Ireland Budget, and, in that sense, will be entrenched.

However, if we are under direct rule at that point, the situation might be slightly different because the affordability tariff is unique to Northern Ireland. Direct rule Ministers would need to take account of the implications that extending the tariff here would have for other parts of the UK. I do not want to leave the subgroup with the impression that that would not be an issue.

As to whether the Treasury could pressurise for privatisation, I am not sure how the Treasury could apply such pressure. I am not aware of any legislation that the Treasury could enforce to make Northern Ireland privatise the company. I cannot see how they might do so, other than by applying political pressure, but I have no reason to believe that they would do that.

The straight answer is that I am not aware of any means that they could use to force Northern Ireland to privatise if it did not wish to do so.

Ms Ritchie: Does that mean that the review that was suggested for 2008 has now been ruled out?

Mr Sterling: No. When the strategic and financial review was published in February 2006, it was announced that there would be a review in 2008 to identify whether greater private sector participation in the company would be beneficial. Even if you disagree with the strategic and financial review's recommendations, it produced evidence to show that the greater the private sector participation in a utility, the greater the chance of that company operating efficiently and effectively. It would actually be remiss of the Government to set that type of evidence aside. Therefore some value will be gained from having that review, and as

things stand, I expect that it will take place. If, as we all hope, devolution returns next year, I question whether the devolved Administration would be required to hold the review.

Ms Bryan: I assure you categorically that the Experian term to which you referred has not and will not be used by the Water Service or Northern Ireland water in the future. It is a term, indeed, that Experian itself dropped a year or two after it was used in 2003.

Similar to any other responsible utility, Northern Ireland water will have to have debt management processes. For that, it will need databases and credit management tools that will enable it to protect the interests of those business and domestic customers who pay responsibly. Therefore we will probably continue to use Experian — and a range of other databases — because it provides information to all utilities, to many businesses and to public sector bodies.

Turning to the second part of your question, location is absolutely irrelevant. We are interested in building up a history of payment in the domestic and non-domestic customer base in Northern Ireland. However, we have not yet formulated our debt management policy; we are still doing that. We hope to involve the Consumer Council for Northern Ireland (CCNI) and other customer representatives before we finalise it. That policy will then be educated by the picture of debt that will build up over the first year or two of billing.

Ms Ritchie: Will you assure the subgroup that the consultation exercise that will be carried out with the Consumer Council will be full and adequate? Will you also assure the subgroup that the regulator will be involved? We have heard evidence today from the regulator, and we are not satisfied that his role is robust enough. Do the Water Service and the Department have any comment on that?

Ms Bryan: It is the Water Service's stated aim, and, hopefully our practice, to involve a number of stakeholders in many areas of our work. This matter is of interest to everybody at the moment, and we continue to work with CCNI in particular on a range of aspects of billing and debt management. Therefore I hope that we will continue that discussion with the Consumer Council over the next few weeks.

I do not know whether David has any comments to make on your other question or about the Department.

Ms Ritchie: I asked about the role of the regulator.

Mr Sterling: I am sorry; I was unable to listen to all of what was said earlier. I have had some feedback, but I am not quite sure in what respect you are saying that the authority will not have sufficiently robust powers.

Ms Ritchie: We got the distinct impression today that the role of the regulator will be not as robust as it should be. I think the evidence is there to show that.

There are various areas. The regulator will not be able to undertake his water powers until 1 April 2007. The preparation of guaranteed standards cannot begin until then, and that will delay the coming into force of those standards probably until January 2008. Although the Department has agreed funding arrangements, insufficient staff are allocated to the regulator to enable him to do his work. What will be done in that respect to ensure that he has the resources and the commitment from the Department to carry out his work in a fair and balanced manner?

Mr Sterling: Unfortunately it is not practicable to have the regulator established before 1 April 2007, much as we would like to do so. The timetable does not permit us to do that. However, it is the clear intention — and Lord Rooker made this clear in the House of Lords — that where there are powers of enforcement or general authorisations to be given to the regulator, these will be given from day one, or as close as possible to day one. Do not take from that that I am talking about a delay; there might be a few days in some cases, but the intention is to give the regulator general authorisations, where possible, from day one.

Indeed, where there is a choice to be made between whether a general authorisation lies with the Department or with the regulator, we will be giving the general authorisation to the regulator. This is a point that is explained in the letter that was sent from the Department to Lord Glentoran. I will let the Committee have a copy of that, and I hope that it will provide some assurances in that regard.

The resourcing of the authority is a matter, at this stage, primarily for the Department of Finance and Personnel. I am happy to take that point back to that Department and, indeed, to take any representations from the authority as well.

Ms Ritchie: Thank you.

Mr Raymond McCartney: Will an equality impact assessment be carried out in relation to debt recovery management?

Ms Bryan: I understand that an equality impact assessment was done for water reform as a whole and, within that, for charging. I was not aware that we needed to do an equality impact assessment on sub-sectors of charging, and I do not know that one has been delivered.

Mr Raymond McCartney: In the Crystal Alliance documents there seems to be a two-tier system. Irrespective of the terminology — and we accept that people may now have removed some of the terms like “high risk”, “rock bottom”, “low risk” and “affluent” — there seems to be a two-tier system of pursuing people who are in debt, and that does not meet the standard of equality.

Ms Bryan: Thank you for giving me the opportunity to clarify this very important issue. Obviously, many of us are aware of the media attention on this point. Let me state categorically there will be no two-tier approach to debt management. We will be doing our best to build up a clear picture of debt as it occurs in Northern Ireland. Our aim will be to get to people supportively as soon as we can, knowing that a number of people will have difficulties. Processes, procedures and strategy will follow only when we have a much better set of data to build up a good, sustainable and fair policy.

3.15 pm

The Chairman (Mr McNarry): I am pleased that the room is getting warmer; some members were complaining that they were cold. The session is probably heading in the direction that we want.

As part of the subgroup's remit, we must shortly present a report, including detailed action points and recommendations, to the Committee on the Programme for Government. There is nothing personal in any of our questions; their aim is to extract something that perhaps others have failed to. If we do better, we will be very pleased.

Our ultimate aim is to be in some form of government in Northern Ireland; we will then be more accountable than your present masters. That would let you off the hook. We want to be in good government, and we want to address the concerns of the consumer. The consumers are our electorate, and we must listen to them. Many of the comments and questions will be based on the perspective of a concerned electorate who are also consumers.

I was concerned by Mr Sterling's earlier comment that there should be much better joined-up government between his colleagues in the Department of Finance and Personnel and the Department for Regional Development. Last week, Mr Sterling appeared before the subgroup on the economy, which I also attended. According to the Hansard report, a DFP official said:

"Our interpretation is that the Treasury has accepted the phasing as currently structured. Treasury officials would see anything beyond that as a step backwards, away from the current agreement to move to self-financing status within a defined period."

Bearing in mind what you said in evidence 15 minutes ago, are you both on the same wavelength on that issue?

Mr Sterling: Yes. I was talking to Ms Ritchie about the affordability tariff; the quotation from Hansard refers to the phasing-in of tariffs. At present, a three-year phasing-in period has been agreed, with consumers paying one third of their water bills in the first year, two thirds in the second, and the full total in the third

year. I do not consider there to be any difference between what I said about the affordability tariff and what my DFP colleague said about the phasing-in of tariffs.

The Chairman (Mr McNarry): Therefore there is no difference between DRD and DFP on the tariff issue.

Mr Sterling: No. The Departments work closely together. I said that I would raise the issue of OFREG funding with DFP to make sure that we, in central government, ensure that the part of central government responsible knows about the issue.

The Chairman (Mr McNarry): I want to take that point into another area. At its meeting with DFP officials last week, the subgroup tried to establish whether responsibility for water services is a devolved matter. It would be useful for this subgroup to have some awareness of that query as well. Do you recall that conversation? Bearing in mind the quotation from Hansard that I read a moment ago, the same colleague said that:

"If an Executive were to lower the valuation from £1 billion to, say, £500 million, the loss of £500 million would be a hit against the resources available to the Executive."

He went on to say that:

"The Executive could decide on a lower valuation. However, the decision to reduce the valuation from £1 billion to, say, £600 million could affect resources available."

We are concerned about efficiency in that area. One concern is that you have structured something. We have heard evidence to the effect that there has been very little consultation in the weeks and months before announcements being made. No doubt, members will raise that issue with you.

We are concerned about what the inheritance of a devolved Executive would be in terms of efficiency and inefficiency. We need to be able to clarify for the PFG Committee that you are not, for want of a better phrase, sending the Executive a bum steer that is not going to work because of its inefficiencies.

It may be that the Executive will be hamstrung in working out different finances, with the same Finance Department serving different masters on a reduced scale. Can you allay fears that any interference, in terms of lowering the valuation, on the part of an Executive would seriously damage the company that is coming forward and, in turn, would then punish consumers, because resources would have to be found from charges?

Mr Sterling: I will try to address those points, although some would be better addressed to the Department of Finance and Personnel (DFP).

The Chairman (Mr McNarry): You are saying that you work closely together; you are bound to have worked this out.

Mr Sterling: Indeed. In anything that I now say where I feel that I need to add a caveat that DFP should take a position, I will do so.

The Chairman (Mr McNarry): I understand.

Mr Sterling: On that point, first of all, I think the Hansard report records that DFP has agreed to write to the Committee to clarify where the boundary between reserved and transferred matters actually lies.

The Chairman (Mr McNarry): Your colleague from DFP said that he would need to confirm that definitively. He was not resiling from the view he was putting to the subgroup in that he felt that this was a fiscal matter and that Treasury would retain an interest, even in a devolved Government structure. That is basically what he said, but it will be interesting to see what he confirms.

Mr Sterling: My understanding is that the fiscal rules are a reserved matter and apply across the UK. To be clear on the rules affecting the Go-co —

The Chairman (Mr McNarry): But we own the water.

Mr Sterling: Indeed. In public expenditure terms the Government company will be a self-financing public corporation, and the rules governing the public expenditure treatment of self-financing public corporations are set out in the ‘Consolidated Resource Accounting and Budgeting Guidance’ — not an easy read.

The Chairman (Mr McNarry): I am glad that you remembered that.

Mr Sterling: That is where those rules are set out. My understanding, subject to any clarification that DFP might wish to make, is that those rules are part of the fiscal framework within which we operate and that that is a reserved matter. However, the structure and governance of the company in Northern Ireland is a transferred matter, and the Executive and the Assembly will have discretion over that. Indeed, they will have a wide discretion to amend and develop policy as they see fit.

On the specific issue of what would happen if there was to be a write-down in the asset valuation, I think I am right in saying that it will be for the regulator in the first instance to determine — in a periodic review, or perhaps at some other stage — whether he feels that the regulatory capital value is the right value for the company. However, in such circumstances where he might decide to reduce the regulatory capital value, the amount of that reduction might be an impairment in the accounts of the Department for Regional

Development. I think it would be best for DFP to clarify this issue once and for all.

The Chairman (Mr McNarry): For clarification purposes, would it be in order for us to pursue the matter on that basis?

Mr Sterling: Absolutely.

Mr Nigel McCormick (Department for Regional Development): I have nothing more to add; David’s understanding is also my understanding.

The Chairman (Mr McNarry): Thank you for that clarification.

Mr Girvan: I thank the officials for coming to the subgroup this afternoon. Some questions could be answered if the business plan were made available to those who wish to peruse it. Much of the fear in the community has arisen due to a lack of information or, I should say, due to a lack of will to make information available. I am concerned about that. Now is the time to make the business plan public.

The present policy does not encourage people to conserve water if they do not have a meter. What will the split be between the metered amount and the standing charge on the proposed scheme? Would legislation be required if metering were made universal?

From your earlier comments, I am also concerned about the Go-co’s evolving into something different, because it could operate slightly differently from an ordinary publicly owned company. How will the Go-co be open and transparent? It is like suspending standing orders in a meeting in order to allow something to be facilitated, and I am always concerned when that happens.

Mr Sterling: I understand concerns about the apparent lack of transparency in the strategic business plan. However, the strategic business plan will be a contract between the Department, as the shareholder, and the company. The plan will contain many commercially sensitive issues, so it is not, and has never been, the Government’s intention to publish it. However, in the House of Lords on Monday, Lord Rooker said that Ministers would make an announcement early in the new year containing the key assumptions underlying the creation of tariffs. In other words, it will include some key elements in the strategic business plan.

The Chairman (Mr McNarry): Perhaps you would be interested if a devolved Executive had a copy of this secretive business plan.

Mr Girvan: From what I hear, I do not think that we will be.

Mr Sterling: The Minister for Regional Development — whoever that may be — will have the strategic business plan

The Chairman (Mr McNarry): Will that plan have been carried forward from the present business plan?

Mr Sterling: Absolutely. The current business plan is a three-year one up to 2009-10 and beyond.

The Chairman (Mr McNarry): Could a scrutiny Committee of the Assembly pursue information pertaining to the business plan?

Mr Sterling: If it so chose.

Mr Girvan: By then, however, it would be too late. The business plan will have to be published before it is signed off; not publishing it would create problems. The media are having a field day because of the lack of transparency throughout the entire process. This is yet another issue that the media will pursue and, to be honest, they would be quite right to do so. Unless the plan contains an issue that is of such a commercial value that it should remain secret, there is no reason for not making the business plan available to the public.

3.30 pm

Mr Sterling: The strategic business plan, when it is concluded, will be a long and detailed document, and DRD considers that much of the detail will be inappropriate for the public domain.

Lord Rooker announced that the Water Service will publish a business plan before April 2007, which will set out the key elements of the strategic business plan before control is vested in Northern Ireland Water Limited (NIWL) on 1 April 2007. Members may not consider that to be sufficient assurance, but I hope that the statement early in the new year, which will set out the key assumptions underlining the tariffs, and the subsequent publication of a business plan — but not the full strategic business plan — should address any concerns.

Mr Girvan: Without that information, how will the regulator become involved in the process?

Mr Sterling: Before the strategic business plan is finalised, DRD intends to have further discussions with the Consumer Council and the economic and quality regulators, from the Environment and Heritage Service (EHS) and the Drinking Water Inspectorate (DWI) respectively.

Mr Girvan: Will those discussions take place before the strategic business plan is signed off?

Mr Sterling: Yes, they will take place before the plan is finalised.

The Chairman (Mr McNarry): Will there be room in those discussions for comments that may seek to alter the Department's plans or will the consultation be a question of either taking it or leaving it?

Mr Sterling: I would not characterise the discussions in those terms, nor would I consider them to be a full-blooded consultation.

The Chairman (Mr McNarry): Now that I am giving you the opportunity, do you want to characterise it?

Mr Sterling: There will be further discussions.

Mr Girvan: Are you in a position to discuss the disparity in relation to charging between the metered amount and the standing charge? Is that also privy information?

Mr Sterling: No. I am hesitant to give you the figures on how the metered tariff will be calculated. However, I am happy to write to the subgroup to explain how that works. The policy for tariffs for domestic customers has, in a sense, been determined.

Mr Girvan: Please send us that information.

Mr Sterling: We will send the information to the subgroup tomorrow.

Mr Girvan: Should there be universal metering? Would legislation be required for that to happen?

Mr Sterling: No. Mr McCormick may correct me if I am wrong, but universal metering may require an amendment to regulations but not to primary legislation that has already been passed by Parliament.

Mr Girvan: Moving on to water efficiencies policy, what is being done to encourage customers who will not have water meters to conserve water?

Mr Sterling: That is a good point. It would be good if we could wave a magic wand and install a meter in every house in Northern Ireland now, because it could give us many more options. However, to do that would cost in excess of £100 million. The Government's stated policy is to work as quickly as possible towards widespread metering. Metering may never be universal; there may always be some properties in which it is simply impossible or inappropriate to install meters. However, the aim is to have almost universal metering.

Government have listened to a variety of views on metering and taken on board the concerns of those who say that free-for-all metering could lead to unfortunate social consequences. Small middle-class families that are better off may rush to get a meter, but that would inflict a cost burden on larger low-income families. To avoid that, and yet still make steady and fast progress towards more widespread metering, the Government have decided to install meters in every new property and at all new connections from April 2007.

The Government will also offer pensioners — that is, anyone who is over 60 years old — the option of having a meter, if that suits their purposes. The Government have stated that further consultation will take place within the first two years of charging to determine how best metering should be progressed.

Indeed, Ministers have gone further and have said that it should be for devolved Ministers to develop policies that are right for the people of Northern Ireland.

Mr Girvan: I would like to ask a supplementary question.

The Chairman (Mr McNarry): Listen here, I know that you arrived late —

[Laughter.]

Mr Girvan: I want to make up for it, Chairman.

Is there any indication that the Water Service's current assets will be disposed of, or has permission been sought to dispose of assets before privatisation — well, it is not called privatisation —

Mr Sterling: Are you trying to trick me?

Mr Girvan: I use that term because I believe that that is what it is.

Has any mechanism been put in place to allow for the disposal of assets?

Mr Sterling: We are acutely conscious of the concerns about asset disposal. People have formed views about this issue based on what has happened in the past in Northern Ireland. In a speech in the House of Lords on Monday, Lord Rooker made it clear that the Government do not want to make the mistakes of the past and that they have learnt from what they regard as the mistakes of previous Administrations.

Lord Rooker referred to asset disposal and, to help improve confidence, he said that that the Government will exercise a power within the legislation whereby, from day one, authorisation will be given to the regulator to determine whether or not assets should be disposed of. If assets are disposed of during the first three years, the proceeds will be retained within the company at the discretion of DRD.

Beyond 2010, the position will be as it is in England and Wales whereby the proceeds of any sale of assets will be shared between the company and customers — and, again, the regulator will decide whether or not assets are to be disposed of.

Mr Girvan: Have any approvals been sought from DRD for the sale of assets before 1 April 2007?

Mr Sterling: It is important to point out that it is firm Government policy that assets that are no longer needed should be disposed of because they are an unnecessary cost to the taxpayer.

Mr Girvan: I appreciate that, but has approval been given for the sale of any assets?

Mr Sterling: Within the strategic business planning process, we are looking to identify all assets that are no longer needed for the purposes of the business. Such assets would be disposed of.

Mr Girvan: Before 1 April 2007?

Mr Sterling: Even if we had any, I do not think it would be possible to dispose of them between now and then.

Mr Girvan: Does the money go back to the Go-co or the Exchequer?

Mr Sterling: The proceeds of the disposal of any assets in the first three years will remain in the company, and, of course, any disposal will have to be approved by the regulator. It will be at the Department's discretion to determine what happens to those proceeds.

The Chairman (Mr McNarry): Mr Sterling, you have been very good as you have been sitting here for an hour. We could discuss this issue for quite some time, but are we all comfortable to give it another fifteen or twenty minutes? I am in everyone's hands. Mr Sterling, are you happy enough to continue a little longer?

Mr Sterling: Yes.

The Chairman (Mr McNarry): Are members happy enough with that, bearing in mind that that we have other business to attend to afterwards?

Members indicated assent.

The Chairman (Mr McNarry): Before Kathy Stanton speaks, I would like to follow up on Mr Girvan's line of questioning. Is there any way that you could help the Committee on the commercially sensitive issues that you talked about?

I do not want to write to the Department only to receive a refusal to answer. I therefore ask you now whether you would respond to an inquiry from the subgroup as to the nature of these sensitivities?

Mr Sterling: I would be happy to do so.

The Chairman (Mr McNarry): Are Members happy with that? I think that might yield something. We are grateful, David. You have been very patient and it is all his fault so — *[Laughter.]*

It is all part of DUP/Sinn Féin bonding. We keep that going all the time. *[Laughter.]*

Ms Stanton: I would have asked about approval of land disposal in advance of the 2007 transfer date, but that has been answered.

The Chairman (Mr McNarry): Were you anxious about him stealing your thunder then? *[Laughter.]*

Ms Stanton: Oh yes, definitely.

I must also ask about equality impact assessment. What policies have been assessed? I have seen none to date. You referred earlier to water reform, but could you give the subgroup a list of exactly what policies have been so assessed?

Ms Bryan: I cannot give you a list of what has been screened out, what assessments have been carried out, or what are planned. I can only reiterate that the whole of water reform activity was assessed and certain areas, such as charging, were also assessed. It is a matter of judgement for experts in that area as to what should be equality impact assessed and what should not. I will be in communication with you.

Ms Stanton: Could we have information on those areas of water reform that you say were assessed?

Mr Sterling: We will let the subgroup know what has been impact assessed, what has not, what has been screened and what has not.

The Chairman (Mr McNarry): We are grateful to you for undertaking this considerable amount of work; but we need the material within days. We have not got time to wait.

Furthermore, if the equality impact assessment material is incomplete, you might consider what aspects may have been omitted. Would you agree, Ms Stanton?

Ms Stanton: I do. Furthermore, the Northern Ireland anti-poverty strategy was launched last month, initiating what is supposed to be a co-ordinated approach across all Departments. You claim to have addressed poverty through a range of tariffs. However, we heard from the Northern Ireland Anti-Poverty Network earlier, and, as they pointed out, tariffs do not match house values. There are now no £20,000 houses in the Six Counties. So tariffs do not match the latest figures that were provided through the rules and guidelines to customers.

As I said to that delegation, we now have the working poor as well, in addition to other vulnerable groups. Water charges will hit everyone; but not everyone will have an adequate income.

Mr Sterling: I understand. May I pick up on what you have said about house values? I do not know how many £20,000 properties there are, but I know that there have been misleading comments about that in the press that had to be corrected. It is important that people understand that the values that will be used to determine water charges are the capital values which the Valuation and Lands Agency (VLA) published in the summer. Those valuations were conducted in January 2005. Reference was made earlier to the fact that the average property value in Northern Ireland is now £160,000. That may well be right for the average market value, but the average capital value in the VLA database is around £115,000. Some 420,000 properties in Northern Ireland out of the total 650,000 are valued at less than £115,000.

There is also a significant number of properties valued at below £70,000 within the VLA database. It is important that the distinction, between current market

values and VLA capital values used for water charging, is understood.

Ms Stanton: Will there also be an equality impact assessment on the VLA valuation process? Will that be incorporated throughout all the policies and strategies dependent upon it?

3.45 pm

Mr Sterling: I will need to check with Department of Finance and Personnel, which is responsible for the valuation process and for the rating policy reforms. I am fairly sure that they were impact assessed. I will confirm that to the subgroup.

I have said that I will supply information to the subgroup tomorrow; but would the Committee be content if all the information promised is provided by Friday 15 December? We have undertaken to provide a considerable volume of information.

The Chairman (Mr McNarry): That is reasonable.

Mr Cree: Thank you for your contribution, which has been very useful so far. Your responses have been fairly good but some, however, have been a little unclear.

Some of my colleagues have raised issues that could have been developed a little more. For example, many of us wish to know whether Northern Ireland Water Ltd will be a viable company, and we can know that only from the information supplied. My colleague mentioned the strategic business plan, which is fundamental to the viability of the company. However, there are other issues. For example, we have not seen an asset management plan, even though we have begun to talk about assets.

We know that there was an agreement between Treasury and the Secretary of State, but we have received no detail on that. We have no information in respect of governance of the company. In addition, why is there a need for a standing charge at all? Why bring up this nonsense about capital value, which is not linked to ability to pay or, indeed, to sustainability? That is my first question. *[Laughter.]*

Mr Sterling: I see a strong link between those three elements.

The Chairman (Mr McNarry): Do you want to answer, Mr Sterling? That was a heck of a one.

Mr Sterling: In 2002, the company conducted a major asset management planning process. The regulator will conduct a further asset management planning process. That will begin as early as summer 2007 and will be an essential prerequisite for the periodic review in 2009.

The current strategic business plan is being constructed on the basis of previous asset management planning, with the advice of consulting engineers. However, in the time available, it would have been

impossible to complete a full asset management planning process. Nevertheless, that will form part of the periodic review process and will be completed in the same way as similar processes in England and Wales are completed through OFWAT. There is a considerable degree of transparency with that.

Ms Bryan: There may be some confusion. The company produces the asset management plan, not the regulator. However, the regulator will avail himself of independent reporters, who will check our costs and assumptions so that the regulator has an independent basis for the asset management plan on which to fix prices for the coming regulatory review, as David Sterling said.

Mr Cree: Will the company not develop the plan?

Ms Bryan: It will be our responsibility to do that. We are thinking about the plan now, and will start work on it in 2007. It is a long process, but a very important one for the company, the regulator and the customers.

Mr Cree: We have already touched on the issue of land disposal. We know that there are 130 pieces of silver — the going rate used to be 30 pieces of silver.

The Chairman (Mr McNarry): That is because of inflation.

Mr Cree: The land in question has been declared as surplus and could be disposed of. I am led to believe that some of those declarations go back 16 years; I wonder why someone would wait 16 years before disposing of land.

You almost answered the question about the disposal of any land prior the transfer date of 1 April 2007, but I am not quite sure that you have answered it completely. I shall ask you the question in an unambiguous manner: has any disposal been agreed prior to the transfer date?

Mr Sterling: Katharine will answer that question, and I will answer the questions on governance and standing charges.

Ms Bryan: I shall answer in two parts. There may be some confusion as to what an asset management plan is — forgive me if I am making assumptions. An asset management plan has nothing to do with sales of land.

Mr Cree: No. I am moving on from that.

Ms Bryan: Sorry, I was referring to your previous question. I am glad that there is no misunderstanding on the asset management plan.

You asked about asset sales ahead of 1 April 2007. We regularly review our surplus lands and disposal.

We are not planning to make sudden sales, or proposals for sales, ahead of April 2007. As any responsible company would, we intend to develop an

estates-management plan. That sounds grandiose, but the assets may be small parcels of land or disused pumping stations. They are assets that most people may not perhaps recognise as such. The regulator, the shareholder and Water Service will identify a responsible use for them.

The organisation may not have used an asset such as a length of pipeline for some years, but its water-resource strategy may dictate that it will eventually need that pipeline. Even though an unused asset may have been on an organisation's books for some time, it will still need to be cautious about disposing of it suddenly. That is why we need a good, 10-year estates-management plan. There are no plans to suddenly present the Department or anyone else with a list of asset sales.

The plan that has been mentioned already allows for proceeds from disposal of assets to be shared between the customer and the company after 2010. That is the norm in England and Wales, and I believe that it is a fair approach.

The Chairman (Mr McNarry): Will your accountancy procedures over the next 10 years involve writing down in the normal way the value of the assets that will be listed?

Mr Cree: Assuming, of course, that the values of those assets had not fully depreciated.

Ms Bryan: I will defer to David on that point.

Mr Sterling: There are a couple of issues there, so I shall defer to the accountant.

Mr McCormick: Normal accounting procedures will apply. Impairments in assets must be accounted for as they arise. However, there is nothing special about the process.

The Chairman (Mr McNarry): The company's definition of usage may be significant. It may declare that it does not need the asset but that it could be valuable to someone else. In that case, the company could write down the value of the asset, rather than declare its real value. Therefore that asset becomes more valuable on disposal. That would normally happen. How can one see the list of assets and the current valuations and how they are proofed?

Mr McCormick: The current list of surplus assets, which is quite long, was published recently with a press release. There are no valuations with that, because I understand that, at present, we do not have valuations that could be published with them.

Mr Sterling: That means market valuations.

Mr Cree: Is a residual value stated on the balance sheet?

Ms Bryan: Yes.

Mr Cree: Is that based on current cost accounting?

Mr McCormick: The valuation of the company's opening assets will be determined by the transfer scheme to set up the company. Therefore all its assets will be transferred through that scheme.

Mr Cree: How do you decide the value of the assets?

Mr Sterling: For what purpose?

Mr Cree: For balance sheet purposes.

Mr Sterling: Through the relevant accounting standard.

The Chairman (Mr McNarry): From what I am hearing, a sharp accounting cookie who is a businessman would run rings around you and would love to go after those assets. You need to be clearer. Forgive me for this — and it is not a reflection on you — but your answers may give rise to the interpretation or the suspicion that you really could not care less because you are heading to something much brighter and that the way down the road is to get rid of the assets. We have seen it many times before: the Government dispose of assets and properties that they had underwritten or undervalued, and all of a sudden the lottery comes home to whoever picks them up.

Mr Raymond McCartney: If no assets are disposed of between now and 2010, is the strategic business plan viable? Or does it rely on some disposals?

Mr Sterling: Again, that has not been finalised.

Returning to the procedure for disposal of assets, the company will be required to produce an estates-management plan and provide it to the regulator by September 2007. As I explained earlier, the company will be able to dispose of an asset only with the approval of the regulator. Therefore the company cannot, in some willy-nilly fashion, dispose of assets. The regulator has a clear role to play in that.

When it comes to disposing of an asset there will be procedures in place to determine the value of that in such a way that the company gets value for money and, indeed, taxpayers and customers get value for money, depending on how the proceeds are actually to be used.

The Chairman (Mr McNarry): I hope that the procedure is not the same as that which the Department of Education is using to dispose of its schools' assets and estate? I would not recommend it.

Mr Sterling: Forgive me if I do not comment on education.

Ms Bryan: I am a little concerned that we have inadvertently given you the wrong impression about that. The disposal of assets is an important issue.

The Chairman (Mr McNarry): Do not take full blame for it. It has not just happened today. It is a combination of matters.

Ms Bryan: I want to reassure you that the disposal of assets in 2006-07 is, of course, in the normal course of business subject to the Government Accounting Northern Ireland (GANI) policy. Any assets on the surplus list will have a market value in order to give such assets a value in the open balance sheet. There will, therefore, be openness.

The Chairman (Mr McNarry): On the market value?

Ms Bryan: Yes, on the market value. The VLA will also give them an independent value. Please reassure people that, for this year, the processes will be carried out via GANI and the VLA.

As Chief Executive, I will have responsibility to examine asset disposals with the Regulator and the shareholders. That will be an entirely proper process. It will be in the interest of the customers, which, after all, is our *raison d'être*. I want to reassure you of that.

The Chairman (Mr McNarry): The subgroup is grateful for that. You understand that criticism will come from the Public Accounts Committee across the water if you do not get those issues right. If a Public Accounts Committee is installed in the Assembly, and the same questions and issues arise, the criticism from those elected representatives and from those who put them in position will be intolerable. I appreciate what you said. Thank you.

Mr Cree: We have had clarification on that. I want to know how to get rid of the standing charge. I want to leave that aside, however, and try to get some logic on the matter. Surely the Regulator's involvement from 1 April, or whenever he appears on the scene, will mean a change to the draft licence?

Mr Sterling: Yes, it could mean a change.

Mr Cree: Can you comment on the standing charge? It seems to me to be a bit of an anachronism now.

Mr Sterling: With regard to electricity, all costs are covered through the unitary charge. Obviously, there is an argument that a significant proportion of the costs of the water and sewerage business is actually involved in providing the infrastructure. The variable element, the actual —

Mr Cree: The product?

Mr Sterling: Indeed. The product is a disproportionately small percentage of that, and the standing charge recognises that. That is my view on that.

Mr Cree: That is interesting. Chairman, I will move on quickly to my other eight questions. *[Laughter.]* Some of them have been touched on. In the current situation, what transformation costs have you allowed for this year and for the first year of the new Go-co?

Mr Sterling: That has been addressed in the strategic business plan.

Mr Cree: Will the subgroup get that information? I would not have thought that that would be too confidential. The current year is a reality, I hope.

Mr Sterling: Indeed. May I reflect on that?

Mr Cree: Would you, please? I look forward to that.

The Chairman (Mr McNarry): You have had 48 hours to reflect on it, David, judging by your previous promise.

Mr Sterling: I have got used to responding quickly in recent times.

The Chairman (Mr McNarry): We appreciate that very much.

Mr Cree: We have known David of old. He did not tell you that he actually came from DFP, I believe. Did you spend time there, David?

The Chairman (Mr McNarry): We do not have time to go into all of that.

Mr Cree: Efficiency targets? What efficiency targets have actually been set?

4.00 pm

Mr Sterling: It is for a matter of public record that, at the start of the strategic planning process in February this year, the Department set provisional targets of 35% for operational expenditure and 27% for capital expenditure. Those targets were the products of a mechanistic process whereby the Department examined relative efficiency analysis and were designed to create a benchmark against which the Department could work within the strategic planning process. The targets were set at a time when it was clear that our knowledge of the business, and of the underlying costs, were not as good as it could have been. We knew that there was a likelihood that those targets may need to change. The Department has not yet finalised the targets in the strategic business plan.

Mr Cree: But the Department is not far from finalising that?

Mr Sterling: No, we are not far from doing that.

Mr Cree: When will the final targets be known?

Mr Sterling: The Minister will set out the assumptions that underpin the tariffs in the new year. The Department aims to be as transparent as possible, subject to commercial and confidential issues.

Mr Cree: From your projections, what will the bad-debt target be by 2010?

Mr McCormick: I do not have that figure to hand.

Mr Cree: Perhaps Mr McCormick can supply that to the subgroup later, if it is not a secret.

What is the Department's position on the potential recommendation to part-privatise the Water Service, following the review that is planned for 2008-2009?

Mr Sterling: The Government have announced that a review of the process will be conducted in 2008.

Mr Cree: You mentioned the appointment of undertakers in the sewerage side of the business and others in the Water Service. That suggests a split in the company.

Mr Sterling: No. The legislation has been drafted to refer to "undertakers" in the plural. That may give rise to suggestions that there are plans for appointment of more than one undertaker. However, I can assure the subgroup that the Government's intention is to award a licence to a single undertaker for Northern Ireland's water and sewerage services from 1 April 2007. The legislation was framed in that way to comply with European competition legislation, which prevents Governments from forming or enshrining monopolies in statute. That is why flexibility was built into the legislation and why it was drafted in those terms.

Mr Cree: Will the licence run for a significant period?

Mr Sterling: It will.

Mr McCormick: The legislation provides for an open-ended licence. An undertaker will be appointed, and the licence can only come to an end by way of a period of notice, which will be a long time.

The Chairman (Mr McNarry): I shall indulge Mr McCartney and Ms Ritchie, if they will indulge me with succinct questions.

Mr McCartney: My question is short and to the point. The delegation has perhaps been hiding behind the business plan. It is important that members have further insight into the process in the future. Many questions have been evaded with answers that refer to work in progress.

The subgroup is tasked with helping to frame a Programme for Government for an incoming Executive. Considering the process of water reform to date, if that process had to be undertaken again, what recommendations would you make? Is there anything that you would change or do differently, if you could?

Mr Sterling: Is there anything that I would change? Where shall I start? *[Laughter.]* I hope that my response does not sound facetious, but should a similar process ever have to be undertaken again, I hope that I am not the one who has to do it.

To be serious, however, when the Department reaches the end of the process it will consider what lessons may be learnt, as it does any major reform programme. That will form part of the Department's programme management practice when it nears the end of the process.

This is one of the biggest local reform initiatives that has been contemplated. It was extremely controversial and contentious, and has been extremely difficult to manage and progress. There is a lot that we can learn.

Ms Ritchie: What are the implications for Water Service staff from April 2007, and what are the plans for pension and redundancy up to 2010? How will water charges be adjusted after the revaluation of capital values in 2010, and will the cap on rating valuations be adjusted?

Mr Sterling: On the final point, I cannot say whether the cap will be adjusted because the revaluation exercise is a matter for the Department of Finance and Personnel and the Valuations and Land Agency.

Ms Bryan: Pensions are a big concern for staff, of whom I am one. The plan is to have a new pension scheme because staff will no longer be civil servants. A mirror-image pension scheme is in the final stages of development, and we have worked with the trades unions and staff on that over the past 18 months or so.

As I have already said, there will be fewer staff in the future, and we hope that there will be a good voluntary severance scheme to enable people to leave with dignity. On the positive side, I can promise the staff of Northern Ireland Water Ltd an exciting time, greater job potential, greater job satisfaction and involvement in a very important service in Northern Ireland.

Ms Ritchie: Will those staff enjoy the same conditions as civil servants, and will the new company treat them as if they were civil servants as regards salaries, conditions of work and pension arrangements?

Ms Bryan: All staff will come under The Transfer of Undertakings (Protection of Employment) Regulations 1981 when transferring to the new organisation. However, if the company is to operate as a business, and if it is to deliver the same standards of service and efficiency as England and Wales, it cannot operate under the same grading structure and other systems as the Civil Service. We will take the opportunity, with unions and staff, to develop a business-like approach that suits the utility.

The Chairman (Mr McNarry): Thank you very much. It has been an endurance for you as well as us. We are delighted you came. Thank you for your frankness, where possible. You will get back to the subgroup with the missing elements. Have a good Christmas and a good New Year.

Mr Sterling: Chairman, it would be helpful if the Committee Clerk could let us know quickly the list of things that we have committed to. We have taken notes, but it would be useful if we could agree the points that need to be followed up.

The Chairman (Mr McNarry): I am going to miss Chelsea's kick off if we keep going at this rate — and it is not until 7.45 pm.

Mr Sterling: Thank you very much.

The Chairman (Mr McNarry): Thank you.

Adjourned at 4.08 pm.

SUBGROUP ON ECONOMIC ISSUES

Thursday 14 December 2006
(Morning evidence session)

Members in attendance for all or part of proceedings:

The Chairman, Mr John O'Dowd

Mr Fra McCann

Mr Mitchel McLaughlin

Mr David McNarry

Ms Margaret Ritchie

Mr Mervyn Storey

Witnesses:

Prof John FitzGerald } Economic and Social
 } Research Institute (ESRI)

The subgroup met at 10.23 am.

(The Chairman (Mr O'Dowd) in the Chair.)

The Chairman (Mr O'Dowd): I welcome Prof John FitzGerald to the Subgroup on Economic Issues. He has travelled from Dublin this morning, and I believe that he has rescheduled his itinerary in order to appear today. The subgroup thanks him for that. Prof FitzGerald will begin proceedings with a statement lasting around 10 minutes, and then the floor will be open for questions from members.

Prof John FitzGerald (Economic and Social Research Institute): Thank you; it is an honour to be here. I was asked to talk about two matters: the priority areas for investment in the Republic of Ireland, and the drivers and principles for cross-border co-operation, particularly in infrastructure-related areas.

To determine the Republic of Ireland's priorities, we must look first at constraints. The current problem in the Republic is that the economy, just like a child, is growing out of its clothes. There are huge constraints due to infrastructure, and something must be done about that because it is affecting competitiveness.

The other problem is that the economy is growing above its potential; though the money may be there, the infrastructure cannot be delivered as rapidly as people would wish.

Human capital remains important. The national plans include significant investment in the infrastructure of education and training as well as in the people involved. That colours our views on investment priorities and on areas in which there should be co-operation between the North and the Republic.

Since the completion of the single EU market at the end of 1992 there has been a free market for business North and South, and there is no constraint on business. Market forces should, in the absence of market failure, give the optimal outcome for business. Of course, market failure does occur, and Governments have to get involved, but that involvement should only happen when market failure has been proven.

Barriers still exist in the production of public sector goods and services where there may not be an optimal allocation of activity on the island and where the border still exists. I shall return to that theme later.

For Governments to become involved, then, market failure must be proven, and before cross-border co-operation can begin, it must be clear that a better outcome can be achieved through co-ordinated activity by the two Governments than if they continue on their own. The costs of co-ordination are very high; studies show that the completion of the single electricity market would benefit the people of this island, North and South, but the transactions costs of doing it are very high. Alternatively, the 'Enterprise' train does very well out of cross-border co-operation. So, you do it if you have to, and if the benefits outweigh the costs.

As regards the Republic's priorities, the problem is how much the economy can deliver. Last winter the Irish Government published their spending plans for the next decade. The Economic and Social Research Institute (ESRI) examined those plans and said: "You cannot spend that much. You will have the money, but if you spend it, the economy will explode and you will have to cut back on what you intend to do."

The top priority is to complete the inter-urban motorway system, which will be completed by 2010, followed by urban public transport system, particularly in the Dublin area. However, in the ESRI's view, the planning for that has not been done properly. In addition, human capital remains important, and R&D has been ramped up, but one of the problems in all of these areas is that if we go from zero to 100 very rapidly, we may get into trouble. Ramping up R&D rapidly may not be very efficient.

The final factor, which the Department of Finance in the Republic finds difficult to take on board, is that economic infrastructure is not the be-all and end-all, and that social, cultural and recreational infrastructure may play a role too. Mostly, the latter is provided for by the private sector, but making Ireland an attractive place for skilled Irish people to come back to — remembering that one-third of all young Irish people in the Republic still emigrate — to attract them back and to attract skilled foreigners, who are so important to the economy, we have to make Ireland an attractive place. That is why public transport is needed, but there

may be other elements in making an economy successful, which would not normally be thought of.

The low priorities are the productive sector; aids to business and agriculture. We should really get rid of them. If one cannot make business work in the Republic today, one should not be in business at all. It is necessary to show market failure. There are still areas, though, such as marketing tourism and R&D in which there is still a need for public involvement.

If the Irish Government were prepared to tax the housing sector to release houses for social housing, the ESRI would say yes. However, the Government cannot just pump more money in; that would lead to inflationary problems.

It is interesting to compare the differences in priorities North and South. The ESRI has examined those differences, because it is important to the Republic to know what is going on in the North. The Republic needs certain things from Northern Ireland, and vice versa. For example, the Republic's priority is to spend four times as much per head of population than the North on transport, but less on health and education infrastructure, which is surprising, because the health system is much better in Northern Ireland than in the Republic.

According to the Secretary of State, Northern Ireland has too many schools. Why, therefore, is there a need to invest so much in education, rather than transport or the environment — areas in which there are different levels of investment in the North than in the South?

10.30 am

Our research in the Republic has shown that the issue is not simply about spending money, but about making use of the infrastructure. Appropriate pricing of water, waste services and congestion charging may all be unpopular, but an infinite amount of money could be spent on urban roads, for example, and they would still be congested. Unless good use is made of money by investing it in public transport, there will not be a sustainable society. In addition, to produce sustainable cities, planning must be based on a much denser population, particularly in Dublin and possibly in Cork and Limerick.

Growing and retaining human capital, and R&D, could benefit from co-ordination. As student numbers in the Republic will fall, and Northern Ireland has too few third-level education places, co-ordination could benefit both regions.

The border makes a difference in the provision of public goods such as education and health. For example, the single biggest infrastructure project planned for Northern Ireland is a new hospital in south-west Ulster. There are major problems in the

Republic's health system; so, if that hospital were to be sited in Enniskillen, for example, it would make sense for the Republic to buy services from Northern Ireland in order to provide a decent health service in border areas. The Republic could vice versa provide services to Northern Ireland.

Infrastructure benefits from co-ordination. That already happens in certain sectors, such as electricity provision, and is being driven by market forces. However, there are regulatory problems. In many cases, the Government should not just spend money, but should establish the regulatory environment for telecommunications and energy in order to produce the optimal outcome.

North-west Ireland is a major issue for the Republic's Government. Donegal's problems cannot be solved without considering investment in Derry. The north-west will be a priority area and the Republic wants Northern Ireland to co-operate in the north-west to benefit infrastructure development on the island as a whole.

Elements that can help businesses include selling the location of the island, marketing, tourism and so forth. Our research shows that there should be less emphasis on aids to the private sector and more on concentrating on public goods in the areas that I mentioned.

The Chairman (Mr O'Dowd): Thank you. The floor is now open for members to ask questions of Prof FitzGerald.

Mr Storey: I welcome your comments, Prof FitzGerald. There is a raft of issues to consider from your presentation. I was interested in your comments that co-operation only happens when it produces a better outcome. You highlighted the example of co-operation in electricity provision, which is driven by market forces, and that such co-operation arises not because of political expedience but because of the benefits it brings.

The DUP has been very clear that co-operation is not about establishing institutions for the sake of it or ticking a box to placate some particular ideology. Co-operation should be based on good economic sense, and provided that areas can be identified and clearly defined, and that co-operation would achieve a better outcome, it is to be welcomed.

You mentioned the percentage of the population aged 25-34 with a third-level education in 2005, and you said that the figure for Northern Ireland was calculated on the basis of 36.3% of males and 31.5% of females having a third-level education, giving an overall figure of 26.4%. My estimation is that that figure should be around 35% or 36%.

Prof FitzGerald: You are correct. The data that I received was incorrect but was later corrected. The two Governments published a paper, and the correct data is included in the appendix to that paper.

Mr Storey: The figure should be 33.9 %, which you say is higher than the EU average.

Prof FitzGerald: It is slightly higher than that.

Mr McLaughlin: That was an interesting presentation. You discussed the impact of the border and gave some examples of co-operation, cohesion and obstacles to mobility. You specifically mentioned the public sector. What possible options might we explore, and is there potential in the new EU regulations relating to territorial co-operation for widening the areas of co-operation and, perhaps, eliminating those difficulties?

Prof FitzGerald: From the Republic's point of view, EU money is irrelevant at this stage. However, EU regulations, such as those that may lead to the hiving off of the transmission of the Viridian Group plc, may be significant. As regards INTERREG funding, it is not so much the money as what must be done for other reasons. The Republic will find the money on its own part, if it needs to, but the north-west is an area where you cannot solve those problems with money alone. The infrastructure connecting Derry and Belfast is important for Donegal. Historically, Donegal was part of Belfast's wider hinterland, but now it is not. I am not an expert on regional issues, but that is one area where the Republic would like to see investment. There has already been some investment in the airport there. I travel by public transport, and to get to Donegal is a real pain. Now I can fly to Derry, so I can see that, on a personal level, it makes a difference.

Mr McLaughlin: It will be possible to establish bodies that, with the two Governments' agreement, will have their own legal identity and can be located in the North or the South. I am using this island as an example, but dealing with shared boundaries is an EU-wide matter. Those legal entities would be subject to the fiscal policies, or legal issues, of whatever EU state they are located in. Would that provide an example of how we can deal with the difficulties of mobility?

Prof FitzGerald: Having spent three and a half years, up to the end of September, on the Northern Ireland Authority for Energy Regulation (NIAER), I have been involved on Northern Ireland's behalf in negotiating the all-Ireland electricity market.

The complexity of producing co-ordinated legislation between Westminster and Dublin is warranted by the potential benefits to the island. However, there must be big benefits involved in order to justify that level of co-ordination.

I have been part of a process dealing with multiple levels of government in Westminster, on issues that

Westminster should not have been involved in and was not interested in. I am loath to be prescriptive, and organisation economics is not my area, but when you start messing around with those sorts of organisations, the costs are high, and as such should be avoided.

I remember when a House of Commons Committee came to the ESRI in the mid-1990s, and I said that an all-island electricity market is important. I was asked if I thought that there was a need for all-island institutions. I said possibly not, but it might make life easier. Having been involved in such co-ordination work with NIAER, I know that it is very demanding on everybody's time, but it was obviously warranted in that case. Matters must be dealt with on a case-by-case basis.

Ms Ritchie: Prof FitzGerald, you are very welcome. I believe strongly in North/South co-operation, and North/South economic co-operation in particular. I read your documentation, and I note that you mentioned the north-west quite a bit. I can understand that from the Republic's perspective as it sees an advantage in developing the north-west as far as Donegal.

However, you mention at the end of your submission that the Dundalk Institute of Technology should exploit further its hinterland with the North to provide services in that area. Please expand on that as regards skills and technology. Furthermore, how could the south-east be developed? In contrast with the north-west, it seems to get left out a lot.

The subgroup has been given detailed research, which shows that the South expanded the work of the colleges of technology in the area of skills, which helped the growth of the economy in Dublin. How did the development of the colleges of technology impact on growth and development in the economy in the South, and how could that contribute to the development of the economy in the North? What further levels of co-ordination, including the development of North/South bodies, are required to ensure that we can share some of the South's resources and develop the economy in the North to a level that is comparable with that in the South?

Prof FitzGerald: I visited the Dundalk Institute of Technology, and I was struck by the fact that they have a relatively limited number of students from north of the border. Looking at a map, one would expect that the institute would attract more students from north of the border than from the South. The institute had to check on the numbers as they had not focused on this issue. It seems that the North is short of places in third-level education.

People are not going to take the train to Dundalk, morning and night — the Belfast issue has to be solved on its own. However, IT colleges in the South should be given incentives to focus on cross-border recruitment of students and provision of services, because they do

interesting work on sustainable energy there. There is also interesting work being carried out in Northern Ireland on sustainable energy, of which people in the Republic need to be more aware. Quite a lot of experiments have been carried out up here.

There are areas in which the Dundalk Institute of Technology could provide a service. We also need to look at the Institute of Technology, Sligo and Letterkenny Institute of Technology. Of course, third-level education works as an island without anybody telling it to do so. The bulk of the sociologists with whom I work come from Queen's School of Sociology, Social Policy and Social Work, because it is the best on this island.

We organised a seminar in the institute on electrical engineering, and we work jointly on PhDs with University College Dublin (UCD). One of the top students at the seminar was from Queen's University, and she was being jointly supervised in her PhD studies by UCD and Queen's University. Thus, co-operation is happening at a local level, but more focus at an IT level would be important.

In terms of impact on the Republic, it is the expansion of third-level education down to certificate diploma one and two-year courses that is keeping kids in school until the age of 18 and then, afterwards, allowing them to study for what we in the Republic call a post leaving certificate, which would be one year after high school graduation — the European norm being to graduate from high school at around 18. The North has a big gap. In the past, when people in the Industrial Development Agency (IDA) saw themselves as being in competition with Northern Ireland — I do not think that they would do so any more — one of their big benefits was that when a company such as Intel needed technicians in Carlow or in Kildare or wherever, the local IT college would put on a course and train lab technicians or whoever very rapidly so that they would gain qualifications within one or two years. They needed third-level graduates, but they also needed other trained people urgently, and they had the flexibility to meet that need.

Those arrangements were set up in the Republic in the 70s, but it had a major impact only when kids stayed at school until age 18 and then went on to do the course.

10.45 am

My kids went to the local community school, where two thirds of the children came from local social housing. I was very conscious that, in the late 1980s, parents were saying that there was no point in their kids remaining in education. The children who were in my youngest daughter's class remained at school and the parents changed their attitude. However, you needed a flow of kids from working class backgrounds

to stay in education until age 18 and then to go on to third level education, so you have to look at them jointly.

Ms Ritchie: With regard to the development of partnerships, would you see a significance in Newry College of Further Education developing further partnerships with Dundalk? Some partnerships already exist, but there are other possible areas for development, for example in IT.

Prof FitzGerald: I would have thought that there would be scale economies there — they are sufficiently close, especially with the recent road improvements. There are similar links, for example between Letterkenny Institute of Technology and Magee College. Such links may well happen anyway without anybody suggesting them because market forces will drive them. However, I think that there is logic in terms of improving the content and range of services available to everybody in that region.

Ms Ritchie: In assessing the impact of 'Transport 21', have you or your team given any thought to where the North needs to develop complimentary roads, given that the South has put such an emphasis on inter-urban routes as a means of developing growth in the economy?

Prof FitzGerald: The two road systems that are important to the Republic are the Belfast to Dublin road, because so much of our exports go out through Larne; the other is the Derry to Belfast/Derry to Dublin routes. However, say, for example, a new hospital is built in Enniskillen and it is the major centre of excellence in that part of the island, then there might be a wish to improve the regional roads, because the roads from Enniskillen to the Republic are rotten. There might therefore be a desire to develop some routes for regional reasons, depending on what is happening in the area.

The Chairman (Mr O'Dowd): David, the floor is yours.

Mr McNarry: Four short questions, if that is OK.

The Chairman (Mr O'Dowd): Four short ones or two long ones?

Mr McNarry: I will go for four short ones. Prof FitzGerald, thank you making the effort to be here. Are you able to give a sense of what public opinion is like in the Irish Republic with regard to the Irish National Development Plan, which proposes to contribute capital investment into Northern Ireland? How do the people of the Republic feel about that?

Prof FitzGerald: I live in an ivory tower, so I am not necessarily the best person to assess public opinion. I think that if the amount of capital investment were limited and had a very clear logic from the point of view of the Republic, then I think that people would say yes. If it were a substantial amount, however,

concerns would be expressed about dependence and so on. However, as an example, I think that the Derry people are happy that Derry airport is there and that it provides a service to Donegal. Similarly, where there are direct benefits for the people of the Republic, they would see the benefit. However, if the amount of investment increases, then people would ask whether the Republic were just making Gordon Brown's life easier and subsidising the United Kingdom rather than Northern Ireland. I think that it is a question of scale.

Mr McNarry: Would the intellectual argument in people's minds stretch as far as involving Gordon Brown? Would the Irish people be so alert to that?

Prof FitzGerald: They would be if there were a lot of money involved. Think of people the world over; where there is a lot of money involved, people start asking questions — all it takes is one newspaper article to raise questions in people's minds and then they are off.

Mr McNarry: So, 1 billion euro, as alleged, is not really an awful lot of money?

Prof FitzGerald: It depends over how many years you spread it. You may spread your butter thinly.

However, that is not my area, so I cannot answer your question.

Mr McNarry: That is fine; I just thought that you might have been able to give us a local perspective. How do you feel about it, or is that an unfair question?

The Chairman (Mr O'Dowd): I think that you are being slightly unfair.

Mr McNarry: If it is an unfair question, Prof FitzGerald does not have to answer.

Prof FitzGerald: It is not unfair. I would have thought that the amount would be limited. However, if we take east Germany or the Mezzogiorno as examples, pumping money into infrastructure does not necessarily pay off, because other things are needed. Therefore there should be a limited amount where there is a clear pay-off for the Republic.

Mr McNarry: My question was obvious. I wanted to know how people in the Republic feel. Unionists have sensitivities with that issue, because for electoral reasons nationalist areas appear to be bolstered, while unionist areas are excluded.

Prof FitzGerald: That would reflect the fact that the Government in the Republic may be more magnanimous; however, their electorate may be less so and would want to see a pay-off. That is an important point, given that governments have to be re-elected.

Mr McNarry: I got more out of asking that question than I thought, so I am very grateful.

My second and third questions run into each other. Agriculture seems to feature less as an economic issue

in both jurisdictions than it did previously. Are you aware of any plans to encourage agricultural growth in the Irish Republic?

Prof FitzGerald: That depends on what you mean by growth. Eighty per cent to 90% of farm incomes are paid in the form of cheques in the post or as subsidies. As regards production, German taxpayers might be happier if farmers stayed in bed in the morning, although the Irish would not. Agriculture is not making a major addition at the moment.

However, if we look at what is happening with global-warming — and I am conscious that the British Government and the Prime Minister are committed to fighting it — we will find that, in the long run and if the price of carbon increases enough, the use of biomass to generate heat and, possibly, electricity, will become an economic option. Indeed, biomass is already an economic option for the production of heat.

My friend John Gilliland, who sits with me on the Northern Ireland Authority for Energy Regulation, has been successful with his work in Derry on biomass. People from all over Ireland — and now from the United States — are interested in his work. If using biomass becomes profitable, given environmental constraints, farming could make a much more positive contribution to the economy, North and South.

The run-off of agricultural waste into rivers and lakes is the greatest environmental problem in the Republic. Agriculture is causing significant environmental damage, although one or two other minor industries also contribute. Therefore agriculture is a complicated issue. However, in the future we may need the agriculture sector to get involved in biomass, not biofuel. That will be a profitable move. Biomass is certainly profitable in heat production, and Balcas Sawmill CHP Plant in Fermanagh is successful in that regard.

It is interesting to note that all the activity on biomass takes place in Northern Ireland; I am not aware of similar work in the Republic. Perhaps I am just ignorant, because it is not really my area.

Mr McNarry: Might the grants be a contributory factor?

Prof FitzGerald: Yes. I was a member of the Northern Ireland Authority for Energy Regulation, which visited the Balcas plant. Given that John Gilliland, who could certainly convince anyone about biomass, sits on the authority, I would be aware of it.

Mr McNarry: Keeping to the agricultural theme, I think that I am right in saying that bureaucratic gold-plating affects Northern Ireland farmers terribly, but when it comes to the application of European rules down South, the restraints do not appear to be the same. Obviously, that has a bearing on economic

performance up here. Is there a trick in that down South? Do they pay no attention to it? Do you have any guidance for the industry up here to prevent it from suffering as a result of that gold-plated bureaucracy?

Prof FitzGerald: I am not sufficiently familiar with the area to comment.

Mr McNarry: I have a final question. I was interested in what you said about education. Undoubtedly, education has played a successful role in your economy.

To what extent does the economy suffer from underachievement in education? That is a massively serious issue for us. There is a suggestion that gaps in employment due to underachievement are being addressed, conveniently, by migrant workers. How do you cope with educational underachievement in the Republic?

Prof FitzGerald: That is a matter on which my colleagues in the institute have been working for 15 years. The top priority in the late 1980s was to address the number of students that were leaving school before the Junior Certificate — the equivalent of GCSEs — was completed. There was a substantial reduction in that number up to the late 1990s, when 80% of children, on average, completed high school with the Leaving Certificate. However, there has not been much progress since then, particularly for boys. The rate for girls has continued to rise, but the rate for boys has remained static or fallen. We are concerned that more children complete school. There will then be questions about quality in third-level education: is the quantity up, but the quality down?

I am not an expert on that area, and I deal with education on the macro level. I know that colleagues are concerned with the micro level, and have done much research on how to achieve better results. My school reports always said, “could do better” and, in the Republic, the education system certainly could do better in several areas.

The focus of attention at the moment is the fourth sector — PhDs. However, the biggest benefits will be obtained if we keep kids in school productively so that they complete high school. That would produce the biggest return to the economy.

The study that colleagues have carried out shows that Irish people who emigrate and come back are 10% more productive as a result of what they have learned abroad. I am interested in carrying out a study to see how many of those in the management of multinational companies in Ireland are returned emigrants. It strikes me that if you consider Intel or Dell, the top people are Irish, but they did not grow up in the firm here; they went abroad, learned another language, and learned how to do things differently. That aspect of the educational system — which one might not classify as education — is hugely important. In the last 30 years, a lot of

kids have left Northern Ireland to go to university in Great Britain, and have not returned. David Trimble, in a speech to the Institute of Directors before he became First Minister, raised that issue. In the Republic, that is a matter that people generally do not refer to, but I see it as part of the broad human capital.

The final point that you raised concerned immigrants who fill employment gaps. The research that we have done shows that immigrants to the Republic are highly skilled, and have a much better education than the average Irish person. If they come from an English speaking country, such as Britain, the US, Australia, or New Zealand, they get jobs commensurate with their qualifications when they arrive. If they come from a non-English speaking country, they may go home or learn good English and, within six years, they get jobs commensurate with their qualifications. The research shows that because they are upgrading the skills of the economy, they have helped solve the unemployment problem. The economy was constrained and could not grow because there were not enough people with third-level education. If people come from abroad and the economy grows more rapidly, you need more people with lower skills, and that helps to solve the unemployment problem.

Quite a lot of immigrants, especially those from non-English speaking backgrounds, are in jobs that are unskilled, but experience shows that many learn English and gain appropriate employment.

A colleague, who is Chinese, began work in the canteen but now works in our accounts branch. Such good use of resources is hugely important for the economy and for the unskilled. Since the economy will grow faster with more skilled people, careful use of resources helps solve the unemployment problem.

Mr McNarry: I have a quick question. What of the indigenous people, the locals who are underachieving? What happens to them? Do they go onto a heap? We will be faced with a problem in that respect; indeed, we are faced with it already. Most of the immigrants aim for skilled or semi-skilled employment, though not at the levels you are talking about. We do not have the jobs for them at that level. There are growing numbers of people who consider themselves on the scrap heap because they do not have the skills, education or qualifications to improve their lot.

Prof FitzGerald: The boom in the economy changed attitudes, and people began to see hope in education. The long-term unemployment rate is 1.3% or 1.4%. It is sufficiently low for people not to be on the scrap heap today. It could be a problem in the future. The building and construction sector cannot continue to be a quarter of the economy. Hopefully it will slow, but it could collapse. In those circumstances, many unskilled or semi-skilled people in that sector

might find themselves unemployed. Issues might arise then. Government policy at the moment is to find anything they can do to upgrade the skills of immigrants — in particular their competence in the English language — so that they will get the skilled jobs that they need them to do rather than take up unskilled jobs.

Our research suggests that the market will deliver and that the Government do not have to worry too much about it. Studies show that the immigrants who arrived up to 2000 have now secured jobs commensurate with their skills. They have either learnt English, or they have gone home.

11.00 am

Mr McNarry: I hope you are not paying £100 million for translators?

Prof FitzGerald: That is a concern.

Mr McNarry: Thank you. That has been enlightening.

The Chairman (Mr O'Dowd): I will open the floor to one more question from each of the delegates, then we shall move on.

Ms Ritchie: Prof Fitzgerald, in view of your involvement in the energy market, may we have your assessment of the all-Ireland energy market, including the electricity network? What benefits do you think it has brought to the island's economy?

Prof FitzGerald: I am unsure about whether it has brought benefits as yet. It begins next autumn. In the long run, the recently published cost-benefit study indicates limited benefits over cost for the island as a whole and for both jurisdictions. In the final negotiations, Northern Ireland should take care to ensure that it gets its share of benefits right from the start. I am no longer responsible for that, but my colleagues in the authority and DETI will strive to ensure that that is the case. It is something that DETI and the authority will have to work at. It is an incredibly complex area. We know there will be benefits, but we want to be sure that they are maximised.

Ms Ritchie: Chairman, may I have a supplementary question? Prof FitzGerald has said something that requires investigation. What work is required by DETI and those in the North of Ireland to bring that to fruition?

Prof FitzGerald: It is complex. The models must be used. We need to be sure that the price in 2008 will be less than or equal to what it would have been without an all-Ireland market. I think it will be; but officials need to do their sums on that. I understand that they are working on it.

Mr Storey: Prof FitzGerald, do you agree that co-operation between Northern Ireland and the Republic should be only on the basis of benefit? You said earlier that the outcome had to be established. If we establish

a framework, it cannot be allowed to become legalistic and cumbersome.

The benefit, cost and sustainability of any particular project must be considered. Would it be possible to look at the axis turning for Northern Ireland? Rather than have a North/South axis, Northern Ireland may benefit more if the axis were turned east-west, given the fact that we could deal with 55 million people in England compared with three million in the Irish Republic.

Prof FitzGerald: If you are looking for economic benefits, those are what you go after. You co-operate where it is beneficial. There may be wider strategic issues on which the Republic and Northern Ireland need to work together. That depends, however, on what you are trying to do in any particular area. In an all-island market, the electricity market is the most prominent, because it is driven by commercial factors and will deliver benefits, North and South. Rather than say that you want there to be co-operation, you could say that you want to save money for consumers in the North. How do we do that? That was the focus of a House of Commons Committee that came to Dublin in the mid 1990s. Electricity prices had gone through the roof in Northern Ireland. Consumers were being screwed, and the Committee wanted to do something about that. The electricity market would be my economic focus.

What strikes me about east-west co-operation is the cosmopolitanisation of the Republic's economy and how important it has been for it to have had people with a range of skills from different places, as well as Irish people who have worked abroad. We have substantially underestimated that factor in the success of the Republic's economy. To focus on the island alone would be most unwise, just as it would be to focus solely on the rest of the United Kingdom.

Northern Ireland must ask how it can cosmopolitanise its economy. You need to look to Europe and beyond — to countries such as China. The Republic has done very well out of those who have gone from the North to work in the Republic, so Northern Ireland must look to an even wider audience than these islands.

The Chairman (Mr O'Dowd): I apologise for the movement while you were talking, Prof FitzGerald. A number of people present have had to leave to attend another meeting.

Our advisers have tabled a number of questions on your commentary. I apologise if I am hesitant while I am reading, but it is like reading a doctor's notes. If we require further clarification, the subgroup can write to you.

Your table on infrastructure spending in the Republic and the North shows a high level of spending in the productive sector. We are interested in support for the

economy. Can you tell us what the money will be spent on in the South?

Prof FitzGerald: Some of that money will provide marketing aid for tourism and some of it will be to aid R&D. I would have to look at the list because I do not have the report in front of me.

The Chairman (Mr O'Dowd): Thank you. The subgroup can follow up that query with a letter.

You suggest that Government must crack market failure. Is that a wide enough perspective, or must strategic objectives also be taken into account?

Prof FitzGerald: Strategic objectives such as building clusters in a particular sector could be set. If you look at the success of the market in healthcare products in Galway and in pharmaceuticals in Cork, you may want to consider building a cluster around Dundalk and Newry. It depends on what you call market failure. I would not get too involved in pedantry. If the state can produce much bigger benefits by spending money, it should go for it. However, you need to be pretty convinced that the state knows what it is doing. Economists said, in reference to the Irish Government in the early 1980s, that Governments cannot pick winners. Fortunately, the economists were wrong and Industrial Development Agency Ireland was right, although not quite in the way that it expected. I may have been more dismissive of this question than I would be in the cold light of day.

Mr McNarry: My question relates to that point, in a sense. I wish to ask about the concept of harmonisation. I am amazed that we have not talked about that yet. Harmonisation has been bandied about as though it were a new god for Northern Ireland. What would the impact be if Northern Ireland were harmonised and able to compete with the Republic? Would we benefit, would the Republic suffer, or would we both benefit or suffer? I use the comparison with tourism reluctantly. We made tourism an all-Ireland issue, and anyone will tell you that Northern Ireland did not do well out of that. Harmonisation creates a conundrum for everyone.

Prof FitzGerald: I would not like to comment about harmonisation in general terms. It may be sensible to harmonise some matters, but not others.

Mr McNarry: Should corporation tax be harmonised?

Prof FitzGerald: I know that people have left the room to discuss that issue. It is considered to be important for Northern Ireland to have a lower corporation tax rate, which would, undoubtedly, bring benefits. The question is: how great would those benefits be? People in the Republic exaggerate the extent to which corporation tax is currently important. It is important, but the investment in human capital and the successful attraction of human capital to

Ireland is more important for the future than corporation tax rates.

To some extent, the Republic also had first-mover advantage; it was first to go into the field. However, countries such as Estonia and Slovakia are now queuing up, bumper to bumper. Northern Ireland speaks English, which is another advantage that we should not tell anyone about.

Mr McNarry: We do not speak Irish. That may be another factor.

Prof FitzGerald: The Republic has the advantage of speaking English as well. We both speak English.

Mr McNarry: I thought that Ireland was an English-speaking nation, but perhaps I am wrong.

Prof FitzGerald: The English-speaking factor is important in attracting high-tech, mobile investment and skilled non-English speaking people who are from outside of Ireland, who will come here to learn English, but who will not learn Dutch.

Mr McNarry: Fair enough. You said that the Republic exaggerates the importance of corporation tax now. It must, however, have been important in the past.

Prof FitzGerald: It was important in the past. However, it is less important now. Strategically, the Republic must concentrate, not on changing the corporation tax rate, but focus primarily on its other attractions, given that other countries, including Northern Ireland, are going for corporation tax measures.

Mr McNarry: What are those other attractions?

The Chairman (Mr O'Dowd): Remember me, David? I am in the Chair.

Mr McNarry: What are the other attractions, Chairman?

The Chairman (Mr O'Dowd): Thank you. Go ahead.

Prof FitzGerald: Supporting the human capital area, for example.

Mr McNarry: Shimmers — once you give them an inch, they take a mile. *[Laughter.]*

Mr McLaughlin: I was enjoying that. I want to follow on from the previous point. The issue of corporation tax is hugely important to the discussion and to our engagement with the Treasury. However, is it accurate to say that the conditions that existed when corporation tax was a vital element of economic regeneration in the South do not apply in the current circumstances of global economics? There is a different context.

Prof FitzGerald: The context is different today. During the 1970s and 1980s, the Republic was the only country that was cutting corporation tax. However, there is now a lot of competition, for example, in

pharmaceuticals, from Puerto Rico and Singapore. In many areas, there are now many competitors.

Corporation tax might well produce benefits from within the United Kingdom, such as relocating activity, which would not be available to the Republic, but that would benefit Northern Ireland as part of the UK; as well as firms from outside of these islands moving to Northern Ireland. There would, undoubtedly, be benefits. However, I believe that there will be fewer benefits for Northern Ireland than there were for the Republic when it reduced its corporation tax.

11.15 am

Mr McLaughlin: If we can compete with the economy in the Twenty-six Counties, that benefits the island, which is a point that was made earlier. That can be achieved by combining other measures that produce the same outcomes, given what are likely to be the British Government's parochial interests.

Prof FitzGerald: I would not give up hope for Northern Ireland, no matter what. It has potential, and I would place a great deal of emphasis on the human-capital area. However, the issue is not a simple one. Mayo, Galway and Kerry in the west of Ireland have the highest participation in third-level education in the Republic, but if you give people a great education and they obtain MAs, they want jobs in which they will be able to use those MAs. Those jobs are in services areas in cities, although that would include Galway. Therefore the issue is whether you can hold on to graduates. If you can, that will represent a whole new ball game.

The Chairman (Mr O'Dowd): The final contribution will be from Mervyn Storey. We have time constraints, and Prof FitzGerald must travel back to Dublin.

Mr Storey: Mr McNarry picked up on a point that is well worth rehearsing. If we look at the legacy from Tourism Ireland Ltd, it is abundantly clear that Northern Ireland has become the poor sister. The despicable situation is that the NITB can only promote Northern Ireland in Northern Ireland, yet Tourism Ireland's remit is to promote the island. From an economic perspective, that has created a disproportionate playing field. Northern Ireland has been adversely affected because of the way in which that organisation was structured and the matter was handled.

Prof FitzGerald: I am not an expert on tourism, so I cannot comment on the Republic versus Northern Ireland. However, having watched what has happened in the Republic, I can say that people thought that a big boom in tourism would be great for rural Ireland. It has not been. There has been a boom in urban tourism, with people spending the weekend in Dublin. The rest of the country and Northern Ireland have suffered in comparison because of Dublin's dominance.

My daughter bought a painting from one of the best Ethiopian artists. He had spent six months on an Irish Government scholarship in Dublin, and the painting was called 'A Hen Night in Temple Bar'. That is like Irish people going to paint the natives in Africa. For an African, the painting depicted a strange cultural event. Hen nights in Temple Bar are part of what one might call a success. For those of us who have to live beside Temple Bar, however, they are of doubtful benefit.

The Chairman (Mr O'Dowd): We could go on all day, but we have time constraints. I thank Prof FitzGerald on behalf of the subgroup for his contribution and continuing co-operation with us. Thank you.

Adjourned at 11.18 am.

SUBGROUP ON ECONOMIC ISSUES

Thursday 14 December 2006
(Afternoon evidence session)

Members in attendance for all or part of proceedings:

The Chairman, Mr John O'Dowd
Mr Fra McCann
Dr Alasdair McDonnell
Mr Mitchel McLaughlin
Mr David McNarry
Mr Peter Robinson
Mr Mervyn Storey

Witnesses:

Mr Ray Shostak	} Director of Public Services, Her Majesty's Treasury (HMT)
Mr Dan Rosenfield	} Head of Devolved Countries and Regions Team, HMT
Ms Judith Knott	} Head of Corporate Taxation Team, HMT
Mr Martin Beck	} Economic Adviser on Corporate Taxation System, HMT.
Mr Mark Parkinson	} Policy Analyst with Devolved Countries & Regions Team, HMT

The subgroup met at 2.20 pm.

(The Chairman (Mr O'Dowd) in the Chair.)

The Chairman (Mr O'Dowd): Good afternoon. I welcome the Treasury officials to this meeting of the Subgroup on Economic Issues, which is a subgroup of the Committee on the Programme for Government. Perhaps you would introduce yourselves and give your presentation, which will be followed by a question-and-answer session.

Mr Ray Shostak (HMT): I am the director of public services in the Treasury. This is Dan Rosenfield, who is head of the devolved countries and regions team, Judith Knott, who is head of our corporate taxation team, Martin Beck, who works in Judith's team as an economic adviser on corporate taxation, and Mark Parkinson, who is head of the devolution branch in Dan Rosenfield's team.

We are grateful for the opportunity to talk to you. I begin by thanking the subgroup for rearranging its timetable in order that we were able both to give evidence here and to deliver the Pre-Budget report. In

my introductory remarks, I will set out the context for the Chancellor's offer and then introduce the rationale and elements of the financial package. That will provide some background in order that we may field your questions.

You will know that the economic package has been put together in order to support the steps that the political parties and the Secretary of State are taking under the St Andrews Agreement. The package recognises the substantial progress that has already been achieved since the signing of the Good Friday Agreement, and it reflects the need to work on wide-ranging reform. The programme would promote the peace process and economic growth, strengthen involvement from the public and private sectors, and enhance the performance of the public sector so that peace is matched by economic prosperity.

The package comes at a time when the fiscal climate is much tighter than in the past, and is in the context of the two fiscal rules that have led to the strong macro-economic stability of recent years. The first is the "golden rule", which is that, over the economic cycle, the Government will borrow only to invest, and not to fund current spending. The second is the sustainable-investment rule, which dictates that public-sector net debt, as a proportion of gross domestic product (GDP), will be held at a stable and prudent level over the economic cycle.

The package also comes before the 2007 comprehensive spending review (CSR) which is within that much tighter fiscal climate, and which has led us to work with all Departments to ensure that spending and supply-side programmes, which promote economic growth, are cost-effective and provide value for money. That again reflects the tighter fiscal climate.

As you will know, the Northern Ireland Departments are carrying out their own spending review, and we are liaising closely with them — again, within that tighter fiscal climate. The Treasury and other Westminster Departments are determined to continue to make progress in that climate and look forward to working with you post-devolution also.

It is worth noting that the Government have already made several early settlements as part of the 2007 CSR. The Departments that have settled include the Department for Work and Pensions (DWP), HM Revenue and Customs and, indeed, the Treasury group, which have all settled at –5% for each of the three years in the CSR period.

In its recent pre-Budget report, the Treasury also announced –3% efficiencies year-on-year during the CSR period, with a focus on cashable efficiencies to facilitate reinvestment. That gives an indication of the approach of the 2007 CSR and some of the challenges that we have faced in relation to it.

Finally, the Treasury recognises that the St Andrew's Agreement built on the considerable progress that has been made in Northern Ireland so far. Indeed, we touched on that point when we met with your advisors this morning. We also recognise that the Northern Ireland economy has prospered in recent years. Since 1996, the economy has grown every year, and the average annual rate of growth in nominal terms has been 5.4%, which is similar to the UK average. The unemployment rate is falling, from 8.2% in 1997 to 4.4% in 2006, compared to 5.5% in the UK. Whatever problems remain, particularly with productivity and inactivity, there is a strong platform from which to go forward. The Chancellor's package is an attempt to work with you to build on that platform.

Work is ongoing to reduce dependency on the public sector and improve Northern Ireland's public services. There are record levels of investment and, in nominal terms, public spending by the Northern Ireland Departments will be 20% higher in 2007-08 than it was in 2004-05. Public spending in Northern Ireland is 30% above the UK average and is by far the highest in the UK.

I am aware that members know those figures, but they create the context in which the package that the Chancellor put to you was formulated. The package is intended to reflect that context and, in the light of analysis and representations that were made to him, on 1 November 2006 the Chancellor announced a medium- and long-term funding package to provide the incoming administration with a secure and certain basis for planning spending. That package is, of course, contingent on the restoration of devolution. In view of the settlements that the Treasury has made with other Departments, that secure and certain basis has significant value.

In his letter of 8 November 2006, the Chancellor explained that the Government are prepared to offer a funding package in order to support the objectives that they share with the local parties. The aim is to promote a private-sector-led economic strategy for Northern Ireland and to create a world-class, modern and dynamic economy.

We want to answer any questions that you may have about that package and to develop a common understanding of it. The funding commitment for the next four years is a minimum of £35 billion. That confirms the existing departmental expenditure limit spending for 2007-08 and increases it by the rate of inflation over the following three years. I have no doubt that you will want to ask questions about that.

The CSR settlement will be confirmed next year and will be based on the updated Statement of Funding Policy. Should devolution return, the Executive would, inevitably, be consulted on that. The figures for each

year are £8.5 billion, £8.7 billion, £9.0 billion and £9.2 billion.

The package also confirms the £200 million reinvestment and reform initiative (RRI) borrowing limit for 2007-08. That is in addition to departmental expenditure limit spending and is available to finance increased infrastructure investment. That facility is unique to Northern Ireland.

There is a long-term funding commitment of £18 billion for capital investment for the years 2005-17. That extends the existing 10-year strategy by two years and provides a framework for modernising Northern Ireland's infrastructure. The package also commits to an end-of-year flexibility drawdown of £0.4 billion over the period to 2010-11. The Northern Ireland Executive would be able to carry forward all departmental expenditure limit underspending.

In order to boost capital investment, the Executive would also be allowed to retain the receipts from the planned sales of public sector assets, which are currently estimated at over £1 billion to 2010-11. There may be scope to identify further asset sales in the spending review.

The Executive would be allowed to retain all efficiency savings identified over the CSR period to strengthen frontline services. Those would, on current estimates, rise to at least £800 million in 2010-11.

2.30 pm

Work is in hand on value-for-money reviews to maximise those savings here as it is in the rest of the UK.

Finally, the Northern Ireland Executive would be allowed to retain EU receipts under the structural fund and peace funding. These are estimated at £500 million for the period 2007-13 and are designed to promote regional development and community cohesion. In aggregate, the package is worth around £50 billion.

We talked earlier with your advisors about our concerns relating to corporation tax. The Government are fully aware of the representations made in favour of reducing the rate in Northern Ireland, and have considered those carefully. The Government's view is that the UK, including Northern Ireland, has a competitive tax structure.

According to the joint report on the 'Comprehensive Study on the all-island economy', direct taxation, as a percentage of income, is lower in Northern Ireland than in the Republic: 24.8% compared to 26.3%. A small-companies rate already exists; other allowances mean that the effective rate of tax paid is lower than 30%; and R&D tax credits are more generous in Northern Ireland than in the Republic. There are many difficulties associated with lower rates of central government taxes in Northern Ireland, and such an

approach would be illegal. Instead, the Government envisage strengthening supply-side policies, such as that on skills and innovation. This is also advocated in the all-island report.

That leads us to two further aspects of the package that you may wish to discuss. The package proposes the setting up of an innovation fund to support R&D and innovation in Northern Ireland business and research. That reflects the importance of Northern Ireland focusing on developing a highly skilled workforce, building on its science and education sectors and responding to the challenges of globalisation.

Secondly, the package proposes to provide a corporation-tax office that will be a one-stop shop, offering advice to companies that are considering a potential investment in the Province, advising on business issues such as R&D tax credits, and advertising the skills and the new incentives to the world.

Members are welcome to ask questions and seek clarification today on the package. We are also here to help you research your report, which we look forward to.

In summary, this funding commitment is unique to Northern Ireland, particularly in the context of the overall CSR, and will ensure that Northern Ireland continues to have the highest levels of public spending in the UK. We will also work with the Northern Ireland Executive and the Republic to strengthen the development of the all-island economy, and improve value for money in public services across the island. We will co-operate with the Irish Government and devolved Ministers in relation to joint funding that the Irish Government may wish to put forward.

To conclude, the Treasury looks forward to working in partnership with devolved Ministers, when devolution returns, on public service and economic growth to reform and improve public service delivery, while at all times recognising that in those devolved areas it will be for the Northern Ireland Executive to decide their priorities and policies. That has been an important driving force in constructing the package, and it is the basis for any discussion or clarification that you may want during the course of the afternoon.

Dr McDonnell: Having attended the session with the Chancellor, most of the detail of the added money and the infrastructure fund is fairly clear-cut to me.

Can you tell us anything about the innovation fund that the Chancellor mentioned at that stage? Will it be additional to the existing health research funds that were established in England? If not, how does it relate to those funds? Will it be additional or will it be assumed that — *[Inaudible due to mobile phone interference.]*

The Chairman (Mr O'Dowd): I am sorry to interrupt you, Alasdair, but someone has left their mobile phone on. It is causing interference with the recording equipment. Can members please ensure that their mobile phones are turned off?

Dr McDonnell: Is that research academic or commercial — they are very different animals. I, and many of my colleagues, believe that it would be wonderful to have money invested in academic research, but we really want investment in commercial research that will produce a profit at the end of the day.

Mr Shostak: We would be delighted to clarify that for you, and I welcome this opportunity to ask my colleague Dan Rosenfield to respond. To reflect the spirit of the question, we, too, as you will have gathered from my introduction, see the innovation fund as an important component in supporting the development of the economy in Northern Ireland.

Mr Rosenfield (HMT): The starting point, as you suggested, was your meeting with the Chancellor, at which he clearly signalled that he was committed to an innovation fund in Northern Ireland. He subsequently asked officials to follow up with details, which is where we come in. Our approach has been one of partnership with our colleagues in Northern Ireland on the idea and the overall context, but also of generating links with officials in the Republic of Ireland to identify opportunities across the piece.

I will briefly set out the context that informs that deliberation and the way in which we are trying to take it forward. I will pick up on your specific points as well.

We are very keen to meet some of the priorities set out at the meeting that the Chancellor had with the local political parties. The needs identified were to meet the perceived historical underinvestment in capital; to generate higher private-sector investment; to collaborate more closely with the Republic of Ireland; to develop Northern Ireland's science and R&D base; and to create world-class universities, building on the solid base that already exists and ensuring that it is capable of meeting the specific challenges of globalisation.

We are also very mindful of the 'Second Report on the Economic Challenges facing Northern Ireland', particularly some of the points that it made about science and innovation. Equally, the study of the all-island economy touched on some of the evidence base we will take account of when thinking about how to structure and focus a fund.

Finally, it is important to recognise the partnership approach between reserved policy areas and what could be devolved policy areas. We are mindful that there is a UK science and innovation investment framework, which spans 10 years, and it would be critical that any fund complements and builds on it.

That is the broad context. I will now move to specific issues. Since the parties met the Chancellor, we have engaged directly with our colleagues in Northern Ireland, recognising the partnership nature of the approach and that there is already a significant amount of policy on which we would like to build, such as some of Invest Northern Ireland's work.

If we got the design wrong, there would be a risk of duplicating already existing policy, which we are keen to avoid.

Equally, as I signalled, we opened up communications with the Republic of Ireland to explore some of the ideas around collaboration. However, at the very strategic level, while we do not want to be too prescriptive about the fund, we suspect that the overall approach wants to be one that seeks to increase business investment and innovation and to encourage innovative collaborative projects that include the private sector. So I am referring very much to a commercial angle as well as to the academic angle that you mention.

What does that mean in practice? Currently, dialogue and engagement are not prescriptive. Ideas and proposals at this stage include prioritising specific areas such as funding to encourage innovative R&D investment by companies in high-growth sectors, particularly with a focus on small to medium-sized enterprises and inward investors. One proposal is that that could be operated as a challenge fund, a model used in the Republic of Ireland and elsewhere.

Another priority might be an international innovation investment collaboration fund, which would recognise the global nature of the R&D innovation challenge and explore collaboration with countries across immediate borders, but also with global players such as the US, India and China.

We are also keen to explore how we might best use the funds to develop centres of world excellence by investing in innovative technologies and technology transfer, perhaps through joint investment between Northern Ireland and the Republic of Ireland universities, building on existing research centres and making sure that we are capturing the commercial angle of development and the spin-offs that one can realise from the more academic side of research.

Finally, we are interested in considering whether we can learn lessons that from some of the existing Northern Ireland policies around science parks, and those in other parts of the United Kingdom. We also want to look at the best practice of UK policies such as science cities, and to establish whether that could be applicable in a Northern Ireland context.

Dr McDonnell: Will the issue be 20% commercial and 80% academic or 20% academic or 80% commercial? How will the balance be struck, or who will decide that?

Secondly, you say that you are in dialogue with Invest NI. I do not want to offend or criticise those in Invest NI, but they are, by and large, people with a Civil Service background and frankly, when new, cutting-edge, hi-tech and highly innovative technology appears, it scares them because there is big risk involved.

How can we introduce necessary risk-taking? Where are we going to strike the balance?

There is much talk and action from a lot of tremendous people in the medical world here, but it is by-and-large all academic. It is impossible to persuade them that it is not dirty or prostituting to make money out of these projects. The challenge is to convince them otherwise.

In my view, the fund will work if it is commercial and radical in terms of risk. We must stop being scared of risk-taking; there are small companies throughout the country that would potentially take those risks, but we are not pulling any of them through.

The Chairman (Mr O'Dowd): Does anyone want to comment on those remarks?

Mr Rosenfield: Chairman, if I may respond. I suspect that our starting point is very much the same. Our interest in investment, innovation and R&D is because it is a key driver for improving productivity and therefore economic growth. If we agree on that and take it as our starting point, it rather suggests that the focus should be more heavily on the commercial side than the academic side.

While we do not want to be prescriptive about the specific balance, I think that we would share the thrust of your point on that. Similarly we seem to agree on how we can really exploit the current dialogue and make sure that it delivers the expertise we require to make a policy work in practice.

However, the critical element for me is that we see this as a collaboration with the private sector; that it should promote dialogue and encourages an element of challenge; and that we bring the private sector to the table in a way that frankly recognises, dare I say it, that the Civil Service does not always have the best answers to some commercial questions and that we are at our best when we create the right space in which to work in partnership with the private sector.

Mr McNarry: Thank you for taking the time to come and speak to us today. I hope that it will not be the last opportunity that we will have to discuss those issues.

The local media caused some confusion by reporting headlines of new money in the Chancellor's package. Our local experts seem to have taken the £50 billion and reduced it to nothing. Can you state clearly what is new money beyond the public expenditure that

we might reasonably have expected in Northern Ireland?

2.45 pm

Mr Shostak: I will ask Dan to go through the detail. I will take the direct question about the new money in the package.

Mr McNarry: It would help inform the public, because they have either been misinformed or misrepresented — or you have been misrepresented.

Mr Shostak: Indeed. Before Dan describes that for you, I remind you of my opening remarks and the context in which we are operating. It is a much sharper fiscal outlook, and settlements have already been made with Departments. What that does is create a climate in which we have tried to construct a package, so the direct question is entirely relevant.

Mr Rosenfield: Ray, in his opening statement, described all the elements of the package, totalling over £50 billion. The package contains the following elements that have already been announced: £8.5 billion departmental expenditure limit in 2007-08; £16 billion investment strategy; and £200 million for reinvestment and reform initiative borrowing in 2007-08.

The new announcements in the package are a commitment to: first, at least uprate the 2007-08 departmental expenditure limit by inflation in the comprehensive spending review, with the actual settlement to be announced next year in the normal way; secondly, an additional £2 billion, by extending the investment strategy by two years; thirdly, additional flexibilities, including drawdown of existing end-year flexibilities over the comprehensive spending review period, retention of over £1 billion of planned asset sales, retention of at least £800 million value-for-money and efficiency savings in 2010-11 and retention of £0.5 billion EU receipts up to 2013.

Mr McNarry: To help the poor soul who has difficulty in putting all that together, what is your assessment of how much of that, in total, is new out of the £50 billion? Can you give me a ballpark figure of £x billion?

Mr Rosenfield: The package totals around £50 billion — just over £50 billion.

Mr McNarry: I am well aware of that. Can you tell me what I have got now, that I might not have got, had colleagues not gone to see the Chancellor at 11 Downing Street?

Mr Shostak: It is difficult to tell you what you might not have got. Part of what we are doing is creating an early settlement for the new devolved Executive. In that respect, we are currently in the process of setting departmental budgets for 2008-11, and as part of that process we are going through with

Departments zero-based reviews against all of their major negotiated spending lines.

The package that the Chancellor put to you creates that new certainty and is an allocation of resources, which provides that certainty now.

Mr McNarry: I am trying to say to you that the package as explained by the Chancellor has not penetrated and that whatever benefits are in it have not been grasped. Perhaps they need to be simplified so that the public can grasp them. Equally important is that the package is being presented in a climate in which the politicians in Northern Ireland — and I respect you and I am grateful that you are trying to help us — are coming to an arrangement whereby a devolved Government would be restored.

I am sure that if you were advising a potentially incoming devolved Government you would be asking them to find out what more money they will have in order to govern than they will inherit directly from the outgoing direct rulers. I suggest to you that work needs to be done to deal with the confusion, and now the perception, about the package. To be honest, I will need to think about your answer two or three times because I do not have a clue about what you have told me.

I will leave the matter for other colleagues, unless Mr Robinson wants to ask a supplementary question.

Mr P Robinson: I think I understood what was being said — we are being provided with certainty and not new money.

Mr McNarry: I agree.

Mr Rosenfield: If there is an issue about understanding I will restate the figures, specifically to answer direct questions, and then set out what I think is new, and I will be absolutely clear about that.

The overall package is around £50 billion and contains specific elements that have already been announced — the £8.5 billion departmental expenditure limit in 2007-08, the £16 billion investment strategy money, and £200 million reinvestment and reform initiative (RRI) borrowing in 2007-08.

There are three new elements in the package. First, there is the uprating of the 2007-08 departmental expenditure limit by inflation across the CSR. That will provide an incoming Executive with much greater certainty than Whitehall Departments currently enjoy, or, in Northern Ireland's case, than a direct rule organisation would enjoy. An incoming Executive will be able to come into the CSR process in an environment of certainty and will be able to make plans on that basis.

Secondly, a new element, which is critical, is the extension of the Investment Strategy for Northern Ireland to 2017, which will provide an additional £2

billion. Behind that decision is specific recognition of the challenges for Northern Ireland to invest in infrastructure as a key driver to attracting private sector investment. An incoming Executive will be able to enjoy the longer-term certainty that that will provide as regards planning and funding.

Thirdly, there is the announcement of specific flexibilities, which is a new announcement. These include the points around end year flexibility and the retention of the receipts from the sale of public sector assets. I appreciate that the Subgroup on the Economic Challenges Facing Northern Ireland looked at the issue in its report. Those additional flexibilities provide greater certainty and spending power for an incoming Executive.

Mr McNarry: I will read that again with interest. I understand the aspect of certainty. I am concerned that what you outlined is what we could have reasonably expected. You appear to be ring-fencing with some certainty, what we would have reasonably been expecting. There will have to be some thought as to whether or not it is additional in real terms.

My second question concerns a press release from the Treasury, issued on 1 November 2006, which stated that:

“The UK Government will work with the Northern Ireland Executive to simplify the R&D tax credit rules”.

Can you outline what that simplification will entail? How will simplifying the rules encourage new opportunities, particularly those with environmental benefits? For example, how would it further the development of biomass opportunities for our hard-pressed farming community? That issue has recently come to the fore. Although we are advanced in some aspects, simplification of the R&D tax credit system could help some people immensely.

Ms Knott (HMT): To provide background, I will explain the basics of the R&D tax credit system. The system in the UK compares very favourably internationally. That assertion is supported by external research. For example, Deloitte has assessed the UK’s R&D tax credits as among the world’s most attractive regimes. Benchmarks set by the Organization for Economic Co-operation and Development benchmarks also rate the UK system as attractive compared to that in the Republic of Ireland.

Over recent years, we have consulted on R&D tax credits, most recently last year. That consultation made clear that improvement of the administration and delivery of the R&D tax credit was vital. Companies will not take advantage of R&D tax credits unless the system is simple to administer and will be managed in helpful and friendly way towards claimants.

Mr McNarry: You must appreciate that Northern Ireland has a large number of small companies that are not attracted to R&D because they do not see how it would benefit them.

Ms Knott: I fully understand that. The Treasury is also well aware that the problem with R&D is uptake, especially in Northern Ireland but also in the UK. As a result of the consultation, improvements in administration and delivery will ensure that the three core principles of the system — simplicity, consistency and certainty — are upheld. Certainty is vital; R&D will not be factored into an investment plan unless a business is certain that it will receive the tax relief.

A major initiative that has arisen from the consultation is the creation of new specialist units that will handle all R&D tax credit claims by small and medium-sized enterprises. The units will be centres of expertise and excellence within Her Majesty’s Revenue and Customs that will deal with tax credit claims. The units will also have a strong outreach function and will build strong links with the local R&D community and tax professionals. In addition, the units will have a major role in promoting the tax credit to help encourage uptake and will assist companies with claims.

Those elements of the simplification and promotional package are now in place. However, an additional element for Northern Ireland, as part of the financial package accompanying the St Andrews Agreement, is an extension to the corporation tax and VAT office in Belfast. That office will have a specific R&D remit and will act as a specialist unit for R&D claims. Furthermore, it will advise potential overseas investors on other aspects of the tax system. However, the R&D tax credit aspect, including promoting and dealing with claims, will be central to its operation.

3.00 pm

Mr McNarry: Would you be able to consider the additional aspect of R&D tax credits favourably for businesses now going into the environmental management of products?

Ms Knott: The general rules on qualification for R&D tax credits would apply to environmental and other areas in the same way. What emerged from consultation is that simplicity and certainty are key to the R&D tax credit. Putting more bells and whistles on particular types of investment would actually detract from the benefits of simplicity and certainty.

Mr McNarry: I can imagine a farmer going in to your corporation tax shop seeking help on diversification and bumping into a businessman looking for some information on corporation tax. I doubt if you would be able to give the businessman the information he requires, because from what you have said a reduced

rate of corporation tax may not be introduced, although you may be able to help the farmer.

Ms Knott: The outreach function will serve the local business community. To the extent that farming is an element of local business, the outreach function will serve it.

Mr McLaughlin: Thank you very much. You are very welcome.

I will briefly set out the context. The parties that will form an Executive, if we arrive at that point, are represented in this subgroup. An Executive will have to address the challenges and very significant difficulties that will emerge.

We are emerging from a conflict that has lasted decades. We are dealing with very significant deficits in infrastructure and with the reality that our economy is unbalanced: we have a struggling private sector and a much stronger public sector, and we are committed to doing something about that.

In your statistical analysis you referred to what appeared to be very favourable and comparable employment statistics. But, of course, they do not tell the whole story, because we are dealing with a population of 1.6 million people, half a million of whom are economically inactive.

I do not want to waste time trying to find out where the extra money is. I want to cut straight to the chase. The Chancellor bowled short, because even if there is extra money in the £50 billion, the question is, is it sufficient? The answer is quite clear. It is not.

The Executive is being set up to fail, unless the Chancellor recognises the need to invest in the peace process and in the political process. The deficits have emerged over a period of time for various reasons, and there is no real benefit in going over that again.

No one is seriously disputing that investment is necessary if we are to rebalance the economy, attract investment and make the step change described in your presentation to a modern, dynamic and vibrant economy. If we had the resources we might be able to do that in five years, although that would be a miracle. It will probably be a 10-year programme to reorient third- and fourth-level education to produce the type of graduates who will manage this new economy.

We are living cheek by jowl with one of the most successful economies in the world, which is performing better than any collective region in the UK, or any individual region for that matter. Northern Ireland's disadvantage is real, and is compounded by what appears to be a lack of appreciation. I know you are constrained by the policy as set out in the Chancellor's statement, but the message has to go back very clearly that the investment is short of what is needed if we are going to succeed

Presumably, Government want us to succeed.

The Chairman (Mr O'Dowd): Are you waiting on a response to that?

Mr McLaughlin: I do not expect a response.

Mr Shostak: We certainly want the devolved Administration to succeed.

Mr Rosenfield: Ray has already mentioned the tight fiscal climate, and the challenges of delivering the comprehensive spending review in that context. However, it is worth saying, more widely, that the Treasury and the Government are absolutely committed to working with an incoming Executive in order to make the Northern Ireland economy a success. We broadly share your initial analysis of the economic problems facing Northern Ireland at present. As Ray suggested earlier, it is important to be positive about the wins that Northern Ireland has experienced. For example, although some employment figures do not compare favourably to other regions across the UK, they do compare favourably to some of the historical figures. Therefore, progress has been made. We must celebrate that progress and learn to build on it.

There are three broad strands to the approach that we are taking in trying to make a success of the economy. First, there is macroeconomic stability. The Chancellor and the Treasury have worked hard to deliver 57 quarters of consecutive economic growth. That that has happened is in part due to the measures taken to make the Bank of England independent and to the prudent and cautious approach taken to managing the public finances. Let us not forget that that is critical to the investment decisions and the environment in which businesses operate. Clearly, however, that is not the whole picture, and we accept that analysis.

Secondly, in England, and I suspect that it also applies in Northern Ireland — although that would be for an incoming Executive to decide — one would need to supplement that macroeconomic stability with microeconomic reform and appropriate investment. Our analysis suggests that one can bend policies and public investment in order to help drive the underlying factors of productivity, as well as those factors that contribute to increasing and growing productivity in a way that brings stronger economic performance in the medium and long term.

Thirdly, as has been suggested, there are comparatively high levels of public spending in Northern Ireland. Northern Ireland has the highest level of comparative public spending per head of any UK region — around 30% higher than the UK average. Although that may affect the balance of the economy, it also presents a significant opportunity for an incoming Executive to use that resource most effectively in a way that drives microeconomic reform and facilitates and supports private-sector investment. The Treasury sees itself

working in partnership with an incoming Executive in order to ensure that macroeconomic stability and microeconomic reform work hand in hand within a devolution framework, whereby the decisions that drive Northern Ireland's economy and influence local people's standard of living are taken at the right level, close to where market failure occurs and where those decisions have impact.

Mr McLaughlin: I would like some clarity on a final point. When the Prime Minister last visited here, he made a commitment to political parties and, in particular, to the business community that the Government were prepared to listen to arguments and specific proposals. There is, of course, a debate on the issue of corporation tax. In his remarks, however, the Prime Minister made it clear that a possible cocktail of measures and initiatives could create the level playing field that people believe is axiomatic if there is to be a successful political relaunch.

A step change is clearly required if, 12 years since street conflict ended, we are dealing with the fact that policies are being applied — under direct rule, expect for a brief interlude — in the way in which you described them; the fact that there is a dependency on the public sector; the fact that 96% of businesses are small and medium-sized enterprises (SMEs); and the fact that 500,000 people are economically inactive. We could manage that step change on the same basis, with the same resources, and still have the same outcomes.

However, we are describing a different future and a different world; we are talking about the economy's ability to grow and to create employment opportunities. I know that you will not second-guess the Chancellor, but where in his statement are the proposals concerning a cocktail of measures on a broad fiscal policy, and the flexibility, that could lead to a step change?

Mr Rosenfield: My answer to that question is rooted in our approach, which has emerged in the financial package and the way in which we would wish to work with an incoming Executive. The Treasury is responsible for the reserved public spending framework, but it wants to create the space and opportunity for an incoming Executive to work in partnership with us in order to make decisions on spending and investment priorities. The challenge with a cocktail of measures — and the Treasury is addressing that issue — is to provide planning certainty on public spending and the appropriate resources. We are trying to create the space for you to make those decisions in partnership with the Treasury, where appropriate, in a way that you see fit.

Partnership is the approach that we seek. The Treasury would not want to be prescriptive about a cocktail of measures for the Northern Ireland economy. We want to work in partnership with you but, equally, we want to respect the space for an incoming

Executive to make those decisions — and rightly so — in respect of devolved matters.

3.15 pm

Mr P Robinson: First of all, I welcome you all. When I am involved in negotiations, I often try to test how my words might sound to those sitting on the other side of the table. I rather suspect that it is only your good training and civility that stops you from biting your tongues at times. You could well say that you have produced a package worth £50 billion, yet these awkward people are quibbling about it.

I do not wish to give you a talk on the Union and how we should all benefit from the prosperity of the nation. The Chancellor and the Secretary of State have clearly indicated the need for significant investment in Northern Ireland. Any incoming Executive would applaud your certainty, particularly a future Minister of Finance and Personnel. It is helpful to know where we stand on those issues.

We are all old and experienced enough to recognise that, however the financial deal is packaged, it is essentially what a reasonable man might have expected it to be. However, we are being told about the financial package at an earlier stage. The newspapers and economists that have addressed the issue have more or less come to the same conclusion. If that is the position — and I have heard nothing today to persuade me otherwise — it really does not cut the mustard in addressing the very issues that have been recognised by the Chancellor and the Secretary of State. Mr McLaughlin and I share the same position on this issue, and we could not come from more diverse political viewpoints. If the financial package does not address Northern Ireland's long-term economic structural problems, the quantum must be increased.

The Chancellor has not sent you here today to announce that the package will be upscaled. When we met the Chancellor, I sat directly opposite him; I noticed that his statement was handwritten and had not, perhaps, gone through the normal, official channels. You must accept that more work clearly needs to be done on that package.

Are we wasting our breath? Has the Chancellor made his offer based on our present situation, with the understanding that we can go to him some time between 7 March 2007 and 26 March 2007 — when he hopes that we will have sorted ourselves out — and say that progress has been made so that he can talk real business? The quantum must be increased.

I am sure that you wish that the corporate tax issue would go away and that we would stop talking about it, but it is recognised that a little corporation tax shop will not be enough to get the people from business and industry on to the American airlines and over to Northern Ireland. However, they will come if they

have the incentive of a reduction in corporation tax. It is the most important element of a package that could help to raise our economy from its present level to being less dependent on the Treasury. We could move our economy away from being so heavily public sector-led to one that is more prosperous with greater private-sector investment.

3.15 pm

We do not want to have a long-term hands-out approach to the Treasury; we want to be able to change the mess that we are in, and we can do that only if we move up a few gears. There is no better way to do that than by reducing corporation tax. You will find that people — such as myself — in the awkward squad will continue to raise the issue until somebody listens to us and takes the step that can lift us out of our present circumstances and make us less dependent on Exchequer funding.

Mr Shostak: I will ask Judith to talk about corporation tax shortly.

Mr Robinson's contribution contained today's second reference to "any reasonable man" — which we all are — expecting certain sums of money. In the new financial climate, many of our discussions with Departments relate to what have been reasonable expectations about the period of growth that has been experienced over recent spending reviews. The comprehensive spending review is in a different climate from that. Therefore what was reasonable some years ago may not be in the assumptions that underpin the discussions that we are having now with other Departments or the context in which the financial package is being put on the table.

I hope that today is helpful in clarifying the nature of that financial package and the rationale behind it. It is about us supporting the subgroup's aspirations in respect of an economic relationship with the Treasury and our objective to support Northern Ireland in developing its capacities, which we are desperate to do.

Judith will address your concerns on corporation tax.

Dr McDonnell: May I interrupt? I have two supplementary questions following on from Peter's contribution. Has the Treasury taken a view on ERINI's study of corporation tax?

Since we will keep on about the issue of corporation tax, what is the best way to take forward the discussion on it? We will probably keep annoying you about it, and you will probably keep annoying us by rejecting it. It does not square. However, it is better to ask those questions now rather than later.

Ms Knott: We have read with interest the ERINI report on reducing the rate of corporation tax for Northern Ireland. Having looked at it, we do not believe that such a measure would result in the benefits

that the report claims would accrue, or that a reduction could overcome the serious practical problems involved in implementation — problems that the report itself does not consider in any depth.

Recent surveys by respected international bodies consistently show that the UK as a whole is successful in providing a business-friendly environment and a competitive tax system. Looking at the tax systems in total rather than the rate of corporation tax alone, we think that the Great Britain and Northern Ireland tax system enjoys a number of advantages over that of the Republic of Ireland. For example, the rate of VAT and the top rate of income tax are lower. Moreover, tax relief on dividends is beneficial, and that is quite important when looked at alongside the corporation-tax rate.

I have mentioned R&D, so I will not say anything further on it. The UK tax system is competitive. A cut in the rate of corporation tax in Northern Ireland would not represent good value for money for the Exchequer. It would have a significant revenue cost, which we estimate would be well above the cost that the ERINI report suggests, once allowance had been made for the encouragement that such a tax cut would give to tax avoidance.

The report explicitly assumes that there would not be shifts of production or profits from the rest of the UK to Northern Ireland. That assumption would not be borne out in reality. Most of the savings would accrue to existing businesses in Northern Ireland, so that would be dead-weight cost and would not represent good value for money. It would also exacerbate the problem of tax-motivated incorporation by introducing a differential between the self-employed and the corporate structures, and that would simply reduce tax revenues without there being any extra economic activity in Northern Ireland.

A change in the rate of corporation tax would also introduce complexity into the system. That would not be good for the rest of the UK — or for Northern Ireland, as Northern Ireland businesses would have to deal with the complexity. Essentially, a system would be created in Northern Ireland in which the rules that currently apply to cross-border transactions would have to be applied between Northern Ireland and the rest of the UK.

Perhaps most importantly, we do not believe that the corporate tax rate is core to developing Northern Ireland's economy. International investors are interested in a variety of factors, both tax-related and non-tax-related, when deciding where to locate investment. Survey evidence and our own discussions with businesses, which have been extensive recently, suggest that the corporate tax burden is not at the top of their list. Rather, it comes below factors such as the

availability of skills, cost of labour, transport infrastructure; and access to markets.

Finally, we do not believe that a change in the rate of corporation tax would be legal. We have looked at the issue on its merits and have not focused on the legality of any change, but we conclude that the case has not been made that a change in the rate would achieve the benefits that the report claims.

Mr P Robinson: I wish to make two comments. First, in response to Ray's apologia, I must make it clear that there is a distinction to be drawn between saying to us that no new money is available and saying that there is currently a tight fiscal environment in the UK and that the climate is such that we might have expected to get less over coming years.

However, that does not address the issue that we have raised. If we are doing well to get much the same as we currently get, when in some areas we might have expected to get less, that is nevertheless not the new money that is needed to address the problems that the Chancellor, the Secretary of State and we ourselves have identified.

That is the problem that I have with the response.

Members may wish to engage with your team on the issue of corporation tax. It is not a question of whether that measure provides good value for money, because, with respect, I do not believe that the Treasury has thoroughly analysed the benefits that would accrue to the UK if that project were pursued.

There would undoubtedly be more business in Northern Ireland as a result of cutting corporation tax. That would result in less dependence on benefits and a greater tax take due to the resultant higher level of employment. There would also be greater National Insurance contributions and other benefits for the Treasury. The Exchequer might take a hit in the short term, but, before too long, it would receive considerable payback.

Judith's comments possibly indicate that some consideration and analysis has been carried out on the matter. We have carried out our analysis, and shared that with the Treasury. I wonder whether the Treasury is prepared to share its analysis with us so that our team might be in a better position to persuade the Exchequer about areas in which its analysis is deficient. Perhaps we could also address what your team believe to be the deficiencies in our approach.

Ms Knott: We have examined the ERINI report, and some of our concerns are based on assumptions that that report admits to making. For example, it assumes that, if the corporation tax rate were cut, the economy of the North of Ireland's foreign direct investment (FDI) would grow at the same rate as that of the Republic of Ireland in recent years. We believe

that to be an overly optimistic assumption, and the report admits that its position is optimistic compared with the consensus of academic literature on tax rates and the growth of FDI.

A further issue rests on the assumption that there would not be artificial profit shifting from the rest of the UK into Northern Ireland as a result of a tax shift. Artificial profit shifting would significantly increase the cost of a cut in the corporation-tax rate. The report itself states that a 1% shift in profit from the rest of the UK to Northern Ireland would cost an additional £200 million. Therefore much of our analysis is based on points that are contained in the report.

Mr P Robinson: Your comments could be seen as contradictory. On the one hand, you pour cold water on the suggestion that the Northern Ireland economy might move at the same rate as the Republic's, but, on the other hand, you then suggest that, if that happened, everyone in Great Britain would take to their boats and move to Northern Ireland.

Ms Knott: I had in mind artificial profit shifting, not the shifting of real activity. I had in mind the shifting of profit without any shift in the underlying economic activity. That would not actually help the Northern Ireland economy at all.

Mr Beck (HMT): A company in London that set up a so-called brass-plate office in Belfast could shift its profits to Belfast but keep its real economic activity in London.

Mr P Robinson: It would not be too difficult to implement regulations to prevent that from happening.

Dr McDonnell: As a supplement to Peter's comments, it strikes me that, first, there are very few companies here that pay substantial amounts in corporation tax. Secondly, any loss in the short term would be swung into reverse gear and into profit within four or five years because of, as Peter has suggested, the amount of extra tax that would be collected.

3.30 pm

The political point about it is that if I go into a boardroom in New York with David McNarry and I say that I have the most wonderful tax regime in the world and I will give them this, that and whatever, and I have a cocktail of 25 different advantages — and David says that he will provide 12.5% corporation tax — who do you think is going to get the deal? David is going to get the deal every time. This is about the banner headline: the politics of it.

That is where we are coming from. We need that lower rate of corporation tax, as Peter Robinson suggested earlier, to kick-start us, to draw a line in the sand and say that the past is behind us and we are now going over the top in terms of the economy. It is a political trajectory that says that we are on a new

platform. Within 10 or 12 years we would become a net contributor to the Treasury.

The Chairman (Mr O'Dowd): You are going beyond a supplementary question now, in all fairness.

Dr McDonnell: I am just making the point. Whether we grow at 80% compared to the Irish Republic, or 70% or 85%, is not the issue. The overall cumulative benefit would be the mood change and mind change that would move the whole equation on. That element needs to be factored in. I do not have the knowledge to disagree with your financial analysis, but there is a political dimension that says: "let us switch on the jet engine". I can assure you that if David McNarry goes to New York and says to an investor that he will get 12.5% corporation tax, the guy will break his arm.

Mr McNarry: Clearly, the understanding is that we are not in negotiations with Treasury officials. If that were so I sense that things might be less friendly. Therefore, this is the preparation for negotiations to give people the confidence and encouragement to go forward into Government. From my party's view, I will not be reporting back to the largest political membership in Northern Ireland that this session has been helpful. I am more likely to report that there is a deal-breaker in the offing. That goes against the grain in terms of the contribution that we all want to make to the restoration of Government here.

We are in an investigative mode. We have given you notice in writing of our intention to make counter-proposals. The question is much as Mr Robinson said: are we going with this or not? We want to be able to make an encouraging report that the financial deal is not going to hold back the other deals. Is it fair to ask how you would envisage how we can together manage and facilitate the counter-proposals that will be put to you in a manner that will bring a satisfactory outcome and encourage the formation of a devolved Government with the financial clout to proceed?

Mr McLaughlin: Can you also give us an indication that there will be an opportunity to engage further with you and the Chancellor around the proposals?

Mr Shostak: It has not been part of our remit to be part of a negotiating team. You have made reference to that already. Those are matters that you may want to take up with the Secretary of State; it would be inappropriate for us to comment on that as officials. What we have done today, I hope, is to help you to understand the nature of the package and to see the strength of what is being put on the table, in order to be able to support what sounds like a shared set of ambitions as regards a devolved Administration.

I am not sure that I can add much more to that. We are aware that you are preparing a report, which we look forward to receiving. The Chancellor has made an

absolute commitment to consider that report, and he has deputed us to meet with you to help in producing it.

Mr McNarry: It would be useful if you could accommodate any counter-proposals that the subgroup might have and then produce a report on how those were received. That would give clear guidance to the Committee on the Programme for Government, which was established by the Secretary of State.

Mr Shostak: I can note that, but it is a matter for the Secretary of State.

Mr McNarry: Does the notion of a reasonable man not apply? *[Laughter.]*

The Chairman (Mr O'Dowd): I thank Mr Shostak and his team for their co-operation with the subgroup and for meeting with its officials throughout the day. I also thank them for the time that they have spent with us for this afternoon's question-and-answer session.

Mr Shostak: Thank you for inviting us, and we look forward to working with you in the devolved Administration.

Adjourned at 3.36 pm.

SUBGROUP ON POLICING AND JUSTICE

14 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr William Hay
Mr Alex Attwood
Mr Fred Cobain
Mrs Arlene Foster
Mr Gerry Kelly
Mr Raymond McCartney
Mr Peter Robinson

Witnesses:

Mr David Hughes Ms Rachel Miller Mr Jim Strain Mr Tom Haire	}	Northern Ireland Office
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The subgroup met at 10.46 am.

(The Chairman (Mr Hay) in the Chair.)

The Chairman (Mr Hay): You are all very welcome. I apologise for the delay. I welcome David Hughes, Rachel Miller, Jim Strain and Tom Haire from the Northern Ireland Office. The subgroup decided that the meeting will be open to the public. We will go through each item in the response from the Northern Ireland Office to the request by the subgroup for further information on a range of issues, and members can ask questions on particular sections.

Ms Rachel Miller (Northern Ireland Office): Are members aware that, unfortunately, we do not have a full board of officials?

The Chairman (Mr Hay): Yes, we understand that. The subgroup may ask for written clarification on some issues that you are not able to answer today.

Ms Miller: In addition to what we have set out in our response, Mr Hughes is happy to talk about the intergovernmental agreement on co-operation on criminal justice matters.

The Chairman (Mr Hay): Let us start with the first section, which is the role of MI5 in Northern Ireland. You have clarified that somewhat in your letter, but perhaps you could go through the section.

Ms Miller: Do you wish us to go through the document section by section, starting with the section on MI5?

The Chairman (Mr Hay): Yes.

Ms Miller: I am afraid that none of us can talk specifically about that section. However, we can take your questions, and we will endeavour to get back to the subgroup in writing as soon as we can.

Mrs Foster: The response states that the arrangements, as regards the accountability structures concerning MI5, are comprehensive. I have no difficulty with that, although other members may. However, as those arrangements are said to be comprehensive, could you give us clarity now, or in writing, as to whether it is felt that any other arrangements will be necessary and whether any other measures are currently envisaged in relation to accountability?

Ms Miller: I will take that back to my colleagues and endeavour to get an answer.

The Chairman (Mr Hay): Does Sinn Féin have any questions?

Mr G Kelly: No.

Mr Attwood: I have a lot of questions, but I will ask only two new ones on the NIO document, which states:

"It is envisaged that a future Justice Minister will receive the same level of information as does the Board".

Can you confirm what the NIO, or the British Government, mean by the "same level of information"?

Can you also explain how that position can be reconciled with the view of the British Government, and the parties at this table, that the powers and statutory functions of the Policing Board should not be encroached upon in the future? Sharing the same level of information with a justice Minister who may not have the same level of power could create tension. Should the justice Minister have the same level of information as the Policing Board? If so, what does that mean?

The second question is for the British Government: have any complaints to the Investigatory Powers Tribunal (IPT) resulted in any proceedings being taken under the Human Rights Act 1998? The SDLP understands that not one of the 400 cases that have gone to the IPT has resulted in such proceedings, and I would like confirmation of that. I asked that question yesterday, and I would like to have an answer.

Thirdly, please explain the process after a complaint has been referred to the IPT. One would expect due process in any complaints procedure; therefore, I would like the Northern Ireland Office to explain the procedure of the IPT, because no one seems willing to do that. What rights does the complainant have with regard to the submission of evidence, attendance, representation, and hearings, even in private?

What detail is provided in any decision of the IPT? Of the 400 cases that have gone to the IPT, none has been upheld, and no reasons for that have been given.

How does the IPT justify itself to the wider public, when it provides no reasons, explanation, detail or commentary? The IPT fails to live up to any standards that one would expect from any relevant complaints procedure.

Finally, given that MI5 is conducting an ongoing recruitment campaign in the North and in Britain, how many new people has it recruited, and what is the nature of the jobs that those people will do? How many people will be doing each of those jobs?

Mr Cobain: What are their names, addresses and phone numbers? *[Laughter.]*

Mr Attwood: Funnily enough, yesterday I had to tell the director of MI5 that recruitment was ongoing. When he asked me how I knew, I told him that the information was on his recruitment website. He did not know how I had accessed that information. *[Laughter.]*

Is Hansard covering all of this?

The Chairman (Mr Hay): Yes.

Mr Cobain: That has blown your cover.

Mr Attwood: Nonetheless, the question is relevant. How many people are being recruited, and what jobs will they do precisely? How many people will be recruited to each job description?

Mr Cobain: First, are the Government considering the inclusion of a Northern Ireland MP on the Westminster Intelligence and Security Committee in order to balance the increased role of MI5 in the Province?

Secondly, could we be given a little more information about exactly what security information is shared with the Policing Board? The board was meant to set up a small subcommittee to seek that information, but it was never set up. I would like to know what information is shared, and with whom.

The Chairman (Mr Hay): If there are no other questions, we will move to the next matter, which concerns the provision to the subgroup of details of any new papers and proposals that are being considered in relation to a policing and justice Department.

Ms Miller: We do not have any new papers of the type that the subgroup is seeking, other than the discussion document that we produced in February. That was a summary of where we were then on this matter, and it raised a number of questions that we — and members — are working to resolve. That is currently the only document that outlines the direction in which we are going with policing and justice, and the Government's position on possible departmental structures and scope. Obviously, various developments have taken place since then and will continue to do so. I imagine that we will eventually agree the scope and structures of a new Department and that that will lead to further documents.

It may be sensible if members ask questions about what we have stated in the paper. I am not sure that I can add much to what has already been said.

Mrs Foster: The paper stated that work has already begun with other criminal justice agencies. As you said, we already have that paper. Has any further work been done with other criminal justice agencies?

Ms Miller: We have not produced new papers or proposals. Everyone understands that the devolution of policing and justice is a very big move, because it involves a number of criminal justice agencies and three Whitehall Departments. Aside from the decisions that must be taken on the exact scope of what will be devolved — we know the broad shape, but not the detail, which members are working on — there is a lot of practical pragmatic work to be done, at whatever point devolution takes place, to deliver a fully functioning, joined-up criminal justice Department. We were very grateful that the Committee on the Preparation for Government stated earlier this year that a single Department of justice was every party's preferred choice. That has been hugely helpful in the planning process.

The type of work that has been going on includes matters such as personnel policies, bringing people together in one Department, examining where the Department might sit, buildings, IT, and talking to one another. That is not really policy work; it is a pragmatic planning process. That is the type of work that has been done and that continues to be done.

11.00 am

Obviously, it is much easier to complete such work once firm decisions have been taken about what will happen in future. I know that that is everyone's aim.

I am not aware of a replacement or successor to the discussion document on the devolution of policing and justice. The work has been fairly practical in nature, considering how the various sections will be joined up. That work is on the practical implementation side of devolution.

There are also other preparations that must be done in order to get devolution in place. One such example is that we have started to identify the primary and secondary legislation that relates to Northern Ireland and replace "the Secretary of State" with "the Northern Ireland Executive", or whatever term will be used. That work, which is continuing, results from the legislative requirements of transferring responsibilities to a devolved institution.

Our ambition is to do as much work as possible so that, when policing and justice are eventually devolved, we will not delay the process. There is much that we can do at the moment. That work has started, but there is a limit. The earlier that decisions are taken on the

scope and structure of devolution, the more detailed work that we can do.

Mr Foster: Therefore, you cannot do anything more on the implementation plan until you know the scope of devolution.

Ms Miller: It is not a matter of the NIO not doing anything until the scope of devolution is known, because there is consensus on many issues. However, we could do so much up to a point, but then we would get stuck. We are not there yet, and our work is continuing. We are engaged in a lot of planning work, for example. I want to register the point, which is also registered in the discussion document, that fairly firm decisions are required in order to devise a detailed plan.

The Chairman (Mr Hay): I remind members that I am calling the parties in alphabetical order. Mr Kelly is next.

Mr G Kelly: Notwithstanding the model and the time frame, there is consensus on a huge amount of the detail that will be transferred. Has that allowed you to make progress?

Ms Miller: Yes. As I said, we are doing a great deal of work in bringing organisations together. We are also engaged in a lot of planning work. The consensus has helped us to plan, and we are progressing on that basis.

Mr G Kelly: My second question is also notwithstanding the outstanding core issues. If a decision were taken today and you were presented with a model for devolution, how long would the entire devolution process take?

Ms Miller: That is a very difficult question to answer.

Mr G Kelly: That is why I asked it. *[Laughter.]*

Ms Miller: I thought so. My answer will not be carefully worked out, as there is not certainty on absolutely everything. The St Andrews Agreement cites May 2008 as a possible time for devolution. Clearly, the Assembly will decide when devolution should begin. It would be quite wrong of the Government to say that all issues will have been resolved and that all matters will be ready to be devolved by May 2008 unless we were sure that we could accomplish everything in that time frame.

However, the process does not quite work like that. I cannot say that everything will be ready for devolution in 18 months or two years from now, because certain things can be done only once the Assembly has taken a decision. The model is that the First Minister and the Deputy First Minister will propose something to which the Assembly will agree. That proposal would then go to the Secretary of State, who would lay a devolution Order before Parliament.

Even if a devolution Order were prepared and we all knew what was happening, it would take a while for

the Order to be passed by Parliament — probably three to four months. In a sense, it is like asking what is the length of a piece of string. If there were absolute certainty today, the process could possibly be completed in 18 months to two years. The earlier that certainty is achieved, the more likely it is that that time frame will be met. That is my guess as to how it would work.

Mr G Kelly: Are you waiting for certainty before beginning to deal with the detail? You mentioned work on primary and secondary legislation.

Ms Miller: We cannot begin to prepare devolution Orders until we know more of the detail. It is difficult to do that work without knowing the detail. We know that certain work in relation to secondary legislation will have to be done, and we have started work on identifying the relevant statutes. For example, we have begun the practical work that will be required in order to create a justice Department.

The Chairman (Mr Hay): I remind Mr Robinson, who has just joined us, that the meeting is in public and is being recorded by Hansard. Also, will Mr Robinson state whether he has any interests to declare.

Mr P Robinson: Do you want my criminal record? *[Laughter.]*

Mr Attwood: I want to probe the timing issue a bit further. Was reference made in the discussion paper to an indicative time frame of 18 months?

Ms Miller: I do not think that we gave a time frame. We did not do so deliberately because the more preparation work that is done, the better an idea one has of what will be necessary. Therefore we said that we would not give a timescale.

Mr Attwood: However, given that you issued a discussion document in February and it is now December, and given that you also gave evidence of having done various levels of preparation over the past 10 months, are you saying, two months after St Andrews, that you are still talking about 18 months or more? If that is so, it begs a question about the huge chunk of time that will have passed before you get around to having the administration side satisfactorily in place.

Furthermore, given that the outstanding issues are more political than material in nature — and some of the papers that we have been provided with today indicate that — I do not understand how it could take 18 to 24 months in any circumstances, but I do not understand, 10 months after you started doing the work in the discussion document, how it could still take 18 to 24 months, when, clearly, you are doing an enormous amount of work.

Ms Miller: It is because there is a difference between having a project in which we are certain about the end product, and which can be prepared for, and one where one does not know what the end product

will be, the full scope of what will be devolved and the future structure of any Department. In fact, until quite recently, we did not know whether there would be one Department or two. We do not know when the end product will be introduced.

If one has absolute certainty about the scope of a project, one can have definite start and end dates, and it can be run as a proper project. A timetable with milestones and targets can be set, and one could say that the project will be completed by such-and-such a date.

We are dealing with something that is much more difficult because it is much fluffier. We are receiving more and more detail, and the subgroup is providing useful pointers on where we might go and what we might do. Therefore, what I am saying is that we can do a lot of preparatory work, which is what we are doing at present and will be doing in the future, but one does reach a point when one has to know what is actually going to happen.

That is why it is difficult to provide a timescale. At the moment it is probably fair to say that it will take 18 months; however, that is an estimate and not a detailed implementation date. The earlier that matters become more certain, the more likely we can reduce that timescale, but that is not likely to happen. We are running a project at the moment, which is going —

Mr Attwood: Let me rephrase my gripe. If all parties in the North agreed tomorrow to have full devolution of justice powers 12 months from today, are you saying that you could not comply with their wishes?

Ms Miller: What you are trying to ask is what would happen if parties requested devolution tomorrow; I think —

Mr Attwood: If the parties declared politically that they would want devolution to be in place 12 months from today.

Ms Miller: Before I could answer that, I would need to know what they had agreed, what the shape of the Department would be and how much change it would involve. I would then need to go away and say —

Mr Attwood: Let us say, for the sake of argument that there will be one Department, one justice Minister and devolution of powers relating only to everything that has been agreed so far. Could you do that in 12 months' time?

Ms Miller: I cannot give you an answer because you have not clarified with certainty what you are asking for.

Mr Attwood: Do you have a draft implementation plan ready?

Ms Miller: I have already said in the document that we are not yet in a position where it is possible to draw up a detailed implementation plan.

Mr Attwood: Do the various Departments and bodies that you deal with have a draft implementation plan? Given that the discussion document came out in February, is there work in progress in those agencies towards producing an implementation plan? Could that work be brought together?

Ms Miller: Each of the various agencies is examining what is necessary to deliver devolution. How detailed that plan will need to be, and what will need to be done, varies according to the agency, for example, where it is positioned. Also, it is possibly slightly easier if it actually is an agency rather than, say, part of the Lord Chancellor's Department. Therefore the circumstances vary according to the individual agency and where it is situated.

Certainly, the agencies have started to examine and work on that. So too has the NIO. However, none has put forward a detailed implementation plan. It is not possible to produce one at present. That is part of the reason that the earlier we have firm decisions on issues, the better.

Mr Attwood: Given that one party maintains that there must be a period of proof on the issue of policing before devolution of justice can be reached, are you saying that if, for the sake of argument, that period of proof expires only 12 months after the Assembly is restored next March, you would still need a significant period of time after that because, by that stage, many issues that you say must be defined might still be up in the air? Are you saying that even a year after there has been proof — a year after restoration — you would still need further time in order to bring about devolution of justice and policing?

Ms Miller: Clearly, the decision on when a request is made lies in the hands of the Assembly, rather than the Government. I am simply saying that a considerable amount of preparatory work must be done. That work has been started. However, as we have said in the discussion document, it will take time. Whatever the date of any request or decision about the timing of devolution, the earlier that is and the more certainty that there is in the scope and structure of the proposals, the easier it will be for us to plan and to begin to process them.

I understand that that does not answer your question. However, it is the only answer that I can give you at present.

The Chairman (Mr Hay): I remind members to keep their questions short. There is quite a bit of work to get through.

Mr Cobain, do you have any questions?

Mr Cobain: I will make it short, Chairman — no.

The Chairman (Mr Hay): Are there any other questions on that particular subject? If not, we shall move quickly to North/South protocols.

Mr David Hughes (Northern Ireland Office): Our submission contains a copy of the intergovernmental agreement on criminal justice co-operation, which I am familiar with. I am not in a position to comment on the other agreements on sex offenders and policing and co-operation protocols in other areas.

The agreement is quite straightforward in that it sets up a structure that allows the Ministers responsible for criminal justice in Northern Ireland and the Republic of Ireland to meet and to take forward work jointly, to commission work jointly and to have a working group in both jurisdictions. It is actually quite a simple arrangement, which has been designed and drafted with that intention because it is an agreement between the UK and the Irish Government. It would not have effect once policing and justice is devolved. However, it is drafted in such a way that the decision can be taken by the Minister for justice here to maintain structures and continue the way of working that it sets out. There is nothing to stop that happening.

11.15 am

The Chairman (Mr Hay): The next section of the paper is quite large. Are there any general questions on the entire section?

Mrs Foster: The paper mentions that project groups have been working on several areas. Have any of those groups produced papers, or are they still works in progress?

Mr Hughes: The language that we used when drafting the Intergovernmental Agreement on Criminal Justice Co-operation was designed to set up project groups with specific remits. In practice, the groups have comprised senior operational and policy officials from the respective jurisdictions who meet to discuss issues in general and have become fora.

The groups regularly report to the working group and to Ministers. Those reports have been quite basic, outlining when the groups met, what they discussed, noting opportunities to share good practice and identifying areas of work where members can better understand how their opposite numbers operate. That is the nature of their operation. A project has not been the groups' focus.

Mrs Foster: Did the memorandum of understanding on sex offenders come from one of the working groups, or was it Minister-led?

Mr Hughes: The memorandum was led by — and jointly issued by — the Home Office and the Department of Justice, Equality and Law Reform. We have an interest in that because it is a particularly pertinent issue.

Mrs Foster: You said that, if devolved Government comes to Northern Ireland, there are ways of empowering to Ministers to have North/South co-operation. What procedures will be put in place for east-west co-operation? Issues such as the movement of sex offenders affect the whole of the UK. Offenders may come through Northern Ireland and on to Scotland, England or Wales.

Mr Hughes: A Minister for justice could decide to maintain the structures that are currently in place under the agreement. There is no requirement to allow for different circumstances where responsibility for criminal justice has been devolved, neither are there any deliberate changes to the way that the system operates to account for devolution. It would be for a Minister for justice to decide whether to maintain those structures, in agreement with the Irish Government, if that is what the Minister wanted to do.

I am not aware of any particular plans for east-west procedures in the event of devolution of policing and justice.

Mrs Foster: If a Minister for justice were to decide to engage in North/South co-operation, are you saying that there will be no east-west co-operation?

Mr Hughes: I am saying that there is no structure for that. That is not what the intergovernmental agreement (IGA) is about, so I cannot comment on an east-west aspect. I am not aware of what the arrangements would be between a Department of justice in Belfast and the Home Office or Department for Constitutional Affairs in London. I am not aware of the plans in that regard. I am not sure that there are particular plans for that at the moment because, again, the co-ordination and communication that would be required on that issue must be addressed in the preparations for devolution. I am not aware that the issue has been addressed yet.

Mrs Foster: For example, there may be an issue that will be discussed between London and Dublin, but not with Belfast; that is what I am getting at. There could be a gap. If an issue is being discussed in a European context, and something needs to be discussed between London and Dublin —

Mr Hughes: I imagine that those issues will have arisen in relation to devolution in Scotland. There must be a precedent for the way in which the Home Office and the Justice Department in Edinburgh ensure communication on issues. If there are issues to be discussed between London and Dublin, I am sure that those issues may have implications elsewhere.

I am being slightly vague because I am not aware of whether there is any formal arrangement at present. It is mostly informal.

Ms Miller: Those issues are governed by a memorandum of understanding between the

constituent parts of the UK. Without having done any preparatory work on the matter, I imagine that such a memorandum would certainly be required between a Department of justice in Northern Ireland and the Home Office, and possibly also between the Justice Department in the Scottish Executive. All issues that need to be covered in that way would be identified in that memorandum.

Mr G Kelly: I assume that there is an unlimited capacity to expand North/South, and indeed east-west, relationships and harmonisation.

Mr Hughes: The Minister for justice and the Executive will presumably decide how to progress any structure. The structure that we are describing is simply the one that currently exists.

Mr Attwood: You characterised how the project groups report to Ministers. Just as a memorandum of understanding on sex offenders exists between the British and Irish Governments, one could anticipate that various initiatives may be taken on any of the issues that the work programme covers. Other than having conversations and scoping issues, is anything concrete coming out of the work programmes?

Mr Hughes: I am not aware of any memorandum of understanding emanating from those work programmes. Their particular benefit has been increased communication; practitioners and officials have been in touch with each other far more than they were in the past. That has been fruitful because awareness of practices and issues has increased. I am not aware that anything has been formalised or signed by both sides.

Mr Cobain: I want to pursue the issue of memoranda of understanding and protocols between the British Government and the Government in the Republic. Most police officers believe that sharing information, not only throughout the islands but also throughout Europe, is probably the best way to tackle large-scale criminal empires. Is it not a bit restrictive to have a protocol between a Minister of justice in Northern Ireland and the Minister for Justice, Equality and Law Reform down South and to have separate protocols between Northern Ireland and the Home Office, Edinburgh and Cardiff respectively? Is there not a case for having protocols between the islands rather than separate relationships? As far as fighting crime is concerned, I do not understand why the relationship is restricted to an island resource.

Mr Hughes: The document on criminal justice co-operation does not intend to limit communication and co-operation. It describes a structure that encourages them, because it is useful to identify issues that are particularly relevant to both jurisdictions.

Mr Cobain: When you say "both jurisdictions", do you mean Northern Ireland and the Republic?

Mr Hughes: Yes.

Mr Cobain: Are the issues that are relevant to those jurisdictions not the same in the rest of the United Kingdom?

Mr Hughes: I hesitate to say that they are necessarily the same.

Mr Cobain: I assume that the issue of sex offenders, for example, is the same for all jurisdictions.

Mr Jim Strain (Northern Ireland Office): That is the case because there is coterminous legislation in the South and North, and, indeed, in the rest of the UK, to reflect that. However, although other issues may not be in any way less important, there are some matters on which the South does not have reciprocal legislation. That is why the Home Office pushed for legislation to provide for the registration of sex offenders and the tracking of their movements between the South and the UK. As David said, one can imagine that other matters may be purely North/South issues.

Mr Cobain: What is the difference between tracking sex offenders and tracking major criminals?

Mr Strain: As David said, there is no difference as such; it is simply that the legislation on sex offenders exists.

Mr Cobain: I do not wish to labour the point, but that measure seems somewhat restrictive. It looks as though, purely for political reasons, there are to be protocols for Northern Ireland and the Republic of Ireland, and separate protocols for the rest of the United Kingdom. Major crimes, not only on this island but across Europe, are becoming ever more sophisticated and complex. Police forces throughout Europe and throughout these islands are seeking closer co-operation. Except for political reasons, I cannot see why there should not be protocols throughout these islands, rather than on a North/South basis alone.

Mr Hughes: I am not sure that we can answer that question.

The Chairman (Mr Hay): If there are no further questions, we move to the next matter, which concerns a concordat between Her Majesty's Government and the Northern Ireland Executive on the independence of the Public Prosecution Service for Northern Ireland.

Mr Hughes: The draft concordat is attached to the NIO paper and sets out the key points of the arrangements provided for in the Justice (Northern Ireland) Act 2002 and the Justice (Northern Ireland) Act 2004. It simply expresses the provisions of a concordat for the purposes of maintaining the settlement provided for in those Acts.

Mrs Foster: With respect to the Director of Public Prosecutions (DPP), it is important to bear in mind that, if the Bill currently going through the House of

Commons is passed, the DPP will have a huge influence on whether a suspect is tried by a jury or by a judge sitting alone. I notice that the DPP will be appointed by the Attorney-General. Are any further accountability mechanisms envisaged in relation to the appointment of the DPP? Can the delegation add anything else on that matter?

Mr Hughes: I cannot really add anything on that matter. The arrangements are those set out in Justice (Northern Ireland) Act 2002.

Mrs Foster: I wish to ask a general question about the architecture of the criminal justice system in Northern Ireland, which obviously derives from Westminster. Members have discussed the devolution of criminal law to the Northern Ireland Assembly. Arguments have been made for the maximum degree of devolution, including control over existing and new offences.

As far witnesses are concerned, will the architecture of the criminal justice system in Northern Ireland continue to reflect that decided by Westminster or will there be fundamental changes, such as changes to the court system, etc? Will Northern Ireland retain the architecture of the British legal system? When changes are made to criminal law, Northern Ireland has usually been included with England and Wales.

Mr Hughes: Decisions on the criminal law and the institutional architecture of the criminal justice system will be devolved. Concordats in relation to prosecutions and the judiciary are intended to maintain the appropriate level of independence.

Mr G Kelly: I would like to take that document away for further consideration. It is a draft, and I will return to it later.

Mr Attwood: I have just one question, to which I cannot recall the answer. Who appoints the Attorney-General for Northern Ireland?

Mr Hughes: The First Minister and the Deputy First Minister, acting jointly, make that appointment.

The Chairman (Mr Hay): If there are no other questions, we can move to the next matter, which concerns the Life Sentences Review Commissioners.

Mr Tom Haire (Northern Ireland Office): The paper mentions a point of detail about how the review of life-sentenced prisoners will proceed, within the context of a power for confidential information to be deployed. Were that confidential information deployed, arrangements would be in place for the Secretary of State to deploy it, as opposed to a Minister of justice. As the update states, that matter sits within the overarching arrangements on the provision of information on national security. There is no specific draft proposal on that particular provision, which sits within a more general approach to national security information.

11.30 am

The Chairman (Mr Hay): If there are no questions on that section, we will move on the next section, which is the clarification of offences under the Justice and Security (Northern Ireland) Bill.

Ms Miller: Again, unfortunately, my colleagues who have more expertise on these policy issues are busy elsewhere. Therefore, it might be best for members to give me their questions on the information that has been provided, and I will take them back to those colleagues who are better able to provide answers.

The Chairman (Mr Hay): Do members wish to ask any questions?

Mr G Kelly: I will come back to the officials on this issue.

The Chairman (Mr Hay): The next issue is the remission of sentences in Northern Ireland.

Mr Haire: The paper provides information about proposed changes to the Northern Ireland (Remission of Sentences) Act 1995. There are, in fact, no proposed changes to the Act. The sentencing proposals that Mr Hanson announced last week will affect only those offences committed after the introduction of the new legislation. Therefore, the Northern Ireland (Remission of Sentences) Act 1995 will be untouched.

The Chairman (Mr Hay): Do members have any questions?

Mr G Kelly: I want to elaborate on that issue. You said that the Northern Ireland (Remission of Sentences) Act 1995 will remain as is, but I was not quite clear as to the meaning of the remainder of your remarks.

Mr Haire: The Northern Ireland (Remission of Sentences) Act 1995 will continue to apply to anyone convicted of a qualifying offence committed before the introduction of the new legislation.

Mr G Kelly: What will happen after that?

Mr Haire: Any offence committed after the introduction of the new legislation will not come under the provisions of the Northern Ireland (Remission of Sentences) Act 1995.

Mr Attwood: My question is about timing. Announcements have been made about the new arrangements. Has an indicative time frame for when parole boards might be in place been considered? Is that kind of detail too premature?

Mr Haire: I can give an indicative timetable. The Minister's intention is to draft and consult on the proposed legislation, and, subject to the outcome of that consultation, enact the legislation in 2007. A parallel exercise to resource the new provisions will have a bearing on the legislation's implementation, but, at the moment, that is the indicative timetable.

Mr Attwood: What will be the terms of the parole board's structure and accountability?

Mr Haire: The proposals that I mentioned previously will suggest that the Life Sentence Review Commissioners assume wider responsibilities. There are requirements in law for the commissioners to present annual reports to Parliament and so on.

Mr Attwood: Is that not an excepted matter?

Mr Haire: No.

The Chairman (Mr Hay): Do members have any other questions on this section? The next section is the purchasing of police weapons in Northern Ireland.

Ms Miller: Again, I am afraid that colleagues from the policing branch were not available to attend this meeting. Therefore, it will be best if I were to take members' questions back to my colleagues. I am aware that, as some subgroup members are also members of the Northern Ireland Policing Board, they may be better qualified than I on this issue.

The Chairman (Mr Hay): Do members have any questions?

Mr Attwood: I wish to make the comment that the SDLP does not agree with the interpretation of the law that is presented in this note. Our interpretation of the law, the Patten Report and the Exchequer purchasing requirements is that those matters fall within the Policing Board's authority. The SDLP does not accept the laboured legal advice produced to justify the NIO's assertion.

Ms Miller: I can certainly take that back to my colleagues.

Mr G Kelly: If the Policing Board is in charge of the budget, does that have an impact on the Chief Constable's decisions on buying weaponry? What is the impact of the Policing Board having power over the budget on issues such as that? Can the Board refuse to pay?

Mr Strain: Do you mean a police grant, Mr Kelly?

Mr G Kelly: For example, could the Policing Board decide not to accept a spend of £2 million on a particular item?

Ms Miller: I cannot say, because it is not my area of expertise. However, colleagues in the policing division will be happy to expand on that. I am sure that we will address that specific point.

The Chairman (Mr Hay): Do members have any other questions?

Mr Attwood: I was not going to elaborate, but I should say that the Policing Board decided to purchase a water cannon and new-issue personal weapons, but when it came to other potential police weaponry,

tensions arose between the Policing Board and others about where responsibility for purchasing lay.

In addition, the Chancellor's purchasing regulations state that the public body should determine novel or contentious purchases. Clearly, weaponry may well be novel and contentious.

The SDLP believes that the interpretation of the law has been stretched in order to conclude that the decision should remain an operational matter. The SDLP thinks that, in financial and broad policy terms, it is a matter for the Policing Board. That is what we have been advised. The NIO has legal advice suggesting otherwise, although it acted differently before it came up with that legal advice.

Chairman (Mr Hay): Do members have any questions? We need to move on quickly to the issue of military support for the police in Northern Ireland?

Ms Miller: My colleagues who deal with that area are elsewhere, but I am more than happy to reflect questions or comments back to them.

Mr G Kelly: Sinn Féin is against the British Army being used in public order situations because there is a substantial anomaly. The Police Ombudsman can, at least, investigate policing situations in which plastic bullets — which my party also opposes — are fired. However, the Ombudsman cannot investigate situations where plastic bullets are fired by British Army personnel, even when they are acting in a back-up role to the police. The Police Ombudsman cannot investigate the British Army, which is one of the reasons why the Army should not be there.

Mr Attwood: Contrary to what a member at this table once claimed, the SDLP opposes any role for the British Army in the North.

I always enjoy the way some of these papers are drafted by the NIO and other officials. The words "focussed support to the police" are used followed by examples such as explosives, the Patten Report, and military support in public order situations.

I would like confirmation of all the anticipated examples. Somewhere in the system there must be a number of case studies or examples of when the police will be required to call upon Army support. What are those examples — over and above emergency situations, such as a simultaneous strike by all the emergency services, and the examples contained in the Patten Report? In what other circumstances would the military provide focussed support to the police?

Mrs Foster: I will not defend whatever answer the officials give, but I do not see how anybody can give an exhaustive list of circumstances in which the military will be required. Nobody knows the circumstances that may arise in any given situation. Indeed, the paper states that:

“When and in what circumstances support will be required will be an operational decision for the Chief Constable”.

It is fair enough for Alex to look for more examples, but it is not possible to provide an exhaustive list.

Mr Attwood: I would like some more examples.

Mrs Foster: Fair enough.

The Chairman (Mr Hay): We will move on to the next section, which deals with guidance to the Police Ombudsman.

Mrs Foster: This issue was raised because it seemed that two people — the Secretary of State and the Minister for policing — would issue statutory guidance to the Police Ombudsman. That matter has been well enough explained. The only exception might be in circumstances involving a national security issue, in which case the Secretary of State would issue guidance. I am happy enough with the guidance that has been given.

Mr G Kelly: Given that the Office of the Police Ombudsman is the main accountability mechanism for investigating police action, the power to issue guidance should taken away from the Secretary of State and devolved to the incoming Minister. The note clarifies the issue, though.

Mr Attwood: The SDLP believes that the Police Ombudsman should have the power to investigate personal security matters. She has that power at present, as demonstrated this week through the investigation into the murder of Stephen Restorick, which involved national security intelligence and a national security agency. Therefore, the real issue is much less about who issues the advice — although that is important — than it is about maintaining the Police Ombudsman’s current power to deal with complaints involving national security matters.

The Chairman (Mr Hay): We now move on to firearms legislation.

Ms Miller: I am afraid that it is the same story with this issue, too. The note gives a reasonable outline of where matters stand, but I am happy to take a note of any further questions and reply to the subgroup later.

Mrs Foster: Looking back to what we discussed last week, the issue was about whether fireworks would be dealt with in the same way as explosives, and whether responsibility for fireworks should rest with the Minister with responsibility for public safety or the Minister for policing and justice.

Ms Miller: I can certainly pass on your questions. I am trying to think of what we said in the discussion document, but I do not think that we specifically referred to fireworks. We talked about explosives and public safety.

The Committee Clerk: The Committee on the Preparation for Government agreed in the summer that responsibility for firearms should rest with the Minister with responsibility for public safety.

Mrs Foster: That covers explosives and fireworks then?

The Committee Clerk: Yes.

Mrs Foster: That is fine then.

Mr G Kelly: It was later clarified that, for some reason, it was not the Minister in charge of public safety, but the Minister in charge of health.

Mrs Foster: It is the Minister of Health, Social Services and Public Safety.

The Committee Clerk: It is to do with employment safety.

Mr G Kelly: That amounts to the same thing.

The Chairman (Mr Hay): Mr Cobain, do you have a question?

Mr Cobain: Can we come back to that issue?

The Chairman (Mr Hay): OK. As there are no further questions, we will move on to the Court Service and financial arrangements.

Mr Hughes: As the response document sets out, the Court Service is currently financed by the Department for Constitutional Affairs. When responsibility for justice is transferred, the financial burden for a justice Department will be transferred also. Therefore, the financial burden will rest with the Executive and the Department of Justice, which will be responsible for financing the Court Service.

11.45 am

Mrs Foster: Is the money for a justice Department additional to money for the block grant?

Mr Hughes: The block grant would then be added to; the money will go with the functions.

Mrs Foster: That was the issue.

Mr G Kelly: Will the money be negotiated for as part of the block grant or will the block grant be sorted out separately and the money for a justice Department, as appropriate to the amount, will be extra?

Mr Hughes: The money is attached to the functions currently carried out by the NIO, the Court Service, etc. It will be matter of identifying the money that is attached to the function and moving that money from the Whitehall Department that currently operates the function.

Mr Cobain: How much money are we actually talking about?

Mr Hughes: The current indicative is between £131 million and £132 million, because it includes the legal

aid budget. That sounds quite a lot of money, but it includes legal aid money for the costs of the courts.

Mr Cobain: Will the money be absorbed into the Northern Ireland block grant?

Mr Hughes: That is my understanding.

Ms Miller: Yes, it would transfer into the block grant. It would become part of the Northern Ireland block, so there would be a bigger block.

Mr Cobain: Would the money be ring-fenced or will it form part of the block grant? Would the Assembly priorities run after that?

Ms Miller: I do not know the answer to that.

Mr Hughes: I have never heard anyone discussing ring-fencing and money being attached to functions. It is just the understanding that that is the —

The Chairman (Mr Hay): It is something that we could clarify.

Mr Cobain: We need to, because money follows functions.

The Chairman (Mr Hay): It is something to clarify.

Ms Miller: I agree with David.

The Chairman (Mr Hay): We need to clarify whether it is part of the block grant or separate.

Mr Cobain: The problem is that, once we assume the responsibility for justice, it must be carried through, and we will have to find the money from the grant. If there are any restrictions on the grants, it will have implications for the whole budgetary system. We want to know.

The Chairman (Mr Hay): We move on to the last section, which is the Northern Ireland Executive on the independence of the judiciary of Northern Ireland?

Mr Hughes: The draft concordat between Her Majesty's Government and the Northern Ireland Executive on the independence of the judiciary in Northern Ireland is attached to the end of the response document.

The Chairman (Mr Hay): We are dealing with at the moment. It is the last item on the agenda.

Ms Miller: That is the last question that I had.

Mr Strain: Is there another question, Chairman?

The Chairman (Mr Hay): There is. I have it on my paper.

The Committee Clerk: It is the draft concordat on the independence of judiciary.

Mr Hughes: It follows exactly the same as the concordat on the independence of prosecution. It sets out what is currently in the Justice Act 2002 and the Justice Act 2004.

The Chairman (Mr Hay): Do members have any questions?

Mr G Kelly: I have not had a chance to read the concordat, so I will come back to it later.

The Chairman (Mr Hay): I thank the officials very much for their time and apologise for keeping them at the start of the meeting.

The evidence session ended at 11.48 am.

SUBGROUP ON WORKPLACE 2010 AND PUBLIC SECTOR JOBS LOCATION

Thursday 14 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Mr Edwin Poots
Dr Esmond Birnie
Mr Thomas Buchanan
Mr John Dallat
Mr Pat Doherty
Mr Robin Newton
Mrs Pat O'Rawe

Witnesses:

Mr Kieran Bannon	}	Northern Ireland Public Service Alliance (NIPSA)
Mr John Corey		
Mr Jim Lilley		
Ms Janette McNulty		
Mr Tommy O'Reilly	}	Department of Finance and Personnel (DFP)
Mr Chris Thompson		

The subgroup met at 11.06 am.

(The Chairman (Mr Poots) in the Chair.)

The Chairman (Mr Poots): I have received an apology from Mr William Hay, who cannot attend the meeting. Mr Tom Buchanan is deputising for him today.

The next item on the agenda concerns the minutes of the subgroup's meeting on 7 December, which was chaired by the Deputy Speaker Mr Molloy. I do not know whether those minutes are correct or whether the staff have recorded them. Do those members who were present wish to propose that the minutes are an accurate record of that meeting?

Mr Dallat: I propose that the minutes are correct.

Mrs O'Rawe: I second that.

The Chairman (Mr Poots): Is the subgroup satisfied that the minutes represent an accurate record of its proceedings of 7 December?

Members indicated assent.

The Chairman (Mr Poots): Does any member wish to raise an issue that arises from those minutes? One such matter has been drawn to my attention, which relates to the revised procedures for subgroups. Those procedures were agreed by the Programme for Government Committee at its meeting on 11 December.

Members are advised that, in addition to agreeing on the chairing of subgroups, the Programme for

Government Committee agreed that where a member attends a subgroup meeting that is held in private to deputise for another member who is not yet ready to leave, the deputising member should be allowed to sit in the gallery in place of a party researcher until the other member leaves the meeting. There should be no more than one member and one researcher per party in the gallery at any one time.

I invite members to offer their comments and views on the revised subgroup work programme, which is in members' packs. It has been suggested that we schedule a contingency meeting on 3 January in the event that the draft report is not finalised at the meeting planned for 21 December. Do members have any thoughts on the programme that has been set out? Do members wish to pencil in a meeting on 3 January?

Mr Doherty: Must we have a meeting on 3 January or during that week?

The Committee Clerk: That date is a contingency in the event that the subgroup does not conclude its business next Thursday. The subgroup is due to present its report to the Programme for Government Committee on 3 January.

That is the expectation, and that is what we are all working to. I thought it advisable to say to members, as a contingency, that if the subgroup needs to have a meeting then that is the last possible date, given the Christmas holidays, etc. It is just a suggestion. Members may be confident that they can conclude the business next Thursday and that there will be no need for a meeting. Members are, of course, entitled to nominate substitutes.

Mr Doherty: If the subgroup concludes next Thursday, the report will not be available for members to read. Do we therefore need to have another meeting?

The Committee Clerk: If all of the business is concluded today, the Committee staff will draft the report over the weekend, and it will be issued to members next Tuesday.

The Chairman (Mr Poots): Would the subgroup still need to clear the report?

The Committee Clerk: Yes.

The Chairman (Mr Poots): Therefore, the last date on which we can meet is 3 January 2007.

The Committee Clerk: Yes, the papers have to be lodged with the Committee on the Programme for Government by then.

The Chairman (Mr Poots): So, in a sense it is Hobson's choice.

Following last week's meeting, advice has been received from the Assembly's procurement service regarding the possibility of calling the four remaining bidders for the Workplace 2010 contract to give

evidence. The advice is generic and, by necessity, is not informed by the circumstances particular to the subgroup or to procurement.

It is highly unlikely that bidders would disclose details of their proposals or provide information that they consider commercially sensitive during the course of questioning by the subgroup.

It is also highly likely that the competition rules protect the bidders from disclosure of such information, and the subgroup would therefore be in breach of those rules. It is now an established principle within the freedom of information environment that information relating to active procurement processes is protected until the conclusion of those processes, and even then, only successful information is generally released.

As the request for information is occurring prior to evaluation of the tenders, the subgroup would be exposing itself to accusations of influencing the evaluation process by compromising commercial confidentiality or by unduly influencing the evaluation process, which will have been heavily prescribed in the contract documents and for which the subgroup has no responsibility.

Finally, and most importantly, in the opinion of the Head of Procurement, bidders responded to the stated need, as described in the specification and evaluation process. Therefore, whether the issues concerning the subgroup have been addressed is not isolated to the bidders' determinations but is much more influenced by the process conducted by the client — the Department of Finance and Personnel (DFP), supported by the Strategic Investment Board (SIB). If those issues are substantive to the requirement then they should have been fully described in the procurement strategy, tender specification and evaluation methodology.

For the subgroup to better understand whether the issues have been given due consideration in the Workplace 2010 project, the Head of Procurement recommends that the SIB and the Workplace 2010 team are asked to demonstrate, from the project initiation document, the procurement strategy, specification and evaluation methodology, how, and to what degree, the issues will be addressed.

In summary, the Assembly's Head of Procurement recommends that the subgroup does not call the bidders to give evidence as it would expose the subgroup to procurement and probity risks. It is also, for commercial and process reasons, unlikely to achieve the objectives of the subgroup.

That is the advice we have received and it is fairly clear. Has anyone anything they wish to say on it.

Dr Birnie: I have two points.

First, we have to take that advice. It is pretty comprehensive and detailed. On a related point, and

possibly other members are in the same position, I have received approaches from two of the bidders for a personal briefing. In the light of the above advice I will be turning down those requests.

Mr Dallat: Chairman, I am very disappointed that I was only contacted by one of them.

Dr Birnie: Only one contacted me yesterday, Chairman.

Mr Dallat: I would certainly be influenced by Esmond's point. That is not something with which I feel comfortable.

11.15 am

Mr Doherty: Like John, I was contacted by only one of the bidders. That contact stopped with the office staff, and I was not going to comment on the list.

The Chairman (Mr Poots): Robin, how do you feel about the advice that we received?

Mr Newton: I declared last week that I had been contacted months ago. I have not been contacted since then. I understand fully and concur with the advice. However, I have two areas of concern within the overall context of the award to the successful bidder, which may well result in companies who currently work for the Civil Service losing contracts and jobs. I note the indication that efforts will be made to ensure that the successful bidder absorbs some of that loss, but there is no guarantee.

The successful bidders have indicated that they will rely on local suppliers. However, that is easily said when making a bid. I want an assurance that, when awarding the contract, those persons currently contracted to us retain some form of connection — although I do not know how that would be done. The successful multinational organisation should ensure that, where possible, use is made of local labour and companies.

The Chairman (Mr Poots): That is a good point, which should be raised with the Department of Finance and Personnel later, because it will ultimately make the recommendation. Perhaps the subgroup could say something about the response that we received from the Department.

Do any other members wish to comment on that issue?

Mr Doherty: Is it not predetermined that one of the four bidders will be awarded the contract? Is that not what this meeting is about?

The Chairman (Mr Poots): That is a matter for the Department. Are members content with the advice that we have received?

Mr Doherty: Chairman, you say that it is a matter for the Department. Where then does the work of the subgroup sit?

The Chairman (Mr Poots): The Department is carrying out the work, and we, as a subgroup of the Programme for Government Committee, have been asked to examine that. The work of the Programme for Government Committee is to establish a Programme for Government. If the subgroup decides that it disagrees wholly with the Workplace 2010 strategy, for example, that view would be passed on to the Programme for Government Committee. If the Executive were established, it may wish to take cognisance of that decision, bearing in mind that it was the four main parties in Northern Ireland that made that decision.

However, at present, the strategy is being taken forward by direct rule Ministers and the Department of Finance and Personnel. The view of the subgroup is not unimportant, but they are taking the decisions. However, the parties in this room could take those decisions at a later stage.

We move to subgroup procedures. It was agreed at the subgroup's meeting on 7 December to issue letters inviting the Northern Ireland Public Service Alliance (NIPSA) and the Department of Finance and Personnel to present evidence on Workplace 2010 and public sector jobs location. Letters were also issued seeking written submissions from the Committee on the Administration of Justice and John Simpson, and papers from the respective Administrations on the experience of decentralisation in Scotland and the Republic of Ireland. Each request sets out details of key issues that were identified by the subgroup at its meeting on 7 December. The remainder of today's meeting will be concerned with the consideration of those oral and written responses.

The subgroup will shortly call representatives from NIPSA and departmental officials to give evidence on Workplace 2010 and on public sector jobs location.

Before calling the witnesses to give evidence, members may wish to allocate questions or they can ask questions as they wish — I am in your hands on that. A series of questions has been produced that you may or may not wish to use.

Dr Birnie: We should use our own discretion.

The Chairman (Mr Poots): Each session will last for approximately 45 minutes, with five to 10 minutes for questions and answers. The NIPSA witnesses will be first. The meeting will adjourn at about 1.00 pm to allow Mount Charles to set up lunch. I propose that we eat our lunch and return to the table as quickly, and with as little interruption, as possible. There are some technical matters to be attended to by Pi Communications, and as soon as that is completed I would like to restart the meeting.

After lunch, the key issues will be the matters that will have arisen from the oral evidence session; then we will move on to the written submissions. At the end

of the session, the subgroup and the staff will summarise the key issues and draft the report. Time allocations are important today, because Hansard needs to provide transcripts of this morning's evidence session, which will assist the drafting. We are working to an exceptionally tight deadline of 3 January, and it is important that we get through the work as quickly as possible to allow the staff to concentrate on the detail.

We would like your views on the layout of the proposed format of the draft report that was agreed by the Programme for Government Committee, a copy of which is being circulated around the table. All the subgroup reports have similar layouts.

The Committee Clerk: As the Chairman says, the report pretty much follows the standard format, although this subgroup is one of the first to draft a report. However, it is reasonably conventional and not dissimilar to previous experiences. Last week, members of the subgroup agreed that it should be short. I understand that the Programme for Government Committee has encouraged its members to encourage their parties to think in those terms, given that the Programme for Government Committee also has six such reports to consider in a very short time.

The Chairman (Mr Poots): Are members happy with the format?

Members indicated assent.

The Chairman (Mr Poots): Members may want to discuss the draft in private session, bearing in mind that when it is finished most of it will be available to the public.

A letter from the Secretary of State about the provision of advice and information to the Programme for Government Committee and its subgroups is being circulated around the table. The subgroup may wish to note that the letter states that while departmental officials:

“may provide factual briefing and describe the key elements of Government policy on particular issues, it is not their role, nor should they be requested, to provide the Committee or its sub-groups with confidential information, Departmental or personal views or generally to do anything other than support current Ministerial policies.”

I see a little confusion on members' faces, particularly about the line on expression of views. Please take a moment to read the letter; I had the misfortune to read it yesterday.

Do members have any comments that they wish to place on record?

Dr Birnie: It circumscribes what the DFP officials can say to us, but that is probably inevitable.

The Chairman (Mr Poots): It is the Secretary of State's instruction to them, so they will have to follow it.

Mr Dallat: Chairman, the paragraph that you read out merits some response. We must record our concern. It almost leads me to believe that we are wasting our time.

Mr Doherty: The letter mentions confidential information, which leads us to suppose that there actually is confidential information. If we are to do our job properly, we must know whether there is another agenda apart from our agenda.

Mr Newton: The Programme for Government Committee has accepted it, and we are operating as a subgroup of that Committee. While I may feel otherwise —

Mr Dallat: By saying nothing, though, the subgroup is giving the impression that it approves of this letter.

The Chairman (Mr Poots): I will put the matter to the subgroup then. Do members want to note our dissatisfaction at the content of the letter from the Secretary of State?

Mr Dallat: I propose that the subgroup notes that. I do not want it to appear that we agree with it.

The Chairman (Mr Poots): Are we all agreed?

Members indicated assent.

The Chairman (Mr Poots): We now move to declarations of relevant interest — membership of councils and so forth does not apply here. Does anybody have a directorship in any of these companies? *[Laughter.]*

Nobody has anything to declare.

Mr Doherty: Does declaration of interest include a political opinion?

The Chairman (Mr Poots): I do not think so.

We are now ready to move to the evidence session with the Northern Ireland Public Service Alliance (NIPSA), who will provide evidence on Workplace 2010.

The Chairman (Mr Poots): Lady and Gentlemen, you are very welcome.

I am Edwin Poots, the Chair of the subgroup. As such, I am independent, so I will facilitate the meeting rather than enter into debate. Witnesses will have five to 10 minutes to give evidence, and members will have 20 to 30 minutes to pose questions.

I remind members — and advise witnesses — that under schedule 1(8) to the Northern Ireland (St Andrews Agreement) Act 2006, members' statements are granted qualified, not absolute, privilege. However, given that witnesses who appear before a subgroup of the Transitional Assembly are not members, their evidence does not attract the qualified privilege that is provided for under schedule 1(8) to the Act. I do not expect that

we will need to worry about that; nonetheless, I must explain the rules.

11.30 am

Any one who speaks should identify themselves so that the Hansard staff, who are producing the report, can pick up their names. I will now hand over to Mr Corey. Members will have the opportunity to ask questions after he has given his evidence.

Mr John Corey (Northern Ireland Public Service Alliance): I am John Corey, the general secretary of the Northern Ireland Public Service Alliance (NIPSA). I thank the subgroup for giving us the opportunity to present evidence on Workplace 2010 and on the location of public sector jobs.

We submitted a short briefing paper, which I assume is available to the subgroup. In that, we focus mainly on Workplace 2010 because it is the issue that is of most urgency to civil servants. We also have major concerns about the location of public sector jobs in the context of the review of public administration (RPA). There are direct connections between those issues.

The second paragraph of our submission summarises eight key points for consideration on Workplace 2010, and we expand on those points in the subsequent paragraphs. The Department of Finance and Personnel and the Strategic Investment Board, which are responsible for Workplace 2010, will present — and have done so — it as a groundbreaking project that will provide, in their words, “a modern flexible working environment”. As the trade union that represents civil servants, we have no reservations about wanting them to have good quality, modern accommodation. At the same time, NIPSA is not opposed to open-plan offices. The majority of civil servants have always worked in such environments, and the majority of them who are below the rank of deputy principal work in open-plan offices. Therefore that idea is not new to us.

However, we do not accept that modern, open-plan offices for the Civil Service can be secured only via a private finance initiative (PFI) project, or, in this case, a total-property PFI project. We set out our principal arguments against the proposal in our written submission; however, I will not repeat those now.

Workplace 2010 proposes to sell off for all time almost all the Government's wholly-owned office accommodation in Northern Ireland. That is a massive decision. In the long term, that decision has unforeseen consequences and implications. No one can predict exactly what the requirements or needs of public services in Northern Ireland will be in 20 years or 25 years.

However, there are immediate and foreseeable consequences of the total-property PFI-deal proposal. We have identified those consequences in our written submission.

I want to emphasise three points in addition to those raised in the written submission. NIPSA stands by its argument that the cost to taxpayers of a private finance initiative (PFI) will always be higher than properly organised traditional procurement. Last week, the Northern Ireland Audit Office (NIAO) published a report confirming that there is already a £1.5 billion PFI debt to be repaid out of the Northern Ireland block grant over the next 20 years. The Workplace 2010 programme has the potential virtually to double the liabilities for a future Northern Ireland Administration, be it devolved or otherwise. NIPSA contends, therefore, that such a level of PFI debt will curtail the capacity of any devolved Administration to determine where money should be spent on future priorities. We are concerned about the sheer scale and size of Workplace 2010.

Whatever arguments may be made in favour of PFI for specific buildings, to sign up to it for all Civil Service or public service office accommodation is, frankly, madness. It is not in the interest of anyone in Northern Ireland: it is not in the interest of public-service staff or the delivery of public services. As presented, the Workplace 2010 PFI programme can only be in the interest of the private shareholders of the successful company.

Northern Ireland needs maximum flexibility and control over its office estate. Fundamental policies on the location of public-service jobs in Northern Ireland have still to be determined. This week, I took delivery of a draft report on the location of public-service jobs from the Department of Finance and Personnel,

which will be published for consultation, as I understand, in January 2007, and no decisions have been taken on the principles, policies or framework for that. NIPSA's argument is that it is fundamentally wrong, therefore, to enter into a Workplace 2010 contract that will fetter the flexibility that is currently available to Government in relation to the determination of the location of all Civil Service offices and Departments.

Secondly, an important part of the policy determination of the location of jobs will be the application of equality under section 75 of the Northern Ireland Act 1998. There are other policy considerations, such as a new targeting social need (new TSN) policy, a regional development strategy, a guide to rural policy and the RPA itself. NIPSA submits that the equality impact assessment to date on Workplace 2010 does not discharge the Government's responsibilities under section 75.

We reminded the Department concerned that its duty under section 75 is to "promote equality", not to undertake a cursory check of the limited available data and make broad statements about adverse impact or otherwise. Given the scale of Workplace 2010 and,

particularly in the context of the fundamental change in public services under the RPA, NIPSA submits that the equality impact assessment of Workplace 2010 should be exemplary in its application of the Act. That has not yet happened.

NIPSA also strongly believes that the equality impact assessment of Workplace 2010 cannot be undertaken in isolation from the equality impact assessment of the review of public-sector jobs, or, indeed, the RPA and the location of those jobs detailed in the paper about to be presented.

The third and final point relates to facilities management under the proposed Workplace 2010 contract. DFP and the Strategic Investment Board (SIB) are currently insisting — it appears to NIPSA — that facilities management, which affects 500-plus Civil Service staff, must be part of the PFI contract. Indeed, a DFP spokesperson has been quoted as saying that including the facilities management element and the staff in the contract — possibly forcing those staff to transfer to a private-sector employer — is in line with Government policy.

NIPSA respectfully submits that that is not in line with Government policy. The latest Government policy was published in March 2006 in a document entitled 'PFI: strengthening long-term partnerships'. At paragraph 5.58 it clearly states that:

"The Government's policy is that departments have the option of not transferring soft services staff in a PFI project, where they believe their transfer is not essential for achieving the overall benefits of improved standards of service delivery specified by the procurer, and where not transferring staff is consistent with delivering the Prime Minister's commitment to flexibility in public services provision."

The fundamental point that NIPSA wishes to raise is that to date, on Workplace 2010, DFP and SIB have not been following Government policy as stated. In our view, that policy requires the total separation of the facilities management element of a PFI contract from the rest of the contract. Properly, that should be assessed wholly independently and separately.

Those are the three points that NIPSA wishes to emphasise in addition to all that we have said in the written submission.

The Chairman (Mr Poots): Thank you. As is practice, we shall go round the parties first, and then members will be free to ask further questions.

Mr Newton: What has the trade union experience been with similar programmes in England and Scotland? What has been the impact of new technology, the freeing-up of space, the embracing of hot-desking and the opportunity to work at home?

Mr Corey: The most famous — if famous is the right word to use — example of PFI contracts on the provision of accommodation is a similar project for the Inland Revenue/Customs and Excise. The company that secured the contract was Mapeley, and the Inland Revenue was severely reprimanded by the Public Accounts Committee for entering into that contract. Mapeley was Bermuda-based and not paying any relevant taxes in the UK, yet it was taken on to provide accommodation services for the Inland Revenue at the time.

11.45 am

With regard to NIPSA's experience of these so-called modern, open-plan offices, I am not familiar — my colleagues may be — with any research or analysis of how they work in practice. In the Clare House pilot project — part of the Workplace 2010 plan — significant difficulties arose in trying to negotiate arrangements that were acceptable to staff. According to my latest information, there are more staff than desks — or workstations — in that building. There has been no resolution of that. Our members report that they cannot work, in practical terms, without being assigned a workstation of their own.

New technology tends to occupy more office space, rather than less. At least that has been the experience of many people. Previously, workstations would not have had technology around them.

There are mixed views about working at home. That can suit particular individuals at particular times, but there is no consensus on it. Recently, I met representatives of people with disabilities, and they argued against working at home. It can leave workers isolated and unable to enjoy the benefits of coming to a workplace.

Kieran may want to add to that.

Mr Kieran Bannon (NIPSA): I am the assistant general secretary of NIPSA.

The issue of hot-desking relates to one of our other concerns. On the Workplace 2010 project, the report from Deloitte, referenced in our submission, discussed the undertaking of two pilot exercises. It said that those pilot exercises should be fully and properly evaluated in order to decide whether the programme for Workplace 2010 should be rolled out across the Northern Ireland Civil Service. However, that is not the approach taken by the Northern Ireland Civil Service. Matters such as hot-desking arrangements and home working should be properly evaluated. Home working involves a raft of other issues: health and safety, the isolation of homeworkers and how they are managed. From a trade union perspective, there are many other issues. There is no home-working policy in the Northern Ireland Civil Service at the moment. NIPSA has just received a draft document on the subject.

NIPSA's concern is that much of Workplace 2010 is being forced through without proper evaluation and costing. The Clare House experience of hot-desking is such that, when members of staff were moving in, they were told that the IT connections were not working correctly and not up to the standards required. When some of our members raised that point, they were told that they could go to a hotel down the road and use its IT facilities. Those are the sorts of concerns that we have.

Mr Doherty: I have a substantial main question, and a short subsidiary one. What work has been undertaken to compare the cost of refurbishment through PFI as against the cost of the Northern Ireland Civil Service carrying it out on the basis of providing good-quality, modern accommodation? Have any comparisons been made? For my supplementary question, may I ask what percentage of civil servants your union represents?

Mr Corey: On the first point, NIPSA has not undertaken any such cost comparisons.

Data available to date relates to the outline business case, which has been used to justify the decision to proceed to the invitation to negotiate. Quite frankly, our view is that the outline business case was constructed to achieve an objective: to show that it would be financially beneficial to proceed with a total PFI property contract.

Arrangements for comparing the costs of a PFI proposition with a traditional in-house procurement arrangement make provision to add factors to the calculations. One such element is the optimum bias factor, which can be used to inflate costs when comparing one arrangement with another. As trades unions, we are sceptical about the validity of those cost comparisons.

We are wholly unconvinced that the projected costs and savings for the Workplace 2010 project will be realised. Significantly, the outline business case did not contain a proposition that staff would be transferred to the private-sector company. For some reason — we are not 100% sure why — between the outline business case and the invitation to negotiate being issued, it was decided that staff would transfer to the private-sector company.

We submit that, when the outline business case was prepared, there was no proper costing of the alternative comparator with a total PFI contract, in which staff would be transferred to the private-sector company, and an in-house procurement process. Furthermore, we are not convinced by the figures in the outline business case or that they can be realised.

The finances of the Workplace 2010 project are based on very shaky ground. I do not wish to stray into other areas, but the point should be made that entering into a total PFI contract, which ties up Civil Service

accommodation for 20 years, makes no sense when maximum flexibility is required. If there is a desire to use PFI contracts for any Civil Service accommodation, those contracts should be on a building-by-building basis. That would allow each contract to be assessed separately, rather than committing the Civil Service to the project for the duration of the contract.

Can you refresh my memory on your last question, Mr Doherty?

Mr Doherty: What percentage of the Civil Service does NIPSA represent?

Mr Corey: NIPSA represents about 70% of all civil servants. Our total membership from the Civil Service is about 18,500 staff from a total of 24,500 non-industrial civil servants. NIPSA does not represent industrial civil servants.

Mr Dallat: Mr Corey, you will be aware that Civil Service jobs are being lost outside the greater Belfast area, not least in Coleraine, where the staff of Revenue and Customs has been completely wiped out.

In the House of Commons, Mark Durkan submitted a question for written answer about whether civil servants would be able to remain employees of the Northern Ireland Civil Service under the review of public administration and the Workplace 2010 project. David Hanson's response on 7 November 2006 was that the Civil Service:

"would be obliged to treat the refusal to transfer as a resignation."

Is that a very polite way of saying that NIPSA members will be sacked if they do not comply?

Mr Corey: You could put it in that way, but I assume that the Minister was seeking to explain that if staff are to be compulsorily transferred to a private-sector company, the Transfer of Undertakings (Protection of Employment) Regulations 2006 will apply. Where those regulations apply, and a person refuses to accept the transfer, that person would legally be deemed to have resigned. That is the ultimate legal point on the matter.

In order to be clear for the record, as I indicated in my earlier remarks, more than 500 civil servants will be affected by the proposed PFI contract. We have been engaged in extensive discussions with the Department of Finance and Personnel about the transfer of those staff, and have asked whether all staff would be expected to transfer and what the alternatives might be. Work is ongoing on that. However, those 500 staff have had no assurance that their Civil Service employment would be maintained or that some or many of them — many of whom are the lowest-paid staff in the Civil Service — would be forced to transfer to a private-sector company, with the loss of their Civil Service employment and the consequent risks to their pensions.

Government policy dictates that the examination of whether facilities management or soft services should be transferred as part of a contract requires entirely separate assessment and analysis from the rest of the PFI contract. Our essential demand is that facilities management be assessed separately. Moreover, we do not believe that facilities management should be included in the contract.

Under Workplace 2010, the private sector is to be given control and ownership for all time of Civil Service accommodation by dint of a Government decision; we do not like and do not agree with that. We strongly believe that the staff should be separated from that. There is no reason that the private sector could not own a Government building — not that we agree with that — but with those providing the services in the building, such as messenger, porter and mailing services, continuing to be Civil Service staff. That is our preferred and clear demand for the project.

Facilities management staff should be removed from the contract. We still believe that the contract is wrong for the other reasons that I have outlined, but that would be our approach.

Mr Dallat: On the same matter, Mark Durkan submitted a question for written answer in the House of Commons about the future of Civil Service staff at Waterside House, Carlisle House and Orchard House in Derry. In response, David Hanson wrote:

"Current planning assumptions are that the existing staff will remain in Derry. Under Workplace 2010 there are no plans to relocate these staff out of Derry."

On close examination, that is no promise at all. Is there a danger that there could be recentralisation rather than the decentralisation that we had hoped might come out of this? Is that of concern to your members?

Mr Corey: Absolutely. Workplace 2010 contains no policy on decentralisation. It in no way takes account of desirable policies of dispersal, rural development or targeting social need. Those matters are not being considered at all in the determination of Workplace 2010. That is our fundamental point.

We are concerned that, by signing up to a 20-year contract, the Government will lose their flexibility to consider matters of dispersal, equality, and rural development. The private-sector owner will have the major say on where buildings and staff are located.

If we are to determine fairly where jobs should be located in Northern Ireland as part of the review of public administration — and there will never be a better opportunity to determine fairness and equality in relation to the location of those jobs than the RPA — it is critically important that all Civil Service and public-service jobs are part of that consideration. The

Government should have full flexibility to determine that.

12.00 noon

That critical flexibility will be lost for Civil Service accommodation if Workplace 2010 is agreed before next April.

Dr Birnie: Thank you for coming. Taking you back to Pat's question, the Government and the Department of Finance and Personnel will say that the outline business case shows that over the 20 years, PFI will create perhaps a £200 million advantage over traditional procurement. Is a large part of that apparent saving likely to come about through either a reduction in the floor space that is allocated for each staff member or through a qualitative reduction in provision? Will the quality of the working environment be reduced and could that lead to a reduction in the quality of service provision?

Mr Corey: I shall answer that in the first instance; then Kieran can pick up on the detail of the costings. The £200 million saving is at best a guesstimate; we cannot say that the savings will be in one area or another. As I said to Pat, under the outline business case, the optimum bias factor is used in the calculation of the cost. Using that factor, there is a great deal of scope to adjust figures to suit a particular end.

We still believe that PFI is not necessarily in the taxpayers' interests: we will not change our view on that. We are highly sceptical about the alleged £200 million saving. I remarked in our written submission that one person who had connections with a bidder said to me openly that Workplace 2010 was "a licence to print money". That concerned me greatly. I assume that he meant that the project is a licence to print money for the private sector — not for the taxpayer.

Mr Bannon: It is difficult for us to be precise about the quoted figures. You might have seen some of our announcements in the press in which we quoted figures. To use what I understand is a good political term these days, the figures that appear on the websites of the Strategic Investment Board and the Northern Ireland Civil Service do not add up. We are concerned that some of the figures show an automatic £0.8 billion profit for the private sector.

Picking up on some earlier points, and again with reference to Mr Doherty's questions, we are concerned about the unitary-charge element of the contract. Indeed, we have expressed concerns that the Government office standard accommodations — to which you have referred where standards of space are concerned — appears as a one-size-fits-all standard. Civil servants assure us that that is not the case; however, in the document that was released to the private sector, one table appears in the invitation-to-tender document.

It sets out one standard of accommodation. In fact, we have had meetings with the private sector, and it is not breaching any confidentiality to say that we raised concerns about the one-size-fits-all approach.

Indications are that most people would admit that a one-size-fits-all approach is not possible. For example, a different standard would need to be applied to a general office situation as opposed to a laboratory or to the office of a planner who works with large-scale maps.

It appears that this standard provides an opportunity for the private sector to increase charges significantly. It may be prepared to pick up a requirement that deviates slightly from the standards and run with it at a cost to itself. However, it will charge excessively for additional requirements that are significantly different from the agreed standard. We have had experience of that in the Civil Service already in the Driver and Vehicle Testing Agency (DVTA).

I come back to the point about the comparison between PFI and normal procurement. My colleague John Corey referred earlier to the Mapeley contract. Figures produced in relation to that project show that, by Mapeley's own evaluation, the HM Revenue and Customs portfolio was worth £220 million in 2001. It now stands at £566.6 million — a significant increase, and a loss, we would argue, of £346 million to the taxpayer. That loss is only over a five-year period. This contract will last for 20 years. If that sort of loss were to happen in Northern Ireland, there would be significant losses to the taxpayer.

There are other examples of PFI contracts here, both in the Northern Ireland Court Service and in the Health Service. This year both organisations decided not to renew contracts, which covered a two- to three-year period. At least they had the ability, under those contracts, to move services back in-house on the same premise that NI Civil Service management is arguing that Workplace 2010 should move them to the private sector — that standards of service are better and there is less cost to the taxpayer.

The Chairman (Mr Poots): Do any members who have not yet asked a question wish to do so? Does any member who has asked a question wish to ask a follow-up one?

Mr Doherty: From reading all of the material that we have and from my understanding of it, there are two big issues — decentralisation and privatisation. In this situation I am in favour of decentralisation and against privatisation. On decentralisation, the Scottish Executive, in their written submission, make it very clear that as a policy position they will:

"assist areas with particular social and economic needs."

The material from the Twenty-six Counties, while not as specific, indicates that that is the thrust of what they are doing. How does the trade union relate to that information?

I see from your material that 60% of the population live in the greater Belfast area and that 59% of Civil Service jobs are based in Belfast. That seems to match, but the information is being shown as percentages and does not take into account social and economic need. Also, many people have to travel into Belfast, which complicates and skews the figures. My core point, with regard to decentralisation, is about the policy requirement to assist areas of economic and social need.

Mr Corey: I can say unequivocally that NIPSA supports decentralisation and dispersal of jobs where that is and can be clearly and objectively justified under section 75 of the Northern Ireland Act 1998 and in relation to targeting social need, rural development policy and other relevant policies. I am clear about that.

I also recognise that there can be tension between that statement and the views and concerns of our members. I am certain that our members in the greater Belfast area would have strong views if the ultimate application of that statement were that x thousands of jobs had to be transferred from the greater Belfast area to west Tyrone.

Mr Doherty: Not if they went to Omagh or Strabane.

Mr Corey: If the policy of dispersal and the decentralisation of jobs is objectively justified, it will have to be implemented. That is our approach.

Workplace 2010 operates against the policy of dispersal and decentralisation in very simple terms. I do not know whether the Government's proposed consultation on the guiding principles for the location of public sector jobs, which is about to be published, is available to the subgroup. However, it seeks to establish policy, frameworks and principles on the future of public sector jobs in Northern Ireland, including Civil Service jobs. For the life of us, we cannot see how that policy can be addressed and determined while at the same time, under the current timetable, a contract can be signed with a private sector company — whether one company or a conglomerate — that curtails what the Government can do with their Civil Service accommodation.

We will know the answer in two or three years' time. If a devolved Administration wished to relocate a certain number of Civil Service jobs to a certain town, it would not be a question of considering the proposal's costs: the Administration would have to examine the contract with the private sector to find out what it could and could not do.

NIPSA has been told that flexibility will be built into the contract and that there will be a premium for

flexibility. In other words, taxpayers will have to pay a premium to the private sector for the necessary flexibility — a fundamental issue in the location of public sector jobs — in a contract for property that the Government currently own. That makes no sense.

We can cope with PFI propositions for individual Government buildings. However, signing up for the total property of the Northern Ireland Civil Service is madness; it is not in the interests of people in Northern Ireland. If selling off Government property is such a good idea, why is the whole United Kingdom Civil Service not doing it?

Mr Dallat: I would like to ask about decentralisation. I am sure that you would agree that many of your members are among those who block the motorways into Derry and west Tyrone and everywhere else and that they are suffering stress as a result. They are constantly lobbying their politicians for transfers home.

Mr Corey: Yes.

Mr Dallat: Would you agree that there is much to be learnt from the Welsh model? Five hundred civil servants have been transferred from Cardiff to Aberystwyth, which is a town that I know well — it would suffer a great deal of social deprivation, were it not for the university. Do you agree that an affirmative approach to decentralisation is well worthwhile in the interests of the huge parts of the North that have been socially and economically disadvantaged since the foundation of the state?

Mr Corey: I repeat my point: the review of public administration's paper on the location of public service jobs is a once-in-a-lifetime opportunity to change, to promote equality and to address all the other issues. NIPSA is deeply concerned that that opportunity will be unnecessarily fettered by Workplace 2010 in itself, forbye all the other issues that we have raised.

Mr Bannon: We have already highlighted the links with the RPA. Those links cannot be understated because the entire demographics of public sector jobs will be different as a result of that process. As the leading public sector trade union in Northern Ireland, we have been at the forefront of trying to advance that policy.

In 1991, we agreed a proactive approach with the Civil Service, although several documents produced since then have tried to get away from that position. That proactive approach was supposed to function was when the lease of a building ran out or when a new function was to be introduced. The areas where buildings and functions would be relocated were outside Belfast and the greater Belfast area. We considered that to be a pragmatic way forward.

When Tom King was Secretary of State for Northern Ireland, civil servants tried to put Ministers off the big-bang approach of moving to the north-west by showing

that it would cost money. It may come as a surprise to Government, but equality costs money. We are certainly of the view that we need to be doing that.

Much of what is happening in the Civil Service is contrary to that at the moment. For example, the electronic human resources (EHR) project, with which members may be familiar, has meant another substantial contract of many years' duration. In fact, that contract cannot be walked away from for another 15 years. That contract sought to close a branch in Derry that had been relocated 10 years previously for the specific purpose of decentralisation. We are concerned about the approach of senior civil servants to that issue.

12.15 pm

The Chairman (Mr Poots): Our time is up. Thank you for your presentation and for responding to the questions. I have no doubt that your views will feature in the subgroup's report, which will be produced in due course. Your views will be recorded in the Hansard report.

The subgroup will now have a presentation from officials from the Department of Finance and Personnel. Members should be aware that the same arrangements as regards privilege apply: subgroup members have qualified privilege; witnesses do not. However, I am sure that nothing will be said that will cause any concern.

I am glad to welcome Chris Thompson, director of DFP's corporate services group, and Tommy O'Reilly, programme director of Workplace 2010. The officials will make a 10-minute submission, after which members will ask questions.

Mr Chris Thompson (Department of Finance and Personnel): We welcome the opportunity to make a presentation on Workplace 2010 and the work that we have done on the location of public sector jobs to the subgroup. We have provided a background paper, which includes a draft of our consultative document on the location of public sector jobs. The aim of the presentation is to help the subgroup understand the context of Workplace 2010 and to assure the subgroup of the ability of the programme to positively contribute to the agenda of an incoming Executive.

For the benefit of members, I shall place Workplace 2010 in context as part of the wider reform of the Civil Service. Workplace 2010 aims to improve the way in which we manage, lead and provide services. A series of programmes and projects is aimed at providing better human resources, better accounting facilities, better information and communication facilities and making good cost savings in all those areas.

By providing a new way in which to manage Civil Service business, Workplace 2010 sits very much within that programme.

I must make it clear from the outset that much of our current office estate is very rundown and inefficient. Some of the estate is relatively new, but those properties tend to be the ones that we have leased, because we have neither built nor bought properties for many years. Therefore our better accommodation tends to have been leased to us. The owned office estate is generally old, inefficient and in need of investment.

Moreover, in the wider public and private sectors, both nationally and internationally, there is a move towards the workplace environment supporting better and more efficient services. That involves rationalising the estate into a smaller but more efficient set of buildings and moving to a largely open-plan environment.

We know that to do nothing is not an option. That fact has been recognised for a long time. To address the problem in the traditional manner would require a minimum investment of more than £100 million. The question is whether we want to take £100 million from money that would be spent on front-line services.

There is clear trend towards the use of PFI in the public sector. It is felt to be a more efficient and effective vehicle to deliver change, and, based on projects that have been undertaken over the years, there is now a considerable body of evidence to support that view.

We have looked at all the options available for implementing Workplace 2010, and the PFI option provided best value for money and was considerably cheaper than traditional procurement. PFI is therefore the solution that we propose to transform the office estate. The upshot is that we believe that the proposed solution could be broadly funded from current funds for the estate. Moreover, that could result in an injection of £250 million of capital into the Northern Ireland block.

From our point of view, the choice is stark. Do we want to remove £100 million from front-line services to fund this essential move forward, or do we want to provide an incoming Executive with £250 million of spending power to achieve the same result? Faced with that stark choice, we propose a PFI solution.

The package should include a fully integrated facilities-management service. In fact, most of these services, including cleaning, catering and security services, are already outsourced. However, messenger services and portage are not outsourced at present. We believe that those services should also be included in the PFI contract.

Decisions are still to be made, but we are working with the trades unions to minimise compulsory transfers to the private sector partner (PSP). I need to update members on developments on that matter, as we have now set an objective of having no such transfers.

That will mark a good step forward, which, if achieved, will largely take The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) out of the equation.

The other big issue is dispersal. Many commentators, although not all, are committed to the dispersal of Civil Service jobs. Members need to understand, however, that dispersal costs money, and whether Workplace 2010 were in place or not, dispersal will require significant investment. However, we are committed, as and when decisions are taken, to facilitating dispersal as economically as possible through Workplace 2010 and the non-transferred estate. We believe that that provides the best vehicle for future decisions on dispersal.

That said, we cannot consider the location of Civil Service jobs in isolation from the wider public sector and the input of the RPA. Accordingly, we have produced draft proposals to guide decision-makers in those complex areas. Those have been copied to the subgroup, and those proposals will be issued for public consultation in January.

Moving to the progress that we have made on the project, the original outline business case envisaged contract completion by the end of 2006 and the beginning of 2007. After the outline business case was completed, we spent six months in consultation with Ministers and externally, so that period was taken out of the equation.

We began the formal procurement process in November 2005 with the issue of the Official Journal of the European Union (OJEU). We shortlisted four consortia in April 2006; we issued an invitation to negotiate in June 2006, and we received responses in November 2006. We are evaluating those responses, and the evaluation will be completed by mid-February 2007.

What happens then will depend on the outcome of the evaluation and on other external factors — a great deal of work will be required at that point to determine the next step. Broadly, we are assuming that we will take two of the four consortia through to best and final offer with a view to completing contractual business by the summer of 2007.

Finally, I would like to make it clear that we have conducted this programme in a totally open and transparent way, and we have kept the political advisers of the four main parties up to date as we have moved forward. We have carried out two public consultations on the subjects of the Stormont estate and on the equality impact assessment. We have been completely upfront and honest in our dealings, and we have listened to the views that have been put to us. I hope that the subgroup will regard Workplace 2010 as a positive contribution to the programme of an incoming Executive.

Mr Newton: I would like to ask some brief questions. Several companies that supply services will be affected when the final allocation is made. They are small local employers with a small labour force. What indications have the four consortia given that they would use local companies and local labour, particularly in the area of facilities management?

You will be aware of what the trade union said as regards the Inland Revenue allocated project. The union also quoted the situation in Clare House — I do not know where that is — with which it is not happy. It views the hot-desking situation there as very undesirable.

Some political representatives commented on the number of people working at home and the opportunities for facilitating that in order to free up space and to reduce the stress involved in travelling to work.

The trade union was quite disparaging about one previous successful bid.

Can you reassure me about protection for local employees and contractors working for the Civil Service and the potential to save space by hot-desking, home working and reducing stress?

Mr Thompson: On the first point, all the bids are from consortia, which comprise several companies.

In fact, 40 companies are involved in the four bids. Of those, 30 are based in Northern Ireland. Therefore, as each consortium has been built up, it has used local firms, and it intends to use local labour. There is no question of that. The consortia have established a presence in Northern Ireland. It is positive for the Northern Ireland economy in that it attracts more inward investment with this contract. Competition will be good. I am absolutely convinced that as a result of Workplace 2010, employment opportunities will be at least as good in the private sector, and there will be good opportunities for Northern Ireland companies to be involved in that process. Of course, we cannot insist on using any particular firm in a contract. However, it is absolutely clear that local firms have a big part to play in each consortium.

12.30 pm

The central procurement directorate started to move into Clare House about a month ago. I have been there several times. It is fantastic. If members would like to visit, we would be absolutely delighted to make arrangements. Just by walking around it, it is interesting to see the different ways of working. There has already been greater teamwork as people get together in little groups. It is not a single workspace — there are breakout spaces, little meeting rooms, conference rooms, table and chairs. All those positive facilities are already being used extensively.

We have not insisted that anyone should hot-desk. However, many people who work in Clare House are peripatetic workers. They work out of the office a lot of the time. Several of them have said that they do not need their own desks, and we are beginning to see this. There is plenty of touchdown space for them to come in, plug in their computer and work away. That facility is provided as normal. Staff are already saying that that is the way that they want to work. We are not making it compulsory for anybody. We are not telling anyone that he or she cannot have a desk.

Finally, an open-plan environment does not mean that one size fits all. I must make that absolutely clear. It is about the allocation of workspace by function rather than by grade. We accept that “by function” means that there will be people who need to work at drawings, for example, who will need more space. That is absolutely part of our plan. The accommodation is much more fit for purpose.

We visited many areas in Great Britain where similar projects have been undertaken. I have seen similar arrangements in dozens of buildings. You specifically asked me about that. I have never met anyone who has told me that that is awful and that he would rather go back to cellular accommodation. I have met one or two people who said that they missed having their own office, but they went on to say that they accepted that it was a more efficient and effective way of working and that they could not argue with it. It is remarkable that having visited so many such offices, I have never met one member of staff who said that he thought it was awful.

Mr Newton: The trade union was quite disparaging about the Inland Revenue. Can you comment on that?

Mr Thompson: The firm involved is Mapeley, which is an offshore business. The criticism was of tax avoidance. We cannot legislate as to who will or will not apply for competitions; what we can do is make sure that the full costs are taken into account. In our evaluations, we will be asking Mapeley about its tax position. Where its tax position shows that it will be avoiding paying tax we will take that into account in the price. In other words, we will compare like with like to ensure that no one is getting an advantage.

Mr Newton: You said that all the bidders had tied in some local companies to the contract. How tightly are they tied in? Do those links go live when the contract is awarded? A local company called ABC is tied in with whomever the major successful bidder will be. How tight will that link be?

Mr Thompson: We cannot tie that in very tightly. Even we are not tied into any of them. Contracts are let for a specific time and then they are competed for again. There is nothing to say that any of our current suppliers will still be a supplier in five years. Another

local or national firm could beat them in a competition. We cannot legislate for that; that is how competition works. However, there is a tremendous opportunity for local firms here. We want to concentrate on ensuring that local firms get the support that they need to get these contracts and remain part of the competition.

Mr O'Reilly: When contracts are awarded for the main services we are looking at, there will be firm contracts in place. At the moment, all the bidders have selected partners whom they envisage as the main organisations to provide their services.

For example, for the refurbishment of the 18 buildings amounting to the expenditure of about £100 million to £120 million, the bidders have nominated organisations that they will be able to work with who will actually deliver the services. Before the contract is finally awarded, firm contract terms will have to be in place to make sure that the outcomes will definitely be delivered. The contracts will be the vehicle for stipulating the services to be delivered. At the moment, we have four sets of partners, all of them locally based. Whoever is awarded the contract will have the contract firmly in place and the services will be delivered to the local companies.

Mr Doherty: You made it clear in your submission that doing nothing was not an option. Then you went on to talk about the cost of £100 million and whether that money could be better spent. Having established the cost, I want to focus on the value that would result. Was any evaluation done of the cost of doing this in-house? If so, did you employ consultants in that process, and who were they?

If phase 1 is implemented, it will leave absolutely no room in phase 2 for any real decentralisation. What is your response to that?

Mr Thompson: We tend to contrast PFI against in-house options. A full and rigorous examination of the costs and benefits of those two options were considered at outline business case stage. We worked very firmly to the rigorous Treasury guidance on comparison. That comparison showed clearly that the in-house option would cost £200 million more than the PFI option. As that was the clear outcome of the outline business case, we have moved forward with the PFI solution. However, in taking those decisions, we are guided by the performance of PFI as opposed to traditional methods. The most authoritative guidance is the National Audit Office's 2003 report, which made a specific comparison between PFI and traditional construction. That report showed that, in traditional construction, three quarters of projects came in over cost and late; whereas in PFI, three quarters came in on time and to cost and, of those that came in late, only 8% were more than two months late. Those compelling figures came from the National Audit Office, and not

from consultants; they are key statistics for Government in considering whether a PFI solution or a traditional solution is best.

We were, of course, advised by consultants, as would be the case with any project of such a size and nature. This is a highly complex area, and we need people who understand it fully, who have done it before, and who take previous experience into account. We have engaged a consortium of consultants to advise us on the project, which is led by Deloitte, including many very experienced advisers who have been involved in similar projects in the past.

No decisions have yet been taken on phase 2, which concerns the non-transferred estate, because we have not yet decided whether there will be a phase 2. However, the non-transferred estate contains most of our buildings and about 20% of our floor space. There is still considerable flexibility. However, that is not really the point as far as decentralisation is concerned. Our requirement for the private sector has included an obligation to cost now for the flexibility to vacate any building in the future — apart from a small core. The price will be predetermined through competition so that we will know what it will be. There is good competition between four keen bidders, and we believe that we can secure a good deal on the flexibility that is required to allow us to vacate buildings in the future.

As I said in my introduction, there will be a cost to dispersal or decentralisation. However, we are putting arrangements in place so that we will know the cost up front. The price will have been arrived at through competition, and that will give us the best vehicle for decentralisation and dispersal. It will not reduce flexibility; it will make it a much more straightforward and clear process with predetermined costs.

Mr Doherty: Do the four preferred bidders employ any of the same consultants that you employ?

Mr Thompson: One of the consultants that we employ was an employee of one of the bidders a few years ago

12.45 pm

He has declared that interest, and some of the other consultants who work with us have worked for some of those consortia. Those interests have been declared, and we have made sure that the consultant who used to be an employee of one of the bidders will be involved in a non-executive role in any evaluation. He will not be involved in scoring, for instance, nor in deciding who will move to the next stage of the process. That requirement has been put in place and has been made absolutely clear.

In addition, we have set up an independent compliance committee to look at how the evaluation process is being carried out. It comprises a non-

executive director from one of the Departments, a person from the Office of Government Commerce, someone from the wider public sector in Northern Ireland and our Treasury officer of accounts, who is our most senior accountant. Their job will be to ensure that conflicts of interest are dealt with in a fair, open and equitable way.

Mr Doherty: Are you saying that there could be a conflict of interest?

Mr Thompson: I am saying that as long as conflicts of interest are declared, we can ensure that they cannot compromise the evaluation process.

The consultant that you mentioned will not be involved in scoring the bids or in the decision to shortlist or to award to any particular consortium.

Mr Doherty: I want to pursue that point. Are you are saying that you have employed consultants, with safeguards, who are employed by the preferred bidders?

Mr Thompson: No; they are not employed by the preferred bidders at this point; they had some connection with the bidders in the past through doing work for them. I am sorry; I totally misunderstood your point. No one who works for us is employed by one of the bidders. I can categorically assure you of that.

Mr Dallat: I could not help noting, Mr Thompson, that you have quoted the Northern Ireland Audit Office (NIAO) several times; perhaps that indicates an improving relationship.

However, last week the NIAO published a report that is very worrying for future generations, who may be up to their neck in debt for the next 50 years as a result of some PFIs. What evidence is there that future generations will not be up to their necks in debt over private contracts?

Mr Thompson: I assume that you refer to Balmoral High School. I will answer the question first in general, then specifically.

We can bandy good and bad experiences back and forth about PFIs and traditional procurements. For every bad experience with a PFI contract, believe me, there are matching bad experiences with traditional procurement contracts, which have cost the taxpayer millions. We must learn lessons from those bad experiences, whether through PFI or traditional procurement routes, so that we do not repeat the mistakes of the past.

The contract for Balmoral High School was for a school with a certain number of pupils, and the number has since halved and is likely to fall further. That is not a new problem. There have been cases in Great Britain where people have contracted for more places than they need.

From the point of view of Workplace 2010, that was the point of our taking a phased approach — of not going for 100% of our accommodation upfront. We are contracting for accommodation that will facilitate 18,000 staff out of a total of 28,500. I simply cannot envisage a Civil Service that will employ less than 18,000 staff in the foreseeable future.

We have learnt that lesson, although there are other lessons to be learnt. We carried out a full evaluation of all the issues that were raised in the various National Audit Office reports, and we have ensured that those issues have been taken care of in our project.

Mr Dallat: Just as the needs of education change, so do the needs of Government. I wonder what changes might come about in the next few years that will cause similar problems.

Can you give us the estimated average monthly unitary charge that will go to the private sector as a result of Workplace 2010?

Mr Thompson: I am sorry; I cannot. All the firms have tendered bids; therefore I cannot go into details on a matter that is part of that bidding process.

Mr Dallat: I was simply asking for a projection.

What are priority frontline services? Can you elaborate on the terms and conditions of the contractor requirement on the private-sector partner to share profits with the Northern Ireland Civil Service?

Mr Thompson: Frontline services are the direct services that people interface with daily: health, education, social welfare, tax, motor tax and so on. We want public funds to be used for those services, as far as possible.

What was your second question?

Mr Dallat: My second question was about the sharing of profits. I am thinking in particular of the car park at the Royal Victoria Hospital and similar fiascos.

Mr Thompson: I take your point completely. The contract will contain mechanisms to deal with that matter. Tommy may like to deal with the issue in more detail.

Mr O'Reilly: Several mechanisms have been built in to deal with what we deem excess profits. We are considering the deal from a public-sector perspective and trying to ascertain what would be a reasonable rate of return, and that is being dealt with in a competitive environment. We will measure the company's profits annually, and if they exceed the amount agreed in the contract, clawback provisions will come into effect.

If, during the lifetime of the contract, the company sells the property that we sold to them for over and above the price that it paid for it — or the company is granted planning permission that allows it to use the

property for different purposes — the public sector will share in the profit.

If the special purpose vehicle changes its contractual status, and, for example, the property is sold on, the public sector would again have opportunities to claim back any additional profit. Contractual structures are in place to ensure that the public sector gains from any additional benefits that the company may make during the period of the contract.

Mr Thompson: With your indulgence, Chairman, I would like to respond to another of Mr Dallat's comments.

I am 100% certain that there will be change in the Civil Service in the next 20 years. The first PFI deal of this nature was done in Great Britain, and it involved the then Department of Social Security in Great Britain, which is now the Department for Work and Pensions. The contract was agreed in the early 1990s, and it has run for 12 or 15 years now.

During the period of that contract, the Department of Social Security changed dramatically because it merged with the old Department of Education and Employment to form the Department for Work and Pensions. That was a massive change, and the contract to deal with it was renegotiated.

In its report on that process, the National Audit Office made it clear that the contract was a fantastic deal for the Department because it allowed it to incorporate the new — and totally different — Department. There is no doubt that there will be changes; however, an ample number of precedents has been set to allow us to deal with those changes positively — even to the satisfaction of the National Audit Office.

Mr Dallat: I wish to inject an element of positivity. The SDLP is concerned that decentralisation has not been front-loaded into Workplace 2010. Like other political parties, we have also expressed our concerns and made suggestions for the project, about which you already know. Do you understand how the SDLP is amazed that decentralisation was not a key factor in the process? Could recentralisation emerge from it, given the flexibility of the private contractor?

Mr Thompson: The contract is not about decentralisation or recentralisation; it is about providing a new working environment. It must allow for decentralisation, but I am not aware of any plans for recentralisation in the greater Belfast area. The contract can be used positively as and when decisions on decentralisation are made. When that happens, we stand ready to use this contract positively so that we can contribute.

Mr Dallat: I am sure that you are aware of the disappointment that was felt in the previous Assembly when the Department of Education offered to transfer

from Bangor to Belfast, but the Department of Health, Social Services and Public Safety did not respond to that offer. Following the example of the National Assembly for Wales, which facilitated the transfer of approximately 500 Civil Service jobs from Cardiff to Aberystwyth, is there not an absolute need for some sort of directive? Are you aware of the massive regenerative effect that that has had on an area of Wales that has suffered as a result of economic decline in sectors such as farming?

Mr Thompson: We have had some good experience of those situations. I was in charge of the project to set up the pensions centre that brought over 300 jobs to the Carlisle Road area of Derry, resulting in tremendous regeneration. Therefore I have had personal involvement in that sort of process. As civil servants, we must be ready to move quickly when political decisions are made, and that is what we want to do.

Dr Birnie: In 2005, a figure of £200 million was quoted in the outline business case. Has that been revised since?

Mr Thompson: Not formally, but we look at the costs and benefits at every stage and then revise them. We have not revised the outline business case. However, post evaluation, when we have greater clarity on the process and before we move into the final stage, we will revisit those figures so that it is clear that we have an affordable project that meets our requirements.

Dr Birnie: Will a new, more up-to-date figure be released into the public domain?

Mr Thompson: Yes.

Dr Birnie: It is an immensely difficult task to project costs and benefits over a 20-year period, and, like any venture of that nature, that task is vulnerable to assumption. I hope that a sensitivity analysis would be conducted to see by how much those projections are subject to risk. If the projections are subject to risk, is £200 million a central estimate? If so, what is the worst-case scenario, and, at the other end of the projection, what is the best-case scenario with regard to the net gain or net loss to the taxpayer?

1.00 pm

Mr Thompson: I will pass over to Tommy in a moment, as he may have more detailed information, but I agree that a sensitivity analysis is essential. The key risks are set out and the project team considers the potential cost of each. In fact, the estimated £200 million saving includes the costs associated with a series of identified risks. That is a median-case, not the best-case, scenario. That is how things are done.

Mr O'Reilly: As regards the overall figures, each option is broken down into its key components and a series of sensitivities is applied. For example, if

construction costs are set at £120 million, we would apply sensitivities to determine what would happen to that figure if labour costs were to rise by 20% per annum or if the cost of materials changes.

As Chris said, £200 million is the median figure. While compiling the outline business case and as part of the evaluation process, we are stress-testing the work to ensure that we have a thorough understanding of the potential costs. That work will roll forward into the revised business case, which we will draft after the evaluation has been completed.

Dr Birnie: What is the worst-case scenario?

Mr O'Reilly: For which option? Remember, we are talking about a series of options.

Dr Birnie: The preferred option.

Mr O'Reilly: If we apply the key sensitivities to the PFI option, we should not end up in a position that is worse than the public-sector comparator — assuming that the public-sector comparator remains stationary, because if we apply the same sensitivities to the public sector comparator, its position will alter too. Applying the major sensitivities to the preferred option shows that it is still value for money for the public sector.

Dr Birnie: Is all of that analysis included in the published outline business case?

Mr O'Reilly: Much of it is, but it is work in progress.

Dr Birnie: May I press you again on the important issue of clawback? In a case in England a private contractor for a group of buildings sold the contract on and made a profit of about £300 million. What percentage of clawback are you talking about?

Mr O'Reilly: We will negotiate that with the provider. We have included our position on clawback in the draft contract, and all the bidders have been asked to comment on it in their bids. The final position will be the subject of negotiation, but we want to move to a position that is much more favourable to the public sector.

Dr Birnie: How much does dispersal cost per job?

Mr Thompson: It is impossible to give a general figure. An evaluation of the dispersal to Derry — the one before the dispersal to Carlisle Road in the city — is in the public domain. The cost per job depends on several factors, such as how many staff would move to the new location. The bricks-and-mortar cost is only one element of a sizeable cost. People will argue that the resulting social benefit makes it a cost worth paying. However, that is a matter for political debate. When we have concrete proposals, those can be clearly costed.

Dr Birnie: It is not unreasonable to assume that the cost-per-job move could be at least £20,000. Additional staff relocation costs may push that figure up towards as much as £100,000 per job.

Mr Thompson: I do not want to comment on specifics. One can make some assumptions based on the PricewaterhouseCoopers (PWC) work, which is in the public domain. However, should the Executive want us to, we could take a couple of specifics and give options on how that would be done in various scenarios and produce costs.

Mr Newton: Would the percentage clawback be agreed only when the successful bidder is notified and not while the contract was being negotiated?

Mr O'Reilly: We have given the four bidders a draft contract that sets out our views; they have been asked to comment on acceptability. They are being driven through a competitive process. In the next phase, we will move to agree most, if not all, of the terms while we are still in a competitive environment before the contract award. In that sense, the bidders have to deal not only with what they would like to do from a commercial viewpoint but with what their competitors may be doing. Through that process we get maximum value for the public sector. Ultimately, however, the contract is only with one bidder.

Mr Thompson: We could end up negotiating with two different bidders to get to their absolutely final positions, which may be different. We would take those into account in the final evaluations.

Mr Newton: That is slightly different from what you said to Edwin. I had picked up that the clawback would be discussed with the successful bidder, rather than as part of the negotiation process.

Mr O'Reilly: Perhaps I did not explain it properly.

Mr Newton: Am I right in thinking that 59% of Civil Service jobs are situated in the greater Belfast area and that greater Belfast comprises 60% of the population of Northern Ireland?

Mr Thompson: We have provided members with a table showing the location of public sector jobs, but I am not an expert in this area.

Mr Newton: One of your colleagues quoted those figures last week.

Mr Thompson: Neither figure —

Mr Newton: If we assume that those figures are correct, or nearly correct, why are we talking about decentralisation at all?

Mr Thompson: It is a political issue, and one which I —

Mr Newton: Is it purely a political issue?

Mr Thompson: The issue has economic, political, staff and public service elements.

Mr Newton: We are discussing an economic package. You were upfront about the economic benefits; but the decentralisation aspect is a political issue.

Mrs O'Rawe: My questions have all been whittled down because we have already covered issues concerning consultants, decentralisation, the PFI procurement saving of £200 million and whether conditions would be attached to contracts constraining the sale of office accommodation during the contract. What will happen when the contract expires?

Mr Thompson: A considerable proportion of our accommodation is leased, so when a lease runs out, we decide whether to apply for an extension, to make a different deal or to move out of the building. At the end of that period we have complete flexibility as to what we want to do. Who knows what the Civil Service will look like at that time?

Mrs O'Rawe: Could the property revert back to the Civil Service?

Mr Thompson: No. The ownership will pass to the private sector. These are office blocks, not buildings of significant cultural value. I should make that clear.

The Chairman (Mr Poots): Time is going by, but we could have a couple more questions.

Mr Doherty: Section 16 of the Department's submission entitled: 'Workplace 2010 & Public Sector Job Location Position Paper by the Department of Finance & Personnel' states that:

"All future decisions on the location of public sector jobs will therefore be subject to equality screening and to consultation on the outcomes of the screening."

The emphasis is on "All future". Does that mean that the proposals have not been subjected to such screening and consultation?

Mr Thompson: It does not. Workplace 2010 has been subjected to the most rigorous equality screening and full equality impact assessment that I have ever seen. That was carried out independently, and we have consulted widely. The Department has organised forums for people to give their views. It has taken views in writing and from the political parties. All those views are being combined in a final equality impact assessment that will be produced in the New Year.

Mr Doherty: Therefore nothing is to be read into the words "All future".

Mr Thompson: No. That was specifically included to take account of the RPA.

Mr Doherty: Will the report be made available to the public?

Mr Thompson: It will be a public document.

Mr Dallat: In paragraph 8 reference is made to the benefit to the local economy in determining the successful bidder. I am sure that every member, even Robin, will agree that economic prosperity is not evenly dispersed across the North of Ireland.

Decentralisation of the Civil Service is but one means of trying to redress the inequality — and perhaps even the injustices — of the past. How decisive will it be in determining the successful bidder?

Mr Thompson: It will not be decisive. There are several criteria, but decentralisation will not be one of the main areas for evaluation.

Mr O'Reilly: There are two different aspects. In how it applies the different criteria the Department is bound by European procurement law. It is now unlawful to take into account local issues, such as where jobs are based or benefits to local communities, which were taken into account under the old regulations. The Department does, however, take into account benefits to the local economy and to the social fabric of Northern Ireland through the sustainable approach that bidders are adopting. Each bidder is obliged to set out details of how they approach corporate responsibility and their commitment to local producers and firms. That is one of the subcriteria that the Department asks about. However, benefits to the local economy cannot be considered at a higher level.

Mr Dallat: Were I a senior civil servant or a fully paid up member of a posh golf club in Belfast, I would not need to worry.

Mr O'Reilly: Pass.

The Chairman (Mr Poots): On that happy note, the subgroup will break for lunch. I am sure that, together with the NIPSA presentation, the Department's submission will contribute significantly to the subgroup's final report. I thank you both in the meantime.

Adjourned at 1.14 pm.

SUBGROUP TO CONSIDER THE SCHOOLS ADMISSION POLICY

Friday 15 December 2006

Members in attendance for all or part of proceedings:

The Chairperson, Ms Sue Ramsey
The Chairperson, Mr Willie Clarke
Mr Dominic Bradley
Mr Jeffrey Donaldson
Mr Barry McElduff
Mr David McNarry
Ms Caitriona Ruane
Mr Sammy Wilson

Witnesses:

Ms Avril Hall-Callaghan	}	Ulster Teachers' Union
Mr Brendan Harron	}	Irish National Teachers' Organisation
Mr Mark Langhammer	}	Association of Teachers and Lecturers
Mr Seamus Searson	}	National Association of Schoolmasters Union of Women Teachers
Sir Kenneth Bloomfield	}	Association for Quality Education
Mr Marcos Patterson	}	
Mr Billy Young	}	
Mr Finbarr McCallion	}	Governing Bodies Association
Mr George Buckley	}	Council for Catholic Maintained Schools
Mr Jim Clarke	}	
Mr Uel McCrea	}	Association of Head Teachers in Secondary Schools
Mr Gavin Boyd	}	Council for the Curriculum, Examinations and Assessment
Mr Richard Hanna	}	
Mr Robert Shilliday	}	
Dr Charlie Sproule	}	
Mr Michael Wardlow	}	Northern Ireland Council for Integrated Education
Ms Dorothy Angus	}	Department of Education
Mr John Leonard	}	
Ms Irene Murphy	}	
Rev Ian Ellis	}	Transferor Representatives' Council
Rev Dr Lee Glenny	}	
Rev Robert Herron	}	

The subgroup met at 9.54 am.

(The Chairperson (Ms S Ramsey) in the Chair.)

The Chairperson (Ms S Ramsey): You are welcome. Can you please introduce yourselves?

Mr Brendan Harron (Irish National Teachers' Organisation): I am Brendan Harron, a senior official with the Irish National Teachers' Organisation (INTO). I am standing in for Frank Bunting, our Northern secretary.

Ms Avril Hall-Callaghan (Ulster Teachers' Union): I am Avril Hall- Callaghan, general secretary of the Ulster Teachers' Union (UTU).

Mr Mark Langhammer (Association of Teachers and Lecturers): I am Mark Langhammer of the Association of Teachers and Lecturers (ATL).

Mr Seamus Searson (National Association of Schoolmasters Union of Women Teachers): I am Seamus Searson, the Northern Ireland organiser for the NASUWT.

Mr Langhammer: Thank you for the opportunity to address the subgroup. I have provided members with a pack in case they are short of weekend reading.

The Association of Teachers and Lecturers is a union of 160,000 members from across the UK. It is a relatively small union in Northern Ireland. Although it has members from all sectors, the majority are concentrated in the grammar school sector; consequently, there has been a fairly robust debate on the issues.

I will make three points: the need for balanced intakes as the guiding principle for school admissions; how to reduce the high-stakes nature of transfer decisions that are taken at the age of 10 or 11, and to urge members to consider a delay; and to stress that what happens in school plays a relatively small part in explaining variations in education performance.

The ATL supports school intakes that are balanced in terms of social class and ability. There is reasonable academic consensus, and I have given members a considerable number of references in the file, showing that balanced intakes produce the best overall performance — not necessarily the best for those at the top or the bottom, but the best overall performance. Broadly speaking, the influence of one's peers and an atmosphere of aspiration help to achieve that, in addition to encouraging the retention of good teachers in schools. In Northern Ireland, however, a balanced intake is not easy. Crudely speaking, there must be either very large schools or some form of social engineering to achieve that.

Large schools tend to envelop well-off areas, disadvantaged areas and those in between, and because Northern Ireland is a rural country with a range of sectors, it has become Balkanised in its education system and tends to have relatively small schools. Notwithstanding the recommendations of the Bain Report, that is an obstacle.

In terms of social engineering, Ulster folk — Protestant, Catholic and Dissenter alike — tend to

grate a little and do not sit easily with schemes of social engineering.

The ATL concurs with George Bain that the growth of integrated education at secondary level may bring about larger schools that, in turn, may help to achieve a balanced intake.

One small measure on admissions that the ATL asks members to consider is for a quota, or target, or some means to incentivise schools to take children who receive free schools meals. I think we could thole that as a society.

With regard to deferred, or delayed, transfer, for some time the ATL has been averse to making any detailed admissions criteria at the age of 11 because it is convinced that that misses the point. The age of 10 or 11 is too young to make life-changing decisions. Parents face high-stake decisions for their 10- and 11-year-old children, and we support the Education (Northern Ireland) Order 2006, which recommends that key education decisions be made at the ages of 14 and 16. If decisions on key pathways are to be made at the ages of 14 and 16, logically, those are the ages when transfers, or at least fluidity, between schools should occur.

We support and recommend the concept of middle schools, or junior schools, not because we are obsessed with institutions, but because we believe that they would be a useful institutional way of providing for a delay in transfer. We do not like to close down young people's options.

Delaying transfer, with or without junior high schools, is a popular option. The BBC 'Newsline' poll this year, and successive Northern Ireland Life and Times Survey reports since 2003, have indicated that between 63% and 69% of parents support delaying those major education decisions. I do not want to bat your heads with statistics. However, the ATL believes that that figure includes people who are for and against transfer.

With regard to the effect of education, the ATL cautions against overestimating the degree to which schools can affect performance. There is significant academic consensus that up to 85% of the variation in pupils' performance is down to factors outside school, such as parental support, culture, income and social class. That is not to say that schools have no influence — they do. However, even the school improvement campaigns estimate that although effective schooling does have an impact, it does not have a huge effect on variations in performance.

I will not address the issue of pupil profiles; I will rely on my colleagues to do so, because we agree on the issue. I thank the subgroup for its time. I understand that some members will speak at an ATL

seminar on 12 January 2007, at which we will explore the grounds on which consensus might be reached.

10.00 am

Ms Hall-Callaghan: I want to pick up on what Mr Langhammer said and elaborate on pupil profiles. I welcome the opportunity to address the subgroup. I want to emphasise the Ulster Teachers' Union's continued opposition to any form of academic selection. That has been the union's consistent policy for many years. We are delighted that the subgroup wants to examine what will happen after the termination of the existing transfer procedure.

The UTU views the pupil profile as an excellent tool, when it is used properly. However, if it is not used in the way that it was intended, it could become a dangerous weapon. Indeed, if the pupil profile were to be hijacked and turned into a selection instrument, all the good work that teachers have already done to develop it could be lost.

The pupil profile is simply an extension of the kind of ongoing assessment that teachers already make about pupils in every school. Its standardisation will benefit us all. It should give a broad and balanced picture of a young person's strengths and interests and of what he or she has achieved to date across a range of curricular and extra-curricular activities.

Teachers are concerned about the workload implications, and my colleague Brendan Harron will pick up on that. However, I am sure that those obstacles can be overcome through the appropriate negotiating machinery. Teachers, particularly those in the primary sector, welcome the prospect of a wider curriculum at the top end of the primary school. They will embrace the pupil profile as they have embraced many worthwhile initiatives over recent years because they consider it as a way to ensure that parents have the fullest possible information to advise them of the best pathway for their children.

I must emphasise that teachers will not allow themselves to be put in the situation where the professional advice that they give will be used in a selection situation. In fact, teachers have indicated to the UTU that if any pressure is put on them to do that, they will refuse to co-operate.

The UTU is convinced that even if the pupil profile were not finalised on time — and I understand that it has run into difficulties — it is still possible for teachers to supply sufficient information to advise parents of their children's strengths and weaknesses, because that, after all, is one of a teacher's professional competencies.

In addition, the UTU concurs with the ATL that there is an imperative: there is a radical change in the public's perception of transfer at the age of 11. It is a high-stakes decision at the age of 11 and it is too early

for that decision to be taken. The concept of lifelong learning has impacted on traditional views on the time frame for education. With regard to career pathways and important choices for children, the time is right to shift emphasis from the age of 11 to the age of 14.

I hasten to add that even at the age of 14, it should be an elective rather than a selective system. That change of emphasis would reduce the impact of the pupil profile at the age of 11, if there are any concerns about the fact that there might only be a couple of years of profiling for the first intake going through. That would take a bit of pressure off the situation.

The public sector in Northern Ireland is facing an unprecedented period of change. Schools must, and will, change. Rationalisation is an inevitable fact, whether we like it or not, and the traditional institutions, particularly the grammar schools, must adapt to customer demand. When so many aspects of our lives are client driven, it is incredible that in this one very important area of life we still allow the institution, rather than the customer, to make the choice.

Before I turn to the admissions criteria, I would like to raise the important issue of funding. One challenge will be to ensure that collaboration between providers is not hampered by a system whereby schools are competing for funds based on pupil numbers. That matter must be radically overhauled to suit the needs of our new system.

Many people see the choice of admissions criteria as critical to the success of future post-primary arrangements. The Ulster Teachers' Union agrees with the four broad categories outlined in the consultation document, and I have supplied the subgroup with the union's full response to that document.

Not all schools will wish to use all the approved criteria, and the Ulster Teachers' Union firmly believes that the tie-breaker is the only compulsory criterion that should be included.

Family-focused criteria are important and should feature as a high priority, and the geographical criteria support the idea of a school serving a local community. The Ulster Teachers' Union want to ensure that, where possible, young people are not denied access to their local school, if that is their preferred choice.

We are perfectly happy with either of the tie-breakers that are listed — the random and the geographical criteria. If we were forced to choose between the two, we would narrowly opt for the geographical criteria on the basis that that would serve the interests of local community schools.

The Ulster Teachers' Union is strongly apposed to the selection of pupils by means of interview or entrance test. Compulsory criteria should apply to all

schools, and there should not be any optional interview or entrance test.

As I said earlier, pupils should be choosing schools, not vice versa.

Finally, I wish to make a heartfelt plea on behalf of teachers. Please act with urgency to submit a consultation document to the teachers' unions as soon as possible. Teachers will do all in their power to implement policy, but they need time to prepare for it. At present, teachers are in a state of limbo. They need direction, and they must be reassured that there is no going back to the 11-plus or anything like it, and they need to know what lies ahead.

The Chairperson (Ms S Ramsey): Thank you. We have another two presentations to hear, so I will hold questions until the end. I am conscious of the time and that members are keen to ask questions, so I ask witnesses to please keep their presentations as precise as possible. There will be a question-and-answer session after the presentations.

Mr McNarry: Members have been asked to declare their interests for the record. Do any of the panel have interests to declare? For example, do any of them work for somebody else or are they members of boards, and so on? It would be useful to have a little background. We know who the witnesses are officially representing, but they may be members of other groups or boards.

Mr Langhammer: I will declare my interests. I am a director of Monkstown Boxing Club, a life member of Crusaders Football Club and —

Mr S Wilson: I would be ashamed of that.

[Laughter.]

Mr Langhammer: I am proud of it this year, Sammy.

I am also a member of the Irish Labour Party, and I serve on its national executive.

Ms Hall-Callaghan: I am not a member of any political party, nor am I on the board of any school.

Mr Searson: I am the same.

Mr Harron: Likewise.

The Chairperson (Ms S Ramsey): We will move to the next presentation.

Mr Harron: I represent the Irish National Teachers' Organisation, which has approximately 6,500 members in Northern Ireland. The INTO has been, remains, and always will be, opposed to academic selection, and we welcome its cessation after 2008.

The INTO supports the whole thrust of the reorganisation of post-primary education. We envisage the situation, post-2008 and on a rolling-out basis, in which the post-primary school a child selects will be increasingly irrelevant. The context in which the INTO

wishes to address the subgroup on the two questions is as follows: the new curriculum; and the implementation of the Entitled to Succeed policy, and the entitlement framework through which every 11-year-old child — regardless of the post-primary school they choose — will be offered a broad and similar education up to the age of 14, and that all children, at the age of 14, will be able to choose from a healthy balance of 24 vocational and academic subjects for GCSE, and 27 subjects for A level.

The INTO supports the concept of a pupil profile, and, as Ms Hall-Callaghan said, it is merely an extension of what presently exists. We have made several comments on pupil profiles in our briefing paper and in responses to consultations on the issue. The pupil profile must be manageable: it is not at present. In September, I read an independent evaluation of the pupil profile commissioned by the Council for the Curriculum, Examinations and Assessment (CCEA), which stated that it was not fit for purpose and not manageable by teachers.

The pupil profile must be manageable, and it must be fit for purpose. Those are the two conditions on which the INTO will give its full support to the profile. It takes a teacher one hour to complete a profile on one child; therefore, it takes 30 hours for a class of 30 pupils. That raises the issue of when teachers will get the time, or be released, to complete the profiles?

The INTO has made it clear that if pupil profiles are to be used as a selection tool, teachers will not complete them — they will not co-operate — and that has been accepted by the Department of Education and the CCEA. That must be made clear.

At present, the pupil profile is not designed to be used as a selection tool, and it could not be used as such because it is not completed in a secure situation. The INTO will withdraw its co-operation on pupil profiles if they are tinkered with to make them suitable for selection purposes.

In my briefing paper, I have also said that it takes too long to complete pupil profiles. The timing needs to be adjusted. The lack of computer facilities for the testing is a major-league problem. Primary schools do not have adequate hardware, and we are not content with the solution put to us by CCEA that we should do what is done in Scotland — that a busful of computers should be driven around primary schools, which people would board in order to do their tests. That is not the answer.

There should be simple, clear and centrally drawn-up admissions criteria for entry to post-primary schools in Northern Ireland. It does not matter which school a child chooses. There should be a centrally drawn-up list of feeder schools for all post-primary schools, and pupils should be accepted into those schools on the

basis of how close they live to them. If there is a need for a tie-break situation between pupils, it should be based on random selection on a Northern Ireland-wide basis. Tie-breaks should be administered centrally to ensure that schools are not setting up their own methods of decision-making.

The Chairperson (Ms S Ramsey): Thank you. We move to Seamus Searson from the National Association of Schoolmasters Union of Women Teachers.

Mr Searson: The current events in Northern Ireland provide a real opportunity for change. We need to welcome that change and move forward. The establishment of the Education and Skills Authority in April 2008 will provide us with an opportunity to move the entire education system along and help every child reach his or her full potential. This is what the reorganisation of post-primary education is about.

I will not go into great detail. We agree with many of the points that my colleagues have raised. I will simply raise the issue and focus on the criteria. The reorganisation of post-primary education is neither a simple nor easy task. We must be aware of the downsides of any reorganisation, however. The paper that I circulated focuses on one or two of the problems that the criteria can throw up.

The NASUWT is the largest teachers' union in Northern Ireland, and our membership is drawn from across all the different education sectors. The paper was finalised after a lengthy discussion period about the process with our members.

10.15 am

As has been mentioned, there must be a code of practice for school admissions that covers all of Northern Ireland. The paper states that consistency and equity in the schools admissions process should be made clear. As I said, the Education and Skills Authority will have an important role in that regard and must ensure that the arrangements do not disadvantage, either directly or indirectly, particular social and minority ethnic groups, children with disabilities or children with special educational needs.

I wish to mention parental choice, a term that is often bandied about. The concept of parental choice does not fit in with what is needed for the future, which is an effective and co-operative relationship between parents and schools. The notion of parental choice is often misleading because people believe that they have a choice when, in reality, they do not. Often, it is the schools that make the choice rather than the parents. The present system creates competition, which, in turn, fosters tensions, and that works against greater co-operation.

I will quickly mention one or two aspects of family-focused criteria. If the system were to concentrate on

family-focused criteria, where priorities are given to pupils whose siblings already attend particular schools, there is a possibility that children living close to those schools will be denied places. Although that is an important factor, it must not become the major determining factor. That is one of the issues that we are considering.

We are cautious about the use of geographical criteria, because the catchment area of a school may not reflect the local community. If tie-breakers are used, they need to be quite clear, open and transparent so that people can see what is happening. Furthermore, the use of tie-breakers should be a fairly straightforward process.

The Chairperson (Ms S Ramsey): I thank you all for your presentations. I will now hand over to members, who will ask questions.

Mr Donaldson: My question is for Ms Hall-Callaghan. If I were a working-class Protestant child living in Benson Street in Lisburn, which is almost equidistant from Lisnagarvey High School, Laurel Hill Community College, Friends' School, Wallace High School and Forthill College, which school would be considered my local school? Which school would be the community school that would serve me in a selection tie-breaker?

Ms Hall-Callaghan: I do not know Lisburn well enough to comment on that. However, I presume that the people who live there would relate to a particular school and would know which school they wanted their children to attend.

Mr Donaldson: I am not talking about the school that a pupil would want to attend; I am talking about the tie-breaker situation. You have suggested that, in the event of a school being oversubscribed, a tie-breaker that is based on geographical location should be used.

I gave the example of a child who lives equidistant from the five secondary schools that I mentioned, two of which are grammar schools, three of which are secondary schools. What would happen in the event of a school being oversubscribed? Let us say that the child wants to attend Wallace High School, but it is oversubscribed. Which school will be considered that child's local community school for the purposes of the tie-breaker? My example could apply to Magherafelt, Londonderry or anywhere.

Ms Hall-Callaghan: If a tie-breaker is used, the process of how various factors will be measured must be set out. Generally speaking, however, a child will not be exactly equidistant from two schools.

Mr Donaldson: Are you sure about that?

Mr S Wilson: It could come down to a distance of 5 feet.

Mr Donaldson: I could take you to a place in Lisburn that is almost exactly equidistant from five secondary schools. In that case, which would be my local school?

Ms Hall-Callaghan: Almost equidistant?

Mr S Wilson: Are you suggesting that the school that a pupil will attend could depend on whether that pupil lives 5 feet away from one school or 5 feet away from another? Is that not a bit daft?

Ms Hall-Callaghan: No, it is not. A decision must be made in some way. What I said was that I would be happy with a tie-breaker situation or with random selection. Schools should be equally good and, therefore, it should not matter which school a pupil attends.

Mr Donaldson: Lisburn, which is in my constituency, is a large urban area with five good schools, and I deal with the admissions appeals procedure every summer. I could name — but I will not — the schools that most parents in Lisburn would choose to send their children to. Three or four of those five schools are substantially oversubscribed.

Wallace High School and Friends' School are located in a middle-class area. Under your policy, more families would move into that area to be close to those two schools, which, I guarantee, would be oversubscribed every year. The result would be that working-class kids would lose out — and those kids want to go to those schools, believe me; I have sat with parents who have appealed against decisions. Both schools that I mentioned take in kids from working-class backgrounds. In my constituency, the working-class kids would lose out because their parents would not be able to afford to move close to the schools in order to benefit from your proposed tie-breaker.

Also, if I lived in a rural community such as Moira, Ballinderry, Aghalee, Annahilt or Hillsborough, how would I gain from that policy, when the decision comes down to a tie-breaker and the urban kids win every time?

Ms Hall-Callaghan: We are coming at this from the wrong angle. Mr Langhammer and I emphasised that the choice at the age of 11 is not the important choice. We are also trying to promote the idea that all schools are good schools. Why would parents opt for Wallace High School or Friends' School, for example? All those schools in Lisburn should be attractive to parents.

Mr S Wilson: Do you ever read any inspectors' reports?

Ms Hall-Callaghan: Yes, all the time.

Mr S Wilson: The inspectors' reports do not say that every school is a good school. It is totally naive to say that.

Ms Hall-Callaghan: It is not naive to say that. It is what we are working towards. Teachers in Northern Ireland are excellent and very well qualified. We need to establish a system in which they can operate properly. The system is wrong at the moment.

Mr Donaldson: We agree with that, but we disagree on the method of achieving that objective. The system that you advocate would discriminate against far more children than the 11-plus does currently.

I have not had an answer to my reasonable question about how rural kids will be provided for in this geographical tie-breaker situation. Rural children will be discriminated against if the decision comes down to a tie-breaker. There are very few secondary schools in the middle of the countryside, so rural kids will lose out. I do not know what that will mean as regards equality and section 75 of the Northern Ireland Act 1998.

Urban areas contain a multiplicity of schools. Perhaps in many towns there is only one school and the decision is simple, but in other towns there is more than one school. A postcode lottery will discriminate against many pupils and will not create a fair system. In fact, it will create a very unfair system.

Ms Hall-Callaghan: I live in the middle of nowhere, in the area that Mr Donaldson mentioned, and I did not have any difficulty in getting my child into the school of her choice.

Mr Donaldson: That may happen at the moment, under the current system.

Ms Hall-Callaghan: At the moment, yes.

Mr Donaldson: If the system were the postcode lottery that you advocate, would you still be of the same mind?

Ms Hall-Callaghan: I do not think that I would have any difficulty.

The Chairperson (Ms S Ramsey): I do not want to stifle debate, but we need to move on.

Mr Donaldson: This is an important point.

The Chairperson (Ms S Ramsey): I appreciate that, but a number of members want to ask questions. If we can get the first round of questions over, there will be time for more comments.

Mr Donaldson: I am finished with this issue.

The Chairperson (Ms S Ramsey): If other members do not jump in and ask questions on the back of your time, there may be more time.

Mr Donaldson: Absolutely.

Mr McNarry: You should take him literally: he said that was finished.

The Chairperson (Ms S Ramsey): Mr Wilson's time is now cut because he made two comments during Mr Donaldson's time.

Mr S Wilson: They were short questions, and I did not get an answer to either of them. *[Laughter.]*

Mr Donaldson: With respect, if geographical proximity were used as a tie-breaker, there is no way that Ms Hall-Callaghan's child, living in a rural community, would benefit from a system that dictates that the closer a child lives to a school, the better the chance of getting into that school in the event of that school being oversubscribed.

It defies logic and reason to suggest that if I live in a rural community — and I do — that my child will have an equal chance of getting into a school that is oversubscribed when the tie-breaker is based on proximity to the school. If you can show me any area in Northern Ireland where such a tie-breaker benefits the rural child and not the urban child, I will look at it.

Ms Hall-Callaghan: I live close to the Dickson plan area, and there is never any difficulty in getting children into the junior high school in Lurgan.

Mr S Wilson: I have two questions. We can probably get a fairly quick answer to the first one. No one this morning has dealt with the reality of the situation, which is that after 26 March 2007, if the Assembly is up and running — and since members have been lobbied publicly and privately by all of your organisations to get the Assembly up and running, it seems that you are keen for that to happen — the Secretary of State has said that academic selection will still be here unless the Assembly decides otherwise. Given the cross-community nature of the Assembly, that situation is unlikely to change.

Given that we all want devolution, we will have to deal with the reality of academic selection being here. Can you give us some indication as to what form of academic selection you would like to see in those circumstances, or will the UTU simply opt out of the debate?

Mr Harron: My understanding is that the current situation will end in 2009, and the slate will be wiped clean. New arrangements from 2009 will have to be put in place by the Assembly or by the Minister. Therefore, we are not going to opt out of anything.

I have been teaching for 32 years in post-primary education. I believe that unless all the reforms have been put in place as regards the curriculum, the Entitled to Succeed policy and the entitlement framework have been a lie. Ms Hall-Callaghan is correct — from 2009 onwards it should not matter which school is being selected at age eleven, because children, regardless of whether they live in rural or urban areas, or east, west, north or south, are going to

be guaranteed a menu of 24 subjects at GCSE and 27 subjects at A level.

Mr S Wilson: I do not know if you are trying to avoid the question or have not understood the question.

Mr Langhammer: I am happy to answer.

Mr S Wilson: I will always get an answer from you.

Mr Langhammer: It might be the wrong one.

Mr S Wilson: I wish to emphasise that academic selection will still be on the menu after 26 March 2007 — it will still be available. We have heard what you would like to see in an ideal world, but that is not likely to be the case unless there is no devolution. I assume you all want to see devolution as quickly as possible, because you have all lobbied us to that effect. Members would find it helpful if they knew what kind of academic selection the UTU could live with.

Mr Harron: None whatsoever. We have no time for academic selection.

Mr S Wilson: Why?

Mr Donaldson: Will you break the law?

Mr Harron: I do not see the connection between not wanting academic selection and breaking the law.

Mr McNarry: You said earlier that if pupil profiling became part of a selection method, your members would not work it.

Mr Harron: Yes.

Mr McNarry: In response to Mr Wilson's question about academic selection, you said, "None whatsoever." What instructions will you be giving your members that we can take back to the parents to tell them what they will be likely to face from your union members?

Mr Harron: Parents are not likely to be facing anything from our members. I said that the INTO's policy always has been, and always will be, to oppose any form of academic selection. However, that does not mean that we as professionals will not operate whatever system is in place. There is no question about that. We are professional teachers — regardless of what we have to deal with, we will deliver.

As regards the ideal world that Mr Wilson referred to, I emphasise that the Department of Education has been telling us for the past five or six years that the new curriculum, the new Entitled to Succeed policy and the new entitlement framework are coming in. I have believed the Department for 10 years that this would happen.

Mr S Wilson: Never believe officials from the Department of Education. We learned that a long time ago.

The Chairperson (Ms S Ramsey): Other members and witnesses wish to speak.

10.30 am

Mr Langhammer: My answer to the first question will be as brief as possible. I am not clear that the position is as you described. It is clear that that part of the Education (Northern Ireland) Order 2006 has fallen, with the result that academic selection has not been outlawed. I am also clear that the 11-plus will end in 2008. That does not mean that an alternative procedure is in place: it has not been made clear whether academic selection or another procedure must be used. Given that academic selection has not been banned and that the 11-plus will fall, I understand that we are facing a vacuum — we are not automatically considering different forms of academic selection.

Mr S Wilson: Schools will have the ability to make their own decisions.

Mr Langhammer: I agree with Mr Wilson's point about not believing Department of Education officials. With the aim of advising our members, I wrote to the Department to ask whether a school or a group of schools could implement their own tests in the absence of another procedure. The Department clearly stated that that would not happen. I do not know whether that is lawful, but that is the Department's view. However, I am happy to pass that letter to the subgroup.

The Chairperson (Ms S Ramsey): Perhaps the discussion can continue outside, but I wish to move on. Mr McNarry, you can speak next, but I ask you to be conscious that other members have not spoken yet.

Mr McNarry: OK, boss, I will see what I can do.

Mr S Wilson: Is that the Chairperson's official designation? *[Laughter.]*

Mr McNarry: She is bossing us about, so I decided to call her "boss".

If a vote were taken in the Assembly tomorrow, you would see here and on the opposite Benches a mirror image of how the parties would go through the lobbies. We will not be able to address the issue in a satisfactory manner as long as that situation pertains.

Your association is a big hitter; it commands a lot of media attention and produces lovely glossy brochures and propaganda. I wish to turn your attention to the recent findings of the House of Commons Public Accounts Committee on literacy and numeracy. In everyone's estimation, that report was shocking and disturbing. As a group that broadly supports the 2006 Order, can you confidently say that it will preserve Northern Ireland's standards of academic achievement and address our record of educational underachievement?

Are you willing to say that what you support will improve the situation to such an extent that you will

back the reforms totally? You are on record as saying as much.

Mr Harron: Yes.

The Chairperson (Ms S Ramsey): I like short answers.

Mr Harron: Those who support academic selection and the grammar schools seem to be in denial. I have been a grammar schoolteacher for the past 16 years. Forty per cent of pupils who leave school at age 16 do not have adequate literacy and numeracy skills. When will the penny drop with people that academic selection is one of the major causes of that? I also taught for 16 —

Mr McNarry: Where did you find that statistic? The report did not say that.

Mr Harron: The report said that —

Mr McNarry: That is a gross nonsense. Selection has nothing to do with that misrepresentation. I am asking you whether the reforms that you support and for which you are lobbying will change the situation. Forgive me; I respect the organisations that you represent, but when I meet individual teachers, I do not hear from them the same things that come out of your offices.

Mr Harron: I taught for 16 years in a secondary school in an underprivileged area and another 16 years in a grammar school. Therefore, I have seen the system from both sides. The report said that 40% of pupils in Northern Ireland leave school at age 16 —

Mr McNarry: Of course it said that. However, it did not blame that on academic selection.

Mr Harron: You asked me for my view, and I am saying that one of the major causes of inadequate literacy and numeracy is that the vast majority of those pupils leave from our non-grammar schools.

Mr McNarry: Does that mean that the reforms are a panacea for curing all that?

Mr Harron: We in INTO wish that politicians would go the whole way and create a fully comprehensive system. However, by removing academic selection and making all schools equal, all pupils are treated the same. When there are no longer two tiers of education, the standards attained by all pupils will rise and the percentage of pupils who leave without proper numeracy and literacy skills will decrease.

Mr McNarry: Where are we on that issue? On one hand, members of the panel say that all schools are good, but the Bain Report states that they are not.

Ms Hall-Callaghan: I said that the UTU wants to move towards a situation in which all schools are viewed as good schools. There are many good schools and some that could be improved. We must work to change the public perception. There is much work to

be done on education. The public perceives grammar schools to be the good schools, and that is not necessarily the case.

Mr McNarry: Let us not go into the question of grammar schools. I am asking you whether the reforms will improve the current situation, particularly in relation to underachievement, and whether they will maintain the current levels of excellence that are attained.

Ms Hall-Callaghan: We hope so. At the outset of any process, no one can predict where it will lead.

Mr McNarry: You are saying, though, that the system is broken and you want to fix it.

Ms Hall-Callaghan: Yes; it is broken and we want to fix it.

The Chairperson (Ms S Ramsey): If members would ask questions rather than making speeches, they might get more answers.

Mr D Bradley: I welcome the members of the panel and thank them for their contributions.

The INTO contribution included some reservations about the concept of the pupil profile. This afternoon, the subgroup will have a chance to address those problems with the CCEA — and we will endeavour to do so, because it is an important issue.

Mr Langhammer, you said that ATL's preference is for pupil transfer to take place at age 14 rather than age 11, and several other contributors concurred. On what basis would the transfer procedure operate at age 14?

Mr Langhammer: I must be honest: we have grave difficulties with some aspects of the 2006 Order. On balance, we support it, but I am not pretending that the union's debate about it has been anything other than robust. Ultimately, we felt that anything other than widespread consensus was not good for Northern Ireland's education system. However, in a fairly intense debate, there is not that level of consensus. ATL's view is that children develop at different ages and that those aged 10 or 11 are too young to take definitive decisions about career paths or particular types of school.

We are not hung up on the idea of junior high schools, because some schools could develop junior schools within them. However, we are clear that if there is to be a move towards a more skills-based curriculum in which children take key education decisions at the age of 14 and 16, it is important that they not be locked out of schools. For instance, if my youngster goes to a particular school at the age of 11 and realises by the age of 14 that he or she wants to go in a particular direction that is best supported by a different school up the road, there should not be a situation whereby that school is simply full.

If the key decisions are to be taken at age 14 and 16, as stated in the 2006 Order, we must provide for

transfer or fluidity between schools. Crudely, people have said that the system is like the Dickson plan, and perhaps it is slightly similar. The failure of the Dickson plan is that it is not uniformly applied and people can get round it. However, ATL clearly supports the Department on the part of the 2006 Order that states that it is better for pupils to take key decisions at the age of 14, rather than when they are 10 or 11.

Mr D Bradley: Ms Hall-Callaghan said that if the pupil profile were not completely developed, teachers from the UTU would be prepared to give advice to parents on which post-primary school would be best suited to their children. Would INTO members be prepared to do that also?

Mr Harron: No. We do not believe that it is the job of primary school teachers to advise on which post-primary school pupils should go to — and I think Ms Hall-Callaghan said the same.

Ms Hall-Callaghan: I did.

Mr Harron: As primary schoolteachers, we would advise parents on the strengths and weaknesses of their children but we would let the parents make the decision on which post-primary school their children should attend.

We have not yet mentioned the specialist schools pilot programme. The first tranche of 12 schools started the programme last year, and the selection process for the next tranche is under way, although I do not know how many schools will be involved. As I said before, on paper it should not really matter which school a pupil chooses, because in five, six or 10 years' time, as the programme is rolled out, all schools will have specialisms of some sort — including the five schools in Lisburn to which Mr Donaldson referred. Thus, if a pupil profile says that the child has a particular bent towards the arts, sciences, or vocational studies, the pupil can choose a school with an appropriate specialism. We must look to the future on this issue. We would not advise teachers to give pupils advice on which school to attend.

Ms Hall-Callaghan: I would like to confirm an earlier point, Mr Bradley. I did not say that teachers would advise pupils on which school to choose. I said that they would advise on the strengths and abilities of the children.

Mr McNarry: How do you dodge a question from a parent —

The Chairperson (Ms S Ramsey): David —

Mr McNarry: If a parent is told how strong a child is, can he or she go to Regent House?

The Chairperson (Ms S Ramsey): David, with respect, I am chairing the meeting. I will let Barry ask a question now.

Mr McNarry: Sorry, I was just getting carried away.

Mr McElduff: I welcome the specific and targeted way in which each of the contributors addressed the terms of reference.

It has been said that the pupil profile is an excellent tool, if used properly. How can it be used properly? What type of information do parents tend to want to hear?

Mr McNarry: Can my child go to a grammar school — that is what they want to hear today, Barry.

Mr McElduff: Are teachers concerned that pupil profiling might add to their already bureaucratic burden? Is that a real concern? How might the profile be used properly?

Mr Harron: INTO's policy is that children's test results should not be included in pupil profiles. Despite teachers' expertise in telling parents how their children are doing, parents tend to focus purely on test scores and do not look at what is written about their children. In the models and prototypes that are being experimented with in the pilots, a good deal of information is written about pupils under a whole raft of educational strengths and weaknesses — but parents simply focus on the scores. For example, the profile may say that a pupil's age is nine, but his reading age is 10 or six or whatever. We are concerned about how that information is shared with parents.

Workload is very important. I talked to a school principal in Mr McElduff's area who is involved in the pilot, and she told me that she has a class of 30 pupils and only two computers in the classroom. The profile takes an hour to complete, and if two pupils are working on the interactive tests, the rest of the pupils must be cleared out of the room.

There are logistical problems, as adequate computer hardware is needed to allow pupils to do the interactive tests. Primary-school teachers normally take about 30 minutes to write a report on a pupil. The pupil profiles that are now being experimented with take twice as long. I hope that the CCEA will tell the subgroup this afternoon that it plans to make the process more manageable by slimming it down, which will free up teachers' time. I also hope that it tells the subgroup that it will provide the hardware resources needed to enable the pupils to carry out the computer interactive tests.

Ms Hall-Callaghan: Mr McElduff asked what form the profile will take. There is much more to a child than academic ability, and the profile must reflect all a child's competences. Although some children are wonderful at drama, arts, music and other such subjects, the current profoundly academic structures can make them feel as though they are failures, when, in fact, they are brilliant in those subjects in which they excel.

The purpose of the profile should be to reflect the full breadth of each child's ability.

Mr S Wilson: May I ask the witness about that last point?

The Chairperson (Ms S Ramsey): Quickly, please.

Mr S Wilson: You said that although the pupil profile would not be used as a selective tool, it would be the basis on which parents chose the pathway for their children. Consider the example of a child who is either wonderful at art or brilliant at football. That is so subjective. What use is that to anyone?

Ms Hall-Callaghan: It is not subjective. At football matches it is obvious which children can play well and which cannot.

Mr S Wilson: Therefore, you do not believe that the words "brilliant" or "good" are subjective terms. You might think something is brilliant, whereas I might think that it is rubbish. Those terms are subjective.

Ms Hall-Callaghan: I think that you are splitting hairs.

Mr S Wilson: I am not splitting hairs at all.

10.45 am

The Chairperson (Ms S Ramsey): If there are no more questions, we will move on. I want to let Barry finish.

Mr McNarry: Are you allowing him another question?

The Chairperson (Ms S Ramsey): No. Witnesses are waiting and the subgroup is in danger of exceeding its time limit. When we make the switchover, members can talk briefly to witnesses.

Mr McNarry: With all respect, Chair, this is a subgroup of the Committee on the Programme for Government. The whole thing has been set up for the benefit of the public. Will witnesses follow me outside so that I can hold a conversation with them? That is just not practical.

Mr McElduff: The question that I wanted to ask was about the additional transfer arrangements that would apply to children who have a statement of special educational needs.

Mr Harron: There is a section in the consultation paper on compelling individual circumstances. INTO supports the retention of those considerations. Those children should be supernumerary to the school's quota of pupils. Compelling individual circumstances should be used only rarely. Children with statements of special educational needs should be given special priority and INTO believes that they should be supernumerary to the school's quota.

Ms Hall-Callaghan: I refer Mr McElduff to our document, which has a full section on that.

The Chairperson (Ms S Ramsey): With respect, David, members agreed this agenda at the last meeting. Witnesses were agreed. There is a time limit. I suggest that if members have further questions, they should forward them to the Committee Clerks, who will contact the organisations to request written answers.

Mr McNarry: Mr Searson has not contributed, and I have one small question for him. Surely, if we are all here —

The Chairperson (Ms S Ramsey): If you work with me, I will work with you.

Mr McNarry: If you will work with me, may I put the question?

Mr McElduff: The proposal is that the question be now put.

Mr McNarry: Mr Searson, can you give your views on the importance of setting and streaming in post-primary education?

Mr Searson: Teachers work hard to improve the ability of all children. That has a bearing on my earlier point about the 2006 Order. Present practice does not work for all the children of Northern Ireland, and the 2006 Order is a means to improve practice. Particular points arise with regard to setting and streaming, and teachers will need to work with particular children. That might start at 11 years of age, 13 or 14. It will vary from child to child and from school to school. Schools will need to determine what is in the best interests of each child and how that is operated.

Mr McNarry: Are you working in that direction at the moment?

Mr Searson: Yes.

Mr McNarry: Thank you.

The Chairperson (Ms S Ramsey): Thank you for coming. I should say that members might have further questions for you. I trust that your doors will always be open.

The subgroup was suspended at 10.50 am.

On resuming —

10.54 am

The Chairperson (Ms S Ramsey): I ask members to take their seats. The witnesses should introduce themselves, after which they will have a total of 10 minutes to make their presentation. I will then open the floor to members' questions.

Sir Kenneth Bloomfield (Association for Quality Education): I shall begin by introducing myself. In common with a lot of the witnesses who appear before you, I wear many hats. However, we are all involved in one way or another with the Association for Quality Education (AQE), which is a coalition of interests that are concerned with the future of our education system.

I shall begin by making a few points of principle. First, I am not sure that the selection issue, important though it is, is really at the centre of our education problems. I acknowledge that although there are many education problems in Northern Ireland, we have records of substantial achievement, including good performance at A level and GCSE, a high representation of underprivileged communities in the universities, and so on. On the other hand, we have heard a lot about areas of obvious underperformance: clearly, something must be done about that. AQE does not think that such underperformance is attributable wholly to the method of selection.

Calling ourselves the Association of Quality Education does not mean that we think that grammar schools represent the only excellent part of the education system; that would be an extremely arrogant point of view. We must remember that we would not have the record of performance of entry into higher education without the excellent performance of many of the non-grammar schools.

AQE endorses views that, as we understand it, the population at large has expressed repeatedly. In a democracy, those views should not be ignored. A very consistent result has emerged from at least six separate Government-conducted polls, saying that on the one hand people do not like, do not trust or do not accept the 11-plus as a method of selection, but that, nevertheless, they want to retain some method of academic selection. It is important to listen to the voice of the people.

Secondly, we are conscious of the assurances that a number of the Ministers who have held the education portfolio in recent years have given about these matters. People have been assured that the proposed changes to selection methods do not mean that grammar schools will disappear, and that they do not mean that comprehensive education will be introduced in Northern Ireland. However, we confess to a degree of scepticism about that.

For our part, we accept that we should go along with the fact that the Northern Ireland population has said that the 11-plus system of selection should go. However, it would be possible to replace it with a more reliable system that would be acceptable across the education sector. We should be looking for widespread acceptability in the same way that we are looking for wider consensus. Clearly, we are looking for as much consensus as possible throughout the education system. We do not want to impose unreasonable burdens on the head teachers of primary schools, for instance; we must be sensitive to their views.

I wanted to make those points at the start of our presentation. First, we should listen clearly to what people have said about this matter, and, secondly, we should take at face value the assurances that successive Ministers have given us, while exploring how those can be made a reality.

Mr Marcos Patterson (Association for Quality Education): I am a parent with two young children, one in primary 4 and one in primary 3, who will be directly affected by the changes. I have a couple of comments about the strengths of the current system. Our system produces examination results that are much better than those in Great Britain, and it produces better outcomes with regard to social inclusion than the education systems do in other parts of these islands. We attribute that success to the diversity in Northern Ireland.

Statistics show that social deprivation tends to be linked to poor examination results. We have more social deprivation here, and yet our examination results are better than those in Great Britain. For example, the 2004 figures show that 60% of pupils in Northern Ireland got five GCSE passes ranging from A* to C — the figure for England is 54%, and in Wales it is 51%. Northern Ireland has more pupils getting A grades, including in subjects such as English and maths.

We hear a lot about the myth of the long tail of underachievement in regard to social inclusion. That long tail of underachievement does not exist in the sense that every education system has a tail of underachievement. Northern Ireland's situation is no worse than that in other parts of these islands. It is better, certainly, in some senses than in England. For example, if we consider the figures for free school meals, 33% of students who receive free school meals in Northern Ireland get five GCSE passes ranging from grades A to C, while the figure for England is 26.1%, which is very much lower. The people at the bottom end of the social scale are actually doing much better in our system.

There has been a lot of concern about people on the Shankill Road, and there have been a lot of crocodile tears on the issue. It is a very important issue, but the

facts have often been distorted. The Public Accounts Committee pointed out that the 11-plus is not a problem there. The statistics for 2001 show that 5% of the students got five GCSE passes at grades A to C — that applied to three people. The figures went up by 300% the following year when 12 young people got five GCSE passes with A to C grades. If we are going to blame the 11-plus for the results in the Shankill area, we will have to credit it for the superb results in the New Lodge area, where social deprivation is very similar.

We think that those successes come from teaching pupils in schools with other pupils of similar abilities. The diversity of the schools system allows us to have, on average, smaller schools. It is great to have secondary, grammar, faith, interdenominational, comprehensive and Irish-medium schools. Tá spéis agam féin i scoileanna lánGhaeilge. Eighty-eight per cent of parents secure a place for their child in their first choice of school.

We do not have a private sector, unlike other parts of these islands. Basically, most children get the type of education that parents choose for them. We have a successful system, social inclusion and diversity.

Mr Billy Young (Association for Quality Education): I am the head teacher of Belfast Royal Academy. I have cut some of what I wanted to say, as I am aware of the time.

First, what we want from a new system — and have wanted for five years — is money directed to the source and not wasted: £1.5 million has been wasted on consultations and reports.

Secondly, we want an honest acceptance of our strengths and successes, an honest attempt to tackle the weaknesses, imaginative tackling of underachievement, real support for primary schools in disadvantaged areas, a system that hits all the criteria mentioned in our paper, a system of transfer that will satisfy 88% of the people — as the current system does — and something that matches the will of the public as expressed in the Northern Ireland Continuous Household Survey.

Four useful tie-breaker issues were mentioned in the survey, including community-based criteria and geography. However, if they were included as main criteria, it would result in local comprehensives. People have to be honest and say that that is what would happen. We will also see, as has happened, that parents would move their children to successful schools. The family-focused issue would be useful as a tie-breaker, but if it were applied to a school — as I would apply it — it might affect one third of children applying to the school. What happens to the other two thirds that would be affected by community-based criteria? Again, the answer is local comprehensives.

11.00 am

Random selection is, again, a useful tie-breaker, but it if were applied as a whole, people would not apply to those schools more than a certain distance from their homes.

The profile cannot be used for selection. The system that the Governing Bodies Association would like to elaborate on and improve is computer-adaptive tests (CATs), which would address the criteria that we have listed in our paper. It would minimise coaching and much more. Therefore, we have proposals for a new system that would be much better than the present one.

Mr Finbarr McCallion (Governing Bodies Association): I am the secretary of the Governing Bodies Association. The association represents and works with 73 grammar schools in Northern Ireland, of which 53 are voluntary grammar schools.

I thank you for the opportunity to come here. One is never supposed to begin with an apology, yet I think that we owe the subgroup an apology. Although we have spent about 10 years trying to reach a solution, we do not yet have one. We are coming to ask the subgroup to create one, as Members of the Assembly are more likely to be in the business of finding solutions to difficult problems. We hope that, with the experience that members have had, they may be able to help us to find a solution to this problem.

To date, we have been involved in two side-by-side arguments. One is about comprehensive education. When comprehensive education was introduced in England, Scotland and Wales, every political party supported it. Its introduction presented great problems, but it was established. Members might be surprised to know that every political party supported comprehensive education. During her time as Minister of Education, Margaret Thatcher converted more grammar schools to comprehensive schools than any other Minister of Education, including the sainted Mr Crossman.

Afterwards, the Conservative Party changed its mind. Look at what David Cameron is doing today. He leads a party that wants grammar school education. He admits that there is no political consensus, and, therefore, he has warned his party not to reach too far. He has advised the party to deal with what it can deal with in order to sort out the problem as best it can. No doubt, he wants grammar schools by stealth.

We believe that the new system in Northern Ireland should offer people a choice and a chance to change. Some grammar schools might be willing to operate on a more comprehensive basis; certainly, there are secondary schools that want to become comprehensive schools. Why is it that only four secondary schools in Northern Ireland are allowed to select pupils? What is so special about Lagan College, Slemish College, Holy Cross College in Strabane and St Patrick's Co-

educational Comprehensive College in Maghera? Why should every secondary school and every grammar school not be allowed that choice? Why do we not allow the parents to make the decisions?

There are good grammar schools in Northern Ireland. There are good comprehensive schools and there are good secondary schools. How do we know that? We know because the parents want that system to remain. I trust parents. They need help and guidance, but I trust them. Surely Northern Ireland can get to a situation where, with children of nine years of age, one can have a decent idea of where they will be when they are 13 years of age. That is what must be done to advance towards a solution.

The Chairperson (Ms S Ramsey): Thank you for your presentation and for keeping within the time limit. In the first instance, I will allocate each member five minutes in which to ask questions. Depending on the length of your answers, they may be able to ask further questions at the end. In the spirit of fairness, I will start from this side of the table because we started at the other side earlier.

Mr McElduff: I welcome the delegation. I am concerned by Mr Patterson's reference to the myth that is the long tail of underachievement. I seek general comments from the panel on that. The House of Commons Committee of Public Accounts' report, 'Improving Literacy and Numeracy in Schools (Northern Ireland): Second Report of Session 2006–07' (November 2006) seems to bear out that there is a long tail of underachievement, in that 40% of 16-year-olds leave school with inadequate numeracy and literacy skills. Is that the case or not?

Secondly, how would grammar schools deliver the new varied and vocational life-skills curriculum?

Mr Patterson: May I clarify the long tail of underachievement? It has been suggested that, in the past, Northern Ireland results — at the bottom end — were much worse than those of other parts of these islands, where GCSE and A-level examinations were taken.

The point that I strove to make — perhaps I was not clear enough — was that, at the bottom end, Northern Ireland results are very similar to those of other parts of the United Kingdom. For example, in England, the number of pupils who leave school without any GCSEs is 5%; here it is 4%. The suggestion that grammar schools create a long tail of underachievement, while alternative systems do not, is incorrect.

Sir Kenneth Bloomfield: Mr McElduff's point about the curriculum is important. It would be an absurdity to suppose that we would ever have one set of schools that are purely academic and another set that are purely vocational. In future, every individual will need to have a mix of those skills, but that mix will vary according to particular aptitudes.

People often talk of children's sense of failure when they do not get the 11-plus and do not go to grammar school. Part of that stems from the fact that, in many ways, the non-grammar schools compete in the same races as the grammar schools in skills to which they are not necessarily very well adapted.

I see the possibility of parallel systems in which the emphasis in grammar schools will continue to be on academic subjects — for example, the hard sciences, which will be very important for our economic future — but, of course, there will have to be a vocational element as well. Similarly, other schools will place an emphasis on vocational subjects, but their students will also need language skills, and so on. I do not therefore see a terribly stark divide. However, at the moment the difficulty is that post-primary education submits virtually all children to the same hurdles, irrespective of their aptitudes. That does not serve them terribly well.

Mr McCallion: Sir Kenneth makes a good point. It is foolish to pretend that there are not children for whom our system does not work well, but that is true of every single education system in western Europe. Even those systems that have twice the amount of money invested in them as ours still have problems — those systems do not work for many of the children who go through them.

Our curriculum is very grammar-school driven. Huge numbers of comprehensive schools in England offer a diploma in business administration, but virtually no secondary school in Northern Ireland does because CCEA does not offer it.

We must think ahead. The great problem — and I will admit this; I have been a protagonist in this matter for the past 10 years — is that we have argued about grammar, secondary and comprehensive schools, but we have not argued for a curriculum that matches children to their futures and gives them opportunities. I want schools to be free. Schools are driven by their governors, parents and teachers, and they will do what is best for their children. However, it would be madness to return to the situation of the 1950s when secondary schools were forbidden to do the old Senior Certificate. We will not go down that road; we want to do the reverse and offer opportunities.

Mr Young: Given the time of year, it might be appropriate to quote from Isaiah, chapter 11, verse 6, leading up to the prophecy about the birth of Christ:

"and a little child shall lead them."

Over the past five years, we have been saying that the focus should have been on the little child in disadvantaged areas — on the Shankill Road or anywhere else. We have heard promises that money will be invested. Poor literacy and numeracy skills have been mentioned, and certain people have said that grammar schools are responsible for that. However,

primary schoolteachers — who are doing a superb job — have for years been crying out for real support at primary-school level. As the subgroup will know, it is possible to identify reading difficulties in primary 1 and primary 2. However, time and time again, things just rattle on in primary schools, and the matter is not handled until much later.

I take the comment about literacy and numeracy, but the key to solving this problem is to start where it really matters. The Reading Recovery programme has achieved wonderful things, but it can continue to do that only if the personnel are there to deliver it.

The Chairperson (Ms S Ramsey): Thank you. There will be time later for follow-up questions.

Mr D Bradley: Go raibh maith agat, a Chathaoirleach. Tá céad míle fáilte romhaibh go léir.

You are very welcome, and thank you for your input.

I have great respect for the work of grammar schools. I attended a grammar school for two years and studied for my A levels there. I certainly appreciated the tuition and the high level of academic standards at that school, just as I appreciated the high level of academic standards at the secondary school that I previously attended.

Sir Kenneth began by mentioning that although the majority of the people who responded to the Northern Ireland Continuous Household Survey were against the 11-plus, they were in favour of academic selection. That is a contradiction. In Northern Ireland, although approximately 12 methods of academic selection have been tried, none has been found to have been satisfactory. I wonder whether it is time that we learned a lesson from that. I noticed also that the survey showed that the majority of the parents questioned expressed the view that they should be allowed to choose which post-primary school their children would attend. Perhaps we should give more weight to those statistics.

I am very much in favour of grammar schools continuing to deliver their current academic curriculum. I am not so sure about academic selection. For example, it is often claimed that academic selection benefits working-class communities by providing them with social mobility. However, some of the figures suggest that academic selection is unfair and discriminates against working-class communities.

In 2000, the study published by Peter Daly and Ian Shuttleworth of Queen's University showed that 84% of children from professional families and 79% of the children of clerical workers attended grammar schools. In contrast to that, only 23.5% of factory workers' children, and a mere 13.2% of children whose fathers were unemployed went to grammar schools. Those figures suggest that academic selection does not provide social mobility and is not good for working-

class and disadvantaged communities. They suggest that the opposite is the case.

The Chairperson (Ms S Ramsey): I remind members that they are restricted to five minutes each.

Mr S Wilson: Sir Kenneth has 30 seconds in which to answer.

The Chairperson (Ms S Ramsey): He has about two minutes.

Sir Kenneth Bloomfield: I will leave Mr Patterson to address the statistical point.

There is no greater misnomer than the phrase "parental choice". There will not be parental choice, merely parental preference. In many cases, proximity will apply, and parents will not be able to get their child into the school of their choice. Undoubtedly, that will be the case.

Mr Bradley makes a fair point about the need for an alternative to the 11-plus. We would be in an absurd situation, having —

Mr D Bradley: Excuse me, I did not say anything about an alternative to the 11-plus. I said that I am unconvinced that selection is good for working-class children.

Mr McCallion: May I deal with this issue?

The Chairperson (Ms S Ramsey): Please deal with it briefly because there are other members waiting to speak.

Mr McCallion: Where did our middle class come from? On the whole, the people who make up the middle class in Northern Ireland are former grammar-school children.

Mr D Bradley: I agree with you. Back in 1948, and for perhaps 20 to 25 years after 1948, the 11-plus provided social mobility for many working-class people. My former party leader is on record as having said that he benefited from sitting the 11-plus. However, things have moved on, and what was intended to encourage social mobility in 1948 now militates against it.

Mr McCallion: I was the principal of Aquinas Diocesan Grammar School, and when it opened, the vast majority of its children came from lower-middle-class or working-class backgrounds. The difficulty is that there are significant numbers of parents who have gained from the grammar school system, and they want their children to gain from it too.

I want a system that will allow all children to gain. There are secondary schools that are doing fabulous jobs. When I was the principal of St Colm's High School in Twinbrook — Twinbrook is not an area that is famous for being rich — I helped, with the assistance of John Allen and Imelda Jordan, to improve

that school to a point where many of its children could move on to a grammar school. That is something of which I am proud. In fact, when I attended a recent function at Rathmore Grammar School, a young girl was presented to me to shake my hand. She asked whether I remembered her: I did not. She informed me that when she was a third-year pupil at St Colm's, I became the school principal. She told me that I had given her a chance. Her words made me so proud that I have no hesitation in telling the members of the subgroup that my head was as big as this room.

11.15 am

The Chairperson (Ms S Ramsey): To maintain a sense of fairness, we must move on. There should be time at the end of the session for further discussion. I ask members to respect the five-minute time limit. They may have a chance to ask further questions later.

Mr McNarry: Our new task is to identify whether selection is necessary. Part of our remit is to compile a report bringing forward alternatives to selection, and we would appreciate your help on that. The debate is deadlocked; it is stifled, and we must move on from that. As I said earlier, if the Assembly were to vote tomorrow — and it would not be by choice — one side would go into one lobby, the other side would go into the other lobby, and we would come out as deadlocked as we are now. Therefore, any help on alternative processes would be much appreciated in the short time that we have now, and beyond.

In an earlier evidence session this morning, a senior union official said that academic selection had contributed to underperformance, as identified by the shocking numeracy and literacy figures in the Committee of Public Accounts' report. I would welcome your comments on that matter.

At an evidence session last week, officials from the Department of Education said that there was a significant role for historical feeder primary schools in a schools admission policy under the proposed new arrangements. What experience have you or your colleagues had of the patterns emerging from feeder schools? Are the admissions criteria for historical feeder primary schools easy to identify?

Sir Kenneth Bloomfield: I am chairman of the board of governors at the Royal Belfast Academical Institution (RBAI) in the centre of Belfast. Historically, we have drawn our pupils from a wide area. At present, there are somewhere in the region of 135 feeder schools represented there. In many cases, some of those schools have sent only one or two pupils, and four or five schools provide a large part of the intake.

The last thing that we want to do in Northern Ireland is to create a series of educational ghettos. It is a bad idea to fixate on a neighbourhood and an immediate community that does not present the opportunity for

people from different places to mix. That is why I am so antipathetic to making proximity the prime criterion for school admission. Such a criterion would be educationally and socially wrong.

Mr McCallion: Through our involvement with the grammar school sector, we will do all that we can to help. We understand the difficulty of the task that members have been set; it is awful. If it were easy, we would have done it long ago, but we are stuck.

Apparently, we have a numeracy and literacy policy. Why, therefore, do the Government hand out money to five education and library boards that merrily go off and do whatever they choose? The North Eastern Education and Library Board, the South Eastern Education and Library Board, the Western Education and Library Board and the Belfast Education and Library Board are all different. If there is a problem, and it has been identified, is it not acceptable to assume that there should be a solution? We know that the solution is to tackle numeracy and literacy sensibly. It is wise to establish the present situation and decide what has to be done, constantly monitoring the results.

Why has there not been an inspector's report on the £40 million spent on the numeracy and literacy strategy? Did the inspectorate never write a report? I doubt that that is the case; rather, I think that it was never published. Marion Matchett is a competent chief inspector and a robust, tough individual. I do not believe that she and her officials sat there and did nothing. If you throw £40 million at something without making effective and efficient plans for what it will be spent on, there will be problems.

It looked like a good idea at the time, and I do not want to criticise the individuals who were responsible. I know that certain schools made fantastically good use of that money. However, I would not want to suggest that it only happened because of the 11-plus or that it does not apply in England or Scotland.

The Republic of Ireland has a quasi-comprehensive system. I use that word very advisedly. Twenty per cent of the young people in the Republic of Ireland do not sit the Leaving Certificate examinations. They leave school before they do the Leaving Certificate. In Northern Ireland, 5% leave with no qualifications. Is that a system that we want to go towards? Listen to the Ministers in the South and read the Skills Research Initiative (SRI) report; they know what the problem is. The whole of western Europe has this problem. We need to raise the matter of the people at the bottom, and we need to focus on that. When we talk about the 11-plus, we are not focusing on those children. Let us get this argument out of the way. We are asking members to help us to solve it.

Mr Young: May I make two brief points? To blame grammar schools or academic selection for the

problems with literacy and numeracy is nonsense. Primary 1 and primary 2 teachers can identify problems at that stage. As Sir Kenneth and Finbarr McCallion have said, there is much more that can be done at that level. It is totally wrong to lay it at the academic door.

It is, of course, possible to identify feeder schools. We have on average some 50 feeder schools from a very wide catchment area.

Mr McNarry: In which area is that?

Mr Young: Belfast Royal Academy has about 50 feeder schools from a wide catchment area. It is possible to identify them, but in addition to that one has to identify the children with, perhaps, the intellectual gifts to benefit from the academic curriculum that we are offering. Feeder schools alone would not be sufficient to provide that.

Mr S Wilson: I have just three questions. You may not be able to answer them all today, but perhaps you would write to us. Some of the questioners this morning and the trades union representatives who were here have already posed the argument that we want to retain the academic ethos in the grammar schools. Can you explain how that could be done without academic selection? If academic selection, as we understand it at present, is to be done away with, what do you need from any report available to parents or teachers that would ensure that youngsters who want to go to a grammar school and want to benefit from the academic ethos — which everybody says they want to preserve — make best use of the opportunity?

Secondly, we are not looking at this in a vacuum. There will still be the possibility of academic selection after 26 March 2007. Can you outline what you mean by computer-adaptive testing? I know that we could get a paper on that.

Thirdly, if the political parties cannot agree on a form of reporting or selection that can be applied universally to schools, what would the view of the grammar schools be towards the possibility of testing or assessing youngsters and having their own arrangements for making those decisions? Academic selection would remain, but only for those schools that wanted to use it.

Mr Young: A variety of things could happen. The first that was suggested, of course, was the pupil profile, but if a profile is used for selection, it will end up being bland. It will put primary schoolteachers on the spot. The system that we are currently investigating, and will probably hang our hat on, is computer-adaptive testing. If we adopt any other system of testing, should it be Key Stage 2, National Foundation for Educational Research (NFER) tests or standardised tests, it will result in the same sort of pressures that the 11-plus imposed. Computer-adaptive testing is done on

a computer. It can be done in primary 5, primary 6 or primary 7, and done as often as the young people like. It meets many of the criteria that we mentioned. In other words, it is not a sudden-death thing. It can be used by primary schools to determine what level a young person is at. It would give a score from -3 to 0 right up to $+3$ — so it gives different levels. It can be done at different stages and as often as young people like, and there is no time limit. Therefore, pupils can, in a sense, be relaxed about it.

Mr Wilson said that there is a problem about reaching agreement. Although we need to investigate the computer-adaptive system further before hanging our hats on it, if we assume that schools go down that road, the system could be used in a variety of ways. For example, if a school wished to take a strict approach, it could choose children who achieve a score of 2 or 3. For those who wish to use the system more loosely — that could be done. Finally, schools that do not want academic selection could use the system to determine the individual needs of young people.

It will be very difficult to reach a compromise that is agreeable to everyone, but something similar to the computer-adaptive system — a system that does not put pressure on primary schools — could identify the gifts and strengths of young people and could be used by different schools in different ways.

We still require a presentation on that, although that will happen soon, but after that, we will probably choose that system. It does not put the pressure on primary schools, as the current tests do, but if there is to be selection, there must be some form of testing. The issue is about how it can be done without creating the current pressures.

Mr S Wilson: Some witnesses have suggested that it is possible to maintain the academic ethos of a grammar school without testing.

Mr Young: That would be impossible. The ethos may be retained for a while, but within seven years all grammar schools would become comprehensive schools, and, depending on criteria, they may become local comprehensive schools.

People continually say that we must look to the future and not to the past — they have not looked to England, where comprehensive schools have been a disaster. It would be very difficult to identify a young person's potential for grammar school from a profile.

Mr McElduff: Is it fair to say that the tests are unproven?

Mr Young: I wish to make one point. The computer-adaptive system has been proven in the United States. For young people, there is a competitive element. If they are successful at one level, they move on to a slightly harder one, and so on. The level they

reach becomes a useful tool that is used by teachers to identify strengths and weaknesses in the student.

Sir Kenneth Bloomfield: We are not thinking only of the schools; we are trying to think of the children. There is nothing more miserable than the condition of a child who gains admission to a school where he or she is unable to cope. If there are too many of those children —

Mr D Bradley: That happens now.

Sir Kenneth Bloomfield: Either they are not able to cope, or the school has to reorganise its teaching resources. That affects the capacity to continue offering subjects such as the hard sciences, which underpin the Northern Ireland economy.

One reason for abolishing the 11-plus is that schools are obliged to be more prescriptive than they would otherwise choose to be. Every year, schools like ours have to turn away children that they would ordinarily be happy to accept, and who would be perfectly capable of coping with what those schools can offer.

Mr Donaldson: You said that certain selection criteria might be used as tie-breakers. I am concerned about the possible development of a postcode lottery if geographical location is used as a tie-breaker, especially where a number of schools are in close proximity. Belfast Royal Academy and the Royal Belfast Academical Institute would fall into that category. If academic selection were not available as a transfer criterion, and there were schools that were over-subscribed, how would that be dealt with?

Sir Kenneth Bloomfield: If academic selection were abolished, the Department of Education would produce an acceptable menu of entry criteria. Individual schools would then select approved criteria from that menu. Important questions would then arise about the order in which those criteria were addressed. For schools such as ours, the last thing we would want is to be confined to a tightly circumscribed geographical area. Ultimately, if hardy came to hardy, we would prefer random selection to proximity to the school.

11.30 am

Mr Donaldson: If academic selection were retained but there was no political agreement about the method, how would grammar schools feel about introducing their own selection procedures?

Mr Young: If academic selection were retained and nothing else was agreed, grammar schools would happily use their own procedures.

Focusing on what Mr Bradley said earlier, however, I emphasise that I have a very working-class background. If there is a problem with coaching now, there is no doubt in my mind that if schools introduced their own tests, that problem would increase, possibly

tenfold. It is important to identify the young people who can cope with the grammar curriculum. Of course, we would provide our own tests. However, we have to emphasise that if we did that, young people from poorer areas would probably be disadvantaged.

Mr McCallion: I want to add an important point. We have discussed bright and academically successful children. Let us consider for a moment those children who are not academically successful in primary school. At present, if they were placed in grammar schools, the necessary teachers would not be available to manage them. New teachers would be needed. How would that be managed?

First, teachers would have to be taken away from minority subjects. Physics, chemistry and biology would probably survive, although interest in subjects such as German and other modern languages would decrease — those are the low-uptake subjects. We would have to go to secondary schools and poach their good remedial teachers. Let me be clear about remedial teachers: as the principal of a secondary school, I can tell you that they are among the most talented teachers. I consider myself to be a reasonably confident teacher. However, for me, the idea of going into a class of 10 or 15 children who have the attention span of a click of your fingers is impossible. I team-taught with people in those schools. There are a limited number of those very talented teachers, who are, at the moment, concentrated where they are needed. Another group of teachers is concentrated on teaching the difficult sciences, high-level English, maths, and so on.

If you want an example of a really good teacher, one is sitting here — Sammy Wilson. Education in Northern Ireland has lost Mr Wilson as a teacher. He was a leader. He will laugh, because I am going to embarrass him. He was a talented teacher; people recognised that about him. However, if I had been his principal, I would not have let him near the first-formers. He would have been a star with the fifth years and the lower and upper sixth; they would have thought that he was wonderful. He would have worked them to death. However, if he were put among the first years, it would not have been so good. That is a fact: teachers are just not meant to teach every year group.

If you were to put me in a primary 1 class, I could not cope. The seats are too small, the kids are too tiny, and their heads are buzzing. I am too old — I was too old when I was 21 years of age. You must choose horses for courses.

Mr McElduff: I notice that Sammy has been silenced. *[Laughter.]*

Mr McCallion: Is that a record?

Mr McNarry: Roy Beggs Jnr in East Antrim is going to talk to him. *[Laughter.]*

Mr Young: Differentiation is the key. Any teacher will tell you that in order to pitch lessons appropriately and stimulate pupils in the same classroom, it is not easy to separate the bright ones from those who struggle. One of the strengths of the current system is that top-class grammar schools and top-class secondary schools cater for two different groups. Secondary schools deal with the children who Mr McCallion talked about — those young people who struggle and who need extra help.

Secondary schools also identify the late developers. That is extremely important, particularly for males, who can develop as late as 14, 15, or even 17 years of age, some even after they have left school. Secondary schools have the academic stream that allows those children to make progress. That is one of the system's strengths.

I want to return to several issues that Mr Bradley raised about the 11-plus. Perhaps there will be a chance to do so later.

The Chairperson (Ms S Ramsey): There will not be a chance later. Five minutes are left before the meeting is suspended. I want to do a quick round up with members, so — I had a good education — that is one minute each. *[Laughter.]*

Mr McNarry: Can you imagine her being a teacher?

Mr D Bradley: I do not accept, nor am I convinced by, your argument that grammar schoolteachers cannot teach children of varying abilities. After all, all teachers in Northern Ireland receive similar basic training. If you do a degree and then do a postgraduate certificate in education, you are just as qualified to teach in a secondary school as in a grammar school. In addition, I am not convinced by the argument that grammar schools contain homogenous groups of pupils. They do not; that is far from being the case.

We could say that at one time the grammar school sector took about a quarter of the supposedly top pupils. However, last year 13 grammar schools drew less than half of their intake from this group. For example, at Campbell College only 37·4% of new pupils had grade A. At St Joseph's Grammar School, Donaghmore, the percentage was 38·4%; at Cambridge House it was 25·7%; and at Hunterhouse it was a mere 10%. What is happening, possibly through a process of demographic change, is that grammar schools are gradually becoming all-ability schools, and the teachers in those grammar schools are coping very well with that expanding range of ability. If they can do it now, surely they can do it in the future.

Mr Young: Chairperson, I thought we were here to give some answers, not to listen to lectures.

Mr D Bradley: Chairperson, that was a question. The witnesses have put certain points to us.

Mr McCallion: Can I run the question the other way round?

The Chairperson (Ms S Ramsey): May I remind you that I am the principal of this school? Mr Bradley is entitled to add a comment.

Mr McNarry: It is either 100 lines or a whacking, Dominic?

Mr Patterson: For a number of years, over 90% of children accepted into grammar schools have had an A or B in the transfer procedure. The suggestion that grammar schools are becoming comprehensive schools is complete nonsense. There are a couple of schools in which the intake has gone down to pupils with a C, but we are talking about a small number of schools. Over 90% of pupils taken into grammar schools have an A or a B in their transfer test — that does not denote a comprehensive intake.

The Chairperson (Ms S Ramsey): May I just remind you that this is being recorded in evidence, and if you want to make a written submission to any of the comments that the members have made, feel free to do so.

Mr McNarry: I see now why Dominic did not want the Catholic head teachers to be attending these sessions — they might have given him a bit of a shock.

The Chairperson (Ms S Ramsey): It is 45 seconds now.

Mr D Bradley: I take it that they are represented here by Mr McCallion, if I am not mistaken.

Mr McNarry: Can the witnesses quickly address the impact of falling rolls and school closures on the reforms, bearing in mind that the reforms may eventually dispose of selection of any kind? What is the match-up in terms of the children, who Sir Kenneth rightly identified as the most important aspect of this?

Mr McCallion: One of the problems is that we have done nothing for 10 years. We have argued, and we have not thought of the issues. Our population is now back to where it was in 1985. We should have done something. In 1985, voluntary grammar schools came together and agreed to take cuts in their numbers. That is where the quotas came from. What has happened since? Nothing, except that we have opened integrated schools which have taken children out of the system. If we are going to have a selective system, we are going to have to come to an agreement about selection and about intakes. That is life. It is hard. It is going to be very difficult, but it is life — no free lunches.

Mr McElduff: To be directly specific to the terms of reference, I am anticipating that academic selection will have gone in the future. Has the grammar school sector given any thought to aptitude testing at the key

stages of children's education to enable them to be placed on the basis of subject choice?

11.45 am

Sir Kenneth Bloomfield: Setting is carried out in many English comprehensive schools. Interestingly, at one of our meetings, the principal of a grammar school said that people talk all the time about the sense of failure that children feel when they do not pass the 11-plus. She wanted to assure us that a pupil in a comprehensive school who is in the bottom set for all subjects has no less a sense of failure than a pupil who has failed the 11-plus. Whether we like it or not, some pupils will do better than others.

I am conscious that, yet again, selection is dominating the education debate. However, the real problem lies elsewhere: at primary level. It lies not in poor teaching but in the conditions in which our children are taught in primary schools. If, by 11 years of age, a child has no motivation or interest in learning, it is possibly too late to do anything about it.

The Chairperson (Ms S Ramsey): If anybody wishes to comment on that, they should feel free to do so in writing.

Mr Young: I want to ask what Mr McElduff meant by his question; I would like to answer it properly. Was he referring to aptitude tests that pupils take before they start secondary school or tests that they take when they are there?

Mr McElduff: I was referring to tests that they take when they are there.

Mr S Wilson: All this morning's evidence suggests that those who support the move away from academic selection towards pupil profiles do so on the basis that profiles will give the ultimate parental choice. Parents will be able to choose a school based on a report that will enable them to make the best choices for their youngsters. Against the picture of falling school rolls, will the inevitable outcome of pupil profiles mean gains in pupil numbers for the schools that are correctly or incorrectly perceived to be the most successful — your schools — while the secondary sector loses out? If people have freedom of choice, they will choose grammar schools.

Mr McCallion: Some parents will do that. The situation in Great Britain must be considered. Who would want to be principal of a school that is six times oversubscribed? Hundreds of children are being turned away from such schools. That will happen here: people will begin with the school that they perceive to be number one and ricochet their way down a list until they finally find a slot. What method is that for placing a child in a school?

Mr McNarry: Are you referring to good schools and bad schools?

Mr McCallion: Yes, schools that are perceived as good schools or bad schools, handy schools, schools that are far away, schools that offer T-shirts if you go to open days — it will not matter.

Mr Donaldson: Thank you for your submissions. My question relates to comprehensive education. I went to Kilkeel High School, which is a comprehensive school. Given the locality, comprehensive education was the only available option. Should there be a one-size-fits-all solution? In places in which there is oversubscription, should we consider area-based solutions that could include academic selection?

Mr Young: One strength of the current system is the variety of schools that are available. I am not against comprehensive schools as such; various types of school here are doing really well. Mr Donaldson hit the nail on the head when he asked whether we want a one-size-fits-all solution or separate solutions for separate situations. Study after study in the Republic of Ireland has found that parental choice is a myth: it leads to confusion and to the oversubscription that Mr Donaldson and Mr McCallion mentioned.

Sir Kenneth Bloomfield: I wish to return briefly to the point that I made at the beginning of the session. The Department of Education has repeatedly assured us that there is no threat to grammar schools, that there is no intention to introduce comprehensive education to Northern Ireland and that there is no search for a one-size-fits-all solution. We want substance to be added to those assurances to make them credible, because we do not think that they are credible.

The Chairperson (Ms S Ramsey): I thank the witnesses for their presentations.

Mr D Bradley: I have a point of information. Mr McNarry said that I objected to the Catholic grammar school heads —

Mr McNarry: Quote me correctly; I did not say that. I said that I could now understand why you did not want them. That is different.

Mr D Bradley: Can I correct that? I knew that this group of witnesses, and Mr McCallion in particular, would be more than able to represent the views of all grammar schools.

Mr Young: I would like to say one thing to everyone: no successful business would put pressure on so many variables at the same time. The 11-plus, the Bain Report, the review of the curriculum, the review of public administration, and the review of procurement have all contributed to the uncertainty of the last five years in the education sector. The Bain Report should have happened first, followed by the curriculum review. We must think of teachers and pupils in the primary schools, where there is a very serious vacuum. Something must be done.

The Chairperson (Ms S Ramsey): Thank you for giving up your time this morning, and thank you for your presentation. We have a lot of people to see this afternoon, and that is why I am pressing the pace. If you feel that you need to respond further to any of our comments or questions, feel free to do so in writing to the Clerks.

Sir Kenneth Bloomfield: We thank you for the opportunity to come and talk to you; we appreciate it.

The subgroup was suspended at 11.46 am.

On resuming —

11.48 am

The Chairperson (Ms S Ramsey): I welcome the new witnesses to the Subgroup to Consider the Schools Admission Policy. In a moment I will allow time for introductions and presentations. Members will then be free to ask questions.

We have been struggling with time all morning, because there have been more questions and comments than expected. If I push you, it is for that reason and because a number of evidence sessions are scheduled for this afternoon.

Mr Jim Clarke (Council for Catholic Maintained Schools): I was nearly going to say good afternoon, but it is definitely still morning.

My name is Jim Clarke, and I am the deputy chief executive of the Council for Catholic Maintained Schools (CCMS). I was also a member of the Costello Group. I understand that Stephen Costello was invited today but was unable to attend; I will make a comment or two on his behalf.

It does not make sense to consider pupil transfer in isolation from everything else that is happening in education. CCMS does not consider education to be an end in itself. However, it is important that there be coherence and connectivity in education policies throughout the education system. Perhaps equally, if not more, important is the link between the education system, society and the economy. I commented on that point, particularly with respect to the economy, in my paper to the subgroup

The Costello Group faced the same issues, and I suppose some people were surprised that we actually came up with a solution. We did it by establishing principles and drawing practical outworkings from those principles. We tested everything that was proposed against those principles.

I would like to remind the subgroup of those principles. There should be equality — each young person should be valued. All education should be high in quality. The curriculum should be relevant, in order to motivate learning. There should be effective access to education, with appropriate support to allow everyone to fulfil his or her potential for lifelong learning. There should be the flexibility to provide a range of choices, with information and advice available to guide those choices — whether it is for parents in the early years of their children's education or students in later years.

The education service should promote tolerance and reconciliation through understanding and respect for diversity, not only from a religious or political perspective, but in relation to the social differentiation in our society. It should be based on the principles of partnership, and the education service should foster

effective partnerships. That makes sense in the context of the education of children, not the preservation of schools per se.

Schools exist to meet the needs of pupils. We must examine that point carefully in the context of a range of issues, not least the fact that a recent report on literacy and numeracy highlighted those who are disadvantaged in education and the link to those who are disadvantaged in society as a whole. The question is how we ameliorate that situation in the context of social justice.

As regards the demographic downturn, there are 2,000 fewer pupils in schools this year than at the same time last year, which follows a trend that started in 2002.

The Government have accepted the broad principles contained in the Bain Report, which proposes area planning, something that we should consider in relation to resolving some of the pupil transfer issues.

I mentioned the need for coherence and connectivity of policy. We cannot look at demographics, the Bain Report and area planning without looking at transfer, admissions and transport policy, because another strand of the Bain Report was that we need to get better value out of the education service by not spending money on things that do not affect the child in the classroom.

Before we start talking about transfer procedures, there is a question that must be asked. Sir George Bain has said that Northern Ireland has more schools than it needs, and perhaps schools in places without children. The question is: what kind of post-primary arrangements will there be? Until that question is answered, the issue about the kind of procedures that should be in place for the transfer of pupils at age 11, 14 or any other age cannot possibly be addressed.

In particular, with reference to rural areas, should we always be looking at the structures we know? Can we not consider ages four to 14 or ages seven to 14 in certain areas, because the curriculum model we now have, via the Education (Northern Ireland) Order 2006, is creating core skills, which are really in the middle part of the education cycle between the ages of seven and 14. This is about a skills curriculum, and about coherence within that skills curriculum. We need to ask what kinds of post-primary arrangements should be put in place to facilitate that.

Finally, we also need to look at things such as the pupil profile and remember what the intention was. The pupil profile is a document that guides pupils, parents and teachers in identifying and meeting children's learning needs over a period of time. It was never designed to be a tool to aid selection. It was designed to reinforce assessment for learning and build on good practice in the classroom.

So, those are some of the issues. I have no doubt that there are other issues about admissions arrangements that you will come to in the course of your questioning.

12.00 noon

Mr Uel McCrea (Association of Head Teachers in Secondary Schools): I am Uel McCrea, Headmaster of Ballyclare Secondary School, a non-selective school with just over 1,000 students. I am also Chairman of the Association of Head Teachers in Secondary Schools, which is an association of principals from controlled and maintained schools throughout the five education and library board areas in the Province. I have provided the subgroup with a paper that attempts to set out our position on the inclusion of academic selection as part of admissions criteria.

Our association, although it represents non-selective schools throughout the Province, is not primarily concerned about the preservation of our schools or our type of school. Our main concern, and I know this is shared by many, is that we really wish to have the child at the centre of our focus. The reason for our very existence, as Jim Clarke said, is that schools are there to provide the educational opportunities that will meet the diverse needs of children, with their wide variety of talents and abilities, at each stage of their development.

We want to see young people from Northern Ireland better qualified, more confident and more competent in their skills than ever before. I quote Jeremiah 29:11, where God says to his people:

"For I know the plans I have for you, plans to prosper you and not to harm you, plans to give you hope and a future".

That is what we want for all our children — a hope and a future. We believe that if that is what we are interested in then we are not living in the 1950s, we are moving into the twenty-first century.

There is no reason for academic selection at the age of 11 — children simply do not need it. It is a device to facilitate a ranking order so that a particular type of school can select its intake. That is all it is. Why do we want to separate children artificially at the age of 11? What benefits are in it for them?

I can see why the grammar schools wish to have a pecking order, but what is the cost to the children — the children we serve? What are the negative effects on the primary school curriculum? George Buckley is with me today. He is the parent of a child at my school, but he is also headmaster of a primary school in Magherafelt, and I will let him speak on that point.

My paper clearly states our view that academic selection completely distorts the curriculum. It focuses our minds on things that do not primarily address children's needs. There are now new proposals for

computer-adaptive tests (CATs) — we have not learned the lesson that CATs will do exactly the same thing. For 40-odd years we have tried different methods of separating children artificially at the age of 11. They have all been doomed to failure. Now we are told that there is another system comprising 27 tests for children in primaries 5, 6, and 7. The simple question I ask is — why? Why do we do that? Why do the children need to do that? It is simply because certain types of institutions want to have a pecking order.

Education is not about pecking orders: it is about giving everybody hope and a future. Personally, and as an association, we believe firmly in all-ability schools — the Scottish or the Finnish models — but we accept that it seems as though we will not achieve that. The Education (Northern Ireland) Order 2006 gives us the opportunity to formulate an education system that meets the needs of all children and young people and creates a solid foundation for a learning society. When academic selection at the age of 11 is abolished, we can improve choice and flexibility for all pupils.

We believe in the formation of partnerships. We will build on the strengths of existing schools, including grammar schools, which are not threatened by the Education (Northern Ireland) Order 2006. Those partnerships will enhance educational opportunities and, if they are strategically placed, as the recommendations in the Bain Report suggest, we could form local networks of institutions and learning communities and offer a comprehensive range of courses and provision. All children would have a minimum entitlement regardless of where they live or their social-class backgrounds. We should not shut off possibilities for young people, rather we should ensure that they continue to learn and develop and gradually take decisions — along with their parents — on the sort of education and training that they would like and to which they are best suited.

The pupil profile, to which Mr Clarke referred, is designed to help parents and children to choose the most appropriate pathway. It is not meant to be a means whereby a particular school can choose its intake or deal with oversubscription. Mission criteria that best suit local networks of schools, including grammar schools and colleges, can be chosen from the broad categories outlined in the consultation document. Those local partnerships can be given the responsibility to develop appropriate criteria that best suit their community and students.

We cannot retain the present system. It is a socially stratified schools system suited to the 1950s. I do understand, however, why it was created in the 1950s. We need a system that promotes the skills of all our citizens, puts Northern Ireland at the top of the schools' league, encourages entrepreneurship and ends false distinctions between academic and vocational study.

Mr George Buckley: Good afternoon. Mr McCrea asked me to come along to give a parent's perspective. I am a product of the secondary school system. I am a past pupil of Ballyclare Secondary School, and I went through the selection procedure. I have two daughters; one proceeded through the grammar school system, and the other is in the secondary school system.

From a parent's perspective, selection is fine if the child achieves the grade to which he or she aspires, which applies to around 25% of children. However, the impact of a grade that does not allow the child to go to the school of his or her choice can be devastating. Parents see at first hand that their child's self-esteem is damaged when he or she is separated from friends of six or seven years of age. Regardless of having been told that a B, C or D grade is not a failure, society, children and parents regard those grades as failures, and the damage caused can be long term.

As a parent, I question why our children are put through that trauma. My two girls, because of the superb teaching that they have received, will probably end up receiving third-level education in the same place, and I am not quite sure why the selection system needed to separate them at 11 years of age.

Wearing my other hat, I operate within the school system as a primary school principal. Politicians have commented that there is a little distortion in year 7. That is not correct. There is a distortion in the primary curriculum for years 5, 6 and 7, and it is devastating. Our teaching is geared towards the selection test. We do not teach a differentiated curriculum to those children who select the test, and I tell parents that. Parents are under tremendous social pressure, because it is social engineering.

We do not differentiate. Children are taught at level 5, often above their individual ability level. They suffer as a result, and they are frustrated. That teaching method is contrary to the educational principles that have been set out for primary schools, yet schools have to teach in that way because the examination is competitive. Children go through that procedure in years 5, 6 and 7.

The revised curriculum, which has just been launched and which contains a foundation stage, is an enriched curriculum that will operate from year 1 up to year 7. That new curriculum will not dovetail into a system of selection. Neither the in-service training nor the structures that are being put in place for the pupil profile lend themselves to such a system at the age of 11. Therefore there is a huge anomaly.

The Chairperson (Ms S Ramsey): Members may now question the witnesses. However, I would appreciate it if they adhered to their five-minute time limit. For fairness, I will start with the DUP this time.

Mr Donaldson: Gentlemen, you touched on the implications that the Bain Report will have for the reconfiguration of the education system. Given Northern Ireland's changing demographics, I accept that that change will occur. In light of that review and its consequences on the reconfiguration of post-primary education — never mind primary education — is now the right time to change the transfer procedure? Should that change now be put on hold and a temporary arrangement put in place until we see the outcome of the Bain Report and how the system will be reconfigured? Is now the right time to make those decisions about which the subgroup has to make recommendations?

Mr U McCrea: Perhaps Mr Clarke would like to comment on the strategic view; I have no comment to make.

Mr J Clarke: This is absolutely the right time. Earlier this week, Maria Eagle indicated that the Department of Education would take immediate action on the Bain Report proposals rather than wait until the Education and Skills Authority is established. The subgroup should bear in mind the comments that have been made about the curriculum. A new curriculum will be rolled out from next September, and, as I said earlier, we must ensure that we have coherence and connectivity in education policy.

Area planning recognises an area as a cogent unit. It involves ascertaining pupil numbers in an area, and it considers the kind of educational structures that are needed there. That may mean acknowledging that in some areas there are not enough schools and that in others that there are too many. Therefore relocation of schools may have to be considered.

However, area planning must be addressed within the right context. We need to know the kind of post-primary education into which we are transferring children. Until we know that, some of the other issues that we have discussed are irrelevant. We need to know what we are moving towards, and, as Uel McCrea said, parents want to make genuine choices.

As a community, we need to make real choices. As I have said, we must stop looking at education as the preserve of some and not the preserve of others or as an end in itself. We have to create a much closer link between our education system and our economy. If we want to buy people into the idea of a prosperous Northern Ireland, we must have an economy that underpins that concept. At present, there is considerable debate about the attitude of the Protestant community to education, and the results in the House of Commons Committee of Public Accounts' report question that.

Our educational success is another factor. Some 50% of our people go to university, but our economy can employ only 20% to 23% of graduates. Where do

the rest go? We are exporting them. However, we may also be creating an even more insidious problem: people with degrees are working at sub-degree level, doing jobs that they could have obtained with GCSEs. That is not the best way to buy a community into the value of education. Our education system must therefore play into our economy.

The Bain Report has several strands. Besides addressing area planning, it considers school funding. Much of what we do, particularly transporting kids from one area to another, takes money out of the classroom. Therefore to answer your question, we must consider the big picture. Bearing in mind the work that has been done in the Catholic sector, with the agreement of education and library boards and other school providers, we could move quickly to area planning.

12.15 pm

Mr U McCrea: We are probably 50 years too late. However, that is a personal view. As a school principal for 20-odd years, I have seen youngsters coming in every year, and I know the damage that selection has done to them. My heart bleeds for them, and I say that this is wrong. I do not believe that an academically capable 11-year-old will lose anything by not having academic selection as one of the criteria for admission. I honestly believe that with all my heart. In the best interests of children — and long term, in the best interest of our Province — we should remove selection.

Mr Donaldson: Supposing that an academically gifted child ends up in an underachieving school on which inspection reports indicate that there is a problem. How does that benefit that child?

Mr U McCrea: There are examples of very good practice. I could take you to Birmingham, for example, where a group of educationalists came together and simply said that they did not want any sub-standard schools in their area. They share expertise to ensure that every child in the area gets an education of a very high standard. There is no doubt about the quality of teachers in Northern Ireland. We already know that they are better qualified and, I would say, have a greater commitment. We simply cannot allow the scenario that Mr Donaldson described to happen. Therefore, in partnership with others, we must ensure that that academically gifted child gets a first-rate education and that nothing blocks his or her way. Moving towards this system will not hinder a child like that.

The Chairperson (Ms S Ramsey): I wish to remind witnesses that they should feel free to forward any other information that could be relevant to the subgroup. If we have time at the end, members will ask questions.

Mr S Wilson: I have a question for each of the panel. First, Mr Buckley talked about separating children at the age of 11. It is inevitable: we had a submission this morning from one of the teachers' unions, which claimed that if we go for area-based schools, we could have youngsters separated on the basis that one house was in one place and another was 5 yards away. Separation at the age of 11 is going to happen where there is a choice of schools and oversubscribed schools.

You also mentioned the distorting effect of testing on the curriculum. Is it not your job as a principal to manage that? If you believe that the curriculum is being distorted, it is up to you to ensure that that does not happen.

I do not like talking about people's personal choices, but you said that you chose a grammar school for your daughter. Were you not making a choice about the differences in schools when you made that decision?

My question for Jim Clarke is on the matter of choice. Mr Clarke was a member of the Costello Report team, and the main thrust of Costello at the time was that parental choice would be central when determining which schools youngsters went to. How can parental choice be exercised without producing the result that Mr McCrea described in which there is an artificial pecking order? People have perceptions about "good schools" and "bad schools", which will not disadvantage some secondary schools. The alleged emphasis on parental choice could result in some good secondary schools going to the wall while some bad grammar schools might be preserved — the exact complaint that Mr McCrea made in his submission.

Mr Buckley: I acknowledge that. We have experience from both perspectives at first hand. We had a child who was a so-called success in the transfer selection procedure. She got an A grade in the competitive examination, so we directed her down the route that the system indicated.

It must be remembered that academic selection was imposed externally. Primary schools have been forced into competition: our children are competing against other primary schools to get into the top 25% of primary-school pupils who are accepted into grammar schools. Our parental body is under pressure as a result and requires that we ensure that pupils are as ready as possible to compete in that examination.

There is no intrinsic educational advantage in sitting a selection test, because the same material is covered over and over again, with the result that children eventually stop learning and become exam-wise. The distortion of the curriculum comes from the system, not what happens in the school.

Mr S Wilson: If that were true, one would expect there to be a far higher rate of failure among pupils

who have got into the school of their choice after having gone through that process, and there is no evidence of that.

Mr U McCrea: That is another myth. In the 1950s, the intake of grammar schools was about 20% of pupils; in the North Eastern Education and Library Board the intake is now 45%. The tail of the issue needs to be considered. For instance, the last statistic that I read was that 95% of grammar-school pupils were getting five or more GCSEs. If we assume that 45% of the total academic range of pupils is accepted into a grammar school, 5% of those pupils are getting fewer than five GCSEs. Forty-five per cent of the ability range goes to the so-called academic schools. However, of the next 20%, for which schools such as mine cater, 100% get five or more grades A* to C.

It is a myth that academic selection is a wonderful system. I have yet to meet a foreign gentleman or lady who has viewed our system and thought that it was so fantastic that they wanted to replicate it in their part of the world.

We must be realistic and wake up to the figures. The Department can produce figures that, with respect to Mr Wilson, question that assumption.

Mr S Wilson: You mentioned five passes at GCSE. I must say that one in 20 hardly represents the distortion that Mr Buckley mentioned.

Mr U McCrea: No, no, no. With respect, Mr Wilson, you have misinterpreted what I said. I was talking about the 20% of pupils who fall into the next ability range; I was not talking about our own standards — where 50% of youngsters get five or more GCSE passes — but the ability range. I am talking about the assertion that if we did not have our own selection system, somehow standards would fall. Teachers in both types of school are doing a fairly good job. Quite honestly, however, it is a false notion that separation is necessary in order to maintain standards. That argument does not hold water.

Mr J Clarke: To reinforce that, it should be remembered that there is a common curriculum, which will continue; there is no division in our curriculum. It is nonsense to separate; it is also nonsense to subvert the primary-school curriculum to carry out what is essentially an administrative exercise in transferring children.

Sammy Wilson asked about parental choice. The Costello Report talked about parental choice in the broadest sense: allowing all children — including the most academically able — to have the choice of a curriculum that they value.

The Council for Curriculum, Examinations and Assessment (CCEA) commissioned NFER to conduct a cohort study into attitudes to the curriculum. The first

thing that the study found was that there are about 11 different curricula. The study also found that children, particularly those in grammar schools, were demotivated by the curriculum and that many aspects of the curricula that reflected their learning styles were diminished because they were not regarded as academically elite subjects.

Our community, our society and our economy do not require people with academically elite subjects; they require a broad range of skills, some of which will be determined to be academic, others as applied. We need to enable everyone to follow whichever pathway suits their needs. Parental choice is about a type of school in Northern Ireland, not a particular school; by “type”, I mean a Catholic school, an integrated school, a state school and so on. In the context of area planning, all those needs should be met.

The aspirations of schools to deliver particular kinds of curricula should be agreed in the same way as the Birmingham model, which Mr McCrea described. That may mean that some grammar schools continue to offer courses that are primarily academic or vocational. However, it should be remembered that the Education (Northern Ireland) Order 2006 makes it clear that there should be access to 24 subjects at Key Stage 4, and 27 subjects at post-16, or a broad selection at least, to every pupil. That policy is underpinned by the notion that opportunities should be created — not closed.

Mr S Wilson: You have redefined parental choice. Your interpretation is different from that in the Costello Report, and that is interesting.

The Chairperson (Ms S Ramsey): I must interrupt. We are working to a time limit and, as I said earlier, if witnesses wish to provide any additional information, they should feel free to do so.

Mr McNarry: The debate is passionate, and I welcome your deep interest. During previous evidence, a witness said that he had been working on this matter for 10 years and had not yet succeeded. I am a newcomer to the debate, and I think that if someone has worked at this matter for 10 years and has not succeeded, he needs his ass kicked. The problem is that we have not really been trying to find a solution. Everyone has been setting up his own little empire. That worries me, because we have now boxed ourselves in. We have backed ourselves into a stalemate. The Assembly is not going to be able to address the problems that people think it can solve, and it is mischievous of the Government to put the Assembly into that position.

Having said that, I think that members should not give up. The subgroup has a particular remit, and a key role to explore the possibility of consensus on a schools admissions policy. You are the third group of witnesses that the subgroup has heard, and on the basis of that, we have not a hope in hell of succeeding. With

all due respect, all members have heard is your side, their side, and somebody else’s side, and this, that and the other.

We know that the pro- and anti-selection debate is divisive, and remains so. I would therefore be grateful if you could not simply adopt those standpoints, but give the subgroup some idea of where you think you could be flexible, where you think that there might be compromise in your ideals or where we could help to build a post-debate consensus. The debate is over, and it has been interesting to listen to, but I have heard most of it before. We want to try to move on from that.

Finally, I would like to hear your opinion on whether 14 is a more significant age in a young person’s education than the age of 11. That has come across from what has been said. Does that have implications for how the transfer procedure should be approached, or for school admissions philosophy?

Mr J Clarke: I am sorry that what you have heard from us sounds as though we are defending a position. Essentially, this is a political issue, and I have been asking why matters have not moved on. The issue would have been resolved by now had it not been for political intervention. Let us be clear about that.

Mr McNarry: Political intervention from where?

Mr J Clarke: From the St Andrews Agreement. The date in the Education (Northern Ireland) Order 2006 was clear. That date has now been moved forward again. Educationalists have reached solutions on selection, and had taken the view that, over a 10-year period, the Costello recommendations were the way forward.

Mr McNarry: With all due respect, educationalists are like lawyers and consultants. We hear from one group, then another, and, as I say, you all have your little empires. We must move on from that, because you have not succeeded. My priority is children’s welfare. The report that you referred to investigated underachievement. Grammar schools seem reasonably sound, according to that. Below grammar schools, however, we find good and bad schools.

Mr J Clarke: No, we do not. We find schools that do a good job with the pupils that they admit, and the circumstances in which those pupils come to those schools. I have sent a paper to all the education spokespersons on how additional money might be spent. One of the matters that I have stressed in that paper is that we must focus on year 0 to year 7 in order to prevent failure in the education system.

That is a fact. Mr Buckley has provided a very clear picture of what primary 5, primary 6 and primary 7 are like. We create failure and we force children through arbitrary thresholds when they reach a certain age. There is sufficient evidence to show the differential between a child born in June and a child born in July,

and who happen to be in two different year groups. We need to face the realities.

I have tried to steer this debate away from the narrow view of transfer and selection. In essence, I agree with you — those arguments are gone.

12.30 pm

Mr McNarry: The subgroup's remit is to look at the admissions policy, and also to look for options and alternatives.

Mr J Clarke: As a potential Government, you also have a remit to look at the purpose of the education system.

Mr McNarry: We do not have that remit.

Mr J Clarke: We cannot ignore the realities of how the education system fits in relation to our social and economic development. Members should find out what needs to be done to secure the best possible education system. The notion of selection and transfer is irrelevant, in the first instance. We must first build the system that we want, and then find out what mechanisms are needed to make that system work.

Mr McNarry: Are you saying that the reforms that you support will maintain the excellence that we have on one level and will also improve the poor results? Do you really believe that?

Mr J Clarke: Absolutely. Paper 13 of the Department of Education's review of public administration (RPA) proposals looks at school improvement, and it places a duty on every school to engage in a continuous process of improvement. One of the reasons for that is a recognition that many of our schools — secondary and grammar — are coasting along and are not adding value. We could do so much more.

The Chairperson (Ms S Ramsey): I asked everyone to keep to a five-minute time limit, and so far everyone has used seven minutes. If anyone has anything else to add, they should hand their comments to the Committee Clerks.

Mr D Bradley: I have a question for Jim Clarke, and if either of the other two gentlemen wish to comment, they are more than welcome. Mr Clarke, you mentioned area-based planning. Can that be reconciled with catchment areas, and would such an arrangement assuage the anxieties that people have about postcode lotteries and rural disadvantage?

Mr J Clarke: First, the catchment area should be the area plan. It does not make sense to have an area plan if it is not regarded as the means by which the education of children will be managed in that area. Secondly, if those areas are large enough, and they should be large enough — in our sector, and looking at post-primary education, we have about 20 to 24 areas across Northern Ireland — they could be easily

mapped into other sectoral areas as well, and that should provide a catchment area. Everyone in that catchment area should have the same general right to a level of education. While Mr Wilson may feel that my definition of parental choice departs from the Costello Report, we must look at parental choice within the context of the Bain Report. Catchment areas and the area plan are integrally linked.

The Department is charged with two tasks: first, cutting the amount of money spent on school transport in the current spending round and, secondly, coming up with a new policy. The policy should be area based, and that would result in economic savings.

Mr D Bradley: Since you are standing in for Steve Costello, tell us whether the Costello Report was a good compromise among competing educational interests.

Mr J Clarke: We did not set out to compromise. We set out to look at a future educational structure for Northern Ireland. We took all the interests and balanced them by testing them against principles and coming up with proposals. However, that did not mean that we were not changing the system; we were changing it for everyone, and we were mindful of the changes that were taking place at the time on the development of the new Northern Ireland curriculum, which was skills based. We were also cognisant of the development of the pupil profile; we were trying to get connectivity into our educational system.

Mr McElduff: How do you define an area? Mr Donaldson was very specific about situations pertaining to Lisburn. I am looking at it from an Omagh or west Tyrone perspective. For example, Castlederg is a natural social or cultural pathway to Omagh, and yet could be allocated elsewhere. How would you deal with such anomalies? Castlederg is technically in the Strabane district, but is a natural social and cultural pathway to Omagh.

My second question is about pupil profiling. What sort of information do you think parents want or need to inform them about their child's ability? What type of information do they tend to seek?

Mr J Clarke: I will take the first question. As I said, definition of areas will require careful consideration. Within the Catholic sector, CCMS has used the diocese as the base; however, it recognises pupil movement across diocesan boundaries, and structures have been set up to examine that. We believe that those could easily be mapped onto what George Bain has talked about with regard to district council areas. I am not sure whether he was referring to 26 or seven councils, but I assume that it was 26. We could organise that, but we would have to address the questions that you have posed before the areas could be defined.

It must be recognised also that there may be overlaps. Habits of pupil movement build up, sometimes as a result of the road network in particular areas. At a specific level, CCMS considers Holy Cross College in Strabane to be a school for the future. At the moment it is a bilateral school, but it is an all-ability school. It is area-based; however, we recognise that children from Castlederg, which is in that district, are more naturally inclined to travel towards Omagh. We have taken that factor into account in looking at the long-term enrolment of that area. That is area-based planning.

It is significant that the Western Education and Library Board is now engaged in a similar process in relation to the controlled grammar school in Strabane. That is area planning in operation.

Mr U McCrea: Although there has not yet been broad agreement on admissions criteria, learning communities are already becoming established, within which different sectors are co-operating. I know, as a member of the North Eastern Education and Library Board, that that is happening throughout the board area. There is a classic example of cross-sector co-operation in Ballycastle. In Coleraine and Ballymoney there is also a coming together of schools in different sectors. In my own area, Ballyclare, the two schools are co-operating on a common agenda to enhance 16+ courses. Next year, God willing, one of our courses will be health and social care at advanced vocational level. That course will be on offer for the first time.

Those are natural progressions for educationalists, and they give the lie to the notion that we are building our separate empires. My school has been oversubscribed for the past five or six years. What interest would I have in —

Mr McNarry: Do you rank the pupils in your school?

Mr U McCrea: There is nothing in this for me personally. It is about educational opportunities, and I believe that educationalists can work together in the best interests of children, even though they may approach the issue from different angles. We believe in non-selective, all-ability schools, but we are not getting that. Our position is already compromised. We believe that the Scottish system works best; however, we accept that we are not going to get that, so we have to work together for the benefit of children.

Ms Ruane: Go raibh maith agat. You are very welcome. I thank you for your passion. I love to see that — it is great. Your passionate interest and your sense of equality are qualities that are needed in the education system.

I speak both as a parent and as a politician. I grew up with the system that operates in the South of Ireland. Transfer was not an issue; it just happened. No one talked about it. Parents made choices with their

children. By and large, the right choices were made, although they were based on many different factors. I am not as worried as others seem to be about change, because change is creative if it is managed well. We can co-operate to manage change well, and we will do so.

There is a border, and my question is about catchment areas for those living in border areas. How will that be dealt with? I have a personal as well as a political interest in this. My children go to the nearest school, which is in Newry, although we are resident in Louth. What changes can be made to admissions criteria to help those in that situation?

You mentioned distortion of the curriculum. The first time my child said to me, “I hate school” was when the school started planning for the 11-plus, and it broke my heart. The key years are nought to seven and then seven to 11 years of age. How do you see the new system stopping that distortion in the primary schools?

Mr Buckley: The idea is that the new curriculum will be skills-based. Assessment is nothing to fear; assessment for selection is where the difficulties arise. Primary schools are all about summary and formative assessment of the children from year one right through to year seven. We do not have a difficulty with developing the children within a skills-based curriculum, developing them as individuals, focusing on their strengths and assessing them.

A comment was made earlier about ranking. We know exactly where our children are in relation to each other; that is not the difficulty. The difficulty is when it becomes competitive to suit the needs of a grammar school and when the children are selected on that basis. The focus of this curriculum is not on the needs of an individual area or sector, it is on the needs of the children. Assessment, and knowing exactly where our children are at the age of 11, will not be a problem.

Ms Ruane: Do you have a problem with Key Stages 1 and 2?

Mr Buckley: No.

Mr J Clarke: Your question on admissions is an interesting one. It is certainly one way of reversing the demographic downturn. The answer to your specific question about Louth, however, is a matter for European countries and how they deal with the issue of crossing borders.

CCMS sees admissions criteria as an artificially constructed problem. If we engage in area planning and produce schools to meet the needs of the area, many of the difficulties that we have experienced will be diminished. I accept that that is not going to happen overnight, but we can make significant progress.

The Department of Education has stopped all building proposals until they are reassessed. They are going to be reassessed within the context of an area

plan. When we have that plan, we will know where things are headed and we can quickly move children into an arrangement that points ahead to the new structures. The sum of £3.3 billion has been notionally allocated by the Strategic Investment Board for rebuilding the schools estate over the next number of years. We have to ensure that that money is well spent to create schools for the future, not schools for the past.

The other aspect of your question about the curriculum is that it enables children to develop at their own pace. It is important to recognise that. I know that proposals exist for an alternative to the transfer test, such as CATs. As I understand it, CATs comprises 27 tests of 35 minutes each, taken over three years. Fifteen of them are taken in year seven and the rest divided between year five and year six.

I ask you as politicians: is that electorally logical? Could you sell that to parents? Could you say to them: "We are going to put your kids under pressure for no reason other than to help them move from one building to another."? As Mr McCrea said, our focus is not on buildings; it is on children, and the focus on choice is on the subjects that meet their needs. We should not be forcing kids beyond their learning capacity until they are ready. In the paper that I sent to the party education spokespersons, I said that we should start challenging the cultures that exist in our society.

The pupil profile will help teachers to know when a child is ready to learn certain things. The evidence from the enriched curriculum, as it is emerging, is showing the underlying creativity of children in their capacity to learn — not when people think they ought to learn, but when they are ready. If that means that a child has to repeat a year — fine. If yet another year has to be repeated, it should automatically begin a resourced, bespoke special needs programme for those children.

The big question is: why are 25% of our children transferring with literacy and numeracy deficits? It is because we create failure. Let us stop creating failure.

The Chairperson (Ms S Ramsey): I am going to allow members to have a brief round-up. I remind members that they agreed this agenda. All I am doing is trying to ensure that we stick to time.

Mr Donaldson: Mr McCrea, you mentioned the benefits of a comprehensive, all-ability system. I went to a comprehensive school — Kilkeel High School — and the comprehensive model was introduced there due to the isolation of the area; it was the best option for the area. I am, therefore, not against the provision of a comprehensive model when it is chosen as an area-based solution, but there is no one-size-fits-all solution. Are you saying that comprehensive, all-ability education is the one-size-fits-all solution for Northern Ireland, or are you prepared to make

provision for locally based solutions, which might include some form of academic selection, in cases where schools are oversubscribed? Is there any way that such provisions could be accommodated in the future system?

12.45 pm

Mr U McCrea: The comprehensive model was ideally suited for Kilkeel, but it is also suitable for Ballyclare, because the children in Ballyclare go to all-ability schools until they are 11. What mysteriously happens to children when they are 11? They can be educated together until they are 11 because the parents or grandparents — along with the children — decide between Fairview Primary School and Ballyclare Primary School. Each of the schools may offer a different ethos or style, and no one questions the choice of school that is made for a child up until the age of 11. However, when the child is 11, something mysterious happens and the children from Fairview Primary School and Ballyclare Primary School are told that they have to go in one of at least two different ways. Why should that be the case?

Mr Donaldson: That might also happen in the system that you are advocating, because if a school is oversubscribed it may not be able to take all of the children who want to go there. Mr Buckley's daughters may still have to go to different schools, because of oversubscription. Is it not correct that comprehensive schools stream children as well? Therefore, there is a form of selection for 11-year-olds in comprehensive schools.

The Chairperson (Ms S Ramsey): I will not allow another debate to start. If members or witnesses have questions or comments, please forward them to the Clerks. Sammy, please be brief, or you will get 100 lines.

Mr S Wilson: For understandable reasons, Mr McCrea and Mr Clarke have tried to downplay the role of the 11-plus — as it is now — but it was not for purely administrative reasons. Mr Buckley admitted that he has seen a difference between two schools. He had the choice to send his daughters to Ballyclare Secondary School or to a grammar school, and he did not send both of them to Ballyclare Secondary School. He obviously recognises that there is a difference between the schools, and that is why he decided that one daughter would go to one school, and that the other daughter would go to the other.

Costello recognised that there were differences among schools, and his report mentions different pathways for different children through different schools. Mr McCrea also recognises that there is a difference

The Chairperson (Ms S Ramsey): Sammy, please be brief.

Mr S Wilson: Yes. Mr McCrea recognises that things happen in his school that do not happen in Ballyclare High School, and vice versa. Therefore, the 11-plus is not merely an administrative arrangement; it is a process that decides what school a child may choose. Is that not the case?

Mr U McCrea: I would love it if you would work in our school for a while.

Mr McNarry: He has been offered a job in another school.

Mr Donaldson: Only in the second form. *[Laughter.]*

Mr U McCrea: I wish that you would talk to parents such as Mr Buckley, whose second daughter is a lovely girl and who is doing well with us.

Mr S Wilson: Perhaps Mr Buckley can tell us about that.

Mr U McCrea: There are instances when children are artificially separated on the basis of some sort of pecking order. There is no need for that. All children will be entitled to the same curriculum, and they will be doing the same examination at GCSE. They will be competing for the same jobs, but no one will publicly declare that they achieved a particular grade at age 11 just so that it could be used by certain schools as a means of dealing with oversubscription. We can deal with oversubscription, but we do not have to resort to making a statement about the child.

The Chairperson (Ms S Ramsey): We are not starting another debate.

Mr S Wilson: In that —

The Chairperson (Ms S Ramsey): Sammy, I remind you again that I am the principal.

Mr McNarry: The subgroup will be considering computer-adaptive tests. What is your opinion on those?

Mr J Clarke: As I have already said, they are unproven, they will place even more pressure on children, and they might — as is the case with the current transfer test — distort the curriculum.

Mr McNarry: Are computer-adaptive tests not just as unproven as what the Government are forcing on us? Does the same argument not apply to other types of pupil profiles?

Mr J Clarke: Those are not predictive tests; they are mainly diagnostic tests. Diagnostic tests are there to find out the learning strengths and deficits of a child, and we absolutely support them.

The research into pupil profiles has recognised that many teachers are using standardised tests, but do not know what those tests are telling them. That is the focus of the training programme, alongside the roll-out of the new curriculum and assessment regime.

The Chairperson (Ms S Ramsey): I will take three questions together, and the witnesses can answer them as best they can.

Mr D Bradley: Do you agree that the all-ability model, far from being the one-size-fits-all solution that some people claim is, in fact, the opposite? That model has the flexibility to deal with pupils of varying abilities, talents, interests and capabilities, from supported learning right through to A level. Is it not the case that selective education creates a narrower model that has far less flexibility?

Mr McElduff: Can I seek clarification that computer adaptive testing would amount to 27 tests of 35 minutes each over primaries 5, 6 and 7?

Ms Ruane: North/South co-operation is part of the Good Friday Agreement. We have the North/South Ministerial Council, which includes the Minister for Education and Science in the Twenty-six Counties and the Minister of Education in the Six Counties. Education is a specially designated issue and should concern arrangements between the two member states. Both Departments, North and South, should work together when examining catchment areas. Otherwise, we are wasting resources, and that is short-sighted. I agree with what was said about CATs. That is unbelievable — if you were a parent, you would have to go on strike.

Mr J Clarke: None of us are saying that we are for a mixed-ability learning environment. We are interested in differentiation in terms of choice, learning styles, and pace for children of all abilities. Schools organise themselves in different ways. Some schools, mainly grammar schools, use mixed-ability organisations. Many utilise bands and sets, which means that a pupil could be in a top group for one subject and a lesser group for another.

Mr D Bradley: By all-ability, I meant a non-selective model.

Mr J Clarke: Yes; it is non-selective, but we should be focusing on the notion that children make choices that meet their particular needs. I made the point about coherence and connectivity. Everyone can be under the one roof, but can follow different strands. I am not committed to labels such as “comprehensive”, “all-ability” or “one-size-fits-all”. I am committed to looking at needs. When we had the notion of specialist schools, we were talking about meeting the needs of areas, which will differ, perhaps due to their economic profile. That is another form of differentiation that we need to build into the curriculum. We are trying to bring children through an education system so that they fit into society and the economy in later life.

Mr U McCrea: I am a firm believer in all-ability education in the primary sector and in the post-primary sector. I believe that one can differentiate within the system according to children’s needs. Schools must

change as the needs of the children change. We must adapt and change. We cannot be fixed and expect children to fit our model; we must adjust our teaching approach to the needs of the children.

The Chairperson (Ms S Ramsey): Thank you for your presentation. If you have any other comments to add, you can forward them to the subgroup. If members wish to ask further questions, the Clerks are willing to forward them.

The subgroup was suspended at 12.55 pm.

On resuming —

1.32 pm

(The Chairperson (Mr W Clarke) in the Chair.)

The Chairperson (Mr W Clarke): My name is Willie Clarke, and I am an MLA for South Down. Welcome to Stormont. I want to do a bit of house-keeping first. Will all members and witnesses please turn off their mobile telephones?

I want to make it clear that I have no professional interest in the education sector. The first group to give evidence is from the Council for Curriculum, Examinations and Assessment (CCEA). Perhaps you would introduce yourselves.

Mr Gavin Boyd (Council for the Curriculum, Examinations and Assessment): I am Gavin Boyd, chief executive of the CCEA. On my right is Richard Hanna, my senior manager in charge of the pupil profile project. On my immediate left is Dr Charlie Sproule, the senior manager in charge of curriculum and assessment policy and on my extreme left is Robert Shilliday, my communications manager.

The Chairperson (Mr W Clarke): Perhaps you will give a short presentation, after which I am sure that members will ask questions.

Mr Boyd: CCEA has provided the subgroup with a short paper. However, it may be useful if I spend a couple of minutes talking about the pupil profile and explain what it is, and what it is not.

The pupil profile is a standardised annual report supported by informed teacher judgement. It builds on the best practice that already exists in classrooms. It supports the current statutory requirement on schools to provide parents with an annual report. The standardised format seeks to ensure that an annual report is provided in the same format across all primary schools, which is not currently the case.

In future, the difference will be that schools will be required to have a meeting with parents early in the school year to discuss each child's specific attributes and learning programme for the year ahead. That meeting will be informed by the previous performance of the child in the school, by the teacher's observations of the child early in the new term and also by two new diagnostic assessments in literacy and numeracy.

I will explain what is meant by diagnostic assessment. We are well used to assessments or end-of-term/end-of-year tests, which are designed to tell us how a child has performed. Diagnostic assessment is designed to tell us how a child has performed in a particular assessment and why. There are several component elements in literacy that contribute to a child's performance in reading. By analysing the child's performance in each of those components, we can

identify if there are any particular issues for that child and use appropriate strategies to improve that child's performance.

One of the essential themes of that approach is to ensure that we improve outcomes for children and that we seek not just to identify where children are in terms of their performance, but also seek to improve their outcomes by supporting them where we have identified particular needs.

I could talk for the rest of the time on pupil profile, but it would be better if I handed over to you and your colleagues.

The Chairperson (Mr W Clarke): Thank you, I appreciate that. Members will want to spend some time on this. I remind members that any questions should relate to the pupil profile. I will start with members to my left. Caitríona Ruane apologised that she had to leave for a short time, so Barry McElduff will start.

Mr McElduff: Does the council have a view on CATs? The South of Ireland uses a report-card-template system. Has any scrutiny been done on the effectiveness of that system?

Mr Boyd: We do not have a single view on CATs. The diagnostic tests, which I mentioned in my opening remarks, are computer-adaptive tests. Computer-adaptive tests is where the system, or the computer, looks at the answers that candidates give, sees how they are responding to particular questions and decides on the next question or the next series of questions. The diagnostic assessment that we plan to use for literacy and numeracy are computer-adaptive tests.

There are other circumstances in which we use computer-adaptive tests — for example, in testing skills. We could talk to you in some detail about that. We have also looked, in considerable detail, at the use of computer-adaptive tests in other jurisdictions.

Mr McElduff: Is there any specific thinking on the effectiveness, or otherwise, of the report-card-template system in the South, which helps parents make informed choices about their children's future?

Mr Boyd: No, we have not done any specific work on that, but we would be happy to have a look at it.

Mr D Bradley: The subgroup met with representatives of the teachers' unions this morning. Some of them expressed serious reservations about the development of the pupil profile. For example, they claimed that the profiles, as they are at the moment, are not manageable. The profiles take 60 minutes for each pupil — work that could previously have been done in 30 minutes. They also said that there are presentational problems with boxes and graphs; the timing of the tests is not appropriate; there is not sufficient hardware in the schools to carry out the computer tests; and the testing is too disruptive for the

class and it takes too long to carry out. The tests themselves demonstrate improved accuracy, but the concept of awarding scores flies in the face of the thrust of the revised curriculum. They based some of those claims on a report that you commissioned, which was published in September.

Mr Boyd: I will make some initial comments, which Mr Hanna will follow up. First, in line with all our advice to the Government and with all the policies that we seek to develop, we conduct trials widely. We are keen to ensure that the advice that we give to the Government has demonstrably worked in schools in Northern Ireland.

Secondly, I want to split the pupil profile itself, which is the standardised annual report, and the methods that we use to produce the profile. Currently, schools are required by law to provide parents with an annual report in respect of their children. The pupil profile is another form of annual report; of itself, it is no more onerous than previous reports and can be completed manually. In other words, if teachers choose to write reports by hand, they can do so.

The specific comments about the manageability of the reports — for example, that they take an hour to complete — relates to the use of a computerised report writer. Some teachers do not feel comfortable using computers to write reports, and there are other issues about hardware and manageability.

Before I hand over to Mr Hanna to comment on the use of a report writer, I want to point out that, in order to ensure the quality of the information and advice that we give to the Government, we engaged BDO Stoy Hayward to carry out an independent evaluation. We will receive the second part of that evaluation next week, and all the information will be placed on the CCEA website in due course.

Mr Richard Hanna (Council for the Curriculum, Examinations and Assessment): Mr Boyd made a distinction about the physical completion of reports and administering the diagnostic tests. We have used two report writers. One was included in the evaluations and trials of pupil profiling in order to inform our own judgements and opinions about the functionality of the report writer.

A second report writer is used through the service provided to schools by Classroom 2000 (C2k). That report writer has been very successful with regard to functionality, but we recognise that teachers have concerns about it, because it has been the first time that they have used this type of technology to prepare reports. Traditionally, those teachers would have handwritten reports.

We have now conducted two trials for administering diagnostic assessments through the interactive computerised assessment (InCAS) system. The

purpose of the trials was to identify teachers' concerns, manageability issues, and so on. Through those trials, concerns were expressed about the length of time that the tests take to administer and the access to hardware in schools, which we accept.

We have evidence from schools that do not have many computers in classrooms that have managed to administer the tests very successfully, albeit that that has been challenging in respect of classroom management, and so on. We are aware of the issues in relation to the use of report writers and are working with our colleagues in Classroom 2000 in an attempt to alleviate any, or all, of the manageability pressures.

Mr McNarry: May I welcome the witnesses to the subgroup.

The subgroup heard three presentations this morning, two of which rejected CATs and another that supported such tests. In the context of the overall education debate, is it likely that there will be an argument over the type of CATs that will be used in schools? Will the purchase of the hardware required be put to tender, or will a strict recommendation be made that a particular type of hardware must be used?

We know that the Order does not provide for profiles to have a role in the transfer procedure. Is there a role that profiles could play after transfer decisions have been taken? Can you elaborate on that and on how you view any assistance that would be given to a post-primary school in the delivery of educational provision?

1.45 pm

Mr Boyd: Mr Chairman, in relation to the CATs and the particular assessments that are to be used in schools, we are very keen that the same assessment tool is used in all schools. The reason for that is that we want to ensure that there is complete comparability of information across the system.

Mr McNarry: Does that mean that you will be recommending a tool?

Mr Boyd: We have recommended a tool. We have been working very closely with Durham University, which is acknowledged as one of the world leaders in the area of literacy. The interactive computerised assessment system (InCAS) tool that Mr Hanna referred to earlier is Durham University's computer-adaptive literacy test, which has been built out of years and years of experience of the standard reading test that it ran before.

Mr McNarry: Is that it? Under European law, there have to be open tenders, and it seems to me that this would be quite a lucrative contract for someone. Who are the handling agents for the Durham tool that you mentioned? To be blunt about it, to avoid suspicion,

will your organisation derive any monetary gain from the purchase of this?

Mr Boyd: No. Nor will we be involved in the purchasing process. Our role is to develop advice for, and to give advice to, the Department. The procurement agent in these circumstances would be Classroom 2000, which is the service provider for IT in schools.

Mr McNarry: I asked about that because I do not think that the Department has been great at managing its money. I will say that; you do not need to comment.

Mr Boyd: I am trying to look blank, Mr Chairman.

Mr McNarry: I would be sensitive to the aspects of procurement. There are rules that we have to go through in the Assembly, particularly when approving systems that include hardware and tools. I want to be clear that, while you may make a recommendation, the Department is under no duress to accept it if some other methods are suggested for consideration. Is that a correct assessment?

Mr Boyd: Factually, the situation is that Ministers and the Department make all the decisions; we provide advice. A range of other parties can provide advice or may be asked to provide advice. However, all decision-making resides ultimately with Ministers.

Mr McNarry: Have you any comments on the role that profiles could play after transfer decisions?

Mr Boyd: If I could put this in the wider context, the profile has been developed to travel with a child throughout his education. It is not designed specifically in relation to transfer; it is meant to provide good-quality information to inform decisions all the way through a young person's education. There will be, therefore, a profile in Key Stage 3 and a profile in Key Stage 4. They will differ, but the principle will be the same. It is there to inform decision-making.

Mr McNarry: There is no way that you would envisage profiles being used for selection purposes?

Mr Boyd: The profile is not designed to put children in rank order, whereas the current transfer test does precisely that. Our intention is that the profile will have good-quality information, but it is not designed as a selective tool.

The Chairperson (Mr W Clarke): I will allow other members to speak, and, if we have some time left, I will allow further questions.

Mr McNarry: This is a new Chairman we have, and boy it is great. *[Laughter.]*

Mr S Wilson: Mr Boyd, you have used the word "standardised" on three occasions so far. Do you mean "standardised" as defined in the format that you have included at the back of your paper?

Mr Boyd: Yes; however, “standard” is probably a better word than “standardised”.

Mr S Wilson: I ask that question because there is no way that the reports, in their present format, could be regarded as standardised across comments or across schools. This morning, we heard a witness from a teachers’ union say that, for example, she might state that someone was brilliant at drama. It was felt that that was an objective assessment, but do you accept that, in their present form, there is no way you could use the reports to compare teachers’ comments within a school, let alone between schools?

Mr Boyd: I am not quite sure that I understand the context of the question. The purpose of the profile is to provide a full picture of each child.

Mr S Wilson: For example, suppose I have two youngsters at two different schools, and the reports are meant to guide me. One report states that my youngster is very good at maths, brilliant at English, and excellent at drama, but the other, from a different teacher, in a different school, says that my youngster there is not bad at maths, all right at drama, or whatever. How can I use those reports as a guide in deciding which school my youngsters should go to, given that there is absolutely no guarantee that the comments are relative or mean the same thing when they come from different teachers?

Dr Charlie Sproule (Council for the Curriculum, Examinations and Assessment): Some comments that teachers will use will be drawn from comment banks. They relate to levels of progression, so teachers will be able to refer to levels of progression that relate directly to the curriculum content for mathematics, communication or information and communication technology (ICT), when making their comments.

Mr S Wilson: The ability to draw comments from a comment bank does not mean anything. You and I could draw comments from the same comment bank about Jeffrey Donaldson, and you could —

Mr Donaldson: He knows me too well. *[Laughter.]*

Mr S Wilson: Well, perhaps I know him better, so the comments could be radically different.

Mr McNarry: He would probably prefer Dr Sproule’s assessment.

Mr S Wilson: Levels of progression — the very term that you have used — tend to be vague. I am simply saying that the purpose of the reports, even if it is not to guide schools, is to guide parents, and it is a very vague instrument, is it not?

Dr Sproule: You may be overlooking the quality-assurance element involved in teachers’ judgements. It is not simply down to individual teachers making judgements. Those judgements are supported by external moderation arrangements, and so forth, and

are supported by statements on levels of progression. Therefore, judgements are not made on the whim of an individual teacher.

Mr S Wilson: The fact that you mentioned levels of progression indicates that it is not specific and that it is open to interpretation.

I wish to address another point, which Dominic Bradley made earlier. You have been working at this matter since 2003. You received a report from BDO Stoy Hayward and, after three years of development, we are still hearing the type of comments that have been made today: “not fit for purpose”; “not manageable”; “insufficient hardware”, and so forth. You have heard all of that from Mr Bradley, so I am not going to repeat it. If, in three years, you have only reached the stage where you are getting what I would describe as fairly fundamental criticisms, how on earth do you ever expect the reports to be effective from 2007?

Mr Boyd: First, it is a necessary but perhaps slightly painful part of any evaluation process that one learns hard lessons, so I do not mind getting pretty hard feedback.

Secondly, I will return to what I said at the beginning. I shall split this up into easy pieces. Many of the comments that were made on manageability do not relate to the report itself but to the processes that we use to produce the report.

We have identified that hardware availability is an issue in some schools. So, despite the money we have spent on integrating IT into the education system, some schools are finding it very difficult to put young people through their assessments using the existing hardware.

There are two responses to that. First, we will put the point to the Department, and it will take the additional hardware provision very seriously. That is the first response, and it is an investment decision.

Mr S Wilson: We are talking about September next year.

Mr Boyd: There will be a significant roll-out of the Lot 6 refresh programme in C2k, which will start at the beginning of the new year and be completed by next September. That is a huge additional investment that will be going into our schools between now and then.

Mr S Wilson: I want to take up that point. Given that you have already told the unions about that roll-out, will you accept that you are not too confident about the roll-out because you are talking about buses with computers going around schools?

Mr Boyd: I will put that one in context presently. Mr Hanna referred to the fact that approximately 100 primary schools — almost 10% — and over 5,000 children were involved in the latest evaluation.

We identified a number of schools with manageability issues and another group, with precisely the same resources, in which there was no manageability problem. Therefore it is a question of us disseminating good practice — how some were able to manage while others were not.

We discovered that despite significant investment in IT, some teachers are not comfortable using it, and that was why it was taking some of them more than 60 minutes to produce reports. However, according to the evaluation, even those teachers admit that once the system is up and running and they become used to it, the process should be considerably quicker in future.

Mr S Wilson: You are telling me that we will have a pupil profile, which will still contain subjective comments from teachers, regardless of the assurances that have been given. You are also saying that many schools do not have the hardware, and that even if they did, teachers are not comfortable using it and will therefore need to be trained.

Furthermore, we have not even talked about how we can ensure that parents, whom we expect to be able to interpret this material, will know how to interpret it. You propose that everything will be done by September 2007 — is that realistic?

The Chairperson (Mr W Clarke): Please answer that question and then we will move on to Mr Donaldson.

Mr Boyd: I take issue with every element of Mr Wilson's statement, and it would take me quite some considerable time to go through it.

Mr S Wilson: I am only quoting your own words to you.

Mr Boyd: You may be quoting my words, but not in their original order, which makes all the difference.

The Chairperson (Mr W Clarke): I think that I heard some Ulster Scots in there as well.

Mr Boyd: I apologise, Chairman. If I had the time, I would give you a very detailed rebuttal to just about every element of Mr Wilson's statement.

Mr Donaldson: Thank you gentlemen, you are very welcome.

You indicated that computer-adaptive testing is not an appropriate means for academic selection or for testing pupils so that schools and parents can make decisions. However, under the legislation that was passed after the St Andrews Agreement, academic selection will be retained in Northern Ireland if there is devolution by 26 March 2007.

Last week, the Department of Education told the subgroup that it has not conducted any research into alternatives to the 11-plus should academic selection be retained. Has CCEA conducted any research into

alternative forms of testing for academic selection purposes, and has it informed parents or schools of its intentions?

Mr Boyd: First, we have not commented about appropriate ways to make academic selection. That is not our business; it takes us into political territory.

My comment about computer-adaptive tests was that we are using them to support teacher judgement and reporting in the pupil profile. The straightforward answer to the second part of your question is, no.

Mr Donaldson: Therefore, there is no research available from the Department or CCEA on alternatives to the 11-plus? Have you been asked by the Department to conduct such research?

Mr Boyd: No.

Mr Donaldson: Are you content to leave it to the politicians to make that decision, or would CCEA be prepared to look at alternative forms of testing in the event of academic selection being retained?

Mr Boyd: CCEA operates under political direction, so if Ministers ask us to carry out such work, we would do it to the best of our ability.

Mr Donaldson: Are you aware of any models in European countries or elsewhere where there is a form of academic selection and an alternative to either the computer-adaptive test or the 11-plus?

2.00 pm

Mr Boyd: We have not carried out any research looking at alternatives to the current transfer procedure.

Mr Donaldson: Are you, or any of your colleagues, aware of any models that we might look at from your professional work?

Mr Boyd: I cannot think of any system in the world where children are tested at the age of 11 in order to transfer them from primary school to post-primary school.

The Chairperson (Mr W Clarke): We have some time left; I will give each member a couple of minutes again.

Mr D Bradley: I would like some clarification on CATs. You said that the CATs that you use is a diagnostic instrument. Is that right?

Mr Boyd: What I said was that the CATs test that we are using is a diagnostic instrument. That is not to say that all CATs are diagnostic.

Mr D Bradley: That is the distinction that I want to make. We had the Association for Quality Education here this morning, and its members were advocating using CATs as a means of academic selection. Is that a totally different computer program from the CATs that you are using for the pupil profile?

Mr Boyd: We have not seen a lot of detailed information, but as I understand it that is a pure test of knowledge.

Mr D Bradley: I just wanted to make sure that there is no confusion between what you describe as a CAT and what someone else describes as a CAT.

Mr Boyd: We are simply describing a process in which a computer uses a bank of knowledge to identify the next appropriate question to ask a candidate — if the candidate is doing well, the computer asks a harder question; if the candidate is not doing well, the computer asks a less hard question — until the system can identify the level at which that candidate is operating.

Mr D Bradley: I am just trying to make a clear distinction between two different forms of CAT.

With reference to what Mr Wilson said earlier regarding the comparability of comments on pupil profiles, if teachers are using comment banks — pre-written statements which can be drawn upon by teachers to describe a level of attainment that a pupil has reached — then surely they are comparable right across schools in the North of Ireland?

Mr Boyd: I have two comments to make on that. First, comment banks are provided to ease the burden on teachers when they are filling in reports using a computerised system. In fact, if you look at traditional non-computerised teacher reports, you will see that most teachers actually draw on their own comment banks; in 30 reports that a teacher has written on one class you will see similar comments appearing in groups of reports.

Secondly, it is very important to note that all teachers' comments included in a pupil profile will be informed professional judgements. They will be informed by reference to levels of progression, which are quite detailed statements of attainment, specific skills, attributes and achievements. Dr Sproule has teams of people working hard on that at the minute. Teachers make reference to those levels of progression when they are filling in reports.

We will have in place, as we already have with Key Stage testing, a system of moderation that ensures that there is a level of comparability across the system.

Mr McElduff: Perhaps I misunderstood, but the impression I got from the teachers' unions was that more general statements would not be recorded in the pupil profile scores for literacy or numeracy; rather, there would be a more holistic development of the child. Yet I see that there is a fair bit of scoring recorded in the pupil profile. Do scores not act as a tool for a form of selection?

Mr Boyd: Scores in themselves cannot act as selection tools; the issue is what people choose to do with those scores. The papers that we have submitted

to the subgroup show how children's reading and mathematics outcomes would be recorded over time. To use fairly common terminology, we have set those outcomes in the context of reading and maths age. We are used to primary schoolchildren being assessed and being told that they have a reading age of seven and a half or seven and three quarters. That objective information is derived from the diagnostic assessments that are included in the reports and that are meant to be discussed with parents annually.

Mr McElduff: I am seeking a restatement of the purpose of the pupil profile, which is to inform parents.

Mr Boyd: That is exactly right.

Mr McNarry: David Woods, a senior official in the Department of Education, said at last week's evidence session that:

"Parents and teachers in the schools that have undertaken the pilot generally reacted positively to it ...

Teachers were generally content with the pupil profile. At an early stage, they expressed fears about its being an additional burden. However, since it is meant to replace the annual reports that schools already provide, there should be no extra burden ...

People have issues with parts of the pupil profile, but the Council for the Curriculum, Examinations and Assessment has been adjusting the format of the profile to address those concerns."

What adjustments are ongoing? Have teachers and parents found that the profiles add quantitatively to children's educational experiences?

Mr Boyd: The simple answer is yes. The BDO Stoy Hayward evaluation of the pilot reported very high levels of parental acceptance, particularly in relation to meaningfulness. For example, 84% of parents agreed or strongly agreed that the pupil profile provided them with a clear description of their child's progress throughout the school year. Some 96% strongly agreed or agreed that the information that the diagnostic assessments provided was useful.

Whenever we design reports that are meant to be of use to parents, it is very important that they tell us that they understand them and that they find them useful. That means that we can continue to work on the presentation of that information.

Mr McNarry: Did you begin with CATs, or have they just been introduced? Are you getting parental responses to those?

Mr Boyd: We have been working on that for some time. Mr Wilson has reminded us that we have been working at those for two and a half years; indeed, they have always been part of the process.

Mr McNarry: It has taken longer than inventing the wheel. *[Laughter.]*

Mr Boyd: There is a serious point, however. Presentation of information is very important, and we continue to work on that. One of the lessons that we learnt from the most recent evaluation was that teachers were concerned about the amount of time and effort that it took to fill in the reports. As a result, we reduced the scope of the reports. The work is ongoing.

Mr R Hanna: The iteration of the pupil profile report that is in the subgroup's paper has been refined over time as a direct result of the evaluations that we —

Mr McNarry: I was asking whether work on the report is ongoing. Are you still adjusting it?

Mr Boyd: We will continue to work on its presentational aspects until it goes live. In fact, I make no apology for continuing to work on those aspects as far into the future as we can see. If parents say to us that they do not understand certain aspects of it, we will work on changing those.

Mr S Wilson: I want to come back to standardisation, because I am getting more confused.

According to Mr Boyd, standardisation will be introduced, because there will be a bank of comments that could be open to interpretation by different people. However, Dr Sproule says that those comments will not be open to interpretation and that there will be different levels of progression. Given that this report has 17 different sections and that some of those have five subsections, how many levels of progression will there be for each of those sections?

If, for example, there are five different levels of progression, against which one of the comment banks will be used, how confusing will that be for teachers? Will there be levels of progression for each of the 25 sections, and how many levels of progression will there be? Can you explain how teachers will be able to ensure that their comments are standardised? For example, will the system be able to ensure that David McNarry assesses a youngster in exactly the same way as I would? Will it be able to ensure that children are not treated differently because some teachers take either a harder or easier approach than others?

Mr Boyd: Dr Sproule will deal with the detail of your question. However, I want to come back to the point about comment banks, because I am not sure that I have made myself clear. The comment banks will be a series of computerised records on which teachers may draw to make the writing of their reports easier. Teachers can choose not draw on the comments; they can choose not to use the computerised records. The computerised comment banks are not part of the standardisation process: they are there to make life easier for teachers.

Mr S Wilson: That approach will make standardisation even less likely, because teachers will be able to make different comments. In fact, words mean different things to different people. We had an example this morning where one of the representatives of the teachers' unions talked about using the word "brilliant" on the report. "Brilliant" could mean something totally different to me than it does to you. That is my point exactly: how can these reports be used to make an assessment when they are open to so much subjectivity?

Mr Boyd: Dr Sproule will deal with the detail of that issue. However, please bear in mind that pupil profiles are simply building on the best practice that exists in our schools. I am sure that Mr Wilson does not mean to, but it almost sounds as though he is asking whether any of the information contained in school reports over the past 20, 30, 40 or 50 years could have been trusted. I know that that is not what he means to say, but we are seeking to demonstrate that we have built a higher level of utility to support the system. The report system will be supported by levels of progression, by assessment units and by all the other tools that teachers can and do use in their daily practice.

Dr Sproule: The levels of progression are not a new measure. They exist and are used by primary and post-primary teachers to inform their judgements. The levels of progression that we are revising will apply to reporting performance in the three cross-curricular skills of understanding maths, communication and using ICT.

Mr S Wilson: Therefore, those levels of progression will not apply to 14 sections, meaning that teachers will not receive guidance for nearly 60% of this report. That means that each of those sections will be wide open to subjectivity. Therefore, even with the levels of progressions, an element of subjectivity remains.

All I am trying to get at is that if these levels of progression are to be used as guidance for parents, they will be virtually useless. Is that not the case?

Dr Sproule: The levels of progression relate to the basic skills of literacy, numeracy and ICT. The report reflects the fact that some of the other aspects on which parents would wish teachers to report, such as personal development, do not lend themselves to such strict measurement. The report refers to whole pupil development along with more specific development in certain skills.

Mr S Wilson: I would like a yes or no answer to this question. Given your comments about the lack of hardware and teacher training, the fact that no explanation has been given as to how parents will be prepared for this system, and the work that Mr Boyd has said remains to be done, will a fit-for-purpose pupil profile be ready by September of next year?

The Chairperson (Mr W Clarke): Yes or no, Mr Boyd?

Mr Boyd: Yes.

The Chairperson (Mr W Clarke): Sammy, are you happy enough with that?

Mr S Wilson: Yes.

Mr Donaldson: Sammy mentioned parental preparation, which is crucial because the whole purpose of the pupil profile is to inform parents. These documents are much more complex than I envisaged and, following today's exchange about subjectivity, the levels of progression do not appear to be very clear-cut. What are you going to do to inform parents about, and educate them on the role of, pupil profiles?

2.15 pm

Mr Boyd: First, I refer back to the most recent evaluation, which involved 5,000 children and their parents. We picked up on what parents do and do not like, and on what they know and what they need to know. Secondly, a huge programme of assessment conferences for teachers will take place in January. Although I do not know how many teachers will be involved, I can tell members that there will be 47 conferences.

Mr R Hanna: The conferences will involve well over 1,000 teachers.

Mr Boyd: We intend to build on the relationship between parents and teachers. Think back to the process that I described at the beginning. The idea is that a teacher would meet with parents early on in the year to discuss, for example, Jane. The teacher would outline what the school knows about Jane, her strengths, the areas in which she might need help, and how the school proposes to provide that help. The suggested approach might involve Jane's parents sitting down each night to read with her. That system would work effectively if Jane's parents were to take that information on board, along with the other interaction that they have with her teachers. We all rely on guidance from primary schoolteachers to make the right decisions for our children.

Mr Donaldson: We do, and I accept that. However, the advent of the pupil profile changes the nature of that guidance, making it much more crucial than it is today. This may be an unfair question to ask CCEA, but I will ask it anyway: does that not leave teachers more vulnerable to pressure from parents who have a preconceived outcome for their children? Let us face it, parents will, in many cases, have selected the ideal school that they want their child to attend well before they enter the pupil-profile process. Is there not a danger that parents will put pressure on teachers as to how the profile is prepared? In the end, the parents take the final decision, but, nevertheless, they do have

the right to give the pupil profile to a school. I am concerned that this could result in pressure being put on teachers.

Mr Boyd: This is getting into territory that is a little bit away from our home base. Our objective is to ensure that the best quality information is available in the profile. The situation at the minute — given that pupil profiles were not designed to be a selective tool — is fundamentally different from the situation that pertained in 1978, 1979 and 1980, when children transferred on the basis of primary school decisions or, in the couple of years when there was no transfer test, information from teachers. That led to the situation that Mr Donaldson identified. Indeed, there were one or two incidents where teachers had to move home. This situation is different because pupil profiles are not designed to be a selective tool.

Mr Donaldson: I have one final question. How do you feel pupil profiles will help parents and children from the most disadvantaged backgrounds?

That process tends to be of more benefit to parents from an affluent background than to parents from a disadvantaged one, who might not have had the best educational experience themselves.

Mr Boyd: That is an important question. There is no way that we could answer it in a couple of minutes, but I would be happy to come back to the subgroup on the matter. That issue takes us a little bit beyond our territory. However, when advising Ministers on other issues, we have pointed out that there are circumstances in which young people need multiple interventions, particularly those from disadvantaged areas or from socially difficult backgrounds.

The Chairperson (Mr W Clarke): Each member may ask a question, after which the witnesses can sum up their answers.

Mr McNarry: I was struck by a thought when listening to Jeffrey's line of questioning. Surely there is bound to be a risk of a parent mounting a legal challenge against a pupil profile if, having disclosed their child's profile to a head teacher, their child then receives a rejection letter from the school? What indemnity is there in such an event? How can the matter be foolproofed? That is a serious issue, as rejection could shape the child's future. What happens if the parent does not accept the pupil profile?

The Chairperson (Mr W Clarke): Mr Boyd, can you please take note of that question?

Mr Boyd: Yes.

Mr McNarry: Can he not answer it?

The Chairperson (Mr W Clarke): He will answer it at the end.

Mr D Bradley: Does the pupil profile have sensitivity to children with special needs?

Mr Boyd: Yes, and we have carried out additional work on that.

Mr D Bradley: Can you elaborate?

The Chairperson (Mr W Clarke): That question can be answered in the summary.

Mr S Wilson: I want to follow on from Jeffrey's point. It is not enough for Mr Boyd to say that Jeffrey's question is very important but that he does not have time to answer it now. I do not accept that this issue is not CCEA's responsibility. Mr Boyd, you must have some idea about this if CCEA is to achieve the Government's objective. If CCEA is placing in the public domain a report that is meant to be for the guidance of parents, it must have some idea of how to make it accessible to them. As Jeffrey pointed out, it will be more accessible to some parents than others, depending on their educational experience, their knowledge of how the schools system works and their interest in their youngsters' education.

That will add to the timetable, so we should at least be told how CCEA believes that it can be achieved. What plan will CCEA put in place to ensure that the report is accessible and that it is not full of gobbledygook that a teacher is left to explain at a parent-teacher meeting? I know from experience that the parents of the youngsters whom teachers most want to reach often do not attend such meetings.

The Chairperson (Mr W Clarke): I thank members for their questions. I now ask the witnesses to sum up.

Mr Boyd: I will deal first with the question on special needs. Some additional work has been carried out with special needs teachers to adapt the profile to make it relevant to young people with special needs without reinforcing feelings of underachievement. We will happily provide additional information.

Mr McNarry's question about pupils being rejected because of their pupil profile goes beyond our competence, but I do not know how such a circumstance could arise if the profile is not to be used as a selective tool.

Mr McNarry: I asked about the potential for legal challenges.

Mr Boyd: I am trying to envisage how circumstances involving a pupil profile would be different from circumstances involving a third-form report or the primary 6 report that children receive. These reports will show teachers' professional, informed judgement, backed up by objective information. The grounds for challenging a profile are no different from the grounds for challenging the reports that schools issue now.

That is my first reaction to the question, but I would be happy to get back to Mr McNarry on that.

Mr McNarry: If you would.

The Chairperson (Mr W Clarke): Mr Boyd, could you furnish the subgroup with any additional information by the middle of next week?

We now move on to Sammy's question.

Mr Boyd: I was not trying to dismiss Mr Donaldson's question in any way, shape or form. I was trying to react to your direction, Chairperson, because I sensed that time was moving on. Parental involvement is hugely important to the entire community, and CCEA has put in place tools that will allow it to improve the educational outcomes for all young people.

However, putting those tools in place will not work without the strategies to support them. There will be an extremely detailed programme of support, including the sort of parental support to which Mr Donaldson referred. There are already one or two schools in Northern Ireland in which that happens. The need for that support is recognised.

Mr Donaldson: You will be giving the subgroup a paper on that, Mr Boyd?

Mr Boyd: That sounds like a request.

The Chairperson (Mr W Clarke): Thank you very much for your contribution, Mr Boyd, and congratulations on your appointment as chief executive of the new Education and Skills Authority.

Mr McNarry: Crawler.

The Chairperson (Mr W Clarke): I also thank members for their patience. Mr Boyd, is it possible to furnish members with copies of the pupil profile evaluation report?

Mr Boyd: Yes; as soon as we receive it, we will happily do so.

The Chairperson (Mr W Clarke): Thank you very much to all your team.

The subgroup was suspended at 2.26 pm.

On resuming —

2.35 pm

The Chairperson (Mr W Clarke): The subgroup will hear three presentations; therefore, each session will take 20 minutes, including questions. It would be good to have an hour, but, unfortunately, our time is restricted. Each party will ask one question. Representatives of Comhairle na Gaelscolaíochta are unable to attend, but they will give the subgroup a detailed submission.

The delegation is most welcome. If Mr Wardlow would give a brief two- or three-minute presentation, we may have time for questions.

Mr McNarry: Is this not the fifth session? Should we not be hearing from the Transferor Representatives' Council? Has that been changed?

The Committee Clerk: Yesterday the agenda was reshuffled, and a new version was issued this morning. Please take a copy.

Mr McNarry: When will we hear from the Transferor Representatives' Council?

The Chairperson (Mr W Clarke): We will hear from that group at 3.10 pm.

Mr S Wilson: Could we not be integrated with someone else? I want to be separate. *[Laughter.]*

Mr Michael Wardlow (Northern Ireland Council for Integrated Education): Equal and separate.

I am so small that, had you told me that the seats were so low, I would have brought a cushion. You could have raised me up in hire purchase.

It is good to have the opportunity to speak to members. I have given the subgroup a paper that contains brief overviews of the two main subject areas. However, I have only three or four minutes to highlight some aspects of those.

My first point is with respect to the general overview. One cannot discuss the pupil profile and admissions criteria without considering the planned changes to education. I do not mean the implications of the review of public administration alone; I am referring to 'A Shared Future' and the Bain Report, which was published last week, and the statement that Maria Eagle, the Minister with responsibility for education, issued in response to that. In that statement, she announced that 95 projects will be frozen. At the moment, everyone is trying to find out what is happening. Ultimately, however, education will change profoundly: we all know that.

In considering pupil profiles and the admissions criteria, admission will be to a different type of school than that which we have been used to. However those matters are agreed, they will probably be part of a much better, and wider, collaborative arrangement.

Therefore, admissions and pupil profiles should not be thought of as a high-stake changing of schools at the age of 10 or 11.

My second point is that integrated schools, about which I am speaking in particular, are distinct from others simply because there are relatively few of them. Their catchment areas, therefore, tend to be much wider. For example, Integrated College Dungannon has a catchment area of a 30-mile radius. When I discuss that later, members should be aware that integrated schools do not have local catchment areas.

I turn now to the two main issues: pupil profile and admissions criteria. The Northern Ireland Council for Integrated Education (NICIE) broadly welcomes the pupil profile. We have been following its development and evaluation by the Department of Education and the Strategic Advisory Group. Although this is not the appropriate time for philosophical argument, I need to make it clear that most integrated schools are all-ability schools. The exceptions to that are two schools that have chosen to select a cohort of pupils. The fact that, in some integrated schools, 70% or more of pupils consistently achieve A to C grades confirms, to our satisfaction, that all-ability education can be delivered.

The council has stated in its paper its reasons for not wanting the pupil profile to be used for any form of selection. It was never designed for that: selection means ranking a child at a particular age, on a particular test, to go to a particular type of school. Schools, on the other hand, are more concerned with knowledge, experience and attitude. Given that the pupil profile reflects those concerns, it could not be used for a one-off ranking process.

For the same reason, the council is not in favour of computer-adaptive testing; it is also a selective process. I can discuss that later, if members wish. The council would like the subgroup to refocus slightly and ask why pupils should consider any high-stake changes of any sort at the age of 11. The council would like the subgroup to focus on the age of 14 and to consider how selection might proceed at that age. That might involve academic selection, but it could also involve election, because children are more mature when they are 14 years of age.

Teachers have some concerns about the pupil profile. They fear, for example, that parents might want to influence teachers unduly so that they put particular subjects on a pupil's record. The council has also spoken to a number of parents who feel that the profile needs to be readily accessible and easily read because sometimes teacher-speak does not always translate easily for parents. Time and resources must be applied to that. The council's evaluation highlighted those points.

The second aspect was admissions criteria. Our response has been that far too many admissions criteria are used as selection tools. We are in favour of a drop-down menu that contains compulsory groups. For example, our overview paper mentions elements such as geographical location, feeder primary schools and family connections. We argue that those criteria should be compulsory but that there should be an option to choose from within them. In fact, it should be the same for every school. We want to do away with interviews and other forms of specialist admissions criteria.

The overview paper highlights some methods that schools currently use to select pupils. The methods used by grammar, integrated and secondary non-integrated schools are very different. We argue that a drop-down menu would streamline the process. Schools should be able to select from a common criteria menu. Our argument is that compelling individual needs should be very much reduced.

When the survey was carried out two years ago, post-primary integrated schools had 50% more statemented pupils than the other sectors. Our schools would not want to close the doors on, or have a quota for, special-needs children. We accept that schools should not be required to have more than 2% to 3% of their total intake made up of special-needs children. The quota should not be supernumerary. However, schools can accept more special-needs pupils, and they should be resourced accordingly, if that is the case.

The final page of the overview paper details the four different areas of criteria. We consider aspects such as family criteria and, for the integrated sector in particular, it is important to have family connections at the top of the list of criteria. All our schools use family connections; most use the criterion of the eldest child in a family already attending the school, followed by another sibling. Second families, adoptive families and step-families must also be considered in that regard.

We argue that a child who has attended the school, but who has since left, should also be counted as a family member. That is not only to consider second families, but to allow for the fact that, on some occasions, there was no integrated school available for an older child to attend.

Community-based and local criteria have been problematical for us, simply because we are not sure what that means for an integrated school that has a catchment of 60 feeder primary schools, for example. That is one area that needs to be debated. We are concerned about nominated feeder primary schools and parish schools because they run contrary to the Shared Future agenda.

Furthermore, if a state or Catholic-maintained school, for example, wants to move towards becoming integrated, but is situated in a single-identity

community, which 94% of public housing areas are, how on earth would community balance be achieved? For NICIE, community balance is a key factor. Using local criteria as part of the overall admissions criteria needs to be put in the context of community balance. In fact, we still need to select children on the basis of community balance.

If a tie-breaker is required to be used as a selection tool, NICIE uses a randomised alphabet through computer sorting. The feedback survey that was carried out in 2005 found that the majority of views supported that process, with one or two exceptions. We advocate the use of randomised selection on pre-published surnames, which would change every year. When the way in which tie-breakers work is considered, it does not actually cover many schools at present.

The big problem is that significant numbers of schools are oversubscribed. In the academic year 2004–05, almost 100 schools were oversubscribed. Almost all grant-maintained integrated schools are oversubscribed, so admissions criteria are something that must be viewed in the new context of collaborative arrangements. That will mean that children will not have to take a high-stakes test that brands them as certain types of learners from the age of 11.

The Chairperson (Mr W Clarke): I ask members to ask succinct questions. There will be three minutes allowed for each question and answer, but that should include two minutes for the answer. As we want to hear complete responses, members should not make long speeches when asking their questions. We will begin with the DUP.

Mr S Wilson: My question is to seek clarification. Mr Wardlow said that he does not want specialist criteria. He also mentioned academic selection. Does attending an integrated primary school not count as specialist criteria?

Mr Wardlow: To be frank, our problem is that we are stuck in a situation where there are around 20 integrated post-primary schools, yet there are 40 integrated primary schools. There are not enough integrated post-primary schools. One issue is to ensure that parents who have chosen integrated education for their children from the age of four can rely on systemic integrity throughout. If a child does not sit a transfer test and writes off the opportunity to go to a grammar school, we want to be able to offer that child the potential to finish his or her education in an integrated school.

Integrated primary schools do not count as feeder schools in the sense that they are not locally based, but we want schools to be open to the possibility of accepting children from other schools. Around 50% of kids come from integrated primary schools, so I do not want them to be closed.

Mr Wilson said that he felt that attending an integrated primary school counted as specialist criteria, and I understand that view. We are trying to highlight the fact that 800 pupils were turned away from integrated secondary schools last year, and we want to try to do something about that.

Mr S Wilson: It is not that I consider attending an integrated primary school to be a specialist criterion, but it cannot be denied that that is a specialist criterion in so far as it can apply only to pupils who have attended integrated primary schools. How do you justify using that criterion when you want to deny grammar schools the right to use specialist criteria?

Mr Wardlow: Let me answer very quickly; perhaps it is my use of the language. The specialist criteria to which I referred include interviews and extra-curricular activities, which are used by 50 or 60 schools. Selection is not a specialist criterion; it is a fundamental criterion that transcends specialism. However, if you are saying that it is the same as attendance at an integrated primary, we would have to differ philosophically on that.

2.45 pm

Mr S Wilson: That is not just my interpretation; anybody would accept selection as specialist. There is one point that you have not addressed. Given the political arrangements, we are still likely to have academic selection after 26 March 2007 as the basis of at least some transfer from one school to another. What means might be put in place to facilitate that?

Mr Wardlow: There are two issues — how to address the admissions criteria and how to set the test. I am fundamentally against selection of any sort. The potential to select still exists, but the admissions arrangements do not, so we have to create those arrangements and the test. The parties agree that selection should continue; however, NICIE recommends that if selection must continue, it should happen when pupils are 14 years of age. We should consider how to assess the capability of a child of the age of 14, not in a high-stakes test but in some way that we have to work through. I do not have a simple answer. It should not be a two-Friday test; at the age of 14, it is more serious than that.

Mr McNarry: I mean no disrespect, but I have been here since 9.30 am and have heard nothing new; the debate is going nowhere. People are adopting rigid attitudes, and I suspect that you will not change yours. I want to ask two questions. Do you rank pupils in your schools and how do you rank them? Secondly, to be more positive, how can we build a post-debate consensus on admissions criteria? Where will we take matters? We need to hear something new — you are meant to be innovative and all things to all men in education.

Mr Wardlow: I am not sure what is fact and what is opinion, but I shall assume that most of what you say is opinion rather than fact.

Mr McNarry: That is your opinion; I am only giving it back to you.

Mr Wardlow: Since I am not sure what you mean when you ask how we rank — whether you mean by set or by streaming — I will explain both very simply, because it answers your two questions. The boards of governors of Lagan College and Slemish College have decided to select a certain number of pupils. I am against it, and NICIE opposes academic ability as a form of selection.

Mr McNarry: Do you punish them in any way?

Mr Wardlow: I suspect that there has been a misunderstanding. We are a charity: we have absolutely no control over any school. We exist to give parents access to integrated schools. There is a debate in the sector among the schools about selection. Personally, I do not accept academic selection even in part.

Some of our schools, such as Shimna Integrated College, do not even put pupils into sets in stronger or weaker subjects until the third year. Other schools will set, which means that if a pupil is strong in English, he or she will be put into a stronger English class. However, to the best of my knowledge, none of our 20 post-primary schools uses streaming, in which pupils are placed in a stream based on some sort of academic ability and remain in that stream for every subject.

We have come up with new ideas on the post-admissions criteria. Our paper stated our fundamental opposition to selection at the age of 11, and I suggest that the debate should refocus on the age of 14. That is new, and consensus is possible. First, we could look at some form of empowerment for pupils at the age of 14 in a new collaborative arrangement under the Costello and Bain Reports to consider how we get that choice at the age of 14. Selection is one of those issues. With respect, Mr McNarry, that is new.

Mr McNarry: I am glad of the newness, although choice at the age of 14 is hardly new. The NICIE paper states that the organisation favours pupil profiles; however, if a school does not set or stream, what are the profiles for?

Mr Wardlow: I am sorry; I have answered you incorrectly. The schools do set, but they do not stream. For example, if your child comes in —

Mr McNarry: However, you are not in favour of either.

Mr Wardlow: No. That is where there is misunderstanding. I do not accept the high-stakes test at 11 years of age — selection through academic ability. It is fundamentally important that children

reach their potential, but I do not accept that that should be done by selection at 11 years of age.

With regard to children who have different abilities in a school, I accept that there is absolutely nothing wrong or contradictory in allowing a child whose English is stronger than his or her French, for example, to be put in a more able English class. That child may not be as strong in three or four other subjects. However, the whole idea of trying to set children is to allow the less able to progress upwards. There is currently a debate on that issue in all the education sectors. I am fundamentally opposed to sending children to a particular type of school and deciding whether they are academic or more suited to a vocation at 11 years of age.

Mr D Bradley: Mr Wardlow, you mentioned earlier that you had been tracking the progress of the pupil profile. Are you satisfied with the progress that has been made to date?

Mr Wardlow: Part of what I receive comes from the Strategic Advisory Group, of which I am a member. As a parent, I am not satisfied that the pupil profile is at the stage that it ought to be. Several pilots have been carried out, and the results will roll over to the next evaluation. I would prefer to be further down the line with profiling. However, progress has been made on the new, more straightforward form. The original form was much more complex. The expectation on teachers to complete the profiles in 35 to 40 minutes is unreasonable. Teachers must be trained in how to complete profiles.

Teachers still believe that they will have to make decisions for parents about which schools their children should go to. That is not a teacher's role. The relationship between the parent and the school — particularly the primary school — must be specified. Furthermore, young people say that they want to see post-primary schools earlier. They have said in the responses that they want to find out what the post-primary schools look like. However, they are not allowed to do so until the year before they are due to leave primary school.

The pupil profile is only one issue. My fear is that it will become yet another issue like class averages. I do not believe that class averages should come into the matter. That is the carrot-and-stick approach.

Mr D Bradley: You said that you were strongly opposed to the high-stakes decision at the age of 11 and that 14 is a more strategic age for making choices, choosing pathways, and so on; and that selection may be in the mix.

Mr Wardlow: Purely pragmatically, I agree that we must be mature, have a debate and not allow fundamentalism to get in the way. I am, therefore, happy to debate the matter.

Mr D Bradley: By the age of 14, a child could be studying 12, 13 or 14 subjects. What type of test do you envisage for 14-year-olds?

Mr Wardlow: I am not sure. We must consider how the stage between the age of 11 and the age of 14 will look. The Craigavon model has been mentioned. However, that model leaks because young people can get out and go to grammar schools. There is, therefore, no hermetically sealed homogeneous unit that can be examined.

There is enough creativity in Northern Ireland to prevent us from always having to borrow the educational philosophies of others. There are plenty of us, and we are mature enough. I welcome being able to talk to the subgroup again because I have missed that. It sets the standard that the subgroup can have such debates where I must put my philosophy to one side for the greater good of young people.

Mr McElduff: My question is about the admissions criteria and the tie-breaker that will come into play. Will proximity to the school be introduced earlier than the tie-breaker with regard to integrated schools?

Mr Wardlow: Our integrated schools do not have proximity criteria. Part of the problem with that is exactly what I referred to earlier. Many integrated schools have a catchment area of perhaps a 15-, 20- or 30-mile radius. Proximity has never been an issue. Our integrated schools are, in fact, fundamentally opposed to proximity criteria in any shape or form.

Mr McNarry: Is it true that you are going to buy a bus company?

Mr Wardlow: I may have to buy two in order to have a community balance.

The council believes that random selection that is based on pre-published surnames, with "Mac" surnames included as well, is a better way. The survey seems to agree with that.

Mr McElduff: It is interesting that the Ulster Teachers' Union, I believe, preferred the geographical criteria to the randomised criteria. Your view is that criteria should be randomised without any reference to proximity.

The Chairperson (Mr W Clarke): Caitríona arrived late at the meeting, and I had said that each party would have one question. However, Caitríona can have the rest of the time that is available, if Barry agrees. There is one minute left

Mr McElduff: I will give way.

Ms Ruane: Thanks, Barry.

One of the issues that you mentioned was special needs. What are the percentages?

Mr Wardlow: A survey of integrated post-primary schools that was carried out in either 2003–04 or 2004–05 — I cannot remember which year — found that on average 50% more children are on statements in integrated post-primary schools than in other comparable schools.

Ms Ruane: That interests me. How do those children get on as they get older?

Mr Wardlow: I could give you individual examples of young people who have come to school with low self-esteem — most of whom are included in the mainstream. At Integrated College Dungannon, where there are 30 of those young people, or Shimna Integrated College, where there are 35, my experience is that the majority of those young people are well rounded, get extremely good results and outperform what they are predicted to achieve. However, there are exceptions to that.

Ms Ruane: The work that you are doing is very interesting.

The Chairperson (Mr W Clarke): Michael, thank you for your contribution.

The subgroup was suspended at 2.56 pm.

On resuming —

2.59 pm

The Chairperson (Mr W Clarke): You are welcome to the Subgroup on the Schools Admission Policy. You may introduce yourselves and follow with a short presentation of around three or four minutes.

Ms Dorothy Angus (Department of Education): I am from the equality, inclusion and pupil support division of the Department of Education, and my colleagues are Irene Murphy, who is head of the special education branch, and John Leonard, who is from the open enrolment transfer procedure branch.

I will begin with a summary of the paper that we have provided. My colleagues attended the subgroup meeting last Friday, and some members expressed interest in special educational needs (SEN). The short paper that we have provided sets out the current arrangements for the provision for children with SEN. Approximately 3% of the school population has a statement of SEN, and about 16% have some learning disability.

We have set out the interface between SEN and the current admissions arrangements in particular, bearing in mind the subgroup's terms of reference.

Children with statements are considered for post-primary placement outside the usual arrangements to ensure that they are placed in the school best suited to their needs. Other children with SEN follow the usual procedures but with an opportunity for their special circumstances to be considered.

The paper also refers to the ongoing review of special educational needs and inclusion. I can outline the process of that review, but, as indicated in the paper, the outcomes have not yet reached the stage that would allow them to be explored with members.

Will I continue?

The Chairman (Mr W Clarke): Does everyone have a copy of the paper? We will take questions from the floor.

Mr McNarry: The subgroup was specific in its acknowledgement that it could have been better informed on special needs. It is something that, sadly, is neglected in the plethora of papers that come at us.

The session has been interesting up to now, and I am sure that you will continue to make it so. Pupil profiles have been highlighted in many instances. How can children who have SEN adapt or respond to the equipment that pupil profiles will demand of them? Or should there be different tools from the pupil profiles for children who have special needs, and, if so, would there be a parental reaction to that?

3.00 pm

Ms Angus: The pupil profile is a standardised form of annual report, and the intention is that it will apply to the majority of pupils. However, CCEA is developing an alternative format for reporting to the parents of pupils who have multiple learning difficulties. To achieve that, it is consulting principals, teachers and parents on the most suitable format. The SEN dimension will, therefore, be considered.

The statement reflects the child's ability and needs. The pupil profile will build upon and complement that. Computer-based tests form part of the pupil profile, and there will be provision to modify or disapply those for pupils for whom they are not appropriate. That is my understanding, having spoken to colleagues who work in that area.

Mr McNarry: Will the Department of Education work with parents on those modifications? I am particularly interested in the equipment involved.

Ms Angus: I am sorry that I cannot give you a detailed answer, because CCEA is developing the pupil profile. However, my understanding is that CCEA will consult principals, parents and teachers to adapt the profile so that it is suitable for children with special educational needs.

The Chairperson (Mr W Clarke): Are you happy with that, David?

Mr McNarry: I am not sure that CCEA is qualified to modify specialised equipment. The pupil profile is a different matter; I am talking about the tools and equipment that are used. If a standard piece of equipment needs to be modified, the pupils who use it and their parents should be consulted. Can you assure me that CCEA is doing that?

Ms Angus: I am not sure what you mean by tools and equipment.

Mr McNarry: The computers.

Ms Angus: Are you referring to the computer-based tests?

Mr McNarry: I mean the use of the equipment or machinery for assessment purposes. Mr Boyd talked about diagnostic tests in which pupils hit buttons to answer questions. If they get a question wrong, the computer moves them on to the next question, which is not as difficult. If they answer a question correctly, however, they move up to a more difficult question, etc. Does that clarify what I mean?

Ms Angus: My understanding is that CCEA will modify or disapply the use of those tests, but I expect CCEA to work with experts in the Department, principals and teachers. I believe that an individual from the teaching profession has been seconded to CCEA to work on the pupil profile, but I cannot be

absolutely sure about that, Mr McNarry. I hope that that is helpful.

Mr McNarry: It is.

Mr Donaldson: The Special Educational Needs and Disability (Northern Ireland) Order 2005 and the new arrangements to encourage and facilitate children with special needs who want to attend mainstream education mean that any changes in the wider remit of education and, in particular, the transfer procedure, have some impact.

Are you saying that, in relation to the transfer of children with special needs from primary to secondary education, statementing will still have primacy over the pupil profile when informing parents, schools, and education and library boards (ELBs) which school is most appropriate for a child's needs?

Ms Angus: The statement of special needs is the more detailed of the two documents that will be available to parents, children, schools, ELBs and everyone involved in deciding how children transfer to their new schools. Therefore, under the current arrangements, the statement has primacy.

Mr Donaldson: I must declare an interest. I am a governor of a special school in Lisburn.

The statement would have primacy, but is there an academic content in the statementing process?

Ms Irene Murphy (Department of Education): I will outline the statutory assessment process. The education and library boards, as currently formed, have a statutory duty to assess children, who may then be statemented. That statutory assessment must formally take advice from parents, schools, the child, health professionals and other education professionals. That is then considered in the round. The assessments that the boards' educational psychologists undertake have an academic element that covers English and mathematics and considers the results of psychometric testing.

Mr D Bradley: There is a special category in the proposed admissions criteria called "compelling personal circumstances". Is that directed towards children with special needs?

Mr John Leonard (Department of Education): No, it is a provision in the legislation that will enable pupils with compelling individual circumstances, such as looked-after children and children with severe medical conditions, to be placed in suitable local schools.

Mr McElduff: Some people argue for academic selection at the age of 14 rather than 11. If that were to come about, how would the education interests of children with special educational needs be protected?

Ms Angus: Those are hypothetical circumstances that have not been considered, but, at the moment,

there is a process in place for children with special educational needs to transfer at age 11. A process would be put in place to look after children with special educational needs if the transfer process was changed to age 14. I do not foresee any major difficulties, but that matter has not been considered in detail.

Mr Donaldson: I wish to return to the use of psychometric testing as part of the statementing process. I appreciate that the purpose of that is different from a transfer test that grades a child. Nevertheless, when a child reaches the age of 11, or whatever the age is under the new arrangements, what is the process? If a child has been statemented in primary school and is at the point of transfer to secondary education, presumably you undertake a reassessment and decisions are then taken about the school to which the child will transfer. Will you describe that process at age 11, and explain the factors that determine which school the child transfers to?

Ms I Murphy: When a child is in primary 6, his parents will be considering the options for post-primary education. The parents liaise with the school, and the school liaises with the education and library board. Detailed psychometric tests may not need to be applied, but there will certainly be a review of the child's work in class, in conjunction with the class teacher and the parents, and consideration is given to the child's and parents' aspirations. If it is felt that the parents and the child want a grammar school education, as it is now, the education psychologist will be asked to review the documentation and make a decision on whether further testing is required.

The result of that testing, along with all the other work that the child has done over the past number of years, will be taken into consideration by the psychologist. That is the advantage of the system for children who have statements: rather than a one or two-day test, the child's all-round achievements are considered.

Mr Donaldson: It is a combination of continuous assessment and testing?

Ms I Murphy: Yes.

Mr Donaldson: Thank you. That was very interesting.

Ms Ruane: We always hear about how children with special needs "hold back" those children who have "different or higher abilities". As experts in this field, what are your opinions on the benefits of children from all ranges of ability studying together? In particular, what are the benefits for those children who are not viewed as having special needs?

Ms Angus: I do not believe that it is within our remit to express any personal views or to comment on policy. We can give members guidance on how many

children are in mainstream schools, if that would be helpful. Did the question refer to children who are educated in mainstream schools as opposed to special schools?

Ms Ruane: My point goes slightly further than that. In certain countries, the school of thought is that educating children of all abilities together benefits and enriches all those children. In the North, however, the education system is divided, and some sectors believe that children with special needs hold back the other children. I understand that you cannot give personal opinions, but studies show that children who do not have special needs benefit from being educated alongside those children who do.

Ms Angus: Ms Ruane has referred to the policy of inclusion. The Government's policy is to include all children in mainstream schools. However, parental choice is important, and a growing number of parents are choosing to send their children to mainstream schools. Of those children with special educational needs, 65% attend either mainstream schools or special units attached to mainstream schools. Therefore, the policy is to educate children with special educational needs with other children. The availability of parental choice means that some parents still choose to send their children, depending on their needs, to special schools.

Ms I Murphy: The policy provides for measures to meet the continuum of need and to fit with the current legislative requirements. It is a mixture of considering the needs of the child, the wishes of his or her parents and the education of other children. In comparing two children with similar needs, one could be more comfortable at a special school, while the other would be better placed in a mainstream school. That is why current policy allows for a continuum of provision coupled with parental choice.

Mr D Bradley: At what stage is the review, and when will it be completed?

Ms Angus: The review of special educational needs is at its development stage. As the review will cover a wide-ranging and complex area, one of its initial characteristics has been a lot of pre-consultation work to determine people's opinions of what issues should be included. We have started to develop a model, but proposals are not yet far enough developed to have received ministerial clearance. A fair wind permitting, we hope to have the new policy in place by the late summer. Of course, special educational needs are governed by legislation and, if legislative changes are required, the implementation of the new policy will depend on the legislative timetable and developments in the Assembly. That is the timescale to which we are working.

The Chairperson (Mr W Clarke): On behalf of the Committee, I thank Ms Murphy, Ms Angus and Mr Leonard for their contributions.

The subgroup was suspended at 3.14 pm.

On resuming —

3.30 pm

The Chairperson (Mr W Clarke): You are all very welcome. We will have a brief presentation and then take one question from each of the parties, followed by a supplementary question. The session should last approximately 20 minutes.

Rev Dr Lee Glenny (Transferor Representatives' Council): It will be helpful for you to know who we are and whom we represent. We are here as part of the executive of the Transferor Representatives' Council (TRC), which seeks to serve on behalf of the Church of Ireland and the Presbyterian and Methodist Churches, which in the 1930s, 1940s and 1950s largely handed their schools over to the state, so that they became Church-related schools instead. Under that name, we were involved in the governance of schools with members on each board of governors and on the education and library boards.

I am the Methodist secretary for the board of education, and my colleagues are the Rev Ian Ellis, the Church of Ireland secretary of the board of education and the Rev Robert Herron, the Presbyterian secretary of the board of education.

Rev Ian Ellis (Transferor Representatives' Council): Thank you very much for the opportunity to speak to you and to share and touch on some of the general issues around the post-primary arrangements that have been proposed. We are acutely aware that since we submitted all our responses to the draft Education (Northern Ireland) Order 2006 last year, the process has moved on in some ways yet seems to be standing still in others.

The matters of pupil profiles and admissions criteria were consulted on, based on the assumption that academic selection would be excluded as a criterion, but now, since the passing of the 2006 Order and the Northern Ireland (St Andrews Agreement) Act 2006, it is no longer clear that that will be the case. Perhaps we can get some clarity on that soon.

It is our understanding that an incoming Minister of Education would have to establish very quickly the context for admissions arrangements, whether it be a selective system or not, and to come forward with some kind of regulations about those admissions criteria.

I want to say something briefly about where our Churches stand on the issue of academic selection to try to help you see our stance. We considered the decision to abolish academic selection very carefully indeed. We believed, as many do, that it has been a blunt instrument to determine a child's abilities, aptitudes, career destinations, and so on.

We balanced that criticism with an acknowledgement of the very high achievements in schools in Northern

Ireland, but we also had to take seriously the other criticisms of the selective system's negative effects and, most notably, the disadvantaging effects that it has had on children from deprived and disadvantaged backgrounds — in particular, it seems, children from working-class Protestant backgrounds. Among other reports, this week's report from the Committee of Public Accounts shows a clear differentiation in outcomes for children from those backgrounds.

We are also acutely aware that academic selection is an issue on which people are divided. I know that the parties are divided on this issue, and there is a division of opinion within our Churches, too. As members of the education boards and the TRC, we have tried to take a balanced view. We decided that, on balance, transfer by informed parental election was a better way forward. We have listened to the views of many who support academic selection and fear a lowering of standards. Many people are unconvinced that the proposed system will work, and we have, on many occasions, pointed out to the Department that it has failed to demonstrate with enough conviction that the system will work in future.

Our paper outlines some of our opinions on pupil profiles, admissions criteria and other general issues. We do not know how much detail the subgroup wants to go into on each of those areas.

We feel that a pupil profile would be a helpful tool. The Northern Ireland Continuous Household Survey has shown that most parents feel that it would help them to choose the best pathway for their child. Although the pupil profile has been well tested and piloted, no real information about the outcome of those tests has been placed in the public domain. Such information has been promised, but we have not heard much about it. Disclosure of that information would help to boost public confidence.

As the Department has not yet issued the promised regulations, it is difficult to see how the admissions criteria will work. If distance is used as a criterion, that will affect rural areas as review of public administration policy papers suggest that transport costs will be charged in future. There are likely to be many disputes about exact calculations of distances and who is eligible and who is not.

Our paper includes comments on the education system that we feel is needed. It must be adaptable and flexible, and it must allow for people's development later in life. Pupils who find that their education path does not work out as planned should be able to have their needs met in an adaptable system.

Oversubscription is also an issue. We have no research estimates about the likely future levels of oversubscription and which areas are expected to be oversubscribed. It seems that it will be a problem in

areas such as Belfast and greater Belfast, but less of a problem elsewhere in the Province.

I am simply touching on issues; I am not sure which topics the subgroup would like to expand on.

The Chairperson (Mr W Clarke): No doubt members will draw out the issues in their questions. We will start with Mr McNarry this time.

Mr McNarry: You are very welcome. It is good to see you. I noted the Rev Dr Lee Glenny's point about how the Churches disposed of their schools long ago. Perhaps in his report, Sir George Bain will recommend that the Churches be given the ability to re-purchase some of those schools and put them back into community use. It would be great to see the Churches consider playing such a role in the future of education.

The TRC paper is very interesting, and it raises issues that have crossed all our minds. It comments that the council would like "honest and accurate feedback" on pupil profiling to be placed in the public domain — I am sure that that is not suggesting that what we might get is dishonest or inaccurate feedback, but I will leave that for the council to answer. How can such feedback be placed in the public domain? As politicians, we have information on these results, but is the problem that the council and the wider public does not have it?

Rev Ian Ellis: I was hinting at wider public confidence that the pupil profile will do what it says on the tin.

Rev Dr Lee Glenny: To follow on from that, Angela Smith made a statement in December 2005 in which she said:

"Our key aim is to ensure that pupils, parents and teachers have confidence in the Pupil Profile."

There are vague details about pupil profiles in the public domain and they have not been brought forward as they should have been.

Mr McNarry: I concur; the issue is about information and communication. How can that be addressed? If the wider public were in receipt of information on the pupil profiles, how could their confidence be gained, bearing in mind what you know about pupil profiling and how it will be developed?

Rev Robert Herron (Transferor Representatives' Council): It would have been interesting to see how parents would have used pupil profiles if they had had them before academic selection vanished. We are in a difficult situation because we have no idea about the choices parents will make. As the Rev Ian Ellis said, we can see major problems with possible over-subscription to schools in the greater Belfast area, whereas, in the west — where I come from — the difficulty for some schools is in surviving.

Mr McNarry: Paragraph 3.2 of your paper is interesting. It states:

“the present selective system has diminished the esteem of non-grammar schools... Even if a non-selective system is agreed, a prolonged investment of resources would be required.”

What do you mean by “prolonged investment of resources”?

Rev Ian Ellis: My view is not one that is shared by all. I believe that the selective system has counted against secondary schools in particular; they have lost the oxygen required to survive. A secondary school pupil in the 1960s and 1970s would have been in a mixed environment with many pupils with a wide range of abilities. Many children did well through the system. Even though they may have failed the 11-plus, they got good qualifications and achieved reasonable levels of attainment.

The selective system has sucked many able pupils into grammar schools, which means, ultimately, that the range of abilities of those children attending the secondary schools is narrower. That is what I mean when I say the schools are being starved of oxygen — the oxygen of wider-ability pupils.

Secondary school head teachers say that the loss of more able pupils has had many effects. It has removed role models, pupils whom other children might look up to, and those with leadership qualities who might inspire others. The wider mix of pupils has been diminished through parental choice and the transfer system.

Mr McNarry: Is parental choice not a key point in this case? Parents voted with their children’s feet.

The Chairperson (Mr W Clarke): Could we have a yes or no answer?

Rev Ian Ellis: The other thing is the reduction in the numbers.

Rev Robert Herron: Pupil downturn is a major issue, and if I am allowed the time, I will give you an example, because it will be useful for everyone to hear. For the past year, I have attended meetings with the governors of a high school and grammar school in Strabane. The situation there is that two thirds of the pupils in the controlled sector are going to the grammar school and one third — about 200 pupils — is going elsewhere. Therefore, the high school does not have enough resources or pupils to offer the broad curriculum required. In such cases, not only are teachers being made redundant every year due to the downturn in pupil numbers, the grammar school is continuing to fill its complement. Pupil downturn has a negative impact on schools, and it affects the morale of the teachers and pupils.

Mr S Wilson: I am confused. You began by saying that election was better than selection and that — further to that — the pupil profile would be helpful in that regard. However, you are now saying that in the west, where there are plenty of places, parents can elect whatever school they want for their children. You have, therefore, got exactly what you said in paragraph 3.2 that you did not want — the diminished esteem of non-grammar schools and their decline.

The policy that you advocate seems to be in line with current Government policy. If that policy were to be adopted, is there not a danger that the situation in Strabane that you described will become even more commonplace? That is that parents will elect schools that are deemed as, or perceived to be, good schools. Is there not a further danger that some good secondary schools could be diminished as a result?

3.45 pm

Rev Robert Herron: Where there is a limited number of pupils, it is a question of balancing parental choice against keeping a viable school. What are schools to do when their numbers are continually falling? That is the experience right across the west of the Province.

Mr S Wilson: Would a better option be simply to continue with selection but to make it clear that, if a selection system will operate with one route for academic education and another for vocational or general education, the number of places in academic schools will be limited to protect the other schools, as you suggested? Is that not a better way of managing the situation than simply allowing parents to select the school that they want?

Rev Ian Ellis: I agree with part of what you say, Mr Wilson. Somewhere along the line, grammar schools have lost their *raison d’être*. As I understand it, grammar schools were established to encourage academic rigour and to develop analytical thinking and the skills that are needed for professional jobs. As the years have gone by, however, their role has expanded, and grammar schools have become popular, good schools that provide a good education. Perhaps the solution would be to restrict grammar schools to what their primary purpose ought to be.

Mr S Wilson: Would that not be a step back towards selection rather than election?

Rev Ian Ellis: The difficulty with having a test as a selection tool is that it favours advantaged pupils, that is, those whose parents can afford to pay for their children to have extra tuition to prepare for a test and those parents who aspire to send their children in that direction.

Mr S Wilson: You said that schools take youngsters down a particular educational route. In the absence of

educational assessment, how on earth would youngsters be selected? You now seem to be arguing for the retention of grammar schools, albeit with limited numbers.

Rev Ian Ellis: Our argument is that selection should not happen at the age of 11, as it is perhaps not the best age to make such an assessment. The new proposals, and the thinking of many people, seem to favour the age of 14 as a key pathway decision time. At that age, pupils can bring something to the decision-making process themselves. I do not know whether we all have 14-year-olds in our families, but they can easily say what they want to do. It is important to hear that voice when making a decision on whether a pupil will study French verbs or something more vocational.

Mr D Bradley: I note your concern about the admissions criteria and the effect that they may have on children from a rural background. You are anxious that a situation may arise in which such children would be discriminated against. Is a possible solution to draw catchment areas as widely as possible and use random selection as a tie-breaker?

Rev Ian Ellis: I have a feeling that we could end up using tie-breakers very quickly. The different proposals contain a variety of criteria. Some focus on effectively drawing a circle around a child and finding the nearest appropriate school; other proposals draw the circle around schools or suggest that schools identify the predominant feeder schools.

That could disadvantage children who have to travel a very long distance to school. Do we really want our children to have to travel for more than one hour to get to school? We need much more thinking and research into how the regulations and criteria could disadvantage children who have a long way to travel.

Mr McElduff: Dominic Bradley asked a good question, which concerned the understanding of rural communities. I had in mind a similar question about whether academic selection is randomised or geographical. However, I shall ask another. Does the Transferor Representatives' Council draw a direct connection between the system of academic selection and underachievement on the part of many pupils?

Rev Ian Ellis: We have to conclude that there is a systemic problem with academic selection, which enables those who are capable and well resourced to do extremely well and achieve some of the highest results in the UK. By "well resourced", I do not mean money; I mean pupils whose parents will encourage them and take them forward. However, as we mentioned earlier, we have also received notice that many children are underachieving. It seems to be a systemic effect that when large groups of children who have been failed by the system are brought together, there is nothing to motivate them to achieve higher standards.

I was interested to read that many members, in their political comments on the report, said that there is a poverty of aspiration. How can we improve that? As I suggested at the beginning, part of the solution concerns the mix of pupils in our schools. Beyond that, we must also tell children — in our case, Protestant working-class children — that education is a route forward. It seems that many Protestant families in impoverished areas see education as a turmoil and a travail; whereas many Catholic families seem to see it as a transport and a route to a better life.

I believe that much work needs to be done to change that poverty of aspiration. Resourcing is also part of the solution: we need long-term investment.

Ms Ruane: There is a real issue with the Protestant working-class community, and that is something that we, collectively, have to look at. However, although some sections of the Catholic community see education as a way forward, huge sections of it are being left behind. We should not be under any illusion: the Catholic working-class community is not benefiting from academic selection. We must work on that matter collectively. However, traditionally in Ireland, even in the most rural and disadvantaged areas, education was seen as a pathway, although not everyone had that pathway.

Rev Robert Herron: That is difficult to measure. There is plenty of evidence to demonstrate a clear correlation between social need and academic achievement. However, sometimes this matter comes down to a personal family situation. I have three children, two of whom were selected and one of whom was not. Perhaps members have been in a similar situation. I drop my three children off to school each morning, and one of them wears a uniform that represents the words: "I didn't make it." Not only do we say to children that they failed the 11-plus, but we then put a uniform on them for the next six years just to remind them.

The Chairperson (Mr W Clarke): I will allow two more questions of one minute each.

Mr McNarry: It is very difficult in a session such as this not to make throwaway remarks, but we must not simply dismiss underachievement in Protestant areas by saying that academic selection has had a great bearing on it.

The three of us on this side of the table work very closely with the Protestant working class, as I am sure you do. In identifying the deprived areas, we must ask ourselves why they are deprived, how they became deprived and what the areas are like. They are known as the interfaces in Belfast. The grandparents of today's children were not attending school, so there are two generations whose parents and grandparents have not contributed in the home to benefiting their children in the way one would expect to be normal two miles

away on the Malone Road. I do not dismiss the idea of aspirations, as that is a positive aim, but we cannot write off underachievement as the cause of a test that children do not aspire to pass.

Rev Ian Ellis: Of course it is much more complex than that. The conflict has a lot to do with it, as does the social and geographical setting. We think that the problem with the system feeds into those factors and exacerbates and ingrains the differences that already exist.

Mr Donaldson: Gentlemen, you are very welcome. Robert, I will pick up on the last point that you made, as it was a very powerful one about your three children. I know that that is replicated in many families and homes across Northern Ireland. My difficulty, however, is that in some areas, schools will still be oversubscribed. In the area I represent, Lisburn, I can see immediately that at least three of the schools will be even more oversubscribed than they are today. There will still be good schools and better schools — I do not like to call any school a bad school — in the public consciousness for years to come. Purely because of demographics and year of birth, and so forth, those situations will continue to arise; the problem you are talking about will not fully be overcome by the new arrangements.

Is there not the possibility of another unfairness arising, in that a pupil may find that they did not get into a school simply because of where they lived rather than because of their educational or academic ability? Dad is a farmer, they live in the countryside, the proximity rule is applied as a tie-breaker, and they lose out. Are you not in danger of replacing one unfairness with another? Is there not some other approach to this that strikes a better balance?

Rev Robert Herron: This is balancing one unfairness against another. I sit on the board of governors of a grammar school, and we are already applying the criteria about family and geographical focus and being community-based — after academic selection. There is unfairness now.

Rev Dr Lee Glenny: Thank you for that. We would like to emphasise the importance of the end of Key Stage 3 and the question of the esteem of secondary schools. If that esteem is raised and there is a common curriculum at Key Stage 3 with flexibility and adaptability so that at the end of Key Stage 3, a child will have greater maturity and a greater opportunity to be aware of his gifts and talents, and a change of school can be appropriate. If those elements are built into the system, some of the inequalities of the first three years can be negated.

The Chairperson (Mr W Clarke): Thank you very much for your contribution. On behalf of the subgroup, I would like to wish you all a very enjoyable Christmas and a peaceful new year.

Rev Dr Lee Glenny: We appreciate the opportunity to be here and to share ideas. We realise that you have big responsibilities in front of you and we too wish you every blessing as you seek to find an equitable and helpful way forward for the children of this and future generations.

Mr Donaldson: If you find a Solomon out there, please send him in.

[Laughter.]

The Chairperson (Mr W Clarke): Thank you.

Adjourned at 3.59 pm.

SUBGROUP ON THE COMPREHENSIVE SPENDING REVIEW AND PROGRAMME FOR GOVERNMENT; RATES CHARGES; AND WATER REFORM

Wednesday 20 December 2006

Members in attendance for all or part of proceedings:

The Chairman, Dr Esmond Birnie
Mr Wilson Clyde
Mr Leslie Cree
Mr Paul Girvan
Mr Raymond McCartney
Ms Margaret Ritchie
Mr Jim Shannon
Ms Kathy Stanton
Mr Peter Weir

Witnesses:

Mr Jim Donaghy	} Amicus
Mr Patsy Forbes	} Northern Ireland
Mr Basil McCrea	} Manufacturing Focus Group
Ms Michelle Bagnall	} Help the Aged
Mr Duane Farrell	
Ms Elaine Campbell	} Age Concern
Ms Pam Tilson	
Mr Stanley Blayney	} Northern Ireland
Mr Raymond Farley	} Fair Rates Campaign
Mr Michael Kelly	
Ms Anne Monaghan	
Mr Brian McClure	} Department of Finance
Mr Leo O'Reilly	} and Personnel

The subgroup met at 10.30 am.

(The Chairman (Dr Birnie) in the Chair.)

The Chairman (Dr Birnie): Members, the witnesses are from the Northern Ireland Manufacturing Focus Group (NIMFG) and Amicus. Basil McCrea is the chief executive of the NIMFG, Jim Donaghy represents Amicus, and Mr Forbes is the chairman of the NIMFG and a director of Forbes Furniture.

Good morning, gentlemen. I welcome you to this meeting of the subgroup. Thank you very much for attending.

I thank you for your submission, which has been very helpful. The subgroup's prime focus is to take questions, but if you would like to make a short introductory presentation, that would be helpful.

Mr Basil McCrea (Northern Ireland Manufacturing Focus Group): Thank you very much, Chairman. We are grateful for the opportunity that has been afforded us. I have circulated copies of an opening statement, so people may have already read it in addition to our submission, but I will read through it for completeness.

The major issue that we want to talk to the subgroup about is the competitiveness of Northern Ireland plc. A study by the Economic Research Institute of Northern Ireland (ERINI), which was published in January 2006, suggested that Northern Ireland plc was, on balance, competitive. Although the study accepted that we had higher energy, freight, fuel and insurance costs, it also noted that we had lower property and labour costs. One might say that what you lose on the swings, you gain on the roundabouts.

If one goes into the report in detail, however, it paints a picture of manufacturing as an economic subsector. The report identified labour as being cheaper in the Republic of Ireland for manufacturing, and industrial property as being cheaper in six regions of the United Kingdom. Therefore the manufacturing sector must grapple with all the disadvantages without having any of the offsetting advantages. We are at a competitive disadvantage on every conceivable measure. Industrial derating was the one and only saving grace that we had. Without it, even our best and most profitable companies are moving out of Northern Ireland, and they are moving out at a certain rate. We want to bring that fact to people's attention.

Some commentators have pointed out that rising employment levels show that the phasing-out of industrial derating is not a big issue. The general problem is, however, that we are losing high-value — high gross value added (GVA) — manufacturing jobs and replacing them with part-time and low GVA jobs. Productivity — the key measure of economic success — is falling rather than rising. That is what we should be considering.

Manufacturing is not doomed; it is not a lost cause. That is one issue on which we want to be strong. Some people have suggested that the textiles industry is a lost cause. Actually, we have some very good companies that are doing very well. They can compete and they will compete in the world market; however, they will not do so from Northern Ireland. Our problem is that, instead of putting the investment back into Northern Ireland, we are putting it elsewhere.

Manufacturing currently employs 90,000 people.

The recent report by PricewaterhouseCoopers, commissioned by the Department of Enterprise, Trade and Industry, contained the scenario that Northern Ireland would lose 40,000 jobs if the manufacturing sector were to lose foreign direct investment (FDI) and

local investment. That represents 40,000 jobs out of a total of 90,000 jobs, because for every job lost in the manufacturing sector another would go in services as well.

There is a wealth of academic information supporting our case. The subgroup will also be aware of the recent employment figures, which show that while employment is rising manufacturing is falling. That is happening now.

We would also like to point out to the subgroup that phasing out industrial derating is a short-sighted and counterproductive policy. The Government will not raise the £80 million predicted because the manufacturing sector will react to that cost pressure. It will relocate, reorganise or close down. The £80 million will not come in, and it is not a question of the manufacturing sector not paying it; the money will have to be found from somewhere else.

If one loses a workforce, one also loses VAT, income tax, national insurance and corporation tax. We have asked for industrial rating to be frozen at the current level of 25% — and we know that the Assembly has debated the issue. We are not saying that the manufacturing sector will not pay its way. We are more than happy to do so — but perhaps “happy” is overstressing it a bit. We are prepared to make our contribution, and we already make a big contribution. However, if that contribution goes much higher, manufacturers will not be able to compete here, and they will leave.

We have also identified, through the ministerial working party that some of you will be aware of, that unlike other economic issues that Members might be faced with, industrial derating does not have any state aid issues. That is an important point, because it means that the issue is something that Members are in a position to deal with.

We have a very broad church of support, in particular, our good friends from Amicus, and we have discussed how we might address the very serious skills shortage in Northern Ireland. It is easier for businesses to bring people from Lithuania, or Latvia, because when people here are trained, they leave as soon as they are trained. There must be a way to address that issue, and we would like to put a proposal on the table for discussion. It is something we have not fully worked out yet. However, if we were to see a positive engagement over the rating issue then we might engage in a private sector led retraining initiative. The details have been mentioned in our submission.

Finally, Northern Ireland has the lowest rates of economic activity in the UK. A stated requirement of Government is to reduce dependence on public sector employment. However, one of the big questions we have to ask is: where we are going to find real jobs for

those people? The manufacturing sector, with its breadth of opportunities, has a real role to play here. We are prepared to step up to the mark and work with Members, but we need a clear signal from our elected representatives that they are prepared to act decisively on an issue for which they have responsibility. We would very much like to work with you, and we will answer any questions that you may have.

The Chairman (Dr Birnie): Thank you very much. Could we start with Sinn Féin?

Mr Raymond McCartney: Thank you, Basil, and your colleagues, for coming. You have made a presentation to Sinn Féin before, so I am familiar with some of the issues.

What is the relationship between industrial rating and job losses? Do you have any figures for job losses? What impact would capping at 25%, 30%, 35% or 50% make on job losses?

Mr B McCrea: We predicted that there would be 30,000 job losses within the next three to four years. Subsequently, that figure was backed up, although we did not know it at the time, by the PricewaterhouseCoopers report, which suggested that the loss would be 40,000 jobs. The real issue is one of confidence. The manufacturing sector feels that there is no point in trying to do anything at the moment. If we had a signal that we were going to be listened to that might change.

When we were engaging with the working party, we did not say that the rate had to be set at 25%; we said that between 0% and 100% there must be an optimum level. We were prepared to have research carried out to determine the figure. We have asked, however, for a freeze at the current level until we get the research. We will accept whatever figure the research comes up with.

Twenty-five per cent is probably the level at which we can say that we are being listened to and the rate can be set. We are not being definitive, but we are using 25% as a working assumption.

Mr Raymond McCartney: If the economic base strengthens over time, do you envisage that the rate could increase?

Mr B McCrea: We would be happy with that. There are several issues; it is about competitiveness. If we can address the cost issues, such as electricity, we can accept an increase in the rate. The workforce must be properly rewarded. The average wage here stands at about 80% of what it is in other areas. NIMFG would like to see an increase in manufacturing pay across the board so that a decent wage can be earned for a decent day's work, and we want to contribute to the building of a better manufacturing base.

Mr Raymond McCartney: You may or may not be aware of a current document, which is a study of

reinvestment in the Twenty-six Counties. There is a suggestion that tax revenue cuts are not properly reinvested; they are seen as an incentive. Has NIMFG examined that? What is the relationship between the benefit of derating and reinvestment?

Mr B McCrea: There is a concern that big government spends a lot of money, but not in the right direction. Part of it is the private sector's responsibility in that it cannot just carry on complaining; it has to get involved. When we examined our skills initiative, we wanted to refocus some of that money and deal with some issues. NIMFG strongly believes in a partnership between local government, the trades unions and the business owners.

It is worth saying that typically, our members are indigenous people, though we do have some very large manufacturing concerns as well. Those people tend not to interact very well with Government agencies that come in and tell them how to run their business. However, like anyone in Northern Ireland, if you know how to talk to them in the right way, they will respond positively. There is an issue about a better-focused attempt at getting resources into that area. The current initiatives are not working; though we can see them, we cannot get them. NIMFG would be happy to work with you and take lessons from anyone else, whether in the Twenty-six Counties or Scotland or Wales. The question is whether we can get best practice, and we are a forum for that type of work.

Ms Ritchie: I shall concentrate on the small business relief scheme, because the subgroup has to make proposals that look forward to what an incoming Executive could do upon restoration of the Assembly. What is NIMFG's view of the small business relief scheme, which applies in Scotland and England, but has not been applied in Northern Ireland? Were the scheme to be applied here, would it bring a benefit to the manufacturing sector?

Mr B McCrea: We are not against rate relief for anybody. Small business schemes have a different dynamic. We have the highest proportion of employment in large companies of any UK region, so the people who are really facing a problem are those will have a bill of between £50,000 and £60,000 and up to £1 million. Those types of numbers really affect the decision-making process.

When rates are being set, they are subject to the old 80:20 rule; that 80% of the rates are lifted from the top 20% in the sector. If you were to argue whether it is worthwhile collecting rates from people who only pay £2,000 or £3,000, it could also be argued that it costs £2,000 to £3,000 to collect it — and it is not helping.

The matter of how to get employment growth and competitiveness, which you will want to address, concerns activity slightly above the level of small business areas.

How much impact would a saving of £2,000 a year have? Nobody wants to pay £2,000, but it is the scale of things that is important. Most of our members will lose £30,000 to £40,000, which is effectively the managing director's salary. I am sorry if that is prevaricating a little, but the bigger issue is with the next tier up. However, we understand why the small business sector will take any assistance that can be given.

Ms Ritchie: I know that you have already been involved in the subgroup with the Minister and that you got some amelioration as a result. What outcome would you want to see from the planned review of industrial rating, in April 2007, for the next financial year?

10.45 am

Mr B McCrea: We want to see an ongoing cap at 25%. We are prepared, if the evidence is there, to negotiate around that. The unions would like it to be set at zero, and they have made their position quite clear. When you look at the wider issues, such as corporation tax and various other matters, the one big advantage of industrial derating is that it is doable, and doable now — although it is not particularly easy to get your head around that. Other issues, however welcome and good, come with more baggage. This is something that can be done immediately, and the manufacturing industry would respond very warmly to all of the other social issues that need to be addressed.

Ms Ritchie: Does that mean that you would view the 25% as your upper limit, or your cap?

Mr B McCrea: We said that we were prepared to consider an additional 5%, provided that it was ring-fenced. We have spoken to colleagues in further education colleges, in Amicus, in Belfast City Council and many other councils about this subject. There is an opportunity to do something different, but it may cut across other issues that the Department for Employment and Learning (DEL) is doing, so we cannot say anything yet. However, the simple answer is that 25% is the upper limit that we can afford to pay, but we would engage to see if there were something extra that we could do for other issues. The two are separate, but we are not saying no to the second.

Mr Cree: You mentioned in your report the competitive disadvantage that manufacturing would have as result of industrial rating. Can you summarise why that would be the case? What other problems do manufacturers face in Northern Ireland that are not faced in other parts of the UK?

Mr B McCrea: Our most significant problem is the geographic distance from our markets. We have to freight in most of our raw material, do something with it, and then freight it back out again. Northern Ireland manufacturers are also faced with higher insurance and electricity costs. It was suggested that we might get

some relief from higher electricity costs, but, unfortunately, that £30 million a year fell foul of state aids. We also have higher manufacturing and labour costs, plus 5%, compared with the Republic of Ireland. Although office costs are cheaper here than anywhere else in the British Isles, industrial premises are more expensive.

There is hardly any area in which we have a competitive advantage — even with regard to skilled labour, we are bumping along at the bottom. It is hard to get labour as we have relatively low levels of unemployment now, but high levels of economic inactivity. We cannot get in the people that we need.

When everything is stacked up, even established indigenous companies are saying that Northern Ireland is no place to do business. Since I have the opportunity, I will say that, as regards corporation tax, the typical industrial rates bill would be four times whatever the saving might be if corporation tax were at the Republic of Ireland level. For example, if you paid £40,000 in corporation tax, you would save £20,000, whereas your rates bill would be £100,000 to £120,000.

There is a huge disparity about which factors are significant.

Mr Cree: The Government have told us that not introducing industrial rating will cost a future Executive millions of pounds. What is your response to that? Furthermore, would the training levy to which you refer in your evidence be voluntary or statutory? Would it be similar to that operated by the Construction Industry Training Board (CITB)?

Mr B McCrea: We made it clear to the Minister that the issue was not about having the money anyway: the Government will not raise £80 million. Moy Park Ltd has moved from having three plants in Northern Ireland to one, and Harland and Wolff, which had made up almost 10% of the entire rateable value, revalued and reduced its bill from £10 million to £1 million. Factories in Strabane are closing down, flattening sites and building houses. If industrial rating is introduced, the gap in the budget will still be there, and the money will have to be found somewhere else. We are saying that if the rate is capped, some money will be produced and industry will work with the Government. However, the gap is already there regardless of what will, or will not, be done.

The skills levy should be compulsory — a statutory requirement that will require primary legislation. We are content to go along with that, provided that other Government issues such as the European Regional Development Fund (ERDF) and the European Social Fund (ESF) are brought together so that it can be done properly. The difference that that will make — and we will all appreciate this as we are all from Northern Ireland — is that spending our own money will give us

a powerful incentive to ensure that it is spent correctly. That is why what we are trying to do is similar in concept to the CITB levy. It will be a question of bringing to the fore people who know what skills they want, rather than saying that we have a good scheme and that people can have it if they want it. Assuming that the other issues were resolved, we would accept the skills levy as a compulsory, statutory obligation.

Mr Weir: Thank you for your presentation; you have made a very compelling case.

Mr Cree talked about skills and the potential difference in revenue. The levy would have to be compulsory because no business would put itself at a competitive disadvantage by paying a levy voluntarily. I appreciate your point that it is not possible to extrapolate what would happen based on the level of current payments were we to move towards 100% industrial rating because the best companies will reduce in size accordingly.

What would a 5% levy yield for a skills fund?

Mr B McCrea: The predicted tax take is £80 million. If the cap were placed at 25%, £20 million would be raised. An additional 5% of £80 million, which is about £4 million, could be raised.

Forgive me if those numbers are not completely accurate — the calculation depends on the base figure — but it is approximately £4 million or £5 million. We would like that to be private sector funding so that it could be matched with European money or other skills that might be brought in. A pot of money — perhaps £10 million — might be accumulated.

Mr Weir: Further along the line, towards 100% saturation, the situation could reach a tipping point. That gives us a useful indication. The subgroup needs to consider whether there should be a cap, and where exactly it should be set. Marginal costs will be important to that decision.

The Subgroup on the Economic Challenges facing Northern Ireland discussed a related topic when hearing evidence from Willie Wright of Wrightbus Ltd. Does your group have a view on the calculation of rate liability? For example, due to the nature of the Wrightbus Ltd enterprise, it is obliged to operate extensive premises: one does not sit at a desk to make a bus. No matter how it is organised, such an enterprise will occupy a large area of land. On the other hand, more intensive businesses will occupy a lot less space. Irrespective of what percentage the rate is pegged at, does your group have a view on how it should be calculated? Can NIMFG offer the subgroup any advice or highlight particular recommendations that the subgroup should make?

Mr B McCrea: How to calculate the percentage at which the rate should be pegged is at the core of the

problem. For example, various uses can be made of a slab of concrete. One company might use the slab to manufacture concrete blocks — or as Government would call them “non-ferrous mineral products” — of which Northern Ireland companies sell a lot, apparently. That company would put the blocks in the sun to dry. In that way, it could make a certain amount of profit from that concrete slab. However, if another company were to situate that concrete slab on the Boucher Road, with cars parked on it, that company might derive a more substantial profit. Equally, the concrete slab could be used, for example, to provide office accommodation for the computer industry. As I mentioned, Northern Ireland has the cheapest office accommodation in the British Isles. Therefore, the amount of profit that might be derived from using the concrete slab to provide office accommodation would differ to what could be generated were it to be used by a manufacturing enterprise.

Industrial derating has been around for a long time. Northern Ireland’s industrial development has thrived in spite of the Troubles of the past 30 or 40 years. Even for the manufacture of high-volume, high-weight, marginal products, Northern Ireland was not a bad place to do business, because companies did not have to pay rates. Pull away that advantage, and all the enterprises that have been encouraged to develop here will be jeopardised. Mr Weir mentioned Wrightbus Ltd, but other companies would be affected. Food processing, which is Northern Ireland’s biggest single industry, is in the same category. Although hen houses demand a big space requirement, they operate on relatively tight margins. With the end of industrial derating, food-processing firms may be wiped out.

To cope with that, we would like the subgroup to state that this process should stop now and to invite manufacturers to engage in a way forward. We have agreed with the Department of Finance and Personnel that proper research can be carried out, namely a sector-by-sector analysis to discover the right way forward. At the moment, manufacturers feel that no one really cares any longer. They feel that they have been written off. Were Government to engage with Northern Ireland’s manufacturers, they would contribute where there are opportunities to do so. Where there are problems, NIMFG would do what it could. We do not want our biggest and best companies to leave Northern Ireland because of an oversight.

Mr Weir identified correctly the nub of the problem, and Willie Wright did well to highlight it. Northern Ireland has good companies, such as Wrightbus Ltd, and we must keep them in the Province, rather than them relocate to America.

Mr Weir: I presume that the companies involved — whether in food processing or in manufacturing, such as Wrightbus Ltd — will be hit hardest because of the

physical size of their premises. At the outset, they are likely to be rated at a higher percentage than other businesses.

Furthermore, it is important to address concerns that the additional burden of rates will force some companies to physically downscale, get rid of plants, and so on.

11.00 am

For those companies, the option of closing down a particular plant and selling it on to be converted into houses is potentially more profitable than a more work-intensive alternative.

Therefore greater research needs to be done into the impact that rating would have on various sectors and into the general signal that it would send out.

Mr B McCrea: There is no linear relationship between the physical size of buildings and the profit that is made, even though the rates assume that there is.

My colleagues will be able to provide more anecdotal evidence, but I can tell you that a large employer of around 800 or 900 people in Belfast has already sold its land to housing developers because it can make much bigger profits and can use those to relocate to a country such as Bulgaria. That is happening everywhere. The economics are such that they deter anyone from getting involved in manufacturing here: it would not be the right thing to do. That cannot be helpful.

The Chairman (Dr Birnie): Before there are any further questions, I want some clarification on your response to Margaret Ritchie’s question. I understand that derating is not bound up with state-aid and EU restrictions; we have had it for many years, and it was in place before the UK joined the then EEC. However, I have been advised that DFP’s view — the subgroup will be able to question its officials directly later — is that a cap at 25% or, indeed, at any other level that is ultimately chosen, is likely to be “notifiable” to the Commission. Is DFP correct, or is it being overzealous in its interpretation of European rulings?

Mr B McCrea: I am slightly surprised that you say that. Our understanding is that DFP’s legal opinion is that there are no state-aid issues with regard to industrial derating, in the sense that if it is frozen at 25% and there are no complaints, there is no issue. Even if a complaint is made that is subsequently upheld, all that needs to happen is that one starts the escalator from wherever one has got off. Therefore no penalties or anything else are associated with it. It is a reasonable chance to take. One cannot say that there are no issues, because who knows whether there will be legal concerns? However, DFP’s communication with us indicates that state-aid issues are not a significant factor. We must, therefore, have clarification on that point from DFP.

The Chairman (Dr Birnie): Does the subgroup have any further questions?

Mr Girvan: I want to thank the NIMFG for attending. What impact has the current introductory system had on job numbers?

Mr B McCrea: Obviously, there is a lag between a decision being made not to invest any more and a company chuntering on for a couple of years until its wheels fall off. We want to emphasise that people say that there will be no movement —

Mr Girvan: Are you saying that the problem will not occur this year?

Mr B McCrea: The problem is approximately two years down the line, but we started two years ago.

One issue with this campaign is that, although consultation exercises have taken place, it will only be when people receive their first bill that they will say, “This is terrible — I can’t pay it.” They will then see with clarity that, although they are paying 15% now, in seven years’ time they will be paying 100% — they will not need to be fortune-tellers to work out what their bills will be then, and they will immediately look for alternatives.

Statistics published this week show a downturn in the number of manufacturing jobs. There will be high-profile job losses such as those in FarmFed; however, none of those losses are specifically due to the change in industrial derating. It cannot be said that that is the single factor involved. The issue is about overall competitiveness, with employers saying, “This is not working for us”.

The biggest problem that we face, and my colleagues will confirm it, is that many investment projects are on hold, with companies waiting on the decision on industrial rating. If the answer is positive, people will invest more; if it is negative, they will leave. We are on the brink. In our campaign, we said that there needed to be a decision by Christmas; otherwise it would be too late. We have reached that point now.

There will be thousands of job losses over the next two or three years. Jim Donaghy is the chief shop steward of Amicus and has an overarching role throughout Northern Ireland. What is the job situation, Jim?

Mr Jim Donaghy (Amicus): The impact of the loss of industrial derating will not take place two years down the line — it is happening now. Over the past few months, there have been around 200 job losses in the Lisburn area alone. That level of job losses cannot be sustained.

Over the past three years, I have participated in six sets of redundancy negotiations. I have had to sit in offices and see grown men almost in tears because they are losing their jobs. I am not prepared to witness

that any longer. The loss of industrial derating is having an impact now. Companies are selling off their land, compacting their manufacturing, getting rid of people — putting them on the scrap heap — and using a smaller workforce, which is working harder to achieve the same production levels. The job that is lost through legislation introduced by the Government is one job too many, and it is unfair to the people who voted for that Government.

Mr B McCrea: None of us has a problem with increasing productivity — that is the right path to go down. However, there are health and safety issues involved when a company becomes too small.

The process starts with consolidation, followed by the building of a factory elsewhere, and then the company moves away. As Jimmy said, the impact is happening now, and we know that many redundancies are in the pipeline.

Mr Girvan: What is your view on the small-business rate-relief scheme that operates in Scotland and England? Would that be of help, or is it a waste of time?

Mr B McCrea: There are 5,107 companies that will be affected by the loss of industrial derating, and, of those, 3,000 will have a rates bill of less than £3,000 per annum.

That has an impact if you are a smallish firm, for which much of that is not significant, but it is not where the bulk of the money is coming in from, so we are not convinced that they could not be helped in other ways. We are not trying to put anyone’s good ideas down; however, there is a problem with the bigger manufacturing firms where there is lots of space, but relatively small profits per square foot. That is the area that is hit the hardest and where we need the most help.

Mr Raymond McCartney: This is a follow-on question from Peter’s. Which type of company comes under the most pressure if derating is removed?

Mr B McCrea: Food-processing companies. It can be done in various metrics, but if you take the number of employees as one bit, people who employ between, say, 25 and 400 employees tend to have large overheads but not a huge turnover.

There are 5,000 companies affected; we have said that 3,000 are small so that is a separate issue. However, of the 2,000-plus companies that we think are the issue, the top couple of hundred are big and profitable and able to do OK — they probably have grants and supports. They certainly have the resources to tackle those things. Therefore there is an issue with them as a body as well.

However, it is the unsung heroes — the people who are just making cow gates, for instance, or very important things that are going on in the local economy — who

are the ones who are taking all the pressure. A lot of them, as Patsy will say, are on the periphery or in mid-Ulster. Those people are the backbone of our economy, and they are the ones that have a big problem.

Even for the very big ones, the problem is not about affordability — some people cannot afford this, others can. However, the most rational question is this: we are Fintech in Dungannon, owned by Mexicans, so what are we doing on this side of the border, or even in Ireland?

At the top end are hard-nosed accountants looking at you crossly and saying that this is not the right place to be. On the next tier down are the home-grown, indigenous people, the fast-growing economies, the growth-people coming up and struggling because they cannot afford it. The range is a wide one.

Mr Raymond McCartney: Therefore, in your view, a graduated, or different, approach for a different type of company is not the way out of this?

Mr B McCrea: You can analyse the sector and determine what happens in food processing. Consider Lakeland Dairies, which has a big plant in Newtownards and Cavan. Where is the next set of investment going? If only one plant is continually invested in, the other will eventually be closed down.

Therefore, I am saying that all of the food-processing, steel, furniture and concrete block manufacturers are on the wrong side of the weight-to-volume- to-profit ratio. As we said earlier, the whole of our economic development has gone down that road. We wanted a simple solution. The beauty of having the cap at 25% is that it would allow a genuinely level playing field, and the economy would then take over. That would be a good first step.

However, if a really profitable sector that ought to be paying something is discovered in a future analysis, it might be looked at. The one reason we have not gone down that route, which you can check with DFP, is that it is our understanding that we are not a state-aid issue, provided that we do not change the existing formulation in any way.

If we said that we do not think that the cold stores that were built for beef intervention are manufacturing, and if they are taken out of the loop, the scheme changes and becomes “notifiable”, and I am quite sure that those people who were receiving relief but are not longer getting it, will make a complaint.

The issue is that you must stick exactly to what you have got; the benefit is that it is doable now and produces maximum good. It is the 80:20 rule in reverse, in that most of the people that you are dealing with are the big manufacturers.

I am sorry if that was a complicated answer.

11.15 am

Mr Raymond McCartney: It was fine. My next question is for Mr Donaghy. Was the loss of 200 jobs in the Lisburn area solely due to the end of derating, or were other factors involved?

Mr Donaghy: Yes, it is down to the end of derating. The company that made those redundancies is selling off land.

Mr B McCrea: Will you explain the numbers for Montupet?

Mr Donaghy: In the past three years, employment at Montupet has gone down from over 1,000 workers to just over 500. The company has sold off quite a bit of land and moved its wheel-production operation to France. We tried to stop that move but could not because it is not economically viable to make wheels here. As a result of that move, the company has made redundancies and half of the factory is being cleared out and will be put up for sale.

Mr B McCrea: What is Montupet’s rates bill?

Mr Donaghy: It is between £800,000 and £1 million. That may not sound much for a company in that industry, but, in fact, it is. However, companies will not pay such rates bills. Instead, they will restructure, which is a polite way of saying that they will get rid of 60 people in order to pay the rates.

I reiterate the point that the end to derating will cost jobs. It may not cost any MLAs their job, but it will certainly cost my members’ jobs, or even mine. We cannot keep going down that road.

Manufacturing in Northern Ireland is in deep trouble. In the past, 180,000 people were employed in manufacturing jobs; today, that figure is 90,000. Basil mentioned 30,000 jobs. That figure is wrong, and I will tell you why: for every two jobs lost in the manufacturing industry, one will be lost in the service industry, because the money will not be going into the Treasury to pay for it. Basil is wrong, as there could be a total of 60,000 job losses, depending on how many manufacturing jobs are lost.

Please let me explain the situation, as it is a very serious issue for trades unions. We did not take the decision to join the NIMFG lightly, because being trades unionists — I do not want to use the word “bosses”, but I am sure that you know what I mean —

Mr Raymond McCartney: Go ahead; use it.
[Laughter.]

Mr Donaghy: We seriously considered joining the NIMFG and thought about whether the group was aimed at employers trying to get a fast buck and get more money in their back pockets. However, it must be said that we are in complete agreement that the introduction of industrial rating will cost a massive

amount of jobs. We need to stop it. We believe that the NIMFG has been too polite in saying that it will negotiate from 0% to 100%. It should have said that negotiations would start and end at 0% because, as I said, the loss of one job is too many.

Mr Raymond McCartney: That is the flexible approach.

Mr Donaghy: It is called negotiating.

For us, it is important to keep manufacturing at its current level. It is also important that we maintain a sensible head and realise that there are people who may be able to pay industrial rates and those who may not. Only the people who can pay rates should have to pay rates, but how can they do that without getting rid of jobs to pay them? It must be across the board. If the corporation-tax rate is stuck at 25%, that is it. We are totally against it.

Mr B McCrea: I am sorry to interrupt, but Patsy Forbes has been sitting here for a while and has not had a chance to speak.

Mr Raymond McCartney: We must hear from the bosses.

Mr Patsy Forbes (Northern Ireland Manufacturing Focus Group): I am indeed sitting here, and I am extremely cross. My company employs 65 people in a place on the shores of Lough Neagh that always used to be called the asshole of nowhere. It supplies furniture to schools in Northern Ireland, England and down South. I am proud to have started the company 40 years ago, and I am now trying to get my son into the business. If I were to do the right thing, I would knock the whole thing down to build houses, because the land is in the building zone.

We sit here, however, and try to convince people like you. You should be ashamed of yourselves, because you live in Northern Ireland, and you know the position. Why are you not giving us your full support, instead of adding pressure to our margins? Our margins cannot take it: they are getting tighter and tighter, and you are allowing that to happen. We have come here to put our case before you — as we have been doing for some time — and, as far as I am concerned, we are not getting very far.

As chairman of the Northern Ireland Manufacturing Focus Group, I talk to people who are concerned about the matter. I am simply stating facts that the subgroup needs to know. Members of many different parties are around the table today; however, their supporters are not at all happy with some of the things that are being said. Do not forget that I defend MLAs at all times, but I am fighting for the people who speak to me. Perhaps something can be done for the good of manufacturing in Northern Ireland to create more jobs, or at least, to maintain existing jobs. However, a lot of companies

have told me that they have new buildings to construct but that they are holding off doing so. They ask me what is happening and what they should do, and I advise them to hold off, because something will happen. I can name those companies, and I can even name companies that are prepared to leave mid-Ulster and go down South. That is the real situation.

Mr B McCrea: I am far too polite for this game.
[Laughter.]

Given that people have genuine concerns and frustrations, I brought my two colleagues with me today. People feel that the situation is not sensible and is counterproductive. They want to do the right thing, and they have tried, at every juncture, to approach people in the right way. The point has been made that when water charges are imposed, employees will have to pay; when rates are increased, employees will have to pay; and when industrial rates are increased, employees will have to pay. That is because businesses operate within certain margins.

I will describe what happens when a company wants to sell chickens to Tesco. Tesco tells the company that it insists on an annual 5% reduction in the price. To achieve that, the company must invest. If the company then goes back to Tesco and asks whether it can increase its prices because of an increase in rates, Tesco will simply say that it is sorry for the company's trouble but that it will buy its chickens from Brazil.

Our margins are being squeezed from the top and bottom. The only way to deal with that — because the situation is not hopeless — is to invest. However, if companies are considering investment in automation, skills, product development and all the good areas in which they are supposed to invest, they simply ask themselves whether it would be better to do it here or in Limerick, in Poland or wherever.

NIMFG is grateful for the opportunity to explain to the subgroup what is happening. Had we a representative body with which we could work and to which we could explain the issues, it would transpire that everyone wants the same things: decent jobs, decent wages, decent skills and enough money coming in from the corporate sector to enable development in other areas.

Frankly, people are leaving in their droves, and those who come here are the ones who care. The rest simply leave, saying that it is not their job to run the country.

I hope that the polite side of NIMFG has also made a useful contribution.

Mr Forbes: I have one question, Mr Chairman. As chairman of the Northern Ireland Manufacturing Focus Group, what am I supposed to tell my members? When I tell them that I was at Stormont, they will say, "What

are the views there? What way are things going?" Can anyone tell me what I should be saying to those people?

The Chairman (Dr Birnie): That is a fair question, and it is a hard one to answer. Until devolution returns, the role of this subgroup is to produce recommendations in the hope that the direct-rule Administration will listen. Sadly, there is no guarantee of that. You talked about telling it the way that it is. Unfortunately, that is the way that it is from our point of view.

Time is moving on. Margaret has the final question.

Ms Ritchie: If I may be so bold, I wish to say that the members of the subgroup sympathise. However, control of those matters is not in our hands as yet, and, if it were, things might be different.

I have a two-part question. How many jobs have already been lost due to industrial rating? Apart from the 25% cap, what other policies would you like to see a devolved Administration introduce to assist the manufacturing sector and job creation here?

Mr B McCrea: If I were to put a figure on that, I would say that about 5,000 jobs are affected. That is quantification. There are 5,000 jobs that are at risk or that could have come into being but did not. A lot of money is spent addressing the problem — people understand the problem with lack of skills. However, the majority of the money does not get to where it supposed to go. That may be because people will not apply for it.

Everyone says that R&D is the way forward. Northern Ireland gets £20 million from the European regional development fund (ERDF). What do we do with that money? F G Wilson is given £1.2 million. The same amount is given to Seagate. We give money to the same people — to companies that are already getting a package of £45 million. We do not engage properly.

I can give an example of a man in Ballymena who built a mushroom-picking machine that is now in use around the world. He did not get one grant for it. If he had gone to the various agencies and tried to explain that he thought that there was a market for mushroom-picking machines, they would have laughed at the idea.

Local representatives know people like Patsy and Jimmy in their own constituencies; they know that they are the people who make things happen. You must talk to them and find out what they would like to do and find a way to get the resources that they need to go and do it. Then they will rebuild the economy. Talk to people in the further education colleges and tell them that we need welders and plumbers. None of us can afford to train one person. The minute that people are trained, they are snaffled by someone else.

There is market failure. We need a collective in which each member trains one welder, for example. Then there will be a pool.

That is the form of integrated government that we would like from local representatives. We would like to see better management of resources and a closer relationship with the wealth creators, and with the employees, who also create the wealth, while working together with our social partners in the unions and the local councils. That is the best that you can do for us. You have the opportunity to divert resources in the right way.

We recognise that, in the past, manufacturing kept its head down. I do not wish to make too strong a political point, but if manufacturers put their head above the parapet, one of two people came to see them: either the income-tax inspector or someone even worse. *[Laughter.]*

11.30 am

Let us simply say that it was not a good idea. However, now all sorts of legislation that may seem good — on the environment or other matters — is being passed without any understanding of the impact that it will have on the economy. Therefore we are now saying that we will engage with politicians.

The Chairman (Dr Birnie): Gentlemen, thank you very much for attending, for your written submission, and for answering all those questions. We will certainly reflect carefully on your comments, particularly as they come from the coalface of the manufacturing sector. We wish you well in all your work. Have a happy Christmas and a good holiday.

Mr Forbes: Thank you.

Mr B McCrea: Thank you, Chairman. I wish to put on record that, although we have demonstrated some passion while talking to you, we are aware of the support and engagement that we have had from the political parties and from members of the subgroup. We are very grateful for that and we are more than happy to talk in other places and at other times. We appreciate your help.

The Chairman (Dr Birnie): Members, we shall now hear joint evidence from representatives of Help the Aged and Age Concern.

I shall introduce our witnesses. They are: Elaine Campbell, head of policy for Age Concern; Pam Tilson, political affairs officer for Age Concern; Duane Farrell, head of policy research and communication for Help the Aged; and Michelle Bagnall, policy officer for Help the Aged.

You are all extremely welcome. Thank you for your written submission, which members have already had sight of.

Time is short, but we would certainly welcome any brief introductory remarks. Then, with your agreement, we will move to questions.

Mr Duane Farrell (Help the Aged): We would like to make a brief opening statement. I welcome the opportunity to speak to locally elected politicians. It is the view of both of our organisations that devolution delivered results for older people when we had a local Assembly. We look forward to a time when a devolved Assembly can again look after our older population.

Help the Aged and Age Concern support the principle of rating reform, because it will lead to the redistribution of the rating burden. Those who can afford to pay more should do so, and those who cannot afford to should be protected. The debate should be viewed in the context of poverty. Poverty in Northern Ireland's older population is a serious issue, with 20% of older people living on or around the poverty line. A local academic, Prof Eileen Evason, has claimed that we underestimate the seriousness of pensioner poverty in Northern Ireland and that disabled older people are having their disability benefits included as a means of income, when they are actually required for meeting their extra living costs.

Lady Hermon recently asked a question in the House of Commons on the levels of pensioner poverty. She was told that between 2002-03 and 2003-04 there was a 2.8% increase in the number of older people living in poverty. That equates to approximately 8,200 pensioners. We, therefore, view the debate on rating reform in the context of poverty. Help the Aged and Age Concern are committed to addressing the issue of pensioner poverty, and both organisations recognise that new rates bills together with water charges and energy price increases are due next year. Those costs will have considerable adverse impact on older people who are living in poverty and on low incomes.

There are many priorities, but the key priority, pension reform, is outside of the auspices of this subgroup. Pensioners must have a decent, liveable income, and I urge the Assembly, direct rule Ministers and MPs to lead the charge in Westminster. In the interim, we do not want to see any older person being pushed further into poverty.

We have identified some priorities that do fall within the remit of the subgroup.

We must ensure that older people are not pushed further into poverty, and additional rate relief should be provided to mitigate the impact of the introduction of new rates bills. There also needs to be ongoing monitoring of the introduction of the new rating system, and we will be working with all parties in that regard. Benefit take-up is key to the additional rate-relief element, and a benefit take-up strategy is inherently important. There must also be effective

communication to older people about any changes in the rates bills. Those priorities must be addressed.

The Chairman (Dr Birnie): Thank you. Mr Weir will begin the questions.

Mr Weir: Your submission made a strong case for the reduction of 25% for single occupancy that would put us into line with what happens elsewhere, and there is merit in that. Considering that the Minister said that he intended to receive submissions from parties and others so that he could reduce any potential relief quickly, have you any other ideas on rate-relief schemes for pensioners and what they would cost?

Ms Elaine Campbell (Age Concern): Help the Aged and Age Concern have been working with the DFP on a scheme, and the Department has laid out a number of options. I know that its officials will be speaking to you later today. One option that has been agreed in principle is an increase of the personal allowance, and there are several ways in which that could be done. Single-pensioner households are worse off than pensioners who are part of a couple, so the personal allowance could be increased from 10% to 15%.

Mr Weir: What do you mean by the personal allowance?

Ms E Campbell: That is income per week. An increased personal allowance that is allocated per person would have a greater impact on lower income pensioners, particularly those who are at the near benefit level. The Department has informed us that that would cost between £3 million and £4 million per year.

The proposals are not finalised, but Help the Aged and Age Concern feel that, in principle, that is possibly the best way forward. However, we include the proviso that the first year or two of the scheme should be monitored and evaluated to check whether it is the most effective use of money and whether it is capturing the pensioners most at risk of poverty. If that is not the case, the scheme must be reviewed to see what more can be done.

Mr Weir: I appreciate that this is a work in progress and that you may be reluctant to be too definitive about the matter. However, it would be helpful if you could pass that information on to the subgroup as soon as you receive it. It would also help us, as politicians, to argue the case for pensioners.

I want to mention communication and the need to ensure that there is widespread take-up of whatever reliefs happen to be available. I presume that, like me, you have concerns about the fact that there appears to be proposals to cut the number of pension credit advisers throughout Northern Ireland. That would have a detrimental impact on pensioners. Depending on what rates relief system is eventually agreed, that could lead to take-up being reduced.

Ms Pam Tilson (Age Concern): Absolutely. Both Age Concern and Help the Aged have grave concerns about that. We are particularly concerned that the Department for Social Development's advice strategy of last year, 'A strategy for supporting delivery of voluntary advice services to the community', tends to move away from specialist advice, focusing instead on the provision of advice centres in geographical areas. Organisations like ours provide specialist advice on a regional basis, including advice on benefit take-up, and we have particular expertise in benefits for older people. The local advice centres may not necessarily have that kind of expertise, and often they refer a person with a particularly complicated benefits query to the Help the Aged "Senior Line" or the Age Concern advice line. The whole advice strategy is focused on geographically based advice hubs, and it does not recognise the value of, and need for, specialist advice.

Benefit take-up will affect eligibility for the affordability tariff scheme for water charges — people who are entitled to social security benefits will also automatically be entitled to the affordability tariff. A strategy must be implemented to ensure that people are aware of that and that they take up benefits, and the agencies involved must be properly resourced.

Ms E Campbell: Despite the fact that the rates bills will not be payable until next April, our advisers are telling us that there is already a huge increase in the number of callers worried about rates bills, and, of course, water charges. That is a very pressing concern at present. The advisers expect that, after January, the number of calls will increase even more sharply.

The Chairman (Dr Birnie): Thank you. That was very interesting.

Mr Cree: Both organisations propose a 25% discount on rates for single-pensioner households rather than a universal discount. Can you explain the rationale behind that proposal? It seems a bit unfair on households with two pensioners, neither of whom may have savings or private pension funds, and one of whom may be a carer.

Mr Farrell: Again, I return to an earlier point that poverty is experienced most acutely by single pensioners, primarily female single pensioners. They are most likely to have broken National Insurance contribution records, and, if their partner or spouse died, they would have only a reduced, rather than full, entitlement to their occupational pension. That is the rationale behind our proposal.

I can give the subgroup figures from the extensive research carried out by Prof Eileen Evason, who has produced some alternative lines on poverty, which take into account disability and disability benefits. According to those alternative lines, 75% of single female pensioners are living below the poverty line.

Any strategy must clearly target resources at those who are in most need of them.

Mr Cree: In identifying that particular vulnerable group, do you not accept that you are, to an extent, sacrificing the other one, which also has a great need?

11.45 am

Mr Farrell: Part of our understanding is the fixed costs that are faced by any household, whether it has one income or two. I will try to find figures on the disparity between single pensioners' incomes. It is the equivalent of around £70 each week on average. Although I acknowledge the point that the member makes, and in a utopian universe we would be able to provide protection for all, we must work in the context of a £4 million pot. We have worked with DFP to examine how that can be targeted most effectively. Therefore, that is the basis of our view.

Ms Ritchie: At present, the Government do not have any provision for a hardship scheme. I suppose that they have based that on the assertion that the relief scheme that they want the subgroup to concentrate on will be sufficiently comprehensive. However, there are already people in the poverty trap who are just above the eligibility threshold for benefits. Duane has already referred to those people. How would you envisage the development of such a hardship scheme if one were to be introduced?

Ms E Campbell: Those who are worst off will benefit from the new scheme, in any case. We hope that amending the personal allowance will catch those people who are just on the line or slightly above the benefits threshold. That is why it is so important to ensure that monitoring and review is carried out within a year to two years of the scheme's introduction. If, by that point, it were decided that a significant number of pensioners had not been captured by the scheme, we would consider how to rectify that.

Ms Ritchie: On the issue of capping, I noted that the aim is that it will have minimal impact on the rates bills that are issued to low-income families. Can that aim be elaborated on?

Mr Farrell: We acknowledge that we support the redistribution of the rates burden, and we believe that those who can afford it should pay more. Any introduction of a capping arrangement should have a negligible impact on lower-income households. The figures show that £1 million would be lost in any new capping arrangement. Low-income households should not be forced to pay extra in order to meet the burden of that redistribution.

Ms Ritchie: What is the estimated uptake of any relief schemes of which pensioners can currently avail?

Ms E Campbell: We have attempted to get statistics from several sources. Unfortunately, comprehensive

statistics on benefit uptake are not available. It is particularly difficult to get statistics on those issues, particularly in the owner-occupier sector for housing benefit. We have examined that area in our work with DFP. We have had considerable difficulty.

Mr Farrell: With regard to housing benefit, we have a small amount of information. If we use pension credit uptake as a proxy to the attitude of older people towards claiming the benefits to which they are entitled, between 39,000 and 74,000 pensioners in Northern Ireland are entitled to pension credit, but are not claiming it. That is equivalent to between £95 million and £221 million.

We recognise that means-tested benefits do not work for older people. We also acknowledge that the Government are investing in uptake strategies. Our top line is that it is about providing a decent pension for everyone. For older people, there are issues of dignity and of accessibility to the benefits to which they are entitled. Older people continue to live in poverty. That tells us that means-tested benefits do not work. Although that does not indicate how older people feel about the rates rebate in particular, it tells us how they feel about other benefits.

Mr Raymond McCartney: For our information, do you have any figures on how many older people are paying rates?

Mr Farrell: If you bear with me, I am sure that we have something here.

Mr Raymond McCartney: Perhaps we could return to that.

Ms E Campbell: I will address a point that Leslie raised. We were asked what the average income was. The information that we have is that the average single pensioner's median income is £146 after housing costs. The average pensioner couple's equivalent is £274. That is the net median.

Mr Cree: They are averages, though?

Ms E Campbell: Yes, they are averages.

Ms Michelle Bagnall (Help the Aged): That is the median figure, which is different from an average.

Mr Cree: There are exceptions in each of the groups. I am concerned that those falling below the average would be missed. Pensioners as a whole are a needy group, but it would be wrong to focus solely on the average or median figures.

Ms Tilson: May I return to what Margaret said about benefit up take? It is worth remembering that both rates relief and housing benefit are tapered benefits. One might qualify for as little as a 10p per week rate rebate or housing benefit, but each is a "passport benefit", providing access to the affordability tariff for water charges or to a new rate-relief scheme. The

problem is that a lot of people think that their rebate will be for only a very small sum, and that it is not therefore worthwhile filling out a complicated form to claim it. They do not realise that a 20p per week rate rebate would qualify them for other benefits.

Ms Ritchie: Thank you.

Mr Farrell: Raymond, to return to your question, I am sorry that we do not have that information to hand, but it is something that I can send to you subsequently.

Mr Raymond McCartney: Do you sense or have any analysis to show that this becomes a greater burden as people get older?

Mr Farrell: Yes, indeed. We know that as people get older, they tend more to live on a fixed income. Age discrimination means that older people cannot find employment when they want it. A significant proportion of older people rely exclusively on the state pension and means-tested benefits as their sole means of income. An important statistic, from memory, is that over 50% of pensioners live on less than £10,000 per annum. I hope that Michelle will be able to confirm that figure. The logical conclusion is that people living on a fixed income have less disposable income as they get older, and, therefore, water charges and energy price increases become more of a burden to them.

Mr Raymond McCartney: That is related to Leslie's point. Where there is a needy group, there should be relief. Part of the subgroup's task is to make recommendations. We need to consider relief for people as they get older. I should declare an interest — both of my parents are in their eighties.

Mr Cree: I thought your declaration of interest was for yourself. *[Laughter.]*

Mr Raymond McCartney: Relief for older people, perhaps at age 60 or 65, is an excellent idea.

Ms E Campbell: As we pointed out, when a household becomes a single-pensioner household, there is a sharp decline in money available. A number of the fixed costs do not change, but when there is only one person, rather than two, attempting to meet those costs, he or she will find it difficult.

Mr Raymond McCartney: Margaret touched on capping. Have Age Concern and Help the Aged explored the alternatives?

Mr Farrell: To be frank, we have been concerned with the low-income aspect of the rates debate. We have not researched the options available with capping. Our priority is to ensure that older people living on low incomes are protected.

Mr Shannon: Chairman, I apologise for my absence this morning. I had a disability living allowance appeal to attend and I missed the first session. My question follows on from Mr Raymond McCartney's comments

about those who are already in receipt of benefit. I hope that you will send us the promised figures quickly. They will give us an idea of how many will not benefit from a rates rebate.

You have spoken about the 25% discount in relation to single-occupancy pensioner households. Do you consider that that discount is sufficient to help those who are not in receipt of income support and are therefore excluded from other benefits?

If the figures are correct, how much will a reduction of 25% really mean to people who are trying to deal with the potential added costs?

In addition to that, and further to Leslie Cree's point, in my position as an elected representative I have come across, on numerous occasions, people with tiny pensions — perhaps between £11 and £15 a month — that, to be truthful, are absolutely crap. Those sums are meaningless and keep those people outside the benefit circle, so that they are ineligible for income support. There will be some people who fall outside of your figures, and I wish to ensure that we get to them. People who are close to but not yet in the poverty trap will fall into it, and there will be no relief system for them. There are several questions that arise from those points, and I am keen to hear your opinion.

Finally, is there any system, other than the 25% single-occupancy discount scheme, that might be better?

Mr Farrell: Help the Aged and Age Concern are national charities that operate throughout the United Kingdom, and we are looking to learn lessons from our colleagues in Scotland, Wales and England where a 25% single-occupancy discount scheme already exists.

For us, the rationale behind the 25% scheme is that, where there is a fixed set of costs to be met, fewer services will be used by the single-occupancy household with one income than by the one next door where perhaps four or five people live and there are multiple incomes. That is common sense. We are aware that, for those people, there is a near-benefits threshold. That is a steep shelf for those who are £1 over the capital or allowance limits, and, in the end, they may pay a significant amount towards their rates bill and lose the support that those schemes are designed to give. The rate-relief scheme that was part of rating reform captures those people who are near to benefit thresholds and makes the shelf less steep. Developments that have taken place between the previous rating system and the new reforms will ably cater for that near-benefit group.

Ms E Campbell: We try to be pragmatic. We realise that there is a limited pot of money available and that the new rate-relief scheme will act as a passport to reduced water charges when the affordability tariff is applied. Therefore, we take the view that there must be

a system in place that is adequately funded and sustainable over the coming years.

Ms Bagnall: Mr Shannon, you asked about the impact of the 25% discount. When different methods are used to calculate a person's eligibility to benefits, the difficulty lies in assessing and applying that across the population. In the pensioner rate-relief working group, we asked what the effect would be when the discount was applied to all pensioners in Northern Ireland — would it affect 10% or 60%? We hold the view that a 25% discount, if it were an addition, would, of course, help. However, an impact assessment is difficult because there is a limited amount of data to link an individual in a household to the capital value of that house, and to the income and benefits that the household receives. That is the challenge.

Mr Shannon: Over the past few weeks, it has come to my attention that the number of pension advisers is about to be reduced.

Mr Weir: I asked that question about 10 minutes ago. Obviously, the Member was not listening.

Ms E Campbell: We are aware of that problem, and it is a concern.

Mr Shannon: My apologies; I was reading my notes.

12.00 noon

Mr Farrell: Help the Aged and Age Concern are involved in a benefits take-up pilot scheme called A to B — access to benefits — and through that we have researched older people's attitudes to benefits. That point builds on what I discussed with Margaret. Older people prefer speaking to independent advisers; they do not necessarily trust giving Government advisers details of their savings.

Mr Cree: I wonder why that is.

Mr Shannon: I have information to the contrary. You could not get better people than the pensions advisers in Downpatrick and Newtownards. They are there to assist pensioners, and they are open and helpful. It is unfair to say that there is a lack of trust. The two pensions advisers that I know have been very good.

Ms Ritchie: They work for the Social Security Agency (SSA).

Mr Farrell: Let me clarify my point. I was not slighting pensions advisers; I am reporting the perception that older people have about feeling more confident and comfortable speaking to independent advisers. Help the Aged has just participated in several focus groups in Newry, Larne, Belfast and Enniskillen. When the subsequent report from those meetings is signed off, I will have no problems in sharing it with the subgroup.

The feedback from that work indicates that older people perceive that trust is an issue. That is no slight

on Government pensions advisers. However, older people do not feel entirely comfortable giving Government advisers information about their incomes and savings. They feel that speaking to such people would upset any benefits that they already receive.

I can forward the subgroup the report, which is in the process of being signed off.

Mr Shannon: I would appreciate having those figures. Most of the people who come to me need help with money, so they are happy to discuss what they have, which, quite simply, is nothing.

Ms E Campbell: Age Concern and Help the Aged prefer that people get as much advice as possible. Some clients who use our services telephone with a query on one issue, but other issues emerge in the conversation. Once they have one sympathetic telephone call, they tend to telephone back with other concerns. It is not that one organisation is necessarily better than the other: they both fulfil a very important role for older people. Therefore we would not be happy if any advice lines were cut.

The Chairman (Dr Birnie): Thank you. What is your view on the £16,000-savings threshold?

Ms E Campbell: Research indicates that not many pensioners have savings of over £16,000. The DFP working group explored that issue and considered different options, and it found that not many people have savings of that amount.

Mr Cree: Michelle Bagnall referred to research undertaken by Help the Aged. What impact will the new rating system have on pensioner households? When considering such matters, do you take on board other issues, such as the incoming water charges?

Ms Bagnall: When a new rates bill and water charges are applied, the assumption is that they will have a negative impact on existing poverty levels. However, given the limited data that is available for households in which capital value is linked to income, statistics and specific research cannot say conclusively what that impact will be. Therefore that conclusion is based on the assumption that the householder already has a limited income. A certain percentage of households are already below or near the poverty line. An added bill would therefore have a negative impact.

Mr Cree: Those comments can be made in the abstract.

I have been involved in several cases in which people have been desperate.

Mr Farrell: Absolutely.

Mr Cree: I cannot see how they can manage. How many specific examples of those types of cases do you have?

Mr Farrell: We have anecdotal evidence, not a research document.

Older people we talk to tell us constantly that they have to choose between heating and eating: they have to choose whether to put food on their plates or turn on their heating systems in the winter months. Help the Aged conducted a perception study of elderly people and excess winter deaths. That found that during the cold winter months, they turn off their heating, they stay in bed longer, and they wear outdoor clothes inside to avoid turning on the heat. Therefore people are forced to make the choice between heating and eating.

My research on the new targeting social need (New TSN) strategy and the subsequent 'Lifetime Opportunities' document revealed other problems. In one case, one woman's husband had a continence problem, and providing fresh underwear for him was a difficulty. Problems such as being able to afford underwear for a partner who is incontinent is a real issue, and they need to be understood. That is the kind of everyday issue that we take for granted.

Older people are faced with very real lifestyle choices. Anecdotally, we know that the £200 winter-fuel allowance is not spent on fuel at all but on Christmas presents for the kids or grandchildren.

Again, those issues have arisen in our dialogue throughout the year with elderly people. However, that anecdotal evidence is not robust enough to be presented as research.

Mr Cree: Do you have any information about illnesses, for example, that may be attributed to people's low-income and high-cost situations?

Mr Farrell: Statistics from the Office for National Statistics (ONS) and the Northern Ireland Statistics and Research Agency (NISRA) show that there have been 1,994 excess winter deaths of older people in the five years since the start of 2000. This year has been the worst, with 456 such deaths. Cold exacerbates existing conditions; therefore, there is difficulty comparing winter to summer deaths.

Ms Tilson: Moreover, Age Concern has done quite a bit of UK-wide research on the minimum income that is required for healthy living. As well as incorporating the ability to keep one's home warm, in proper repair and affordable, healthy living addresses being able to afford a healthy diet and having access to transport.

Mr Farrell: We can leave some of that information with you.

There is not a huge amount of data on pensioners' savings. However, the family resources survey reveals that the proportion of single pensioners who hold savings of more than £16,000 is very small.

Mr Raymond McCartney: We are meeting with representatives from the Department of Finance and Personnel this afternoon, and I know that you are on the working group with those people. Hansard is also recording this dialogue, so you have to be careful about what you say. How do you find the relationship with those departmental officials? Is it a good group? Do you feel that you are being listened to?

Ms E Campbell: Working on it has been very productive.

Mr Farrell: We found that the departmental officials were willing to listen to the issues. The people involved have been really committed to our view, which is that rates should not push people further into poverty.

Mr Raymond McCartney: Are you invited to their Christmas party? *[Laughter.]*

Mr Farrell: Tell them to put the money into rate relief — do not invite us to the party. *[Laughter.]*

Ms Tilson: Our relationship with them has been markedly different to the dealings that others have had with some of those who have been involved in the water debate.

Ms Ritchie: We note that you are doing this work with the Department, which has said that a short paper outlining a number of options is being prepared. Is that draft paper nearing conclusion?

Is the working group considering a single person's discount scheme for pensioners or a deferment scheme?

Mr Farrell: Deferment has not been on the table during this process. Indeed, there is a lack of information about deferment. Legislative provision has been made for it, and Help the Aged is keen to be part of that debate.

At the start of our work with DFP, we were instructed that our discussions would be based on the existing housing-benefit infrastructure, and, as such, the 25% single-occupancy discount could not be considered. However, we remain quite committed to such a measure. The evidence shows that poverty is disproportionately experienced by single people. On that basis, we still advocate a 25% single-occupancy discount.

The paper is very near completion.

Ms Bagnall: The paper will go before the Minister either today or tomorrow. We signed off a final draft at the beginning of this week. I am not sure when it will be available to the subgroup, but DFP was to sign it off during the week.

Mr Farrell: It is important to consider the question of the proposed enhanced pensioner relief of £4 million a year. That relief needs to be a long-term commitment; it should not be a one-year or two-year

commitment over the next few years to mitigate the impact of the new rating system.

Ms Ritchie: Therefore it should be a long-term commitment of £4 million.

Mr Farrell: Yes, on an annual basis.

Mr Cree: We have grave reservations about means testing, which you obviously share. Are there any fair alternatives to means testing that would allow people to get a little more?

Mr Farrell: Help the Aged is of the view that a citizen's pension, based on residency as opposed to contributions, should be introduced. That would acknowledge the impact on those people — specifically women — who have broken contributions records. A citizen's pension should be set at a decent standard of living so that it would obviate the need for means-tested benefits. Money that goes towards means-tested benefits would be put into the pensions pot and, as a matter of right, people would be given a decent standard of living.

As an aside to that, research published by the Joseph Rowntree Foundation in 2005 states:

"the minimum income that people over 65 ... would need in order to live in a healthy way was £123 a week for a single person and £193 a week for a couple. These figures, which exclude rent or mortgage and rates, are therefore after deducting housing costs."

The average single pensioner's income falls short of this by £23, and pensioner couple's by £7.

That reinforces the point that means testing is not working. The money that goes towards means-tested benefits should be put into the pensions pot. People should not get a pension of £83 that is topped up by benefits but, as a matter of right, a pension provision of a minimum of £115 a week. However, I recognise that the ability to do that falls outside the auspices of the subgroup.

Mr Cree: You have stated that there is little evidence of single-person millionaires.

Ms E Campbell: Yes, very little evidence.

Mr Shannon: Just Peter Weir. *[Laughter.]*

Ms Ritchie: You said that with a certain level of confidence.

Mr Weir: It is much more likely to be you than anybody else, Jim.

Mr Cree: The fact that there are not many single-person millionaires may not come as a surprise to the Minister, as one of the reasons that the Minister gave was that the single-person's discount scheme could perhaps create many such people.

Ms Stanton: This question may have been asked already. Through your meetings with the Department, has it been made clear that bids made under the comprehensive spending review 2007 will cover the sum that Margaret mentioned?

Ms E Campbell: Yes, as far as we were aware. When the group began convening, we were told that there was a pot of money of approximately £4 million. We need to devise a scheme that meets the greatest need and covers the greatest number of people but that falls within that monetary range.

Ms Stanton: Then again, you will fall short of that task because there is not a high uptake of benefits among older people.

12.15 pm

Ms E Campbell: Yes. I am not sure that you were here when this was discussed earlier. It will be important that monitoring and review mechanisms are built into the process from the beginning. Those mechanisms should also be funded to ensure that, if only £2 million appears to have been spent, the reasons for that could be found. For instance, it will be possible to review questions such as why only £2 million was spent; whether the scheme captured the correct number of people; and whether fewer people were entitled to the scheme than was originally envisaged.

It is hoped that those mechanisms will be built into the process. Any necessary changes can be made in the first year or two of the scheme's operation.

Ms Bagnall: Help the Aged's submission strongly recommended communicating information to pensioners about their entitlement to rate relief or to enhanced measures. It is important that that information is properly targeted. We must examine innovative ways to send information to pensioner households.

The Pension Service sends a pack to all householders approaching pension age that contains specific information and an invitation to claim. That is a good opportunity to insert other information to help claimants to determine whether they are entitled to additional rate relief and, indeed, other benefits. As Mr Farrell mentioned earlier, many people are entitled to pension credit but do not claim it. Our paper suggests that there are new ways to communicate those entitlements and enhanced measures to pensioners.

Ms E Campbell: Age Concern is committed to the advice line, so that when callers ask about rate relief, our advisers can use that opportunity to inform callers of additional benefits that they may be entitled to, such as the water rates affordability tariff. We must ensure that our organisations are sufficiently well informed to pass on information as soon as it becomes available.

The Chairman (Dr Birnie): Help the Aged and Age Concern are both represented on the working group. Do you feel that that group is sufficiently representative?

Mr Farrell: As well as Help the Aged and Age Concern, Prof Eileen Evason, who is a professor of social administration, sits on the group. Inasmuch as any small, focused working group that is trying to complete a month's work to deliver £4 million can be, it is representative.

The Chairman (Dr Birnie): Thank you all very much for appearing before the subgroup at relatively short notice, and for providing written submissions and answering all our questions. The subgroup will have much to reflect on and include in its report. I hope that the report will be ready in a couple of weeks — we are also working to a short timescale. We wish you well for the holiday — when it comes.

Mr Farrell: The same to yourselves. Thank you very much.

The subgroup was suspended at 12.18 pm.

On resuming —

1.21 pm

The Chairman (Dr Birnie): Good afternoon. I welcome the Northern Ireland Fair Rates Campaign. Thank you for your written submission. Would you be happy to make a relatively short opening statement and then take questions from the subgroup?

Ms Anne Monaghan (Northern Ireland Fair Rates Campaign): Yes. Thank you for inviting us. The fair rates campaign was established in September 2006 as rates bills came through people's doors. As you know, there was public outcry. The general public are not expert at reading draft legislation or consultation documents and were fairly ignorant about the new system and its implications.

The system had to be reviewed and amended as it was 25 to 30 years old.

However, the shock to most people came from finding that the system was markedly different from that which exists in other parts of the UK. I will go through five or six points and then we will be happy to take questions. My colleagues are experts in other areas.

Ratepayers are confused about what happened recently in the House of Lords and the position taken by Lord Glentoran. Minister Hanson insists that the cap of £500,000 — and we disagree with that level — and the additional relief for pensioners are dependent on the Assembly. That is not the Conservative Party's understanding of the situation, nor is it our understanding of the House of Lords debate, and we have copies of the relevant Hansard reports. Indeed, we have copies of correspondence from the Minister to the Conservative Party, which is markedly different from that which he sent to local politicians.

We thank the parties for the help that they have given to the campaign. We understand that all parties are, in some shape or form, broadly in agreement that the system is out of line with the rest of the UK in a number of areas.

There is a cap of £212,000 in Scotland, £425,000 in Wales and £320,000 in England. Our gross domestic product (GDP) is 85% of that of the rest of the UK, and our salaries are markedly lower. We cannot understand why there is no cap in the discrete capital value system for Northern Ireland. Indeed, if the Government continue to argue that they cannot treat regions differently in respect of corporation tax, why is Northern Ireland being treated differently as regards rates?

That is one argument. We are arguing for a cap at £300,000. A cap at £500,000 only benefits approximately 2,400 ratepayers — those at the top end of the spectrum.

We believe that a cap at around £300,000 would be more reflective of the Northern Ireland economy, and

would cost ratepayers — at the top, rather than at the bottom end of the income spectrum — only a few pounds extra.

We oppose the lack of single-household relief, which exists in the rest of the UK. If that were introduced in Northern Ireland, it would affect 13% of households.

We oppose the lack of a second-adult rebate in the proposed Northern Ireland system. Such a rebate operates in England, Wales and Scotland. For example, if a widow has a son or daughter at university, she can claim a second-adult rebate because there is no second adult financially contributing to the household.

We are concerned about the position in the legislation regarding disability relief and relief for students. We believe that the relief measures for students would actually benefit landlords. Having worked with students for four and a half years, I know that students do not generally claim relief measures such as rates relief. They are more likely to claim student loans, whereby money will go into their accounts quite quickly.

In the Holyland area of Belfast alone, £2 million will be lost to the economy, and that will not be to the benefit of students. I spoke to National Union of Students/Union of Students in Ireland (NUS/USI) officials yesterday. They said that they had received no indication of how the system might benefit students. Landlords are supposed to write to students to alert them to any benefits. I question how many landlords will actually do that.

The 25% relief for those who are disabled applies only to people who have had their homes modified. That is a glaring discrepancy. We have questions on the grounds of section 75 of the Northern Ireland Act 1998 on how the new system will operate for protected groups. In the last consultation, which took place over the summer period, the consultation paper recognised that the information on how the system will affect section 75 groups is not available. That information is not available because the new system is not yet in place, and that information is to be provided through the continuous household survey after one year.

We are asking the Assembly to seek clarity from the Government on what should happen if the Assembly is not restored on 26 March; to seek clarity on the points I have outlined about the cap, single-person household relief, second-adult rebate, etc; and to address our concerns on the section 75 implications of the proposed measures.

If the system comes into effect this year, we nevertheless believe that it should be reviewed after a year, and that the review must be based on the data gathered in the continuous household survey, which will by then be available.

The Chairman (Dr Birnie): Thank you. We move to questions.

Mr Raymond McCartney: Do you have any information about how the caps set in Scotland and in England were determined? Was it an arbitrary figure?

Mr Cree: Have you provided the exact figures?

Ms Monaghan: Yes; those are the exact figures. I do not know how those caps were determined. That is the problem; we cannot find out how they were calculated. We understand that the cap at £500,000 in Northern Ireland has been determined on the grounds that no one will pay more than £3,000 per annum. No one pays more than that in the rest of the UK. To strike that balance, they set the cap at £3,000. That does not take into account incomes, rising house prices and other economic factors in Northern Ireland.

Mr Raymond McCartney: If a house belongs to an investor, is it classed as a single-person household, or is that determined by occupancy?

Ms Monaghan: It is determined by occupancy.

Mr Raymond McCartney: This morning, we heard from Age Concern and Help the Aged. They pointed out that, in their experience, few pensioners had savings of over £16,000. What is your view on the issue of savings?

1.30 pm

Mr Michael Kelly (Northern Ireland Fair Rates Campaign): I spoke to Eileen Evason about that matter. Eileen has been dealing with people on benefits for most of her life. However, I do not think that she has any concept of the number of people living in south Belfast or parts of Derry whose houses have rocketed in price or of the amount of savings that they have as a result. We spoke to several people as part of a small survey and found that the £16,000 savings threshold is always queried. If the Government want all old-age pensioners to benefit from the 50% extra relief, raising the savings threshold to £32,000 would be one way of doing that.

Ms Monaghan: We have concerns in that regard. The Government said that they would set aside an extra £4 million for relief if an Assembly were up and running. However, the Conservative Party would argue that something different happened in the House of Lords.

We are concerned about benefit uptake among older people, completing forms and other issues. The Government are not reducing the taper so that everyone benefits automatically. They are, however, setting aside £4 million for extra relief, of which perhaps only £2 million will be availed of. Our concerns are why £4 million is being set aside on top of £7 million — which again, is dependent on the Assembly being in existence

— instead of reducing the taper, which can be done at the touch of a button.

Mr M Kelly: The Government reduced the amount deducted from excess income from 20% to 12% to help all housing benefit applicants. If the Government want to help pensioners and maintain a 50% increase in rates relief, that 12% deduction from excess income should be reduced to 6% for pensioners. That would really make a big difference.

It is up to the people with the computers to determine the total impact. However, Raymond has worked out a rough idea of what the spreads would be if the cap were reduced, the minimum cap in the examples being £300,000. That information is in our submission. The submission also outlines the cost per household for the rest of Northern Ireland and other important information.

Mr Raymond Farley (Northern Ireland Fair Rates Campaign): My information is from the Northern Ireland housing statistics for 2004 -2005. As Anne said, the average weekly wage in Northern Ireland is around £477 per person; the average UK weekly wage is £601. That means that UK wages are 26% above our wages. That is a vast difference.

Table 6.9 in the Northern Ireland housing statistics for 2004 and 2005 gives the average weekly spend per Northern Ireland household as £377. In the UK, the average weekly spend is £434 — people in UK are obviously earning more money. The difference of £57 is not too vast. However, there is a difference between what is being spent and what is being earned; that is, disposable income. Weekly disposable income in Northern Ireland is £99, and the UK average is £166; that means that people in the UK have 68% more disposable income than people in Northern Ireland.

If rates increase, people in Northern Ireland will not have as much money as those in the rest of the UK. Therefore, Northern Ireland should be considered a special case. Ministers are always being quoted as saying that Northern Ireland rates are lower. The figure of £670, which is the average rates bill in Northern Ireland, is always bandied about, as is the figure of £1,200, which is the average rates bill in the rest of the UK. The inference is that the Government want to raise rates in Northern Ireland to a similar level.

If rates in Northern Ireland are raised, it will account for an extra £11 from everyone's weekly income, which will reduce the average weekly disposable income to £88. The average weekly disposable income in the UK is 89%. In other words, people in the UK will have almost twice as much free income as people in Northern Ireland, if rates here are raised to the UK level.

Ms Monaghan: We can leave that issue with the subgroup because there is a great deal of information to take in.

Ms Ritchie: Welcome to the subgroup. Your submission stated that, if deferring the Order were not considered, local politicians must review the legislation in a year's time. Your submission states:

“as we believe among other things, the Equality Impact Assessment was not properly carried out.”

Can you explain how and why the equality impact assessment was not properly carried out and, more importantly, what is required?

Ms Monaghan: The continuous household survey data are not available, as the system would have had to be operational for a year. Once the continuous household survey has been done for a year, the data will be available to reflect the differential between key groups. The consultation flagged up that there may be a differential impact upon Protestants, disabled people and older people. Members will be aware that there is concern about how that will affect the asset-rich, cash-poor elderly.

Another of our concerns — and why we are asking for a deferral — is the Government's claim that the changes are revenue-neutral. If they are revenue-neutral, why not defer the implementation of the Rates (Amendment) (Northern Ireland) Order 2006 for a year so that the Assembly can debate and vote on it. We could do a “mock-up” to see how the Order would affect certain sections of society.

Mr M Kelly: The equality impact assessment said that the continuous household survey was available to assist in the analysis of the existing system; however, it was not available to assist in the analysis of the new capital value system. The Northern Ireland Fair Rates Campaign wrote to Brian McClure, who is in the policy division of the Department of Finance and Personnel, to ask him to take another look at the issue. We also asked him to consider not just the continuous household survey, but the family resources survey of the Department for Social Development. The Department should consider income and tenure and then decide how many people would benefit as a result of the rate reform — that was a constant cry of Mr Hanson. If the Department employed the family resources and continuous household surveys to analyse the new system, we would find a great many flaws in the figures that have been bandied about.

Ms Monaghan: We are also concerned that the system will maintain ghettos and benefit dependency. Rather than encouraging people to become homeowners, the system will deter people, because they will not receive rates and water relief. On 7 December 2006, the ‘Belfast Telegraph’ reported on Government underspend and borrowing in 2005-06. We understand that the underspend came about because Departments had not expected the 19% regional rate increase of

2005-06 and that consequently they had no clue about how to spend the money.

Mr M Kelly: *“The fact that the continuous household survey was not available for the various capital-value models”* — four were considered, but only one was picked — *“may explain why a differential impact is not detected”*. The survey was available when analysing the old system but not the new one, so a differential cannot be assessed for the section 75 groups — except religion. It is important that that be picked up on.

Ms Ritchie: In point 12 of your submission you ask that the cap should be for a specific time and not increased at the next revaluation. Why is that necessary? Why should an incoming Executive adopt such a position?

Ms Monaghan: It creates confidence and security in the market and for home buyers. We are concerned that when a new revaluation comes into effect in 2012, rising house prices will continue to push bills up. England and Wales have had their systems in place since 1993 and Scotland since 1991. Why should there be a revaluation for Northern Ireland in five years' time?

Mr M Kelly: The Government have given themselves two options for increasing the rates. If they get into difficulty with the percentage of the district and regional rates that they apply every year, all they have to do is raise the cap so that they can hit us both ways.

Ms Ritchie: Can you provide us with details on relief for students rather than landlords, disabled people, regardless of their home modifications, pensioners and single persons?

Ms Monaghan: To be effective, relief for students — and for pensioners — must be automatic. A system has been put in place for students so that they automatically receive cash in hand to go some way towards paying their rates bill. However, the system must be automatic. Landlords will not apply rates relief for students, because rates and rent are not separated in the bills that students receive.

Why should being classified as disabled be dependent on one's home being modified? People whose disability is blindness may not need their homes modified, as they do not have to be in a wheelchair. We in the Northern Ireland Fair Rates Campaign are concerned that the Government are already targeting recipients of disability living allowance to weed out those who should not receive it. The rates relief system could work in tandem with that, so that only genuine cases would receive it.

Rates relief is set at only 25%: it is not full relief. The system for receiving rates relief should be automatic, but the Government put the onus on the

ordinary person to claim. Although there may be a perception in Northern Ireland that everyone claims, we in the Northern Ireland Fair Rates Campaign are concerned that the elderly, the disabled, etc are less able to claim through the system than are others.

Mr M Kelly: In his preamble to the amendment to the Rates (Amendment) (Northern Ireland) Order 2006, David Hanson said that “targeted consultation” on landlord liability was being carried out. He made that statement on 3 July 2006, but we have yet to see the results. If the subgroup wants more information on landlord liability, it should look at the targeted consultations on standardisation in the social rented sector and on landlord liability.

Ms Ritchie: Thank you.

Mr Cree: Mr Kelly, you referred to the Northern Ireland Fair Rates Campaign’s proposed affordability cap for pensioners. Will you give the subgroup details about how that would work and whether you envisage that being means-tested?

Mr M Kelly: It should follow the water-reform affordability tariff. The Northern Ireland Fair Rates Campaign proposes a 3% cap for those pensioners on very low incomes. In other words, they would not pay more than 3% of their income on water charges and rates. I do not know the extrapolated figures or how much that would cost, but it would affect about 150,000 pensioners in Northern Ireland, unless I am mistaken.

Why not apply the 3% cap? The Government will not adjust the three tapers, which are savings, the percentage of accessible income and the tariff on savings. For someone with savings, the tariff on income is set at £1 in every £500. We propose halving that to 50 pence per £500. If the Government want to maintain the 50% relief for pensioners, they could adopt that proposal.

If they reduced the taper from 12% to 6%, the Government would not need an affordability tariff. When we asks David Hanson for information, he always responds by citing examples, so I will do the same. There are two pensioners living in identical houses, one in the country and the other in Belfast. The house in Belfast is in a property hot spot and has a rateable value of £300,000. The house in the country is not in a property hot spot and has a rateable value of £150,000.

If the person in the country has an income of £14,000 and the person in Belfast has an income of £9,000, the person in Belfast will pay £104 more in rates than the person in the country.

1.45 pm

That situation would not apply only to pensioners. Consider young executives, some of whom live in the Belfast area, and some of whom live beyond Omagh.

If members do the calculations, as we have, on the available information, they will see that if someone has a £14,000 income in the country and another person has a £9,000 income in Belfast, the person with the £9,000 income will pay £104 more, assuming the same set of circumstances.

Ms Monaghan: There is an additional concern about those who fall just outside the benefits system. The rates burden is not based on ability to pay; it is based on the capital value of one’s home, which could have been an inheritance, or could have been bought 40 years ago. We have heard people from Newry and other places on the radio, saying that they were given a plot of land on which to build a big house. The capital-value system does not reflect ability to pay.

Mr Farley: Further to Anne’s argument, if one considers social housing, people may not wish to move out of their comfort zone. For example, people who live in social housing pay rates at 19% of their rent. If one looks at the Housing Executive’s website, one can quite easily work out the level of rates that will be paid. Occupants of all Housing Executive homes, no matter where they are in Northern Ireland, always pay the same amount for the same house. Therefore those who live in a three-bedroom detached Housing Executive house with a garage, no matter where it is, will pay about £570 a year in rates, because their bill is calculated as a proportion of their rent.

John Semple’s review of affordable housing noted that some social-housing homes have been sold for something in the region of £250,000. That means that if occupants moved out of Housing Executive status and owned their houses, they would move from paying £570 in rates to nearly three times that amount.

Ms Monaghan: That takes us back to the point about maintaining ghettos and the situation whereby people stay in the benefits system, when we should be trying to help them to get out of the benefits system.

Mr Cree: You mentioned your preference for a rateable value cap at £300,000. Research suggests that that would benefit about 2% of households. On the figures that you have provided, that cap would cost about £14.60 per household. Do you not think that that replicates the regressive aspects of the council-tax system?

Ms Monaghan: Do not get me wrong. Although we agree that the system had to be reviewed, we do not like the new scheme at all. However, if the Government are intent on pursuing it, which they are, we disagree with the cap at £500,000. If there is to be a cap, it should be at £300,000 or thereabouts, and it should be in place for at least a generation. Although the cap may affect only 14,000 households now, by 2010, as house prices rise, it will affect a higher proportion of the population.

Mr Farley: If you extrapolate the current trend in house prices, which have gone up by 45% since 1 January 2005, they will approximately double by 2010, and the cap would therefore affect about 136,000 households by then.

One moderately simple way to deal with the cap is to consider the multiplier that is used to calculate one's rates from the capital value of one's home. That multiplier is currently set at 0.0059. If that multiplier were changed to 0.006030, it would generate exactly the same amount of money, with a cap at £300,000, and people at the lower end would not be penalised. The Government's documentation claims that 55,000 houses fall into the bottom band of £0 to £50,000. The rates bills for those homes would change from an average of £148 to an average of £151 under the system that I have described. Therefore the bunch at the bottom end would be protected by the mechanism of simply adjusting the multiplier, and the people at the top end would pay more.

Mr Blayney: I wish to address the point that Anne made about the prospect of maintaining a ghetto mentality.

We must offer folk the opportunity to develop in the community and to invest in society. They should be able to watch their kids go to school, and to hope that their hospitals will be better and their streets will be clean. They must have the opportunity to develop their homes, and that is why we suggest a £300,000 cap. People who are suffering in the community must be given the opportunity to grow out of it, and they should be allowed to aspire to making an investment in the community. That is crucial.

Mr Weir: Thank you for your presentation. We strongly support a cap on the rates. I would like a good deal of financial information, so you may have to get back to me on some questions.

First, you have provided figures that show the impact on each household in Northern Ireland of setting the cap at different levels. I am not looking for a direct response to this question, but I would be grateful if you could provide us with figures for the total net income for the full system across all of Northern Ireland rather than simply per household.

Ms Monaghan: The Government say that it will be the same — about £450 million a year. They say that they are simply redistributing the burden.

Mr Weir: I appreciate that, but we have been told that the "cost" in lost revenue would be £500,000 or £1 million, be that through redistribution or whatever.

Ms Monaghan: The suggested figure is about £1 million.

Mr Weir: Presumably there are corresponding figures that would give a total figure for all the households in Northern Ireland were the cap to be set at £300,000. I

suspect that you cannot tell us those figures now, but I would be grateful if you would send them to us in writing.

You mentioned revenue streams and the idea of fixing a £300,000 cap for a generation. What impact would that have year on year? You have already told us that, by 2010, you reckon that about 136,000 homes will be affected by the £500,000 cap.

You also proposed several additional relief measures, some of which are reasonable enough and some of which will bring us into parity with other parts of the UK. What would be the cost of a 25% rebate for single-person households? Are there any estimates of the potential costs of a 25% rebate for all disabled people, not simply those who require home modifications? Furthermore, what is your assessment of the cost of providing a second-adult rebate?

You also mentioned the different capped levels in the other three jurisdictions of the UK. We are told that the reason that the cap has been set at £500,000 is that the maximum bill will be about £3,000. Like you, we get that thrown back in our faces. I appreciate your point about the cost of living and average incomes in Northern Ireland, but do you have figures to show the maximum charges in each of the other three jurisdictions? For example, if the cap in Scotland is fixed at £212,000, I suspect that the maximum charge there would be a good deal less than £3,000. It would be helpful if you could give the subgroup that information.

I will play devil's advocate on my next point. You mention the concern that revaluation would lead to increased bills. If revaluation were to be carried out on a cost-neutral basis, surely there would not be increased bills across the board. It would, in fact, result in a further redistribution of bills. Thus bills would increase disproportionately only in areas in which the price index of houses had grown quickly. Homeowners in areas in which the price index has increased at a rate lower than the Northern Ireland average would find that their bills would reduce. I would like you to deal with that point.

Finally, what is your view on the proposed transitional-relief period? Although it is better to have some form of transitional relief, many of us feel that a period of three years will provide for a sharp rise and that a longer period may be more appropriate. Perhaps you could deal with the final two points now and provide information on the others later.

Mr M Kelly: Transitional relief is a con; it is just softening the blow. Many people who have not really looked at their rates bills are thinking that they will not be as bad as others are making out. In the second year, they will be saying, "Hold on a minute", and when they receive their full bills, there will be war.

Ms Monaghan: There may not be a war. *[Laughter.]*

We will come back to the subgroup on the questions asked. A key issue is about redistribution, which is available via the maximum cap set at £500,000. Raymond has already explained how that would impact on people at the upper end; namely, £3·46 for every house in Northern Ireland.

Rates raise about £450 million. The Government have set aside £7 million for pensioners, and that will not be means tested or based on ability to pay, and another £4 million if the Assembly is restored. That sum of £11 million, as a proportion of £450 million, is not a huge amount to be giving back to those who need it most.

Essentially, rates pay for services, and the single-person discount was introduced in the rest of the UK because single people like me, who live alone, do not use the same services as a family comprising 12 or 14 people. This is not a personal issue, because my rates bill has reduced slightly. The principle of the system is wrong.

Mr Weir: A spurious argument was thrown back at us regarding the single-occupancy rebate: the Minister suggested that such a rebate would benefit millionaires who live alone.

Ms Monaghan: I am not one of those.

Mr Weir: I appreciate that. However, you mentioned those on low income, so, to kill off the argument that the rebate would benefit people on high income who live alone, would you envisage a situation where someone on a very large income who lives alone would not benefit from the single-occupancy rebate?

Ms Monaghan: That is why we are saying that there should be means testing. We are prepared to negotiate around the figure of 25% rebate for single-person households. People earning more should pay more than those who earn less. However, this is also about services, and we are worried that it is connected to the review of public administration (RPA), that is, paying for those services that will fall under the control of the super-councils.

Thus far, the system has not reflected the regional rate or the district rate. The district rate has not been struck for 2006-07 yet. People are receiving estimated bills, and some are shouting: “Whoopee, this ain’t that bad.” However, they have not received their final rates bills yet.

We have been told by those responsible for rating policy that a single-person discount set at 25% would cost £14 million. If the discount were means tested, people like me would not receive it, and the cost would not be as great. However, some single people living alone are struggling to pay their bills. Means testing would ensure that the cost would be redistributed

among those who can afford to pay. At the moment, the system does not take ability to pay into account.

Mr Farley: Your other point was in respect of the revaluation of houses in 2010. Last year, there was an out-of-the-blue 19% increase in the regional rate.

Mr Weir: That was nothing to do with revaluation.

Mr Farley: That is correct.

Mr Weir: It was an attempt by the Government to place a greater burden on taxpayers.

Mr Farley: Unless we are instructed in solid-gold-plated writing that the regional rate will not be affected, we will not know what will happen. No one has been told what will happen. We are assuming that the regional rate will not be affected, and that there will be a redistribution of wealth in the 2010 revaluation.

2.00 pm

Mr Weir: Any Government can try to get something in by the back door by raising the regional rate. However, if that is achieved purely through revaluation of property, although the overall rates bill for most people will increase, the rates base will also increase, and the rate to be struck by councils would reduce correspondingly. It would be a multiplier of sorts on one side of the equation.

Mr Farley: Income tax was introduced to pay for the Napoleonic wars. Those wars were won long ago, however, income tax has kept on going in order to raise revenue.

The Chairman (Dr Birnie): Yes, it was meant to be temporary.

Mr Farley: There are other issues that have to be paid for. Stan will know about them.

Mr Blayney: One crucial matter has not yet been mentioned. There were 35 years of troubles during which direct-rule Ministers made all the spending decisions. None of the normal taxes that we have talked about — income tax and VAT — was spent appropriately on our infrastructure. Three years ago, the Chancellor gave us a gift of £200 million to make a start on a 10-year investment plan. That plan has a significant impact on the rates bill, and we estimate that it will cost each ratepayer approximately £110 a year. Had that money been spent appropriately, as capital out of national taxes, we would not be bearing the current burden, because we would have good infrastructure.

We are now having to address 35 years of neglect by direct-rule Ministers, and local taxpayers are paying for that. That did not happen in England; investment there was paid for by national taxes. We are being asked to take out large loans that we have to service and repay, and that will amount to 14% of the capital costs. A further 23% of those costs will come from private finance initiatives (PFIs), and only 63% will

come from national tax funding. We estimate that that will be at a cost of £110 a year on each taxpayer's rates bill as we reach the end of the 10-year cycle. I do not understand why we should be treated differently from England.

Mr Farley: The costs are ongoing, because it seems as though the capital is not being repaid and the loan is constantly rolling on. Is that correct?

Mr Blaney: There is a suggestion that the loans will be for 25 years and the PFI schemes will be for 35 years, and there will have to be a modicum of return of capital as we get close to the end of those cycles. The Northern Ireland Audit Office (NIAO) report of 7 December 2006 identified that point — that the reinvestment and reform initiative (RRI) has been mismanaged by the national Ministers' and local Departments' ability to take forward the projects. We are concerned that loans are being drawn down and that no appropriate management is being put in place to deal with them.

The Chairman (Dr Birnie): What are the implications of the Burt Report and the forthcoming report from Michael Lyons? What is the implication of the way the authorities are reacting to them?

Mr Blaney: The Burt Report suggested applying a 1% multiplier to capital values: Northern Ireland's is 0.59% plus the water rate addition, which is almost the same as applying 1% to capital values. Therefore, it almost seems as though Burt was emulating the mechanism being offered to us.

Ms Monaghan: It would not surprise us if Sir Michael Lyons suggests a similar system for England and Wales. We are arguing that if the system is to be revenue-neutral during the first year, it should be deferred for a year so that appropriate models could be put in place to analyse the effects that it will have on the groups listed in section 75 of the Northern Ireland Act 1998.

Mr Blaney: It is only because of the cynical 19% increase last year that cover has been given to keep year one static. The Burt Report was tossed out within two hours of being brought to the Scottish Parliament.

Ms Monaghan: Jack McConnell, the Labour Scottish First Minister, was having none of it.

Mr Blaney: It was quite clear that the folk there did, surprisingly enough, understand very rapidly what 1% meant. The difficulty is that our population has never had a chance to comprehend the composition of rates and water tax — both as a property tax coming out to almost the same multiplier.

Mr Shannon: You refer in one of your presentations to raising the savings threshold to £32,000. Do you have an idea of how many more people that would bring into the system for rates relief? The theme running through your presentation is that you do not want to see the rates system based on house valuations.

Is there a more suitable alternative? You have also referred to a banding system, which is similar to that in the rest of the UK, and a lot of your other suggestions are along the lines of what is happening in the rest of the UK. Perhaps that is the way you wish to see us go.

Ms Monaghan: The way in which we are going is the way that the direct-rule Ministers dictate. We have not had a say in the matter. We are basing our campaign around a similar system in the rest of the UK, and we do not think that that system is great. There should be a system based on ability to pay and not on the capital value of a home. However, that might require an additional means-tested local tax. I know that the Assembly does not have those powers, and, interestingly enough, the Scots have them but choose not to use them. If this is the system that we are going to have, it should be deferred for a year until we see how it works out.

If capital value is to be used, it should be means tested; however, we do not think that capital value should be used. What a person pays should be based on earnings. The other system is another way of introducing means testing into the system. It is the Government's crude attempt to raise revenue, and revenue should be raised through what a person earns and ability to pay.

Mr Shannon: You mentioned the threshold being raised.

Ms Monaghan: The people who carried out the review of rating policy would have those figures.

Mr M Kelly: Yes, it would have to come from people with the statistics.

I have the application form here. There is no way of determining how many people have lifted the application form and thrown it to one side because of the £16,000 bar. I know a lot of people who would have around £20,000 to £25,000 in savings, which is not a fortune these days. Those people would not be entitled to a great whack of relief, but they would be entitled to some.

Mr Shannon: Some people would qualify.

Mr Blaney: The crucial thing is that if they have only £25,000 and are suddenly hit with an extra £1,000 in charges each year, they will soon be down to £16,000. It is, essentially, a Labour Government savings tax, where people are instantly drawn down to £16,000 before they can get relief.

Ms Monaghan: If the taper were reduced from 12% to 6%, pensioners would qualify automatically, regardless of their income.

Mr M Kelly: Some pensioners would qualify — not all of them, but most would.

Ms Monaghan: Yes, most of them would. A lot of people in Northern Ireland — particularly pensioners — use the space under the bed as their bank, and that

has been reflected in robberies. Confidence in the system would increase if the taper were reduced. We have to base our campaign and our arguments around the system proposed by the Government, because there is no other ball game. That is why we are asking the Assembly to take it away, defer it for a year and then look at it. That could not happen between 2002-06, because the Assembly was not in place. The Assembly must take this issue on board.

We have not moved into the area of water rates. Previously, £134 per annum of every rates bill went on water. Other people are fighting those battles. The Assembly needs to start afresh and look at the whole issue.

Mr M Kelly: Mr Chairman, I want to make one last point on the option of deferment for pensioners.

In the written submission, I have listed many of the questions about equity release. The Government intend to operate an equity release scheme. If they decide to go down that route, they will probably introduce regulations. Deferment would be a good idea for people who do not have a next of kin. The equity would come from their estates, but it would need to be decided whether the accumulated rate arrears would come out before the Chancellor of the Exchequer had deducted capital-gains tax, or inheritance tax had been taken. There would be a big difference between the two possibilities.

If the Chancellor were to take his 40% of the excess, and arrears were to be deducted from the remainder, it might not be possible to recover the arrears in full. The question would arise as to whether the person to whom the estate had been bequeathed would be liable to pay the difference. That is an issue that would need to be considered. However, deferment is an option that might be appreciated by people who inherit high-equity houses.

The Chairman (Dr Birnie): This will have to be the last question.

Mr Cree: Mr Blayney, is £1.5 billion the total amount?

Mr Blayney: If the capital investment amounts to £6 billion, it would be at least £1.5 billion. However, a significant proportion of that — 63% — will be funded from national tax. The rest will be funded by a combination of PFI and loans. The £1.5 billion is purely national-loan-fund money. It is a direct loan from the Treasury, and it will have to be serviced through the 25-year cycle. It is a direct loan.

Mr Cree: That is interesting. It almost mirrors the backlog in capital investment in the Water Service.

The Chairman (Dr Birnie): That is true.

Mr M Kelly: Will the subgroup provide us with a list of questions to answer in writing?

Mr Weir: We could provide a list of questions. Several of them will relate to the statistics. Part of the subgroup's remit is to evaluate rate relief and to decide whether the subgroup backs all the proposals, some of them or none, and to what extent. Any decisions need to be taken on the basis of having a reasonable level of information as to net costs, and so on. I have asked several of the relevant questions reports.

The Chairman (Dr Birnie): Could you repeat the costing requests?

Mr Weir: That would be useful. Perhaps someone could take a note of them.

Ms Monaghan: They are second-adult rebate; single persons; the net revaluation; whether it is cost-neutral or further redistribution —

Mr Weir: I would not worry too much about the cost-neutral aspect.

Ms Monaghan: Single person; single adult —

Mr Weir: Single person; single adult; the extension of the disabled persons' element; the cost of the £300,000 cap; and the long-term projected costs, in that the measures could be frozen for a generation. It was mentioned that an income stream over £136,000 would probably be the upper limit. I appreciate that there are other measures that could be introduced to counterbalance those. I am simply seeking an idea of what each measure would cost.

Mr M Kelly: Lord Rooker said in Parliament that the Rate Collection Agency (RCA) was introducing a new range of measures to make it easier to claim housing benefit. We would like to know what they are.

My second question is for David Hanson. A 25% single person's tax reduction was introduced in England. Why, therefore, will he not introduce such a measure in Northern Ireland?

Mr Blayney: 'Reinvestment and Reform: Improving Northern Ireland's Public Infrastructure: Report to the House of Commons by the Comptroller and Auditor General for Northern Ireland' was published on 7 December. We received a copy too late to include our comments on it in our submission. However, I have a one-page summary of it, which I will leave with the subgroup.

Ms Monaghan: The Government claim that the system is revenue neutral; the current rates system raises £450 million, and the new rates system raises the same sum — so why should there be any objection to a fresh reconsideration of a means-tested rates system for Northern Ireland that is based on ability to pay?

2.15 pm

Mr M Kelly: With regard to systems, we may not have to worry about that. I have it on fairly good authority that the system might not be operational for 1

April and that unpaid bills for which warning letters and threats of court action should have been delivered by September have not yet been issued despite the fact that it is almost Christmas. There should be an examination of the Rate Collection Agency's new computer system at Airport Road. It is not doing its job.

The Chairman (Dr Birnie): On that note, I want to thank you on behalf of my colleagues for your attendance and submission and in anticipation of the written answers on particular financial matters that you will provide. The subgroup wishes you well. Happy Christmas.

Ms Monaghan: Thank you. Same to you.

Mr M Kelly: Is there a time limit on the written answers? Do you need them quickly?

Mr Shannon: Before Christmas day or next week sometime. *[Laughter.]*

The Chairman (Dr Birnie): The subgroup needs the written answers by the first week of January, because it must publish its report by 18 January.

Ms Monaghan: What is the procedure? Does the subgroup present the report to the Assembly when it has been published?

The Chairman (Dr Birnie): The subgroup presents its report to the Programme for Government Committee first. If the Committee is content with the report, which it probably will be — unless it wants to amend it to some extent — past practice was for the Assembly to debate the report. Although that happened in the past, it may not be the case in the future. However, that is the procedure.

The Committee Clerk: I imagine that the practical matter of dissolution on 31 January will be as significant as any other, as reports are being published by six or seven different subgroups. There may not an opportunity to debate all of them.

The Chairman (Dr Birnie): That is true.

Mr Weir: It might be that debates will be truncated such as they were this week when there were two two-hour debates on Monday and Tuesday and five days of meetings. I assume that the Programme for Government Committee will not want a report to sit gathering dust.

The Committee Clerk: The Programme for Government Committee must consider subgroups' reports so that it can inform a new Executive and make recommendations for the Programme for Government. The witnesses, in their written answers, should endeavour to focus their points and costings on that.

The Chairman (Dr Birnie): That is a fair point. Thank you very much.

I welcome our next witnesses to the meeting. They are Mr Brian McClure, head of the Rating Policy Division, and Mr Leo O'Reilly, the budget director of

the Central Finance Group, both representing the Department of Finance and Personnel (DFP). Good afternoon, gentlemen.

Thank you for coming, and for your written submission, which members will find in their information packs.

We have been allowing witnesses the opportunity to make some brief opening remarks before answering questions.

Mr Leo O'Reilly (Department of Finance and Personnel): I shall make a short contextual statement. The reform of the rating system was predicated on the understanding that the existing arrangements contained anomalies and depended on an outdated system of valuation based on rental values.

Having completed a lengthy period of research that had begun in 2000, the Government concluded that they would introduce a new rating system from April 2007, which would be not only more transparent, but easier to understand than the existing arrangements.

The reform programme is aimed at introducing a rating system that distributes the burden among Northern Ireland householders in a way that the Government feel is fairer; it is not a new tax. Around 25% of households in Northern Ireland currently receive assistance with their rates bills, and 20% of households pay no rates at all due to low income. Under the new arrangements, the Government intend not only to maintain those levels of relief but, for the first time, to introduce new systems of relief for ratepayers.

The final piece of legislation to give effect to those reforms was made at Privy Council on 14 November. The new system introduces capital valuation of domestic properties and a new range of reliefs for ratepayers, including a new low-income-related relief scheme, transitional relief for people whose bills will increase by more than 33%, full relief for those in full-time education and training, and a more generous and simpler relief scheme for people who have had to modify their homes because of a disability. The new relief scheme will provide assistance over and above that which is currently awarded under the statutory housing benefit scheme, which, of course, applies across the UK.

Several powers have been included in the legislation to allow relief to be directed to particular groups and to adjust the level of required assistance. That is an important legislative mechanism, which allows a restored Assembly to adjust and tailor the system as it sees fit, without the need to introduce new primary legislation. In other words, adjustments to the existing arrangements can be made under subordinate legislation.

Under the terms of the St Andrews Agreement, and in advance of restoration, the Government made a

commitment to work with the political parties and key stakeholders to introduce a maximum cap on rates, and to examine the possibility of further relief for pensioners on low incomes. Work on that matter is in progress, and I understand that the subgroup has already heard today from Help the Aged on that issue.

The Minister of Finance and Personnel, David Hanson, will write to the main political parties shortly, outlining his proposals for delivery of those additional reliefs, including about £4 million per annum in additional relief for pensioners. The Government have also agreed to arrangements for a valuation cap on the new relief scheme.

Finally, a new independent valuation tribunal will be established to provide a new and additional appeal mechanism for those who wish to challenge the assessments of their property valuations.

Although there has been a small but vigorous campaign of opposition to the proposed changes, the Government firmly believe that the new system will be fairer for the people of Northern Ireland, will benefit more people — particularly those on lower incomes and in vulnerable groups — and will provide greater reliefs than are available under the present arrangements.

The Chairman (Dr Birnie): Thank you. We move to questions from members.

Mr Shannon: May I ask a couple of questions, or only one?

The Chairman (Dr Birnie): Most members have managed to make the most of their time. I will indulge you as long as the number of supplementary questions is not excessive.

Mr Shannon: You say that the new rating system is fair. However, all today's witnesses — and, to be honest with you, my constituents — say that the new system is anything but fair. Pensioners in particular tell us that it will place a financial pressure on them that they have not had to deal with before. Suggestions have been made about increasing the savings threshold and about single people's incomes. It has also been suggested that pensioners who are just outside the benefits threshold might fall into a gap. We discussed that this morning, and I am concerned about it.

Despite your submission, I am not convinced that the new system is fair; neither are the people that I represent. How do you respond to those concerns?

Mr O'Reilly: I will ask Mr McClure to speak about the range of additional reliefs and, specifically, the reliefs for pensioners and those on low incomes, which are under consideration. The new arrangements will redistribute the rates burden: some households will pay more; others will pay less. Moving from a system based on 1960s rental values to one based on capital

values causes a redistribution of the rates burden to those who live in higher-value properties. However, that is not always the case. I can explain it in more detail if you want.

It is being described as a fairer system because the Government believe that it distributes the rates burden more fairly.

Mr Brian McClure (Department of Finance and Personnel): The present system distributes the rating burden among householders based on 1960s rental values. Therefore the tax base is all over the place; there has been no revaluation since the mid-1970s. Indeed, the evidence used in constructing the valuation list then was taken from the late 1960s. The revaluation on a capital-value basis will redistribute the rating burden; it will not in itself raise more revenue. Many people pay much more than they should under the present system; the new system will redress the balance.

The revaluation exercise — which has not been carried out for more than 30 years and which is long overdue — will change the basis of valuation. The Government recognise the need to provide reliefs over and above the statutory housing benefits system. I will try to explain the proposed rate-relief scheme and the enhanced pensioner-relief scheme in order to alleviate people's concerns.

May I give you an example of the sort of relief that is available under the present statutory scheme, what will be available under the proposed rate relief scheme, and under the enhanced rate-relief scheme? Take the example of a single pensioner aged between 60 and 64 who lives in a house with a capital value of £150,000 and a rates bill of £900. Under the existing housing benefit system, the income of such a person in order to qualify for relief would have to be £10,430 a year or less; the rebate on their rates bill would be £86. Under the new rates-relief scheme, they would get £412. The maximum eligible yearly income will increase from £10,430 to £13,500.

That is what is proposed under the new rates relief scheme.

As part of the St Andrews Agreement, the Government have made legislative provision for an additional £4 million specifically targeted towards pensioners. Enhanced pensioner relief is one of the proposals that we considered with Help the Aged and Age Concern. The Government wish to share the detail of that with the political parties, and it is hoped that that will be communicated in writing this week. The enhanced provision will increase the rates bill to £518 and increase the maximum eligible yearly income to £14,320. It will make a significant difference to the statutory housing-benefit scheme.

2.30 pm

Unlike some council tax abatements and concessions, the Government wish the package of relief measures to be introduced in Northern Ireland to be predominantly based on ability to pay. It is impossible to give a ready reckoner explaining how the measures will affect every individual, because every household is different and every individual's circumstances are different. However, it will use the same levers as the housing-benefit system but will provide more generous income thresholds to allow the relief to be delivered to where it is most needed.

The Department considered the savings limit, which has been mentioned, with Help and Aged and Age Concern in respect of delivering enhanced pensioner relief. Those organisations, which were advised by Eileen Evason, who is an expert in this field, took the view that that was not the best way to deliver more relief to lower-income pensioners. The Department took that view into account when formulating the proposals. It is hoped that a proposals paper will be sent to the political parties this week once it has been cleared by the Secretary of State.

Mr Shannon: I am aware of very few people who would qualify for any reductions. I represent Strangford, where housing prices are rising — as they are rising across the Province — by £150 a day. I am not sure how many people will qualify for those benefits. It poses a great question for me.

I want to ask about lessons learnt elsewhere. Does the Department have any plans to revisit policy decisions in light of recent developments in Scotland and England? I am referring to the Lyons Inquiry and the Burt Inquiry.

I also want to ask about the agriculture sector, which is mentioned in the Department's submission.

Mr Raymond McCartney: That is one question that covers about 40 subjects. *[Laughter.]*

Mr McClure: Forgive me if I miss anything.

We do not know what the outcome of the Lyons Inquiry will be because the report has been delayed until March. The Chancellor of the Exchequer announced that he wanted other reviews to align with the findings from the Lyons Inquiry. We do not expect to hear anything, and they are remaining tight-lipped as to the possible contents of the report of the Lyons Inquiry.

The Burt Inquiry was an independent inquiry in Scotland and its outcome is currently under consideration by Scottish Ministers. That inquiry is of interest, but the package of reform measures that the Government are proceeding with in Northern Ireland were worked up in the light of local consultation. There is nothing in the findings of the Burt Inquiry that has taken the

fancy of Government and that they would seek to replicate in Northern Ireland.

Mr Shannon: An interim report of the Lyons Inquiry has been published. Can you answer in respect of that?

Mr McClure: Yes. However, that report focuses more on the structure and role of local government than on reform of council tax.

Mr Shannon: This question may have been asked already. In light of that answer, will the Department be happy to revisit policy decisions once it has a chance to consider the interim report? That is what we want to know; not whether the Department will wait for the outcome of the final report. If aspects of that report are different from the Department's policy, will the Department be prepared to reconsider them?

Mr McClure: That is a decision for Ministers. We have examined the interim report, and Ministers do not believe that anything in it has any resonance with what is happening in rating reform in Northern Ireland. There are likely to be points of interest in the final report, but we will not know what that report will contain until March or April 2007.

However, the answer to your question is yes; I believe that Ministers would take into account any outcome of the Lyons review. Nevertheless, our understanding is that any recommendations of the Lyons review would not be implemented until after the next general election. Therefore, any fundamental change in the funding of local government is likely to be two or three years away: it will not happen in the short to medium term.

Mr Shannon: I wish to ask a question on agricultural-occupancy clauses, which is a matter that I am familiar with. There is currently no provision within the rating system to address that important factor.

A house in the countryside may be valued for rates purposes at £300,000. However, if that property is subject to an agricultural-occupancy clause, it is immediately devalued. People can get a loan on those properties only from the Ulster Bank and the Halifax. I have sought opinions from three different estate agents, all of whom have said that there must be a 50% reduction in the value of such properties because they will not sell on the open market for £300,000. Those properties will only sell for £150,000, because of the agricultural-occupancy clause.

The rates system gives every working farm a 20% reduction, but the valuation with an agricultural-occupancy clause may be 50% lower. That matter must be looked at. If someone cannot sell a house for £300,000, it is not worth £300,000. If someone can only sell a house for £150,000, that should be its

rateable value. The Department has not taken that issue on board, and that concerns me.

My colleague Edwin Poots and I have raised this matter at another level. We have asked the Department to revisit its regulations on this matter. You happen to be here today, so this is a chance to ask you the same question.

Mr McClure: That is a good question. Every house must be valued against a set of statutory assumptions that relate to whether a house has a freehold, whether it is a vacant possession, etc. The exact saleability of every property interest in Northern Ireland is not what is assessed for taxation purposes.

Every house is valued against that set of statutory assumptions. As Mr Shannon said, one of those assumptions means that particular clauses are not taken into account. After consulting with the Ulster Farmers' Union and other representative bodies the Government considered that the policy that they have introduced is a fairer way of dealing with the matter.

For example, if the Government decided that they wanted to allow a percentage discount for a particular planning restriction or clause in a deed, it would have an unequal impact between the more modern bungalow-type farmhouses, and traditional farmhouses. Most of the older traditional farmhouses are not subject to the restrictions that Mr Shannon mentioned. Therefore, the more modern houses would be subject to a discount and the older farmhouses would not. The Government believed that it was fairer that all farmhouses in Northern Ireland should receive a discount. The rationale is that farmers, of course, cannot really choose where they want to live; they have to live with the land.

That is the rationale for the reduction, which, I hasten to add, currently applies under the existing system based on net annual value (NAV). A more generous reduction is provided in relation to capital value.

The level of reduction is a matter entirely for the Commissioner of Valuation; it is not set out in the legislation. However, not only did we consult on the policy, but the Valuation and Lands Agency consulted with the Ulster Farmers' Union in relation to the level of that reduction.

Mr Shannon: The Ulster Farmers' Union, of which I am a member, has a bit of a problem in listening to its members. As a result, it is not always reasonably astute about what its members are saying. About 2,000 or 3,000 households in the whole of the Province would probably qualify for the reduction.

I have spoken to officials from DFP, and I am happy to say that they seemed sympathetic. I hope that you people at the higher level will also be sympathetic to the request. Please look at it seriously. A house worth £300,000 will only be worth £150,000 if it has an

agricultural-occupancy clause. A 50% rates reduction for houses that have agricultural-occupancy clauses would go a long way to resolving the issue.

Mr Cree: The subgroup also has to deal with non-domestic rates, and that is an issue that we are concerned about. Your paper — for which I thank you — states that the extra revenue generated from the gradual removal of derating will be available for investment in public services and infrastructure. That is a fine statement, and I hope that it is true. Has DFP calculated what the revenue impact will be if Northern Ireland firms go out of business due to the ending of industrial derating?

Mr McClure: You have met representatives from the Northern Ireland Manufacturing Focus Group (NIMFG) today; I am sure that they will have mentioned the PricewaterhouseCoopers study on the issues facing the manufacturing sector. The numbers employed in the manufacturing sector have been steadily declining for some time. It has been profiled, and it is expected that the sector will continue to shrink in any case, due to wider market pressures from around the world.

We have taken account of the fact that the manufacturing sector is reducing in size. It is the Government's assessment that the ending of industrial derating will not cause any significant closures in the manufacturing sector. However, following consultations in a working group with the NIMFG and Amicus, the Government have agreed that next year's rating level will be at 30% rather than the planned 35%, and that is pending a full review of the policy planned for April 2007.

The Government do recognise the serious concerns of industry, and they have already agreed to review the policy next year. That will be done thoroughly, involving consultations not just with NIMFG and Amicus but also other industry groups.

Mr Cree: Do you have actual figures for the likely further decline of the manufacturing sector?

Mr McClure: I do not have them to hand, but I will write to the subgroup with those projections. We have had as open an engagement as possible with NIMFG, and we have shared our projections with them. I am more than happy to share the information with the subgroup.

The Chairman (Dr Birnie): Are you saying that you are not building in any additional decline specifically driven by the reduction in manufacturing?

Mr McClure: That is correct.

The Chairperson (Dr Birnie): Leslie, please be concise.

Mr Cree: I have two questions on domestic rates. I am sure that you are aware of DSD's press statement of 23 November in which it was estimated that between 5,000 and 24,000 people in Northern Ireland who were entitled to housing benefit were not claiming it. What does that mean for the rates relief scheme?

With regard to the appreciation of house values and future revaluations, what assurances can the Department give that the formula will be adjusted downwards to reflect the increases in market values in future revaluations?

2.45 pm

Mr O'Reilly: I will answer the first question on non-claimants, and Brian will deal with the more technical question on revaluations.

The Government are aware that not all reliefs are being taken up, particularly in the privately owned sector. There is a much higher take-up of reliefs in the social-rented sector. Early in the new year, the intention is to put together an information and publicity campaign to ensure that people are made aware of the available reliefs. When the new system is introduced, the Rate Collection Agency (RCA) will send information to all householders to remind them about the existing reliefs, and to explain the relief scheme and whether they qualify for it. The RCA is aware of the issue and has plans to improve understanding across the community of the availability of relief because, even under the existing system, there is not full take-up of reliefs.

Mr Cree: I am pleased to hear that, and I hope that the information sent out will be better than the leaflet on water charges, which poses as many questions as it answers.

Mr McClure: The RCA recently developed a detailed take-up strategy for the existing housing-benefit scheme. The twin aims of the strategy are to simplify the claims process for claimants with entitlement and to improve communication partnership arrangements with ratepayers, the advice sector and the Social Security Agency (SSA). We have discussed the issue with Help the Aged and Age Concern and will continue to do so.

Increased take-up of housing benefit is a win-win situation for everyone. It means that more money comes into Northern Ireland but, more importantly, people in need receive the benefits to which they are entitled. Everyone must do his or her level best to ensure that take-up improves. The RCA developed its strategy in consultation with the voluntary sector, and details will be announced early in the new year. The strategy will be included in the proposals paper that will be sent to the political parties this week. It is an important issue and central to ensuring that those in need get what they deserve.

Mr Cree asked whether the formula related to the appreciation in house values will change. The formula is that house values multiplied by the rate equals the rate bill. If house values rise, the rate should reduce accordingly because of the change in currency. It will probably reduce by more than that because, as a natural consequence of new houses being included and improvements to property being made, the tax base enlarges naturally every year. The 15,000 to 20,000 new houses built in Northern Ireland every year are added to the tax base. Therefore if the same levels of revenue are raised from the rating system, there should be at least a corresponding reduction in the rate.

However, revenue raised from the rating system depends on the Budget decision of, I hope, the Assembly or the Government and the individual budget decisions of the 26 district councils. Although those processes are related, they are separate.

Mr Cree: I am concerned about the propensity for the rate to increase dramatically due to perceived demand for other capital and revenue projects. The rate, therefore, is open-ended.

Mr McClure: Yes, but the increase in house prices at the next revaluation scheduled for 2012 should lead to at least a corresponding reduction in the rate in the pound — all other matters being equal. That is not the small print but the large print.

Mr O'Reilly: A simple point, sometimes missed, is that rates and council tax are different from income tax. The Government set a particular rate in the pound for income tax. However, they do not say that should they achieve £X billion of revenue, they will stop charging people income tax. The rate in the pound charged for rates is driven by an initial decision taken by Government or district councils on how much revenue they want to raise. Therefore the rate in the pound flows from that decision. It is not an open-ended revenue-raising system: the revenue required is decided first, and that determines the rate in the pound for individual rates bills.

Mr Cree: Mr Farley from the Northern Ireland Fair Rates Campaign told the subgroup earlier that income tax was introduced as a temporary measure during the Napoleonic wars. We have suffered from it ever since.

Ms Ritchie: I have several questions, but they are all part of a larger one.

First, what cost implications are associated with student relief? Secondly, there seems to be confusion about the methodology used in calculating non-domestic rates. Would you clarify that?

We understand that the Northern Ireland Fair Rates Campaign has asked DFP for an analysis, by income and tenure, of the proportion of households that would be better off as a result of rating reform. I understand

that DFP suggested the use of the continuous household survey and the family resources survey to inform that analysis. Has there been any outcome?

Mr McClure: The final question is the easiest. Yesterday, the Northern Ireland Statistics and Research Agency (NISRA) published on its website an analysis using information from the 2001 census, which has been linked to most of the capital values. NISRA has managed to link around 550,000. The sample is much more comprehensive, and the impacts, as regards tenure, are there for everybody to see. However, the analysis cannot link with income.

DFP, along with colleagues in the Department for Social Development (DSD), has done some work linking the Northern Ireland family resources survey, which is a survey of about 1,800 households in Northern Ireland that is carried out regularly, with the capital values. We will be advising the Northern Ireland Fair Rates Campaign of that work, and we will also advise the subgroup if needed. The work is ongoing, but I would be happy to come back to the subgroup with whatever information we glean as and when we get it.

Non-domestic rates are calculated by multiplying the net annual value of a property by the rate in the pound. As you well know, there are two rates in Northern Ireland — regional and district. Does your question relate to the actual valuation assessments?

Ms Ritchie: Yes.

Mr McClure: The last revaluation of non-domestic property took place in 2003, and the basis of that valuation is rental value as at April 2001. For consistency, all valuations are done to a single valuation date. The Valuation and Lands Agency (VLA) carried out those assessments. There are about 75,000 non-domestic properties, and VLA has been doing the revaluations fairly regularly.

Anything that would affect the rental value of a property would affect the net annual value — even the quality of the finish. The net annual value of a shop could be affected by location, size, what services the building has and how convenient it is. Everything that would affect the value of the property would be reflected in its net annual value. Does that answer your question?

Ms Ritchie: That is fine at this point.

Mr McClure: There is no simple formula involved — everything is taken into account. VLA undertakes those valuations.

You asked about the cost implications of student relief. DFP's estimated cost for that is £3 million to £4 million. We predict that up to 3,000 households will benefit from that relief, and that is the figure on which we are currently working.

Ms Ritchie: In the Secretary of State's proposals that will be forwarded to the political parties, is there any reference to a hardship scheme?

Mr McClure: No. That was considered earlier in the process, in the 2002 consultation paper, 'Review of Rating Policy'. Given the package of other measures, Ministers considered that that was not necessary. There is a hardship scheme for the non-domestic sector, but, at this time, the Government do not plan to introduce a hardship scheme for the domestic sector. However, that, as with every policy, must be kept under review.

Ms Ritchie: Being a representative from the rural community, I have a final point concerning farm dwellings. Article 24 of The Rates (Amendment) (Northern Ireland) Order 2006 proposes a discount on buildings used for agricultural diversification projects. The imposition of rates could negate such initiatives in rural areas, and, in many instances, negate diversification as a supplement for agriculture incomes. Is it possible, in certain circumstances, to exclude such buildings from rates to assist a beleaguered agricultural community?

Mr McClure: Yes, it is possible to legislate. Rating is entirely a devolved matter. Subject to issues of state aid, a local Assembly would be entitled to review the policy and come up with a more generous relief. However, as with all forms of relief, everyone else would have to pay a little more.

Ms Ritchie: Presumably you have not calculated the cost implications of that.

Mr McClure: We have calculated the cost implications for the scheme that is going ahead, and a regulatory impact assessment was published. It would not be too taxing a process to produce some estimates for you. It depends on where you draw the line, and what you want to include. The present scheme is for buildings that are currently considered agricultural and, therefore, not valued, never mind rated, but if they do fall into a use that means that they are rateable, then there is a 50% rates holiday. That is what the farm diversification scheme proposes, but it is possible for an Assembly to review that and to consider a different percentage or a complete rates holiday for a period.

You will be aware that there are issues concerning unfair competitive advantages for new entrants. Established entrepreneurs could find themselves in competition with people who are not paying rates, but it is possible to review that.

Mr Raymond McCartney: We have heard evidence from various groups today. The Fair Rates Campaign said that the equality impact assessment was not properly carried out:

"We say that the EQIA was not properly carried out because the Continuous Household Survey (CHS) was not available to assist the analysis of the single capital

value system which was subsequently chosen as the new model to calculate our rates."

Do you have any comment on that?

Mr McClure: A final equality impact assessment was published, but, in addition, the Department is committed to carrying out further work. Part of that further work includes the work that NISRA has undertaken, and that was published yesterday. The original work was a spatial analysis examining how section 75 groups were represented in different district council areas. The NISRA analysis is much more sophisticated and goes as far as to include household areas. One of the pieces of data collected through the census is section 75 grouping, so it was possible, at least for the main groups, for that work to be done, and it has now been published.

The Department believes that it has fulfilled its statutory requirements, and in continuing to monitor the equality impact of the policy, it is, in fact, exceeding them.

3.00 pm

Members may know that before the draft Order was debated in Westminster, Michael Copeland, a pensioner, sought leave to apply for a judicial review. One issue listed on the affidavit was that the Department had not conducted a proper equality impact assessment. Leave to apply for a judicial review was not granted, and no criticism of the Department was made. The courts, therefore, have considered the issue.

Mr Raymond McCartney: My second question relates to an issue that Margaret mentioned. Domestic rates come under the umbrella of a fair system. At present, there is a fixed number of dwellings in Northern Ireland. Roughly how many people would benefit from a reduction in rates? If, for example, 100,000 households pay rates, would 75,000 benefit under the new system?

Mr McClure: Do you want exact figures as to how many households would benefit? Bare statistics, showing the impact on households, have been published. However, we do not have access to the potential number of households that would benefit. Such statistics are not available to us.

Mr Raymond McCartney: At present, rates bills are fixed; under the new system, that will change. I am looking to know how many households would pay less. That is what most people want to know.

Mr McClure: I will find that information.

Mr O'Reilly: While Brian is looking for that precise figure, I should point out that there is an interaction of two factors. Individual household rate liability might be reduced by the transition from the existing system to the new system. Those are the figures that the Minister termed "winners and losers".

On top of that, two other factors interact: since the Government plan to increase overall rates bills by 6% next year, that gain will be offset. The bill may be reduced as the rates system changes, but it will also increase because of the overall 6% increase in average bills across the Province.

The second factor that has a bearing on the issue is the circumstances of the individual households. Those circumstances determine whether the households are entitled to transitional relief and whether they are entitled to the various benefits that interact with rates bills. Although it is relatively easy to use the Noble index to provide figures for multiple deprivation by household, it is more difficult to take account of the circumstances of individual property owners.

Mr Raymond McCartney: You mentioned a paper that has been forwarded to the Secretary of State's office and that will be sent to the political parties. Does the paper contain a timeline? To whom it will be sent?

Mr McClure: The paper should be sent to party leaders this week. It is with the Secretary of State. I am not quite sure how it will be released. All the groundwork with Help the Aged and Age Concern has been done. There is an agreed proposals paper, which will be sent out along with the letter.

I have found the information that Mr McCartney asked for. I cannot provide absolute figures at the moment, but I will send them to the subgroup. The majority of ratepayers will experience a reduction in their rate bills as a direct consequence of the revaluation, assuming revenue neutrality. Some 68% of ratepayers will either face a lower bill or pay less than an extra £1 per week. Fewer than one fifth of ratepayers will face increases in rate liability of more than 25%. Transitional relief will be available to those who face an increase of more than 33%.

The Chairman (Dr Birnie): May I ask that the letter to the party leaders be copied directly to the subgroup? We would, otherwise, have to wait another day or so for it to come through to us.

Mr O'Reilly: We will check with the Minister; however, that issue is connected to the political process. Matters that arise from the St Andrews Agreement, for example, normally go to the party leaders.

Mr Shannon: Could the letter be with the subgroup the next day?

The Chairman (Dr Birnie): As Jim says, it would be helpful if it were with the subgroup the next day.

Mr O'Reilly: It is in all our interests for it to be with the subgroup quickly.

The Chairman (Dr Birnie): What legal advice has DFP received about any state-aid compliance issues that relate to having some sort of cap on the increase in

manufacturing derating? Is there an issue with the European Commission? We have received conflicting statements about that.

Mr McClure: I do not want to be unhelpful, but I do not want to say too much about that. If the issue were debated too openly, people could be hindered in what they want to do in the future.

DFP's assessment, however, and that of its legal advisers, is that there is a risk that any change in derating would not be compliant with EU state-aid rules. However, DFP believes that the consequences of non-compliance in either repayment or in the risk of fines are not high. Therefore there could be an acceptable risk.

Member states examine the tax regimes of other member states. Therefore state-aid compliance would not be a major inhibitor, if I may put it that way. DFP believes that there is a risk that such a cap might not be compliant but that the consequences of non-compliance are not major.

The Chairman (Dr Birnie): Is the £4 million that has been set aside for extra relief measures since the St Andrews Agreement included in the Northern Ireland block, or is it additional? Where will that money come from?

Mr McClure: Given that the Secretary of State has already announced a 6% regional-rate increase for the coming year, there is no possible mechanism for recovering that from other ratepayers. That, I believe, is the long-term aim. That will represent a loss to the departmental expenditure limit in the coming year.

The Chairman (Dr Birnie): Does that mean that it will come from within the block?

Mr McClure: Yes.

The Chairman (Dr Birnie): What about thereafter?

Mr McClure: That will depend on what Ministers — local or direct-rule — wish to do.

The Chairman (Dr Birnie): That is interesting.

Ms Stanton: I want to ask Leo a quick question about the take-up of benefits. Given that a publicity and information pack campaign about benefits is to be launched, I wrote to the Minister a while ago asking what specific effect that would have on elderly people. The campaign against fraud that was occurring a while ago meant that old people were becoming too scared to collect their benefits. I was told that that would be taken into consideration when the review takes place.

Will resources be set aside, not only for publicity and information but for a substantial number of extra welfare-rights personnel who will provide outreach assistance and go into people's homes? It has been recognised that older people have a sense of pride when it comes to such matters. Therefore welfare-

rights personnel must be able to go to older people's homes and sit down with them. Of course, that must apply to other people as well as to the elderly.

Mr O'Reilly: As Brian has mentioned, there are several angles to that. The RCA has responsibility for such matters, as does the Housing Executive through its work as the administrator of the housing benefit scheme. However, more important is the SSA, because it has its own benefits-awareness personnel. DFP wants to plug into those networks.

Ms Stanton's point about elderly people is particularly relevant. Low levels of take-up often occur with them, possibly for the reasons that the member mentioned, or simply because there is an apparent reluctance among elderly people to take up benefits, particularly those who are in the private, owner-occupied sector.

There is a lower level of take-up in that sector. The Housing Executive seems to have a better contact system, which means that it can identify those people who are entitled to benefits much quicker.

Mr McClure: I cannot talk to the detail of that issue, but I do know that the RCA hopes to improve its partnership arrangements with the advice sector and other Government bodies, such as the SSA, so that it can work with them to improve targeting.

Ms Stanton: The Department will insist that extra money be there to employ welfare-rights personnel.

Mr McClure: As I have said, I cannot talk to the detail of that issue, but if members wish, I will follow up on that point. I need to consult with those who are involved with the take-up strategy. It does not fall within my remit, but I know that they want to improve capacity building to ensure improved take-up. However, I will write to the subgroup on that point.

Mr O'Reilly: As Brian suggested, the basic housing-benefit arrangements provide a win-win situation for all of us. If people claim their national benefits, there is no loss to Northern Ireland. Therefore it is in everyone's interest that people claim their benefits.

The Chairman (Dr Birnie): This may be the last question. What consideration has been given to proposals, which I think have come from both the Federation of Small Businesses (FSB), and, to some extent the Northern Ireland Manufacturing Focus Group (NIMFG), that part of rating liability be transferred to a dedicated fund for, for example, training? In other words, instead of companies paying rates at 35%, the margin between 25% and 35%, or between 25% and 30% would be paid into a dedicated training fund.

Mr McClure: Amicus and NIMFG made that suggestion late in the industrial derating talks with the Secretary of State. It has been discussed with Minister

Hanson, who has since written to Maria Eagle, the Minister with responsibility for the Department for Employment and Learning (DEL) and the Department of Enterprise, Trade and Investment (DETI). The proposal is currently with the Ministers.

The Government are interested in the proposal, and I think that they would like the NIMFG and Amicus to engage with the Skills for Business Network to formulate firmer proposals. At the moment, they have an outlined proposal. Ministers are interested, but there needs to be further engagement on the matter. The proposals were discussed at a recent NILGA (Northern Ireland Local Government Association) meeting with the Minister, so it has been raised at several meetings.

I have one more point. I know that the Minister will write to Basil McCrea and NIMFG on that subject in the new year.

The Chairman (Dr Birnie): We have time for one more question.

Mr Clyde: I have only been at the meeting for a short time, but I want to support all that Jim said about farm dwellings. The policy affects the area that I represent, which is similarly rural to Jim's constituency. That policy should be given sympathetic consideration.

The Chairman (Dr Birnie): That was another reference the agricultural-occupancy clause.

Are there any remaining questions?

Mr Cree: The small-business relief scheme was turned down this year, but it will be considered again next year. I believe that it works well in Scotland. What are your thoughts on it?

Mr McClure: The small-business relief scheme was introduced in Scotland in 2003 and in England in 2005. When its effectiveness in Scotland was reviewed, the outcome was not entirely positive. Therefore I assume that the Government wanted to wait for the scheme to bed in in England before its possible introduction in Northern Ireland. A second review has been agreed for 2007.

A recent development has been the FSB proposal for a rates-reinvestment fund, which would be associated with small-business relief.

The FSB is lobbying Ministers on that, so it is a live issue. It is possible that the review of industrial derating will be coupled with small-business relief.

3.15 pm

Mr Cree: It is; they are indirectly linked.

The Chairman (Dr Birnie): Thank you both very much for attending and for your written submission. We may need further elaboration on the statistics, and we would be grateful for your assistance with them. I wish you well for the holiday and for the future.

Adjourned at 3.15 pm.

SUBGROUP ON THE COMPREHENSIVE SPENDING REVIEW AND PROGRAMME FOR GOVERNMENT; RATES CHARGES; AND WATER REFORM

Thursday 4 January 2007

Members in attendance for all or part of proceedings:

The Chairman, Dr Esmond Birnie
Mr Leslie Cree
Mr Raymond McCartney
Mr John O'Dowd
Ms Margaret Ritchie
Mr Jim Shannon
Ms Kathy Stanton
Mr Peter Weir

Witnesses:

Mr Victor Hewitt	} Economic Research Institute of Northern Ireland
Mr Seamus McAleavey Ms Frances McCandless	} Northern Ireland Council for Voluntary Action
Mr Brian Ambrose Mr Declan Billington Mr Alastair Hamilton Mr Nigel Smyth	} Confederation of British Industry
Mr Leo O'Reilly Mr Richard Pengelly	} Department of Finance and Personnel

The subgroup met at 10.35 am.

(The Chairman (Dr Birnie) in the Chair.)

The Chairman (Dr Birnie): Mr Hewitt, welcome to the subgroup. Thank you for the written submission from the Economic Research Institute of Northern Ireland (ERINI). The comprehensive spending review (CSR) and the Programme for Government provide the terms of reference for this subgroup, and it aims to identify spending priorities and efficiencies for the next three-year period. Perhaps you will make some initial comments and then take questions from the members.

Mr Victor Hewitt (Economic Research Institute of Northern Ireland): Mr Chairman, thank you for the invitation. I am pleased to be here this morning. I apologise for the paucity of paper. The information in the public domain about the CSR process in Northern Ireland is limited, compared to the information available on the CSR process in the United Kingdom as a whole. I could find no information of any great

use on the Department of Finance and Personnel (DFP) website — the people who are actually running the thing — whereas the Treasury has an entire website devoted to the subject. However, I will do my best to suggest areas into which the subgroup may wish to probe further. It is a tribute to the subgroup that it is meeting, because the process could continue to the summer with nothing coming into the public domain until the last minute.

This is the second comprehensive spending review. The first occurred after the Labour Government came to power in 1997. At that time, the Chancellor decided to stick with the spending plans of the previous Administration for two years and to use that period to conduct a comprehensive review of expenditure requirements for the United Kingdom as a whole. That comprehensive spending review reported in 1998, which is virtually a decade ago.

As the title suggests, a comprehensive spending review is an opportunity to look more fundamentally than is normally the case at the pressures that face the public sector over a longer period of time. Studies have been commissioned by the Treasury to consider long-term trends that fit the background of public services in the UK on matters such as demographics, globalisation and climate change.

The first CSR coincided with a change to the public expenditure regime. For centuries, the public expenditure regime was cash based. It operated in terms of the money that was spent in cash. Then two things happened: the classification of public expenditure changed; and a new planning regime was brought into existence. That planning regime introduced the concepts of the departmental expenditure limit (DEL) and annually managed expenditure (AME). The departmental expenditure limit is an attempt to fix expenditure, usually for three years. Expenditure must be controllable to do that with any degree of confidence. Annually managed expenditure is essentially volatile. It is demand led. A classic example is benefits — people who qualify are entitled to benefits. That fundamental distinction was introduced, and we had a DEL/AME split in the block at that time.

Essentially, the rule was that one could not move spending from annually managed expenditure to departmental expenditure limit, or, generally, vice versa. Therefore, departmental expenditure limit became the focus of what could be done in Northern Ireland.

Departmental expenditure limit here is adjusted by way of the Barnett formula, which gives Northern Ireland a population share of any change in a comparable programme in the rest of the UK — essentially in England, which is the benchmark. It is important to understand that the formula makes adjustments at the margins. It does not calculate the

entire baseline, which is a historical construction, adjusted each year according to what is happening in comparable programmes in England.

If a lot of money goes into areas with which Northern Ireland is 100% comparable, we will get our population share of that change. If it goes into areas with which we have low comparability — the classic example would be defence — we will not get a share. Many assets in England, primarily water and sewerage, are no longer in the public domain, so it is important to understand how the mechanism works.

Annually managed expenditure is examined twice a year. It is obtained on a use-or-return basis: one gets what is needed, but surpluses cannot be retained or used for other types of expenditure — they are ring-fenced.

The expenditure regime changed in 1997, and there have been further changes between then and the current CSR. The greatest change has been the move from cash-based budgeting to resource budgeting, which is common in the private sector. In resource budgeting, expenditure is scored on an accruals basis — in other words, it is assigned to the period in which it occurred, even though payments may be made outside that period. An example would be electricity bills, where payment for the last quarter of a year would not be received until the first quarter of the following year. For accounting purposes, such expenditure would be assigned to the period in which it was incurred.

Resource accounting and budgeting has been the most fundamental change in the public expenditure regime, and it has taken quite a long time to bed in — even now, some people struggle with it. Anyone outside the system will struggle to understand what is going on, as all sorts of strange things begin to appear, such as impairment charges and cost-of-capital charges. However, the basic idea is relatively straightforward.

There are two budgets; a resource budget — the current expenditure budget, which pays for doctors' and nurses' pay, etc — and a capital budget, which is for investment. The link between the two is via a mechanism known as the capital charge. Capital charges exist to remind people that when the public sector makes an investment, it denies those resources to the private sector. Therefore there is an opportunity cost of making that investment in the private sector. A capital charge is therefore imposed on the amount of capital that is used up and denied to the private sector.

The trick is that that capital charge does not sit in the capital budget any longer; it goes into the resource budget and competes with all the other claims on that budget. If you are investing a great deal in capital, you had better be sure that you are likely to get a productive return on it, because you will be charged against your resource budget for the capital investment that you

have made. If you were to build a large headquarters in the middle of a town, where property prices are expensive, you would pay for it considerably through pressure on resources that are needed for other purposes. That is the basic operating mechanism.

The Barnett formula is the major mechanism by which our underlying departmental expenditure limit is adjusted over time.

10.45 am

The regional rate is the largest and most important source of revenue available to Northern Ireland. That has only become embedded into the public expenditure system since the period of devolution. Prior to that it was considered a financing item rather than an expenditure item. Other sources of income include the sale of assets and a borrowing function that we secured with the Treasury. If one meets certain requirements — and those requirements keep bouncing around and become more onerous over time — one can borrow £200 million a year. However, it will have to be paid back and should be used to fund capital.

One needs to be careful about aligning the borrowing term with the life of the asset that is being funded. For example, if one takes out a 25-year loan and buys an asset that will last 10 years, for the next 15 years one is paying for an asset that gives no return.

The presentation of efficiency savings is important and worth mentioning. Efficiency savings do not increase the overall quantity of resources available; they take away resources from inefficient uses and make them available for front-line services. They do not increase the overall envelope of money available. That efficiency saving comes from the existing baseline, and the baseline does not grow because of the savings.

When looking at efficiency savings in an overall context, it is not helpful to take the additions you may get from the departmental expenditure limit through the Barnett formula and the sale of assets and add on the efficiency savings as if they were an additional pot of money that has become available over and above the existing baseline. That is something to look out for: it would not be good practice to do that. However, that does not mean that efficiency savings are not a valuable means of funding. They fall into two categories. The first is that of savings made by more services with the same resources. For example, the Health Service can deliver more operations with the same amount of resources that it has at the moment by operating more efficiently. That is a straightforward use of the term. The second category, which is more important in the budgeting situation, is of so-called cash-releasing efficiency savings. That means you do the same with fewer resources. What you save in terms of the resources is released as cash and can be recycled into something else. For example, if the Health Service

does the same number of operations at a lower cost, that money can be released and transferred to build a road or to fund another activity. Efficiency savings can be tricky.

There is little information available on the pressures on the block grant. The other things to watch for are uncovered pressures. There will be a number of reviews with expenditure consequences. The biggest of those is the review of public administration (RPA) where there will be upfront costs of adjusting from 26 to seven councils. There will be redundancy payments because that is the only way to get efficiency savings in the long term. I am not sure how much of that is covered in existing expenditure plans; however, we know it is coming.

The other issue is revenue foregone — and in that case we are talking about water charges. When you see the process in the round, you realise how important relatively small things like water charges are. What we will get through the Barnett formula and the CSR in many instances will barely meet pay and price pressures.

To achieve service development, a Department must rely on self-help, rather than money from Whitehall. The Department must sell assets, obtain efficiency savings — particularly cash-releasing efficiency savings — and obtain other receipts, which might include additional rates, as a result of the ending of industrial derating and the introduction of water charges.

The Chairman (Dr Birnie): Thank you; that was very helpful. We move to questions from members.

Mr Cree: I am particularly interested in the matter of savings, and I am not sure that I have really got my head around that matter yet. The Secretary of State has said that he will set a target for annual efficiency savings of 3% for Northern Ireland Departments. Is that achievable? If so, how will those savings be spent?

Mr Hewitt: Such savings are generally achievable; the question is whether they are achievable without damaging services. A classic example of that occurred in the late 1980s and early 1990s, when, year after year, the National Health Service was required to make cash-releasing efficiency savings to the benefit of the rest of the system. Over time, the cumulative effect of such cutbacks caused a great deal of damage to the Health Service. One must be realistic about this matter — public services are, first and foremost, people-based. Efficiency savings means fewer people, which, in turn, often means lesser services. To some extent, such efficiencies are illusory.

When a Department has been deemed to have made cash-releasing efficiency savings, its budgetary allocation will be reduced accordingly. Those savings will be returned to the centre and reallocated during the budget process.

Mr Cree: Departments have a serious ongoing problem with capital expenditure, and they do not achieve targets. How should that problem be addressed?

Mr Hewitt: Project management lies at the heart of that problem. To some extent, that is also a legacy of past practice. If one does not do something for a long period, one loses that ability, and it takes time to regain it. If we have not built roads for ages, and we suddenly start a large road-building programme, we will not have available the necessary skills. We have to build up those skills over time.

Moreover, we have made the capital programme quite complex. The strategic investment programme involves the blending of conventional expenditure — straightforward block payments for construction — with non-conventional finance: public-private partnerships (PPP) and PFI, whereby a Department effectively enters into a contract with the private sector to raise capital, which is repaid over a period of 20 to 25 years. We have started down that path, but the contracts are very complex. Lawyers are asked to think about everything that can possibly go wrong.

There is a lovely story about the consideration of the building of a school under PFI. Lawyers asked what would happen should an aircraft crash into the school, and two days were spent working out how such an event would be dealt with. A solution was found, and negotiations were about to move on when a lawyer halted proceedings by asking what would happen should that event occur twice. Negotiations can, therefore, go on for a long time. Underspend of capital has been a serious issue for almost a decade now.

Mr Cree: That is so for all Departments, is it not?

Mr Hewitt: Yes. What is not spent in one year can be carried forward into another under the multiple-year system.

You can ally that to borrowing. The Comptroller and Auditor General's report on the strategic investment programme and the reinvestment and reform initiative (RRI) borrowing states that in fact, we have borrowed money that we did not use. He did not put a figure on it, but that is an expensive business because it means that you have borrowed money that you are going to be paying back over 25 years, and it is sitting there. We should not get ourselves into that situation.

The brief answer is that capital has become much more complex. The private finance initiative, for example, started off as a great idea. However, we ran into contractual problems. Then the Office of National Statistics and the Audit Office made a classification change. The original idea was that PFI projects would not be on the Government's balance sheet. That was one of the advantages of doing it that way; you did not have to find capital cover. The reclassification brought a lot of schools back onto the Government's balance

sheet and meant that it was not worthwhile to do it that way.

We have started and stopped, and there are complexities in the middle. What we probably need is a period of relative stability so that we can actually go and get things done. For roads, it takes six years from conception to laying the first stone; that is one of the reasons why the Westlink seems to have taken forever.

Mr Weir: The Comber bypass took 31 years.

You are right to highlight the importance of the capital underspend. I previously served on the Finance Committee of the Assembly, and each quarter we were faced with vast amounts of underspend on the resource side. Departmental officials consistently told us that it was a one-off for whatever reason. Yet the one-offs seemed to come up every quarter.

On the capital side there is a whole series of problems. There are problems with borrowing, as you have indicated, and there are problems with public expectation. Whenever the public hear of large-scale capital announcements and then absolutely nothing happens, it creates problems at various stages. Any Executive would be trying to make special cases to the Treasury at Westminster for investment because of special circumstances. If at various stages in the financial year we have underspent large amounts of capital or resource underspend, it becomes more difficult to argue for more money. Are there any lessons, perhaps from outside Northern Ireland, which we can draw on to try and solve that problem?

Another concern under devolution was the Executive programme funds, which were supposed to be very innovative in nature. They were supposed to produce fresh thinking and cross-cutting themes. Disappointingly, in reality we saw the same bids that had failed to get funding under departmental allocations come up again in the Executive programme funds. There is a question mark over how effective that was.

In your report you attach great importance to the Chancellor's suggestion of an innovation fund. What action can be taken to make sure the innovation fund does not repeat the mistake of the Executive programme funds, with a repetition of those bids that would have been funded had there been more money about?

Finally, you have made reference to education and health in your document. Because of the inefficiencies in the education system, highlighted by Bain, there is almost a contingent side that we might call "invest to save". I can see how you could make a suggestion in relation to that.

You said that the levels of growth in health are unsustainable. Are you simply saying that the level of growth cannot be maintained or that, in real terms,

there would be either a reduction or a freezing of health expenditure?

11.00 am

Mr Hewitt: I will deal with your last point first. We have been in an extraordinary public-expenditure period from about 2000, when the taps were turned on and money started to flow in significant quantities. Where supply is sticky — where it is difficult to ramp up production — and demand increases dramatically, there will be some additional production but prices will start to rise. For example, it is difficult to conjure up houses when demand increases, and so the price of houses rises. Public services are not that different.

We have doubled the amount of money on health provision over a six-year period, and it has been impossible to absorb that into additional services; therefore much of it has gone into pay and prices. Doctors' contracts are one example: we have doubled the salaries of doctors and reduced the amount that we ask from them through the new contract.

When the system has ramped itself up in the expectation that it is going ahead with 6%, 7% or 8% real growth each year and then the tap is suddenly turned off, the adjustment back down will be quite painful. That can be seen most dramatically in hospital provision in England, where many services are now under considerable pressure. I suspect that that will also be the case in Northern Ireland, unless the rest of the block is stripped to maintain expenditure on health.

Northern Ireland has only two big battalions for expenditure — health and education — and health is by far the biggest at about £4 billion. Merely to keep services going each year would require an increase of at least 8%. There is no use in looking at general inflation when talking about health expenditure; inflation on health expenditure is often in double figures. In order to get that sort of money flowing into the Health Service year after year when the overall block is growing by about 1% or less in real terms would mean stripping money from elsewhere. That will not be realistic in the longer term. Health provision will have to adjust to a leaner diet.

Mr Weir mentioned the Executive programme funds, which were an interesting experiment in which to be involved. They had a variety of origins, one of which was to address cross-cutting themes as a genuine issue — for example, children. A second, and probably more political, origin was to encourage Departments and parties to work together on issues by dangling money in front of them.

Mr Cree: Did it work?

Mr Hewitt: It did not work particularly well. The children's fund took for ever to come into creation, and the Secretary of State has now reinvented it.

Bids were also mentioned. What I found amusing at the time was that Departments said that the money taken out of their baseline would wreck their delivery, and they listed all the services that they would have to sacrifice in order to make available the money for the Executive programme funds. However, when it came to bidding money back, Departments did not bid back the services that they said they would have to close in order to develop the programme funds.

The biggest problem is one that people do not appreciate: our structures are not designed for cross-cutting operations. We have departmental structures — or silos — across the system with responsibilities for particular issues.

We were asking the Departments to communicate with one another, to work out a common plan and to deliver against a cross-cutting theme, but we did not have the administrative apparatus to achieve that.

The only sensible way in which to deliver something such as an innovation fund would be to allocate responsibility to one Department and to ensure that all other Departments were subservient to that Department on delivery. However, it is quite difficult to have a system in which the permanent secretaries of 11 Departments are saying that, because they are ultimately accountable for their resources, they do not want them in someone else's hands. There would be difficulties in practice.

Mr Weir: Are there any lessons to be learned from outside, particularly about capital underspending?

Mr Hewitt: Probably not, apart from lessons in simple, hard-grind management.

Interestingly, as I mentioned, we have end-year flexibility, which operates on the block and which has not been cascaded down to Departments — they do not carry forward underspends each year automatically. Such decisions are made at the centre, and Departments have to make a case for retaining underspends.

There are pluses and minuses in retaining such a position. However, the Treasury has been looking at filtering down end-year flexibility to Departments in Great Britain and giving them responsibility for delivering outputs rather than managing inputs into the system.

Ms Ritchie: I have a two-part question. First, the final page of your submission says not to forget the Northern Ireland Office (NIO). You referred to the fact that its funding is a reserved matter, which lies with Whitehall, and that a restored Executive and Assembly would have to take such funding into account. How would a prospective Executive and Assembly deal with that type of funding?

Secondly, in the section on priorities, you refer to transportation, employment and the old chestnut that is investment in skills levels. Given that economic

growth is a priority during the period of 2006-08, and that the Department for Regional Development is undertaking a review of the regional development strategy (RDS), what are the principal concerns about how we address economic growth?

Will the review of the RDS have a significant impact in addressing economic growth and deficits in transport infrastructure? Moreover, what other measures would you like to see addressed?

Mr Hewitt: I thought that it was worthwhile to flag up the NIO issue, because it is almost never mentioned. It is possible that if the Executive come back into office during the CSR period, they will inherit the functions of the NIO, or a significant proportion of those functions, including policing, justice and prisons.

It is very much in MLAs' interests to have some idea of what is happening to the NIO in the CSR because — and I am not saying that the Treasury would do it — if the NIO were to be stripped to the bone before it were handed over to the Executive, that pressure would have to be absorbed by the block. Therefore it is in your interest to find out how the NIO is faring.

I emphasise that the NIO is a Whitehall Department and is not covered by measures such as the Barnett formula. When it comes back into the block, it will be covered, and we will receive some consequential on what is spent on policing or prisons in the rest of the UK, but any shortfall will have to be made up from the block, and other services will have to give way, depending on priority. I put that down as a marker. It is well worth keeping an eye on the NIO.

Ms Ritchie mentioned priorities and the transportation strategy. That cannot be entirely divorced from the overall investment strategy for Northern Ireland (ISNI). The original ISNI was a collection of departmental wish lists sewn together and presented as a strategy: there was no great coherence to it. Subsequently, the Departments have tried to work on that. We did some work with the Strategic Investment Board (SIB), and we asked what type of investment would be most likely to contribute to economic development. The answer to that tends to be investment in networks of one form or another as opposed to investment in social capital or, to some degree, the environment.

The major example of a network is the road network. Of course, that is not the only network — telecommunications and energy networks are also important. It is a matter of looking at the issue from the right perspective. If we start from the perspective that networks are important, we must identify the truly strategic networks that must be open to us. We must also identify where we need to be able to move our goods and services to and from. As Northern Ireland is

on an island, the obvious answer to that is to use the ports: either the traditional seaports or the airports.

That approach can be generalised into a concept for economic development — the need to connect with the rest of the world. This island has a total population of about 5 million, and our part has a population of about 1·7 million. If we are to make our way in the world, we must connect with the world. When we start to think in those terms, priorities fall out almost automatically. We must have good physical and electronic connections with the rest of the world. We must prioritise and identify where we can get the most connection for a given amount of expenditure. That does not mean that every class-B road should be stripped or not maintained, but we must acknowledge that certain roads are much more important than others to the movement of people and resources.

Mr O'Dowd: In the autumn, a revised investment strategy will be produced for consultation in tandem with the CSR. Since the publication of the first investment strategy, SIB has highlighted escalating capital costs, capacity problems and the need to provide for the revenue consequences of new infrastructure developments. What are your views on that and on private finance initiatives (PFIs)?

Mr Hewitt: Everyone who works on a capital project starts out with relatively optimistic views about what can be done, but, as time goes on, costs almost inevitably increase. That is in no way a new phenomenon. It was originally envisaged that the work on Belfast City Hospital would cost about £7 million, but it ended up costing £77 million. Granted, the work took some time to complete, but project optimism — or, as economists call it, optimism bias — is endemic in the system.

The Treasury has tried to overcome that optimism bias by issuing its Green Book on economic appraisal guidance, but it is almost inevitable that the cost of any capital project will escalate, and for many different reasons. For example, IMD Little prepared a report on the railways in Northern Ireland, and an investment programme for railways was put in place. However, as work on the programme progressed, new issues and health and safety requirements had to be taken on board. Thus the overall bill for renovating the railways system — a very modest system — increased dramatically. Good planning up front is vital, and much of that is simply down to project-management skills.

You asked about PFI, Mr O'Dowd. I do not know whether you recall its origins. In 1992, the Conservative Government were strapped for cash. The recession meant that a great deal of money had to be spent on benefits and none was available for capital projects. The Government, therefore, came up with the idea of bringing in the private sector to deliver capital

projects that the public sector would lease over time. The idea took off, and what was intended as a relatively modest initiative was introduced to all sorts of areas in which it caused difficulties, such as running prisons, the provision of hospitals, and so forth.

11.15 am

The basis of the PFI deal is that the private sector take forward certain projects. However, it will carry the risks only if it is rewarded for doing so; it will not undertake finance projects for nothing. With PFI deals, it is essential to ensure that risk is placed where it can best be managed. The private sector will accept a high level of risk but will demand a large return for doing so. If projected costs are calculated incorrectly, the public sector ends up with assets that, even though they are redundant, must be paid for over a long time.

One example is Balmoral High School, which was one of six schools in the pathfinder programme. The pupil projections for Balmoral High School turned out to be hopelessly wrong because of a change in the area's demographics. Nonetheless, the building has been constructed and the contract is in place. Unless the contract is buried, and that would be expensive, the public sector will be paying for an empty school for the next 25 years. Those who are involved in conventional expenditure can also get their projections wrong, but they probably have more room for manoeuvre because land can be sold off. However, that cannot be done when there is an existing contract.

PFI has its place, but its role was overstated at the time of its introduction, and a new more level-headed approach is now being adopted. The private sector can bring much to the party through delivering capital on time. PFI schools, for example, tend to be built much more rapidly and to budget, because there is every incentive for the private sector to do so. When I gave a presentation on PFI in Belfast city hall, I remember saying that not too many such buildings would come from PFI deals — and they will not. PFI deals tend to produce buildings that are utilitarian and manageable, because that keeps the cost down. Therefore all the schools that are being built under PFI have basically the same outward design. Unless Government are prepared to pay the additional money, PFI will not provide buildings such as Belfast city hall or the Customs House.

The Chairman (Dr Birnie): As you probably know, Victor, this subgroup's terms of reference are to identify priorities for spending in the CSR. The Subgroup on Economic Issues, to which you have been the adviser, works alongside this subgroup. Its report has identified a set of investment priorities. Will you quickly summarise the subgroup's suggestions and your views on its identification of priorities?

Mr Hewitt: Much of its suggestions relate to the network theme that I mentioned and include, for example, many road projects. The Treasury would not be particularly concerned about any individual road in which the Assembly may have an interest. The Treasury would say that the upgrading of a particular road is a matter for a devolved Administration. It would say that if the Administration want to allocate money to such a project, that is fine. I included the batch of examples in my submission to the Subgroup on Economic Issues to illustrate what could be done should additional funding be secured.

However, the real objective is to secure that additional funding from the Treasury rather than tie it to specific measures. Indeed, you would not wish that to happen. It would be unconstitutional for the Treasury to be involved at that level of detail. As far as economic priorities are concerned, the major one is probably roads investment. There was an issue surrounding investment in education — in higher education rather than in schools — in the strategic investment programme, about why so much money was being invested in schools at a time when the numbers on school rolls were falling by between 30,000 and 50,000.

There was a noticeable gap in particular areas when our list of priorities was set against those of the South's national development plan. We are spending much more on basic education in schools in comparison with what the South is spending, whereas it is spending much more on roads. Our economic priorities are concerned mostly with the roads network and on increasing our knowledge ability. You come up against the perennial problem that there is no single, overall driving objective in Government — there is responsibility across a range of issues. Provision must be made for people's education and health and for driving the economy. The amount of direct expenditure that goes into the economy is now small in comparison with the other programmes.

Mr Cree: This is probably a simple question to answer. The Department of Finance and Personnel (DFP) has told us that any additions from the Chancellor's package will be needed to fund general pay and price inflation. Is that accurate? If so, what are the implications for public expenditure under a restored Executive?

Mr Hewitt: That is probably realistic, depending on what assumptions the Executive have made about what they will get. The Chancellor's package with regard to the departmental expenditure limit has essentially flatlined. There has been no change in real growth. It has been maintained at the same level, which goes from around 8.5% to 9.2%. In my calculation, I assumed that there would be around 0.8% of real growth, an increase of about 3.5% per annum. There are different

ways of presenting that. I simply presented it by showing what real growth will be in 2010-11 compared with what it will be in 2007-08, which will be about £900 million.

That can also be presented cumulatively. The Executive would receive another £300 million in the first year, £600 million in the second year and £900 million in the third year. Therefore £1.8 billion would be the overall total. However, when one considers the general wage pressure, an uplift of 3.5% is not a huge amount. Although the block is not all for wages, a large proportion of it is. It will certainly not come in at 3.5%. Most of that money will be absorbed by pay and prices. Most of the service development that the Assembly will undertake will be through self-help measures, such as increases in rates, water charges, sales of assets, efficiency savings where they can be found, and so on.

Ms Ritchie: One priority that was mentioned was employment. Northern Ireland has the problem of regional inequalities in employment. How do you envisage an incoming Executive and Assembly dealing with that?

Mr Hewitt: There are issues surrounding scale. For example, Fermanagh has a population of only some 50,000 people. In some respects, the scale of the problem in Fermanagh, in absolute terms, is manageable. In areas where the population is denser, the problem is greater. The way forward is to tune areas to their natural competitive advantages. Fermanagh will not be hugely attractive to inward-investment companies. However, its future could lie in the development of high-value-added tourism services, because that would be playing to its strengths.

Areas that are closer to the coast are probably more attractive to inward investment. Those areas would have to play to their advantages — their infrastructure and the quality of available labour. Systems must be tuned to opportunities.

Inactivity is a huge problem. Northern Ireland has an inactivity rate of about 29%, as opposed to approximately 21% in the rest of the UK. It is really tragic that so many young people who are not in third-level education are inactive. To solve that problem requires a major effort, but we cannot do it all on our own. The benefits system must be tweaked, but that is beyond our control.

It should be a major priority to get those people re-engaged with the labour market, for their own good as much as for the good of the general populace.

The Chairman (Dr Birnie): Victor, thank you for your written submission and for answering our questions. The session was extremely comprehensive and helpful, and we wish you and ERINI well. A happy new year to you.

Mr Hewitt: Mr Chairman, a happy new year to you also. If ERINI can do anything further for you, we are more than happy to help.

The Chairman (Dr Birnie): I welcome Seamus McAleavey, the chief executive of the Northern Ireland Council for Voluntary Action (NICVA), and Frances McCandless, its director of policy. Thank you for your written submission and for coming here today. It may be a tall order given the time limitations, but the subgroup is trying to identify priorities for spending and investments, cost pressures and efficiency savings. Perhaps you could begin with a short statement, bearing in mind the subgroup's terms of reference on the comprehensive spending review, and then take questions from members.

Mr Seamus McAleavey (Northern Ireland Council for Voluntary Action): Mr Chairman, thank you very much for inviting us to address the subgroup. We welcome the opportunity to do so.

NICVA's remit is to deal with issues concerning disadvantage, and that is reflected in our written submission. The current UK comprehensive spending review is even more important than those of the past and is likely to have far-reaching consequences. As Mr Hewitt and others have noted, the Government have trailed the fact that public expenditure will be tightened. That does not mean that there will be a reduction, but there will be less money to go around — Mr Hewitt has already mentioned issues such as wage inflation. Some parts of the Government believe that those measures should apply at higher levels.

11.30 am

Northern Ireland receives most of its money through the Barnett formula — a few extra pieces come from the rates, water charges if they are introduced, and the Peace programme. There is not a lot of room for manoeuvre.

Departments are examining the scope for efficiency savings. That gives cause for concern because Northern Ireland does not carry out that activity very well. Quite often, efficiency savings translate into cuts, with budget directors reducing expenditure and dropping items that are considered to be peripheral. NICVA does not think that the track record is good and has made representations to the Minister on the issue. We have got a commitment that the Department of Finance and Personnel will test the proposed efficiency savings. That is an important issue that the subgroup should monitor.

The CSR in England has paid quite a lot of attention to the voluntary sector's involvement in the delivery of public services. That needs to happen here, because we are behind in that regard.

NICVA broadly agrees with the Secretary of State's cross-cutting priorities. Public expenditure covers a

wide area, and there is a danger of everything becoming a priority. We are not saying that the outgoing items are not of any value or have been completed, but we feel that the four incoming items are very important.

NICVA gave evidence to the Subgroup on the Economic Challenges Facing Northern Ireland and has said a fair bit on the subject. Most people feel that there needs to be some sort of transformational change in the economy of Northern Ireland if the economic situation is to be improved.

NICVA's focus is on disadvantage; our sector has lobbied Government strongly on creating an effective anti-poverty strategy for Northern Ireland. We are pleased to see that being included as a cross-cutting priority.

As far as NICVA is concerned, the publication of 'Lifetime Opportunities' is only the beginning of the process. If the Government want to be strategic about certain issues, they need to set out their high-level objectives — what they are really trying to achieve — so that we ordinary people can understand what is happening and can evaluate whether those objectives have been achieved. The strategy document begins to set out the Government's key strategic thinking. However, policies need to be put in place to direct spending in order to address some of the issues and make the strategy work.

We would like to explain our position on domestic rating and water reform if that is acceptable, Mr Chairman.

The Chairman (Dr Birnie): Yes, but please be brief because we are concentrating on the CSR today.

Mr McAleavey: NICVA found the consultation exercise on domestic rating to be quite good. We support a system based on capital values. We believe that the power will rest with Members, if they are in Government, and that it will be for Members to decide how much is to be raised by way of rates. The proposed system provides a formula as regards apportionment.

There has been much discussion about capping. NICVA does not see a need for capping: rather, the issue is apportionment. Capital values have been increasing quite a lot recently. However, that does not necessarily mean that people should worry that their rates will double because the price of their house has doubled in the last five years. The charge will be determined by how much the Government need to collect. The proposed system is fairer. Many problems regarding apportionment have been created as a result of not having changed the system since 1975.

NICVA was not keen on the introduction of water charging. However, if that is to be the case then charging needs to be progressive. Our interest is in

protecting the people who are least able to pay. Those principles are important. As the matter is associated with the RRI, Members' hands may be tied. However, people at the lowest end as regards ability to pay need to be protected.

NICVA has never been sold on the proposed model. Most people in Northern Ireland are against the privatisation of water services.

Our view is that the model should be one that is in social ownership. A not-for-profit company could instead be created. We believe that that model could be reconsidered. That has been done in Wales, and there have been similar moves in Scotland. We worry about the issues raised by the Consumer Council in respect of controlled assets and what might happen to those in the future.

The issue is incredibly complex, and many fear that the public's eye may be wiped in the process.

The Chairman (Dr Birnie): Thank you very much, Seamus and Frances, for your presentation. We will now take questions.

Mr Raymond McCartney: First, page 3 of your submission mentions how inefficiencies have been tackled by cutting frontline services. The submission goes on to deal with the making of efficiencies through administrative spending. Can you provide examples of costings that could help to demonstrate those efficiencies, if they were made in the way that you envisage?

Secondly, your submission states that NICVA believes that the anti-poverty and social inclusion strategy is a "good basis for going forward." Can you elaborate on that and on the strategy's potential impact?

Mr McAleavy: We said that, in respect of economic challenges, Northern Ireland was a very risk-averse place. The culture of life is dominated by the public sector because so much of the GDP goes through the public sector. Therefore, what the public sector does is very important.

We see a culture that is somewhat afraid of making mistakes and of being held to account as a result. That results in ever more administrative burdens and red tape. We know of voluntary organisations in receipt of public money that have undergone audits. Public money must be accounted for — there is no argument about that — but it must be done efficiently and effectively. The public audit culture is increasingly burdensome. It seems that that culture must always cost money. We know of incidents in which thousands of pounds have been spent in order to check on £100. A disproportionate amount of money is spent on auditing. That is not to say that auditing is not vital, but, in our view, there are bound to be many ways to streamline the process.

In relation to voluntary organisations, we have said that — and Government have agreed with us, although nothing has really happened yet — where there are multiple funders of service and voluntary organisations, one Department or agency should be responsible for audit. There is no need for five, six or seven organisations auditing organisations for relatively small amounts of money. That problem probably occurs across the system. The problem is not the cost of the Northern Ireland Audit Office, but the cost of internal audit systems.

Ms Frances McCandless (Northern Ireland Council for Voluntary Action): I will answer the second question about the anti-poverty and social inclusion strategy.

We warmly welcomed the anti-poverty and social inclusion strategy as a high-level plan that, at last, set out the problems in Northern Ireland and some long-term goals. That was the start of finding a way to discuss solutions. Our problem is that the strategy does not yet provide solutions and is very light on policies that might deliver those long-term outcomes. We welcomed the focus on the different stages of life: children and young people; early years; people in work or of working age, and older people.

Another problem with the strategy is the big focus on work as the route out of poverty. Many people of working age will never be able to access work, either because of disability or caring responsibilities. There is no recognition of the low-wage economy or of the other challenges that may be faced by people of working age.

We want the policy content of the strategy to be fleshed out. In addition, we would like to see a budget for the strategy and interim targets to be set that will take us towards 2020. There should also be a focus on key areas such as early years provision, economic inactivity and housing.

Those elements are very much tied in with Victor Hewitt's earlier comments. We cannot drive the economy forward or be a high-value, high-skills economy without putting money into early years provision at the earliest developmental levels and addressing the waste of the skills of those who are economically inactive — currently young people. Following John Semple's review of housing, something must urgently be done to address where the people who will be working in this so-called thriving economy will actually live.

Ms Ritchie: Seamus and Frances, you are very welcome. Bearing in mind that we must concentrate on the priorities for the comprehensive spending review and the fact that a certain emphasis has been placed on the need to implement a good anti-poverty strategy, from where should the funding for that strategy come?

Does NICVA perceive the need for a dedicated fund, which, therefore, would transcend all Departments, for the implementation of an anti-poverty strategy?

Mr McAleavey: In the past, we have commented on the ineffective elements of targeting social need (TSN) and, subsequently, new targeting social need (New TSN). Our main point was that although the scheme promised a lot, it did not deliver on that promise. Our belief was that the notion of skewing resources in Departments did not seem to be working: civil servants were accounting for their spending after the fact and were attributing that to TSN and New TSN. We told the Government that rather than promise the sun, the moon and the stars, they should provide an effective, adequately funded strategy.

The high-level strategy outlined in our presentation would allow the Departments to adhere to the cross-cutting theme of the comprehensive spending review by giving them the chance to announce their planned initiatives for the next number of years. For example, the Department of Education could announce its intention to invest in early years schemes. We highlighted fleetingly the fact that voluntary organisations on the Shankill Road carried out similar work under the Urban I programme. Those organisations received a small amount of money from a European peace and reconciliation fund, but when that funding ended, much of the programme had to end as well. The Government must be much more strategic.

We have been asked from where the Government should take the necessary money. Obviously, they must find the money in other areas of the Northern Ireland block grant. Certain measures and schemes must either be reprioritised or, because they do not come high enough up the agenda, cease to be funded. Alternatively, as everyone seems to think, the money could come from efficiency savings.

Aside from those options, the money could come from increased revenues, such as additional rates and charges. However, at the end of the day, that is for the Government to decide. They must determine what they should prioritise, from where they should take the necessary resources and how they should apply them.

Mr Shannon: Mr Hewitt from ERINI mentioned efficiency savings, which are referred to in the NICVA presentation also. The CSR target is £800 million. That is a massive amount of efficiency savings. I am keen to hear where those could come from. Mr McAleavey commented that there are savings that could be made. Is £800 million realistic?

Mr McAleavey: In anyone's terms, £800 million is a large amount of money. However, in a block grant of £16 billion, it is proportionate. Last year, £300 million of the Northern Ireland block grant was not spent. Some of that money might be rolled over to this year.

NICVA believes that there is no need for six, eight, 10 or 11 internal administrative Departments in Northern Ireland. The Departments could be combined. Of course, the Government are combining services such as estates management and human resources.

In an organisation the size of the Government, it is always possible to make efficiency savings. There is little doubt about that. However, NICVA fears that the culture has been about having less money to spend and what that money will not be spent on — rather than about efficiency savings. That has been NICVA's experience, and that culture must change.

Over the years, Northern Ireland's voluntary organisations — albeit on a much smaller scale — have achieved efficiency savings. They have squeezed out costs in their processes. Therefore, I am sure that anyone can do that.

Mr Shannon: I have some concerns about trimming funding from local services, resulting in the loss of a critical service to a particular section of the public. That practice should be discouraged and replaced with other options. For example, Mr McAleavey mentioned audits as an example of how savings could be made.

Another question, which I should have liked to ask the previous witness, but which I will take the opportunity to ask you since you are here, is in relation to bad debt. It is all very well to talk about the money that is going to be brought in through the rates and so on, but bad debt is something that has not been touched on this morning in the way that it should have been.

11.45 am

If you have money coming in on the left hand and bad debts on the right hand, sometimes the balance is not there. Do you have any figures on what the amount of bad debt flowing from domestic rates and water charges might actually be?

Mr McAleavey: I have no idea what the level of bad debts might be. Our view is that everyone should pay their way, within reason. I do not know what the level of bad debt would be.

Mr Shannon: It is something that I am concerned about, but if you do not have anything, that is fair enough.

Mr Cree: I want to pick up Jim's point about efficiency savings. You have expressed your concerns about public-sector efficiency savings leading to cuts in front-line services. To approach that from a different angle, does NICVA accept that there is a pressing need to address inefficiencies in the public service?

Secondly, in your submission you say that many people live in houses that they could not afford to buy at today's prices. You then go on to say that people

generally live in houses that reflect their means. I find that a little confusing. It is a bit of a contradiction.

You also refer to the umbilical link between the anti-poverty strategy and 'A Shared Future'. That is a good example. Do you think that there is a similar umbilical link between social inclusion and economic competitiveness? I think that that is likely. How could it be reflected in the CSR?

I will end with a simple question in order to make you feel happy. Mr Hewitt talked about the lack of transparency in DFP's approach here as compared with the Treasury. Have you any concern about that?

Mr McAleavey: The Treasury has held 120 meetings with voluntary organisations in England. They set out what they had heard, and there were five key themes that came back to them. The Chancellor began to address that in his pre-Budget statement. Our focus is on the voluntary sector, but I think that that is happening across a whole range of things. We do not see that in Northern Ireland, so we are certainly weaker in the CSR debate.

I agree that there are bound to be inefficiencies in organisations as big as the Government, and they have to be addressed. It is noble, and it can be done, but we have not had a great culture of doing it.

As for the contradiction in relation to housing, we accept that people tend to buy the standard of housing that they can afford. However, houses gain in value, and people think that if they were buying the same house now they would not be able to afford it. However, the relative capital values remain the same. There is a formula. When I studied history at university, we looked at the Belfast census of 1905. We used rateable values of houses to broadly identify social classes. There is a relationship. It is not so much about the actual formula but how it is applied to raise the amount of money that you need from rates.

I see less of a contradiction there. There will always be anomalies — people who are much more asset-rich and cash-poor.

Rate relief is needed to address all such cases.

Ms McCandless: I shall answer the question about the link between social inclusion and economic competitiveness. We certainly see that link as it relates to wasted human capital, with 29% of the potential economic workforce sitting at home. That is a massive waste. Moreover, societies such as those in Scandinavia, which tend to be more equal and more socially inclusive, are incredibly successful. The economies of those countries are as open as that of the South of Ireland. More equal societies seem to result not in a worsening of economic competitiveness, but in its growth. We see social inclusion and economic competitiveness as very closely linked.

Societies that are more equal and inclusive tend to spend less on addressing issues such as road deaths, security, and crime in general. Those problems tail off as equality increases. There is much evidence from around the world of a direct correlation between those matters, so we are spending money on problems that other countries are not. We are not spending money on areas such as early years. We should be increasing that funding in order to make the most of the potential of each of our citizens, because that will help the economy to thrive.

The Chairman (Dr Birnie): What do you think may be the implications of the comprehensive spending review for the community and voluntary sector? What do you see as some of the specific cost and spending pressures and other problems that you are likely to encounter over the next three years, and what would you like to get out of the comprehensive spending review?

Mr McAleavey: We had a brief meeting with the Minister for Finance and Personnel, David Hanson, who also happens to be the Minister for Social Development, and has responsibility for relations between the Government and the voluntary sector. We made the point that what had emerged from the consultation with the voluntary sector in England was not a million miles from the situation in Northern Ireland. They have found that the funding relationship has been broken. We think that it is worse here than in England and that that must be fixed. We need better mechanisms for accounting for public money. The audit problem is worse here. We need investment in skills development in the voluntary sector, and something should be done to try to build the asset base. That would help voluntary organisations to provide more public services. Those are some of the matters that must be addressed.

Our fears relate to efficiency savings. Often, budget directors see the services that voluntary organisations deliver on behalf of the Government as peripheral services that may not be required under a statutory duty. They believe, therefore, that they should get rid of those services at once. The irony — which I believe that some in Government have accepted — is that those services may well be the most efficient, effective and cost-effective. However, that just does not seem to matter. We have a real fear of losing some of the most efficiently and effectively delivered services.

Mr O'Dowd: I have an observation, rather than a question, which relates to the anti-poverty strategy. Victor Hewitt spoke about public expenditure, and he said that he believes that spending on the Health Service is going to reduce dramatically. I believe that such efficiency savings will also have a major impact on poverty. If front-line services are taken away from the Health Service, which is a major employer, areas of

high deprivation will be worst hit. Let us take the Royal Victoria Hospital as an example. It is in an area of high deprivation, and employs many low-paid workers from that area, such as cleaners and catering staff. That is where efficiency savings will hit. That will follow through into the trusts, which, in turn, will hit people in the community and voluntary sector. What are your views on how we should tackle that matter through the Government's anti-poverty strategy? Have you raised that issue with the Government?

Mr McAleavey: You mentioned where cuts are likely to fall in the Health Service.

The Conservative Government of the early 1990s introduced efficiency savings. When those savings were being made in the health services, I remember spokesperson after spokesperson saying that they would not affect front-line areas such as the delivery of medical services. They fell in areas such as cleaning services, and, as Mr O'Dowd said, quite a lot of other low-paid jobs are hit by such cuts. Ultimately, the state of hospitals, infection rates and so on were the disastrous results of those savings, so it would be a disaster if we ended up in that position a second time around.

However, as we have been saying for years, some skewing away from acute services into preventative medicine is necessary. It takes a long time for people to get a return on such changes. We spend minuscule amounts of Health Service money on prevention and on building up people's health so that they will not make the expensive calls. Therefore we need to think about how we shift that focus. At the high end, health costs seem to shoot up for those who are very well paid. I believe that health inflation is somewhere in the region of 9% or 10%: something needs to be done about that.

We need to have an open debate in Northern Ireland about where we should put our specialist services and how we should access them. At the same time, we should debate our community services. Without that debate, health services will continue to eat up the budget, and we will continue to complain. As it stands, education and health are the two big pots. If one wants efficiencies, one could say that money is being taken from one of those pots to be given to the other. Where the block is concerned, the other Departments do not count.

Ms McCandless: The health arena is a good example of how efficiency savings are implemented. Indeed, we saw that occur a couple of years ago in that sector. An edict comes from the Department through the boards and trusts — and other intermediary funders that they might use — and eventually hits the voluntary and community sectors. There is no doubt that that translates as a straight cut. However, those are the services that do the most difficult work with regard to turning public health around. Therefore peer mediation

is important in areas such as smoking cessation, getting kids to stay away from drugs, or getting women to participate in schemes such as Sure Start so that their kids have better diets. Those are the societal issues that are really hard to change; the Government do least well with those and our sector does best. Such schemes are most vulnerable to those kinds of peripheral cuts, so they are good examples of how cuts are being made in areas that appear to be the easiest in which to make savings. However, those cuts may affect the effective and long-term transformations that are needed to make the big shift towards public health and well-being and away from acute services and hospital beds.

Mr Shannon: Following on from what my Friend opposite said, I heard on the news this morning that health services across the water are being affected by cost efficiencies. One GP was sent letters telling him to cut back on his referrals and on the type of medication that he prescribes. Are those savings efficient? They may be savings, but I suggest that they are not efficient. That is just an observation.

The Chairman (Dr Birnie): Are there any more questions or observations? I would prefer questions.

Your written submission states that you support what you term the “transformational change” in rebalancing the economy towards expanding the private sector. You also gave evidence to the Subgroup on the Economic Challenges facing Northern Ireland specifically about the Chancellor's package. I do not know whether you have had time to look at that subgroup's report, but we wonder whether you have any comments to make on the sort of investment priorities that it identified. You perhaps heard Victor Hewitt talking about areas such as so-called networks, particularly for matters such as roads and some skills.

Mr McAleavey: We have not given that issue much consideration since we met that subgroup.

The Chairman (Dr Birnie): Frances, I think it was you who made the point previously — and strongly — that greater social equity and economic competitiveness are possible, and you cited places such as Sweden and Denmark as examples of that.

However, someone playing devil's advocate might point out that Sweden and Denmark are national economies, whereas Northern Ireland is a regional economy. Could you reflect on that point? There are certain policy instruments that we do not have at our disposal.

12.00 noon

Could you say a little about what you think might be the difference that devolution and restoration of the institutions could make in some of those areas, or whether you think that there are areas in which devolution might not make much of a difference? In

that case, UK-wide social policy change will be necessary.

Ms McCandless: Clearly, the big issue is taxation. There is very little power within a devolved Assembly's grasp in respect of that, other than local taxation and charges. Various proposals and suggestions on local taxation have been on the cards over the years, as well as rates and water charges.

Dr Birnie is right to say that our hands are tied because Northern Ireland is a region, not a nation state. However, it is absolutely in the gift of the Assembly to provide excellent education and health systems. This region is small enough to garner the benefits to be had from sustainable development and growth technologies. In respect of those matters, there are benefits in being small, rather than a large nation state.

Particularly on education and health, there is absolutely no reason for a devolved Assembly not to provide a bonus by fixing the parts of the system that are currently broken. Parts of the system are excellent, and that is great, but we must fix the parts of the system that are currently not working in order to ensure that all children become potential achievers for themselves and for the economy. We must ensure that the health system brings the bonus of good health for our citizens, rather than being a constant drain on the public purse. As technology advances, that drain will increase as demands are made for new drugs and technologies. Education and health are the two primary areas in which the Assembly can trigger beneficial change.

The Chairman (Dr Birnie): As there are no further questions, I thank you, Seamus and Frances, for your time, for answering our questions and for your written submission. I wish you well in your future work, and I wish you and your organisations a happy new year.

Mr McAleavey: Thank you, Mr Chairman. We gathered together the views of the voluntary sector and sent a copy of that document to individual MLAs. That paper addresses a very broad range of issues that members and their parties may wish to consider in the context of the next elections and what the Assembly does thereafter.

The Chairman (Dr Birnie): Elections concentrate the mind wonderfully. Thank you very much.

The subgroup was suspended at 12.02 pm.

On resuming —

1.16 pm

The Chairman (Dr Birnie): Good afternoon, gentlemen. Welcome to the subgroup, and thank you for coming earlier than originally planned. The members of the Confederation of British Industry (CBI) Northern Ireland delegation are the director, Nigel Smyth; the chairman, Declan Billington; the vice-chairman, Brian Ambrose; and the chairman of the CBI Northern Ireland economic affairs committee, Alastair Hamilton.

Thank you for your written submission, which members of the subgroup have received. Once you make some brief introductory remarks, we will move to questions.

Mr Declan Billington (Confederation of British Industry): On behalf of the CBI, I thank you for the invitation to attend the subgroup. The CBI holds the CSR close to its heart, and we welcome the opportunity to put our position on record. Since we have already made a written submission, we will set the scene and move to the discussions.

Among the priorities of Government spending are the efficient and effective delivery of public goods and services and the prioritisation of public resources to deliver the best outcomes for society. Given that funding in Northern Ireland is fixed, the efficient delivery of public goods and services means that the more efficient we are, the more goods and services can be delivered.

The CBI believes that the CSR should focus on expenditure that creates economic growth and economic enablers. The question is: how can Northern Ireland raise its economic game? In particular, how can it achieve robust, productivity-based growth and an increased economic-activity rate? That will translate into more, better-paid jobs for our people, which will in turn alleviate the high levels of poverty that we have in Northern Ireland. Alastair will touch on those points shortly.

However, despite large historic increases in public expenditure, we have been disappointed nationally and locally in the outcomes. It is important that the CSR addresses the failure to deliver outcomes, even though money has been invested.

The Executive and the Assembly need to agree some key strategic outcomes, against which all policies should be measured to determine their priority in the Budget. The smaller the number of strategic priorities, the better.

It is important to focus on what is workable. Although new initiatives may be welcome, it is important to get the basics right first. One important issue that Alastair will touch on is the transformation of public services; our submission to the subgroup addresses that area in

detail. Achieving greater efficiencies is very important. The number of civil servants in 2006 was 15% higher than it was in 1998.

We would, however, argue strongly against the blunt, across-the-board cuts that were introduced following recommendations in Sir Peter Gershon's review: 'Releasing resources to the front line: Independent Review of Public Sector Efficiency'. Efficiency savings should be focused on areas in which there are known inefficiencies. For example, Prof John Appleby's report, 'Independent Review of Health and Social Care Services in Northern Ireland', identified such areas.

There is also a need to ensure that there is administrative capacity in those Departments that will have increased workloads as they become involved in enabling economic growth. We must address the bottlenecks that inhibit economic growth — for example, planning. In short, we need to focus our resources on those areas that add value to the public and spend less money on those areas that add cost to the block. I will ask my colleague Alastair to add a little more detail, and then we will be happy to take questions.

Mr Alastair Hamilton (Confederation of British Industry): It is important to say a little about how we arrived at our submission to the subgroup. It is the aggregated view of all CBI members through its economic affairs committee — that is the point where we aggregate all the views. We have since checked that view against the national CBI view, and, by and large, it is pretty much in line with what is coming out of Centre Point but with a few specific focus areas for Northern Ireland. I want to take a few minutes to emphasise some of the detail in the points that we have raised — I know that you are keen to get to the questions.

Our submission covers three key areas: knowledge and skills; the physical environment; and the operational environment. In those three areas, we have tried to put forward views that take us away from step, incremental change into something much more dynamic and forward-thinking. Some, if not all, members will have reviewed the draft regional economic strategy and some its stated targets. The CBI has been forceful in saying that the drive in that strategy is very small. Some targets are set to increase by less than 1% over the next 10 years. That does not give us hope that we will achieve the dramatic economic change needed in Northern Ireland.

Therefore, it is in that context that we made our comments on the CSR, because we see that as a key plank in starting to deliver some of the economic benefits that are needed in Northern Ireland.

On education and skills, among our key points is the need for all school leavers to come out with numeracy and literary capability. In 2004-05, 41% of people

leaving school did not have those skills, which employers in Northern Ireland consider essential. Similarly, science, technology, engineering and mathematics are the four key planks that we want to see coming out of third-level and fourth-level education. Again, we want to see emphasis on those areas.

On infrastructure, there are two key areas. We would like to see a lot of effort put into reducing journey times on strategic roads across the Province. Conversely, we would like to see an increase in the average road speeds in peak periods to in excess of 50 mph. That is in our submission.

A lot has been done over the past few years to try to improve our telecommunications infrastructure. The obvious next step is to build on the good programme that has been put in place in order to provide 100% broadband availability and to start to increase the speeds to up to 8 megabytes and 10 megabytes.

We want a programme put in place that will secure 10% a year export growth for enterprise in manufacturing and tradable services. That is achievable if we put in the effort and drive to make it happen.

Finally, on the rate of employment, it would be easy for us to get a little complacent about the very enviable position that Northern Ireland is in and perhaps to take the foot off the pedal. However, we need to drive even harder to increase employment, especially with the changes in legislation that allow older people to continue to play an active part in employment in Northern Ireland.

Mr Cree: Thank you, gentlemen, for your helpful and informative paper. There are a couple of points that I wish to query. Your submission referred to the bleak picture in respect of skills. On page 4 of your submission, the section titled "Public Expenditure Priorities" identifies three areas: essential, intermediate and higher skills. Should skills improvement be the number one priority for the CSR?

Mr Billington: In order to grow the economy, it must be. Fiscal incentives have been mentioned, but the right number of people with the right skills sets is needed to make successful, value-added, businesses work. A key pillar of that will be the skills set. As you have identified, our report states that we are coming up short at all levels. Indeed, to quote some other statistics, although there has been a 27% increase in education spending since 2001, we are not seeing the outputs from that. Although skills are important, and money is being spent, results are not being delivered. We must get the outcomes right. Young people must have the basic three Rs by the time they leave school, and we must deliver the right skills sets at all levels in order to support business and business growth.

Mr Cree: My other question refers to the section at the end of the report, “Managing environmental and natural resource issues”, which I found interesting. What is the economic or business case to ensure that environmental stewardship and sustainable development becomes a priority in the CSR?

Mr Billington: The world is moving towards using environmentally sustainable technologies. If we ignore that, we can expect that, over time, businesses will suffer as a result of failing to become energy efficient or to manage resources efficiently. Focusing on encouraging and developing sustainable technologies and enterprises prevents businesses from being damaged, but it also provides opportunities — if we are best in class at what we do. We can sell and export those technologies just as we sell and export other technologies. For example, there are companies in the CBI that are involved in water purification and recycling around the world.

Why can we not be leaders in energy management and energy efficiency? In every threat, there is an opportunity. Businesses must now work in the context of being environmentally sustainable. That cannot be ignored; it must be embraced.

Mr Weir: Thank you for your presentation. I have three questions. First, you outlined a full programme of public expenditure priorities. Have you given any thought to a ballpark figure of the cost of implementing that programme?

Mr Billington: I will pass that question to Nigel.

Mr Nigel Smyth (Confederation of British Industry): We have not addressed the cost for the education and skills sector, but for science and technology, we have given a figure of £40 million. The costs are largely deliverable from efficiency savings. All our responses recognise that there is a limited pot of money and that best use must be made of that money. There are significant opportunities to reduce costs and to re-engineer the public sector to save money in order to allow money to be spent. The majority of that could be incorporated in the efficiency savings.

Mr Weir: Secondly, you mentioned the pressing problem in the private sector of delays in the planning system. Those delays prevent private-capital programmes from proceeding. You also mentioned the problems in ensuring efficient delivery of public services, or the Government’s point of view on that. Allied to that, there have been significant departmental underspends year on year, particularly when moving from resource spending to capital projects in Northern Ireland. From the public’s point of view, capital projects seem to have taken an inordinate length of time, resulting in large underspends each year that must be rolled over. There is a much longer period for

the delivery of certain capital projects than should be the case.

Do you have any advice as to how the CSR can tackle that problem?

1.30 pm

Mr Billington: I shall make some general comments and then pass over to Nigel. Some years ago, planning was identified as a serious issue; however, I see little improvement in that situation. Issues arise from time to time, but it is a point of concern.

I recently chaired a dinner of members of the construction industry and the SIB. Questions were asked about the situation in which many foreign nationals are working on building sites while fewer local people are being trained in modern construction apprenticeships. A representative of one large company asked how anyone could recruit and train people for a £20 million or £30 million project when it is delayed for a year. Who carries the labour costs for that? It goes beyond Government budgets not being spent in the year for which they were planned; it goes to the point at which employment and training opportunities for those people in more vulnerable areas of our society are being lost simply because we are not managing the planning issue. Planning is the roadblock that is causing a lot of problems for businesses.

Nigel has had several meetings with the SIB, and he might want to comment in more detail on how to remove some of those roadblocks.

Mr Smyth: Before I touch on planning, I should point out that Northern Ireland Departments have been weak on the procurement side and on skills traditionally, and we welcomed the creation of the SIB and the skills that it has brought into play.

Departments have also been weak on strategy, the classic example being education. Fifteen months ago, we challenged the Department of Education (DE), which was literally going to double its capital expenditure within 18 months, despite the fact that the terms of reference of the Bain Report had not even been agreed. We asked the Department how it could do that without even knowing what schools it was going to invest in. The result has been that companies have made bids, some of which have been pulled or are under review. That sends out all the wrong messages to the sector. There is a lot of work to be done on education, an area in which the problems are significant. However, good progress has been made on roads and water. There have been delays in health, but some major projects came through last year.

We have had a good ongoing dialogue with the Planning Service. We welcomed its introduction of a strategic planning division in the third quarter of 2005. The Planning Service needed to identify significant

economic public-sector infrastructure projects and speed those through the system. It has done just that, although that has not been reflected by some of the key statutory consultees. The feedback that we are now getting from some of those consultees is that the introduction of the strategic planning division is producing results. A great deal of work on planning remains, but good work is being done that we need to build on and not set aside.

Mr Billington: May I add one more point? We talk about planning in general, but the Planning Service has statutory consultees. It is often said that the Environment and Heritage Service (EHS) is the late responder, significantly failing to meet its deadlines. In other countries, failure to respond is not considered a problem, as no response is presumed to be a clean bill of health, and the process continues. The EHS's response times must be addressed in order to alleviate planning problems.

Mr Weir: Thirdly, many of us were disappointed by the economic package suggested after the political parties met with the Chancellor, and I suspect that the CBI shares in that disappointment. One suggestion was for the establishment of an innovation fund. Given that support from Government has not always been invested as well as it should have been, what advice would you give on how the introduction of an innovation fund should be tackled? Where should it be targeted?

Mr Billington: In discussions with the CBI nationally, the message that I received was that the chances of winning an argument with the Chancellor would be much better if it was aligned to matters on which he is quite keen. He is bound to be more receptive to the idea of an innovation fund.

Mr Smyth: I would draw members' attention to what we have set out today. We have highlighted several priorities or initiatives. We are conscious that we do not want to go overboard, because costs go with those initiatives; this is building on existing work.

There is a concern that the number of postgraduates in the STEM subjects — science, technology, engineering and mathematics — is dropping when they should be on the increase. The amount of expenditure on R&D in engineering and technology in the South of Ireland is going up by vast amounts, while the opposite is the case in Northern Ireland.

Many small companies will not take the research route. However, they can be encouraged to take the innovation route by working on product development and support. To do so, they need to link in with their local further education (FE) college before they link in with a university.

Therefore there is a range of options, and we suggest that first-time engagement vouchers be introduced. We need to create more demand and make

universities more responsive to that. Good work is being done; for example, a collaboration fund that has a lot of capabilities is being set up. However, the CBI believes that that fund is under-resourced.

The CBI has set out a great deal of ideas in its papers, and an innovation fund would be one such good idea.

Mr Billington: As Nigel has rightly said, a lot of businesses have small operations. That means that a relationship with a university or an FE college will be necessary if one wants to promote innovation. Therefore the mechanisms that enable that relationship to develop and the way in which the universities structure themselves in support of R&D and innovation are important. The way in which to do that is to create a critical mass of postgraduates in the university infrastructure.

The Republic is going down that route in a big way, and given the current planned level of expenditure for postgraduate degrees, including doctorates, I question whether Northern Ireland will be able to match it.

Ms Ritchie: I wish to ask three questions. The first deals with the regional transportation strategy and the structural roads' maintenance budget. I note that you say that a future Executive and Assembly must:

“deliver a five year ring fenced budget for structural roads maintenance at levels envisaged by the Regional Transportation Strategy”.

Given that the current budget for structural roads' maintenance has been left wanting and has considerable deficits, how could the Assembly make that a priority and deal with the deficit?

Secondly, I note that one of the CBI's main concerns is to make environmental and natural resources a priority. How would a future Executive achieve such an objective?

Perhaps you could answer those questions first — I shall then ask my third question.

Mr Billington: Those are interesting questions.

CBI members were annoyed about what happened with the maintenance budget. Although they were encouraged to equip themselves to support what was planned and to be prepared, they ended up investing in equipment to support the maintenance programme, only to find a substantially reduced spending programme available. Annual chopping of budgets to below the planned level carries not only a risk of not delivering a high-quality infrastructure but damages the businesses that will carry out the infrastructural repairs.

From that point of view, it is important that there is certainty that the businesses can plan — that is why we are talking about a five-year plan — and can see, equip and resource themselves for that level of business while knowing that it exists. That is why we are

talking about ring-fenced funding and a five-year plan. Nigel may wish to comment further on the other points.

Mr Smyth: The key message is consistency. The maintenance budget had been rising for a few years. However, it was cut by about £20 million last year, although there is talk that it may increase. Unfortunately, it was an easy budget to cut. That sends out all the wrong signals. Many parts of the construction sector lack confidence. They do not look just at that budget but at the broader investment strategy in Northern Ireland. People question whether it will be deliverable. That is an unhelpful perspective overall, as one needs to create market confidence for the players.

Therefore a commitment is necessary. The CBI would like the figure for the maintenance budget to be £80 million to £90 million, but whatever it is, it would be helpful all round to have a firmly set five-year plan.

Ms Ritchie: Last December, the Northern Ireland Audit Office (NIAO) published its report 'Reinvestment and Reform: Improving Northern Ireland's Public Infrastructure'. That report made recommendations to improve the ISNI, as well as the departmental investment plans to enhance the delivery of that strategy. It also made recommendations to manage and fund the investment strategy.

I recognise that the report was released only recently. Although you might not have had the time to study it, you might wish to make some cursory comments that you could share with the subgroup that might inform our report.

Mr Billington: We have already touched on some of the issues. Businesses investing capital expenditure under the reinvestment and reform initiative (RRI) must be certain that projects will happen so that those businesses can plan and equip themselves. It must also be clear when those expenditure programmes will happen. Time and again, plans have not been progressed because of the way in which the Government have managed public finances. The publication of the Bain Report may have resulted in delays in the construction of schools. Planning delays and other issues that I have mentioned have created uncertainties that add substantial tendering costs to businesses. A business might not lose the tender, but the project may be withdrawn.

A new Executive must address issues that create planning uncertainty. Planning should indicate when a project will happen. Nigel spoke about the strategic planning and management of projects and about how there was a plan for schools expenditure before the publication of the Bain Report. The business community asked how the two could be reconciled. Inevitably, the plans that had been announced for schools expenditure were subsequently withdrawn.

Mr Smyth: For my sins, I read the NIAO's report.

Ms Ritchie: You are sad.

Mr Smyth: It was a most welcome report, and it was clear about funding, an area in which transparency is needed. We also had concerns about affordability. It is important for the Executive and the Assembly to make funding more transparent. That was one of the report's key recommendations.

The need for more detailed plans was also highlighted. Ten-year plans are all very well, but industry, which has to invest in skills and capability, is looking for detailed project planning over a two- to three-year period. The situation is changing. Capital expenditure was traditionally £650 million or £700 million; however, this year, if all goes well, we expect to spend £1.3 billion, which is a big increase. The private sector will not be found wanting, but its biggest concern — and ours — is the public sector's ability to deliver. The report is most welcome, because it raises those important issues.

Mr O'Dowd: Many of the points that I wanted to raise have already been covered, and I will not ask Mr Billington to repeat himself. However, I will ask for his views on the performance of the Department of Enterprise, Trade and Investment (DETI). How well does that Department deliver? Does it have a sufficient budget? The question may be self-answering.

Mr Billington: The CBI focuses on outcomes. Our written submission has identified a need to support economic enablers. DETI has financial responsibility for Invest Northern Ireland. There has been much uncertainty about what money is available, year on year, and the first call on available in-year funding under the concordat between DETI, the Department of Finance and Personnel (DFP) and the Office of the First Minister and the Deputy First Minister (OFMDFM). That issue must be addressed not only annually but on a reasonable three- to five-year basis. That will enable DETI and Invest NI to go out and win investment for Northern Ireland, knowing that there is three years' funding to support it. There was much uncertainty in the private sector about what would, or would not, be supported, and that will have damaged investment.

Our written submission touches on other areas. We are concerned about the energy subsidy that was to have addressed stranded costs in Northern Ireland. Those costs make heavy-energy-intensive businesses uncompetitive, and we want that issue to be addressed. DETI has failed to deliver on that issue. The business community sees costs rising, and industrial rating is adding to those costs. Although the Government want to impose a new cost, they have not remedied the results of their past failures. That is an obvious quid pro quo and an area of concern.

The single energy market is also an area of concern. The regulator is under pressure to find adequate

resources. He needs to work with his counterparts in the South to ensure that the single energy market works to the benefit of Northern Ireland as well as to the island of Ireland.

1.45 pm

What we are basically saying is that we have to make sure that the Department is adequately resourced. If we are arguing that the economy needs to grow, DETI's role will become much more challenging. It should be adequately resourced to support the work that it does in enabling the economy to grow.

I will pass on to Brian on tourism.

Mr Ambrose (Confederation of British Industry): To link back to Leslie's first point, about Invest Northern Ireland, if we do not manage to attract sufficient foreign direct investment, we do not need a lot of high skilled jobs. Dublin, which has seven of the world's top 10 pharmaceutical companies, draws everything out of the system. Unless Invest NI is geared up to deliver, we are not going to get any step change in anything. So the need for R&D and skills is very much linked to that.

Tourism can perhaps give us the quick wins that we are looking for. Tourism benefits every part of the economy and every part of the Province. Northern Ireland had two million visitors in 2006; there is no reason in the world for not getting that figure rapidly over three million. However, we will have to market ourselves and spend significantly more money doing so if we are to compete with everywhere else. We are not starting from a neutral base. We have an image to overcome. Tourism will have cross-party support and benefit the entire economy; however, it alone is not the answer.

While FDI is possibly the single biggest opportunity, tourism will be one of the most immediate attractions if we can step up our game significantly. That includes the infrastructure. There is no point in talking about Titanic unless there is something to look at, or in going to the Giant's Causeway unless there is a decent visitors' centre.

We need two other elements — marketing and skills. If we do not invest in people, they will not step up to the mark. If you get poor service in a facility where the company has not invested a dollar in training people, it is not the individual's fault. Marketing and skills are fairly critical.

Mr Shannon: You referred to a strategic planning body, which has been organised to respond to problems you have with delays. I have been told that in the rest of the UK you can get a response to a planning application within a month.

How much of a difference has this new strategic planning body made to the planning process in

reducing the time and what time would you like to see it reduced to?

Mr Smyth: It is going to vary. Some that have gone through the strategic planning division within the Planning Service have included IKEA, Coca Cola Investment, some of the Water Service plans and other major public service infrastructure. They have certainly taken longer than four weeks. For very major schemes it takes a matter of months, but you would expect that with major schemes with environmental impact. We would welcome being able to get planning permission within three to four months for a very major scheme. Most of the current ones are taking years if not longer.

Our concern is that there is now a level below that. If we ask for permission for a factory extension, we are told that that is not strategic; it is straightforward. However, it is still taking from six to nine months, and it should not take that long. There are issues with statutory consultees and the EHS.

Last year we had a number of sessions with the EHS. John Cleland has done a report on it. It has been putting more resources in. It has now got a planning tsar to push forward the change. The good news is that its backlogs have dropped significantly, although we are still looking at fairly modest gains. Indeed, a target for planning within the corporate plan was one of the things we achieved last year for the first time. The EHS has a fantastic corporate plan for building houses and restoring castles, but there is nothing about planning, which is extremely important. From now on there will be a target for that.

It is very important that we keep up the pressure. There is certainly a resource issue. There has been a big increase in demand, and we accept that. However, Northern Ireland must have a system that can respond quickly. If the demand is there, resources should be available to address it. At the same time, planning fees have increased, meaning that a number of applicants are having to pay much more.

Mr Billington: In his question, Mr Shannon identified the need to benchmark the planning system in Northern Ireland against systems in other parts of the UK. Why should the process take longer in Northern Ireland? It should not. Benchmarking and target setting that require EHS to respond within a time that would be acceptable in the rest of the UK should be pursued.

Mr Shannon: Is the problem partly to do with the number of staff employed by the Planning Service or is it solely down to EHS?

It is not always big schemes, such as IKEA and Coca-Cola, which are held up. Before Christmas, I met a man who employs a number of people in an electrical business. He said that applications from small- to

medium-sized companies were getting held up also. He also works across the water, and he gave me examples of the timescales that operate there. I am keen to see how those processes could be advanced here, although it might take major change.

Mr Smyth: In GB, the planning authorities are subject to targets and must process a certain percentage of applications within eight to 10 weeks. Very few applications in Northern Ireland would meet that target. Last year, we welcomed the modernisation of the planning process. Towards the end of 2005, we thought that we were starting to see some progress. However, at the beginning of last year, the Planning Service was swamped by single-house applications in the countryside, which distorted the whole system. Thousands and thousands of applications were submitted in the first quarter of last year, and the Planning Service would put up its hands and admit that that has distorted the system.

The number of people employed in the Planning Service, and in some of the other agencies, has increased substantially. The big issue is skills and experience. Nothing will happen overnight. Some staff in the Planning Service are moving to the private sector too, so there is an issue there. We have seen an increase in the economic activity rate and that has created a big demand. However, when the demand increased in the late 1990s, we were slow off the tracks and did not respond as quickly as we should.

Mr Billington: Government have put the people in to create the capacity. To my mind, there was a blip with the rural housing issue and the mad rush to beat deadlines. However, the Planning Service is adequately resourced now and needs to deliver.

Mr Shannon: The rural housing issue has moved on: there is no excuse for any delays.

Mr Smyth: During the last quarter of 2006, we heard that, for the first time, applications were starting to flatten out, if not decline. The Planning Service is getting rid of the backlog of rural housing applications. However, it caused enormous problems in the early part of last year.

Mr Shannon: Do you feel that the eight-week period is achievable in Northern Ireland?

Mr Smyth: Most of our members would be very happy if 90% of applications were processed in 12 weeks. EHS is allowed 30 days. At the moment, it is probably hitting a 60% to 70% return; EHS should have at least 90% of planning applications returned to the Planning Service within 30 days and although it is addressing the issue, it would admit that it is not hitting that target.

Mr Shannon: The Environment and Heritage Service has too much power, and that is part of the problem — in my opinion, of course.

The Chairman (Dr Birnie): That is not necessarily the subgroup's view — *[Laughter.]* Are there any other questions?

Mr Cree: Surely the planning process is a cultural problem here. In the United States, it takes 30 days, and that is it. I do not know how that can be overcome in the short term.

Mr Billington: I wonder whether the problem is confused priorities between the statutory consultees and the Planning Service. People are afraid to take decisions for fear of criticism. There was a resource issue, and there was a blip in coping with the demand. As far as the cultural issue is concerned, I do not understand why it would take longer in Northern Ireland than anywhere else in the UK. That must be challenged. A clear ranking of priorities needs to be explicit to all those involved so that they are quite clear on the decisions that they have to work their way through.

Mr Cree: I have a question relating to the general economy. Northern Ireland is a regional economy and can benchmark itself against other parts of the UK. Which part of Europe would be relevant? Which country could we use as a best-practice example?

Mr Billington: Twenty-five years ago I would have said the Republic. It took decisions that took its economy in one direction, whereas we were constrained, and we are where we are.

Can you think of any, Nigel, because I cannot?

Mr Smyth: An obvious example of success that comes to mind is the Republic of Ireland. Finland has been fairly successful too from quite traditional sectors. Nokia did not exist in 1988; it came out of a forestry company that made furniture, trees and wellington boots. It is very successful.

Mr Cree: Sweden, for example, seems to me to have been quietly getting on with the job in a very good manner.

Mr Billington: Sometimes I think that plans that we make now will take five to 10 years to come to fruition. Sweden must have planned five to 10 years ago.

In my previous career with an American multinational, I saw Swedish companies offshoring to China and eastern Europe. Their economic success is due to the fact that their parent companies are still there — they still retain the sales, marketing and the know-how, the high value end, and because we do not have many large indigenous businesses, we cannot retain the value-added services. We are too small and so are not able to benchmark in the way that they can. Furthermore, we are unable to offshore the lower value added and

retain and upskill the higher value added because we did not start from that point. Their businesses evolve – we did not have them to start with.

Mr Smyth: I think that you are looking ahead. Looking at the CBI's national response in the CSR, we are probably facing the most rapid changes ever. We think that we may have gone through a lot of changes in the past 10 years, but in terms of demographics, globalisation, technology, it is all ahead of us. However, Northern Ireland does have to raise its game in a number of ways.

This subgroup has said before and there is no doubt that political stability is the key — that in itself will give a major boost in terms of confidence and various other things. We need to do a major amount and actually look at our education system. We need to have a major increase in our young people's expectations and aspirations, which is why it is important that all political parties realise that the economy is a driver.

A lot of the issues that we are hearing today are relevant to the anti-poverty strategy. Our focus should be on young people. If we are going to stop some of our social problems, we need to give young people potential opportunities and good quality jobs, but they need to have the skills and the attitudes to work their way through them. It is a shame that one of the biggest current problems is actually getting people with those skills and attitudes. So we need to do a lot to raise the expectations of our young people.

Mr Ambrose: I work for a Spanish multi-national company, and I observed this kind of attitude when I was working in Spain. In Northern Ireland, we are pretty good at developing strategies and debating. However, Spanish companies put their money where their mouth is. You feel a similar energy in Asia. You do not have to question whether they are going to implement their strategies.

As Declan said in his introduction, we can learn from other regions. We should focus on output and results rather than draw up more strategies and heavy documents. By the time one strategy has come down, we have written another one with five-year targets. Do not underestimate the power of learning from people who go out there and do it. If we adopt that mindset, it could transform a lot of what we have been trying to do, and my experience in Spain has left me in no doubt that we can do it.

The Chairman (Dr Birnie): With reference to what Brown has been saying, do you think that we have too much of a risk-averse mentality, particularly on the part of the public sector? Could that be part of the explanation for the slowness in the Planning Service: really it is in terror of being caught out having made making wrong decisions by planning appeals or the courts? Has that led to an overly defensive form of

decision making? If that is the case, what do we do about it?

Mr Billington: Certainly the business community's perception is that there is a risk-averse culture generally in the public sector. In our submission, we identify areas in which we can motivate and elevate management in the public sector by having the right incentive packages and rewards as well as the right punishments for failure to deliver.

It works in the private sector, and I do not see any reason why implementing similar approaches should not work in the public sector.

Mr Ambrose: Recently, the CBI asked a senior civil servant what he would do differently if the Northern Ireland Civil Service were his company. The response was interesting. It was that the Civil Service should stop doing much of what it is doing, because it employs a limited number of people who are working hard and professionally to produce various reports or documents. However, while they are doing that they are not working on other matters. Perhaps taking a fresh look at some of the things that the Departments are being asked to do would free up those people to do much of what we have talked about in the last hour.

Mr Billington: Given the uncertainty of a new devolved Assembly and what that may entail and the criticisms or challenges that the public sector may face, a Programme for Government that is signed off and agreed by all political parties would give clear and unambiguous direction. The public sector would not have the excuse of having to satisfy five different masters; it would have to satisfy only one — the Programme for Government.

2.00 pm

Mr Hamilton: The previous question was on benchmarking. The problem is what to benchmark for. The CBI's key difficulty when engaging in the regional economic strategy and the CSR was to find people who had a vision of the future against which they could set the stretching targets that Brian described.

To use Dr Birnie's words, there seems to be a "risk-averse" approach to setting stretching targets, because failing to meet them could leave us open to criticism. A defence mechanism against that is not to set such targets — as opposed to considering what the future looks like based on a benchmark for an area with similar challenges and putting every effort into achieving a much smaller set of targets. Three or four pages of wide-ranging targets should be distilled into half a dozen key targets that will make a difference and realise a vision for the future. All our efforts should go into making that happen rather than into adopting a defensive position on the setting of targets.

Mr Cree: That is an interesting contribution, given that it is set against the background of people not being able to make their budgets year on year.

Ms Stanton: I welcome the witnesses from the CBI. Whether in relation to five-year plans or 10-year strategies, we keep returning to the issue of flexibility. That must be the key ingredient in ensuring more movement on the planning of solutions and strategies.

Nigel mentioned unemployment as one of the main factors in poverty. However, everyone knows that low income is an equal factor and must be addressed in any plans or strategies.

Mr Billington: That is an important point. A high-value-added economy, which means high wages, must be created. If Northern Ireland remains a low-value-added and low-skilled economy, there will be low pay and that leads to poverty. Even at that low-pay level, Northern Ireland will not be able to compete with the low level of pay in Poland or China. Therefore in whatever way it is considered, low-value-added businesses will struggle to compete and provide an income that lifts people out of poverty. The entire economy must become value-added, whereby skills command more money and deliver better results for businesses.

Mr Cree: I have a simple question that concerns many members. Twenty-nine per cent of people in Northern Ireland are economically inactive compared to 21% in the rest of the UK. What is the best way to solve that problem?

Mr Billington: There are several barriers to solving that problem. There are not enough highly paid, better-paid or value-added jobs to entice people out of the benefits system; people are also trapped by the costs of childminding and childcare. One agency stated anecdotally that a woman would need to earn £500 a week to be better off than living off state benefits. Not only would she have to forgo her benefits, she would also have to pay for childcare to enable her to go to work.

The third issue is that people in some parts of society lack skills and qualifications. If those people are not equipped with skills, they cannot enter, or return to, the job market. The big challenge lies in those deprived areas of society. I honestly believe that it is the toughest nut to crack: how do we upskill and motivate those people to enable them to return to the job market? When everything else is solved, that will still be the biggest and toughest nut to crack. It will not be easy, but we have to work at it.

Ms Stanton: Do you agree that people who care for the elderly, disabled people or children in their homes should be considered as employees rather than as being on benefits? The caring profession should be seen as a productive employment route. In that way, carers would not be stuck in the benefit trap.

Mr Billington: The work that carers do is certainly of benefit to society. Funding that work is a priority that must be managed within the Programme for Government. Spending money in one area means that money will not be spent in another, so it is a matter of balancing and managing priorities.

Providing more opportunities for more people through retraining and reskilling, including finding alternative employment for those on incapacity benefit who can no longer do the jobs that they once did, will reduce the budgetary burdens in other areas. That will enable better support to be given to those people who help the less well off in society and whose contribution is not currently being recognised.

Mr Ambrose: As Declan says, the benefit trap is a tough nut to crack. However, it would be unforgivable to continue to feed a system that allows a high percentage of kids to leave school without the basic skills that make them employable for most jobs. That area must be our focus if we are to avoid creating problems for the next generation.

The Chairman (Dr Birnie): This point is somewhat related; do you predict an increase in the number of migrant workers coming to Northern Ireland? Currently, there are between 15,000 and 30,000 migrant workers, many of whom have arrived since May 2004. Will that continue to increase until such times as we, as a regional economy, learn how to tap into our so-called indigenous supply of labour? Arguably, we are not doing that at all well.

Mr Billington: At a conference on the economy, I listened to a presentation by a company used by local government to model outcomes. I hope that I can correctly remember two of the points that were made. Over the next 10 years, the company expects 67,000 new jobs to be created in Northern Ireland; we believe that 140,000 jobs are needed. The company believes that 40,000 of those jobs will be filled by migrant labour, simply because the jobs that will be available will be the low-value-added, low-wage jobs for which local people do not want to leave the benefit trap. Therefore, migrant labour is filling a gap.

The biggest risk to local society is if we do not upskill people caught in the benefit trap. If we fail to do that, or give them even basic skills, they will never be able to compete with people from abroad who have the necessary skills. Therefore, the onus is on us, as a society, to work hard to provide the skills that will lead them to employment.

Mr Smyth: Furthermore, migrant workers are spreading to more professional and technical areas of employment, such as postgraduate, pharmaceutical, environmental or planning work. Some jobs are certainly well paid, but because of the nature of the industry — for example, the food-processing industry

— local people do not want such jobs. Therefore, we expect that the numbers of migrant workers will remain at the current level, if not increase modestly.

Mr Shannon: What is your opinion of working tax credits? Does the present system encourage people to get back to work or do changes to the system make it more advantageous for people to remain on benefits?

Mr Billington: That is an interesting question. Various business leaders have observed to me that the biggest barrier to working is having a family.

I have known people to walk away from jobs in which they earned £17, 000 or £18, 000 a year because they could not afford childminding fees. The tax credit is a help that allows people on certain incomes to better afford things. However, until a better way to address people's childminding needs is found, the fees that even those who earn £17, 000 or £18, 000 a year will have to pay to have two or three children minded will be a major barrier to their ability to continue working. Although tax credit is a contribution, it is not the silver bullet that is needed to help some parts of the community to become more economically active.

Mr Smyth: No research has been done by the CBI on that issue in Northern Ireland.

Mr Shannon: One of the problems with the tax credit is that until someone gets a nasty letter at the end of the year saying that a mistake has been made and he or she owes money, it looks good on the surface.

The Chairman (Dr Birnie): Thank you, gentlemen, for your attendance. The subgroup will consider your written submission carefully when producing its recommendations on the comprehensive spending review for Government. The subgroup hopes to produce its report within the next 10 days or so. It wishes the CBI, and its member businesses, well in the new year.

Mr Billington: Thank you, Chairman. I want to make a couple of closing remarks. At the start of the meeting, I said that outcomes were important. The CSR is a way to deliver outcomes. History has shown that spending money and adequately financing, among others, the Department of Health, Social Services and Public Safety and the Department of Education does not necessarily deliver outcomes. I argue strongly that, having decided what the CSR's priorities are, as with any other Government policy, the focus should be on its management, implementation and delivery.

The Chairman (Dr Birnie): Those are important points. The subgroup will bear them in mind. Thank you very much.

Mr O'Dowd: Those issues may not necessarily be the prime focus with regard to health expenditure. The Appleby report stated there must be efficient management in the Health Service. However, it stated

also that, compared with that in England, the Health Service here is underfunded.

Mr Billington: The Appleby report argues that despite the large amount of money that is being put into the Health Service, there is no increase in performance. One would expect that a large increase in funding would bring about an increase in performance. That does not take away from the fact that the Health Service may still be underfunded. However, if money is injected, one expects that there will be a result.

Mr O'Dowd: I do not argue with the point that it must be properly managed. I am merely pointing out that there are other issues.

Mr Smyth: The report highlights that spending on a range of benchmarks was a lot worse in Northern Ireland in a number of areas, so more money may be needed. We argue, however, that efficiency must be a priority.

Mr O'Dowd: No one is arguing that there should not be efficient management.

The Chairman (Dr Birnie): Thank you very much.

I want to remind members that the witnesses from the Department of Finance and Personnel will not make any opening comments. They believe that their letter and written submission is sufficient. I ask members to examine those documents. Members will also find the model questions on the tabled paper useful.

2.15 pm

The Chairman (Dr Birnie): Good afternoon, gentlemen, and thank you for attending. I also want to thank DFP for its letter of 22 December 2006 and for its sizeable written submission. My understanding is that you do not intend to summarise the written submission but would prefer to go straight to the question-and-answer session. Is that what you wish to do?

Mr Leo O'Reilly (Department of Finance and Personnel): If I were to have made any opening comment, I would have spoken about the timetable and the framework. However, I suspect that the subgroup is already aware of those issues.

The Chairman (Dr Birnie): Yes, members are aware of those issues. I thank Leo O'Reilly and Richard Pengelly for attending this subgroup session.

Mr O'Dowd: With regard to the east-west split, there are higher levels of disadvantage west of the Bann, in the border counties and in certain urban areas. What work is DFP doing with the comprehensive spending review to help to eradicate that long-term trend?

Has the Department done any costings on the decentralisation of Civil Service jobs? I believe that a consultation document has been issued, or is due to be issued this month.

Mr O'Reilly: DSD's neighbourhood renewal strategy takes the lead for balanced development in different parts of Northern Ireland; our written submission contains some background information on that issue. DFP's role is to provide a funding channel. As the subgroup is probably aware, several initiatives that are focused on the north-west are being developed. Working with the Irish Government, some regional development initiatives in the north-west are already operational. Public expenditure implications have already been taken into account and are also being factored into future plans.

Does your second question refer to the dispersal and decentralisation of Civil Service jobs or public-sector jobs?

Mr O'Dowd: I refer to public-sector jobs and Civil Service jobs.

Mr O'Reilly: The member has anticipated correctly: a consultation document on that issue will be issued shortly. The reason that I asked about the distinction between Civil Service jobs and public-sector jobs is that, in the past, the focus has been on the location of Civil Service jobs. However, the RPA offers an opportunity to examine the distribution of public-sector employment across the region, its location and where different types of employment are situated. DFP wants to ensure that, when decisions are taken on the location, for example, of new headquarters or structures that will be introduced under the RPA, they are taken holistically and not on a one-by-one basis; otherwise, certain functions could end up being located in certain places by default.

Mr O'Dowd: I am not surprised to hear you mention neighbourhood renewal. No matter where I go to try to resolve a difficulty, the standard response that I hear is "neighbourhood renewal" or that I will have to wait until the RPA is finalised.

Surely DFP has a role in ensuring that money for which it is responsible is targeted at areas of deprivation. Indeed, now that the anti-poverty and social inclusion strategy has been published, the Department has a greater role in ensuring that the finances that it controls are used to eradicate deprivation.

Mr O'Reilly: There is a number of strands and levels of investment activity that can eradicate deprivation, disadvantage and regional disadvantage. First, there is an issue concerning the distribution of investment in infrastructure, and the Departments and the SIB are reviewing the timing and location of particular investments as part of the review of the ISNI.

Secondly, there are proposals and ideas on how to accelerate particular roads programmes in order to assist the process of improving regional infrastructure. Beyond that, self-targeting of resources will combat

deprivation — for example, social welfare benefits, by definition, follow deprivation.

A third major way in which deprivation can be eradicated, and this links to Mr O'Dowd's second point about how advantage can be redistributed using public expenditure, is through the locating of public-sector jobs. As our background paper notes, more than half of the current expenditure goes on public-sector pay. That means that the spending power will lie wherever jobs are located across the Province.

Finally, we can target particular initiatives, such as neighbourhood renewal, which has been mentioned, to address specific local problems, usually over a fixed period.

Those measures can be effective in the short term. However, the way in which to secure long-term sustainable change using public expenditure, to the extent that that is possible, is through investment assistance; for example, through Invest NI; through targeting investment through the infrastructure investment programme; and through targeting and equal distribution of employment opportunities, using public expenditure to generate those opportunities.

The regional dimension to all those policy strands must take into account mechanisms such as section 75 and the consultation on the distribution of public-sector jobs under the RPA.

That is a brief summary of the broad strategic approach to be taken to address the issue.

Ms Ritchie: I have several questions.

I recognise that the NIAO report into the RRI was only published in December 2006, but has the Department formulated any reaction to that report? To date, has the Department taken any action on the issues raised in the report, particularly those on the ISNI?

Mr O'Reilly: Richard shall deal with your questions in detail.

The Department will publish a response to the report, which must be completed within a certain timescale. We are working on that response.

Mr Richard Pengelly (Department of Finance and Personnel): As members will know, NIAO reports are agreed with DFP. Some recommendations were agreed, and action was either taken on those before the report's publication or is under way. The substantive response must await any formal consideration of the report by either the House of Commons Select Committee on Public Accounts or a devolved public accounts Committee.

We are proactively moving forward on those issues that have been agreed with the NIAO. For example, recommendations were made on greater clarity of

reporting issues to the Assembly and Parliament and on the overall management of borrowing.

Ms Ritchie: My next question relates to the overall Budget. The subgroup received a copy of the spending priorities by Department from DFP. We noticed that the Department of Health, Social Services and Public Safety (DHSSPS) spending priorities cover major pressures across all areas. Hospital stock is poor, and there is a maintenance backlog.

The Bamford Review of Mental Health and Learning Disability (Northern Ireland) some time ago recommended a long-term Budget. What proposals are contained in the CSR for such a Budget? If there are no proposals, what can an incoming Executive and Assembly do to correct that? Another issue is free personal care, which arises from the Coughlan judgement of 1999.

A need to increase social housing to 2,000 units has been identified, but DSD has identified only 1,500 of those units. What does the CSR need to do to reflect that increasing need for social housing and to reduce waiting lists? What discussions have taken place with DSD to address that need?

Mr O'Reilly: I will make a generic point about those issues before commenting on each one. All expenditure pressures that have been identified in our papers will be, and are being, considered as part of the CSR process. Inevitably, the nature of that consideration means that choices must be made to balance available resources against priorities. That process will become much more intense over the coming months as we engage with Departments to work through more of the detail behind the issues that each has identified.

DHSSPS has already written to all Departments to engage with it on the findings of the Bamford Review, and meetings have been held to identify the implications of that review for the various Departments. The review team recently wrote to all permanent secretaries to remind them of the potential implications and to ask them to consider pressing the case in their CSR material for the necessary funding to enable the review's recommendations to be implemented effectively.

Ms Ritchie: For the housing units, read "thousands" instead of "2,000", which I originally said.

Mr O'Reilly: A response on the issue of free personal care was given to one of the Assembly's subgroups. That was also a recommendation in the second report of the Subgroup on the Economic Challenges Facing Northern Ireland. As far as I can recall, DHSSPS provided that response and made the point that the global allocation of free personal care can sometimes mean that resources to provide personal care to a whole range of people are used without regard to their ability to pay. Again, it is about choices and prioritisation. That response referred to the

experience in the Scottish Parliament, which proposed the introduction of free personal care but is now reviewing its approach.

We are aware of the issue of housing affordability. There is also the interim Semple Report, which I think was published recently.

Ms Stanton: The interim review of housing affordability has just been published, yes.

Mr O'Reilly: As you know, a large chunk of the ISNI deals with a forward allocation for social housing. The questions to be asked are whether that allocation is sufficient to meet the level of need that has been identified in various reports and how we reallocate resources identified in the strategy to secure that additional level of investment. I cannot give a yes or no answer, because we are not yet at the point at which Ministers will be making decisions.

Mr Shannon: My question concerns water charges and rates. If we were not to proceed with water and rating reforms, what consequences would that have for the CSR?

I am not convinced that the RPA will produce lots of savings, but I am keen to get your opinion on that. During the CSR period, what will be the costs of implementing the RPA? Will any savings accrue? If so, where?

2.30 pm

Mr Pengelly: Over the CSR period, a phased introduction of water charging is planned. Currently, about £300 million a year of Northern Ireland's funding received through the Barnett formula is used to cover the costs of water and sewerage services. As you know, we get nothing for water through the Barnett formula, because water provision is a private-sector concern in England, so £300 million of the Barnett consequential that we receive — for example, for health and education provision — is diverted to pay for water. When the Government-owned company (Go-co) becomes self-financing, that £300 million can be diverted from provision of the water and sewerage services into other local priorities such as health and education. Obviously, that will be three years from now, when full charging will be introduced, but something in the order of £300 million a year will be available for investment in other local priority services.

Rate reform is not about reformulating policy to obtain additional revenue but about charges being better distributed, based on capital value rather than rental value. That will allow future decisions on rates increases to be applied more equitably; there have been perverse outcomes from previous rates increases. The revenue that an end to industrial derating will generate is built into the Budget process for 2007-08. Again, it is planned to roll that out through the seven years of

the phasing out industrial derating. If that is not done, however, a funding deficit will have to be put right.

Mr Shannon: I find it hard to understand the rates issue. I have yet to meet anyone in my constituency who does not say that their rates are increasing. Some of the rates are increasing by 50% or 70% — there must be a terrible lot of people somewhere getting rates reductions. I do not understand your system. It is all very well to say that there will not be a big difference between the old and the new rates levels, but the people whom I represent in Strangford will notice a difference.

Mr O'Reilly: I was in attendance with my colleague Brian McClure at the meeting of this subgroup on 20 December at which that matter was discussed. It is one of those points for which I do not possess detailed information; however, if necessary, we can provide details about the number of properties and the changes in their rate liability. Precise data are available that analyse and break down the changes right across Northern Ireland.

Mr Shannon: The Boston Tea Party will be a picnic compared with the ructions that will occur in Strangford.

I asked a question on the RPA; will you answer that, please?

Mr O'Reilly: As you are probably aware, in January 2006, Deloitte produced an initial piece of high-level work on the RPA for the Government. Deloitte compiled a lengthy report that gave a preliminary estimate of the costs and savings that may arise as a result of the RPA. However, we are now refining and revisiting those figures. DHSSPS is the most advanced Department when it comes to developing costing scenarios. It has had plans on the stocks for several years; it has therefore developed detailed figures on costs and savings. Richard may be able to quote some of those figures.

Beyond that, we are still working with other Departments, particularly those in which substantial savings may be made. That work, which is part of the RPA's stream of work, is under way because we need to do such work on the issue for the CSR period. However, we have more detailed figures available for DHSSPS costs and savings.

Mr Pengelly: There is a range of figures for health spending. For example, in 2005-06, in accounting terms, DHSSPS had to take a provision linked to redundancy costs. It was reasonably certain that the costs were going to fall. Those costs were estimated at that stage at £23 million for the restructuring of trusts, although other costs will also be associated with that. On the question of the link between costs and savings, our rule of thumb on redundancy costs is that there is about a three-year payback period. Redundancy costs

of about £23 million would therefore lead to an ongoing recurrent saving of around £7 million per annum. Many of the costs in health and education are associated with fundamental rationalisation: from many organisations to fewer organisations. Where there is redundancy, there will be a straight payback over time.

In areas in which service provision must be enhanced, the relationship between costs and savings may not be so clear. For future salary savings, it will not be about paying a lump sum to someone to make him or her redundant but about enhanced levels of service provision, particularly for the RPA. With the transfer of some services from central Government to local government, there is an opportunity for greater synergy, because the population that is targeted with the service transferred often has better links with services currently provided by local councils; therefore there will be efficiency savings.

We are working with Departments and we will engage with local councils to get a better feel for the detail of the roll-out of RPA and its associated costs and savings. That will be done with a view to ensuring that upfront costs have a defined payback period and that we achieve qualitative and quantitative savings.

Mr Shannon: Is it inappropriate for councils to consider building new civic centres when it has not yet been decided whether there will be seven or 15 councils? The RPA is ongoing. Do you have an opinion on that? I hope that you do.

The Chairman (Dr Birnie): That may be an unfair question to ask of Mr Pengelly.

Mr Shannon: It is a serious question.

Mr O'Reilly: It is probably not for us to offer opinions on the matter. *[Laughter.]*

Both Richard and I sat on a finance subgroup as part of planning for the restructuring of local government, so we understand the point that Mr Shannon makes. The point has been made about existing councils incurring increasing levels of debt that will be transferred to the new structures. Take Magherafelt as an example: it has very low levels of debt, yet other councils, for the very good reason that they have been investing in services, have higher levels of debt.

Provided that an application for loan finance is within the specified powers of a local council, the Department of the Environment (DOE) cannot refuse it. Although DOE is monitoring the position, unless there is a difficulty, the Government are unlikely to intervene. In a sense, DOE and, to a certain extent, DFP act as postboxes, because loans are taken out from the National Loans Fund in the United Kingdom. Provided that loans meet the criteria, they are processed and the loan repayments start.

Mr Pengelly: The legislation requires that DOE approve any loan that councils take out for capital investment; however, as Leo says, such approval extends only to ensuring that councils have the legal authority to incur the expenditure — namely, that it is on services on which local councils should properly spend money. The greatest control is the normal framework of public accountability: ultimately the loan will be serviced from taxpayers' money, and publicly elected representatives must ensure that they seek value for money and accountability in the services that they provide.

Mr Shannon: Therefore councils should not take on debt if they know that it will become someone else's.

Mr Pengelly: If the debt is taken out with due regard to value for money and to provide a service from which the relevant ratepayers will benefit in future, it is not so much a matter of incurring a debt that someone else will have to pay, but rather asking those who will benefit to pay.

Mr Shannon: Certain people are not convinced of the advantages, let me put it that way.

Mr O'Reilly: We are aware of the issue, and there has been correspondence with Ministers about it.

Mr Cree: I have four questions. Richard mentioned the £300 million of Barnett consequentials that go towards paying for water services. Does that include the £50 million that was agreed in the green-dowry days of 1998?

Mr Pengelly: It is not hypothecated as such. In 1998, when water was privatised in England, a lump sum was paid to the English companies, and the Barnett consequential was £50 million, which was then added to the Northern Ireland block. However, that £50 million will not have grown.

Mr Cree: Is it payable annually?

Mr Pengelly: Yes, the £50 million is available to local Ministers to spend on whatever purpose, and it will not disappear.

Mr Cree: In paragraph 30 of your submission, you mention the potential for an "overly optimistic" scenario, in which any increases in public expenditure from the Chancellor's package will possibly be required for pay and price increase inflation, leaving only efficiency savings for spending priorities. That is the optimistic scenario. What would a less optimistic scenario be?

Mr Pengelly: It is not that we have a definitive range of precise calculations. We consider the numbers and types of inflationary pressures that are in the system, and the likely range of outcomes through the Barnett formula. On one reading, they seem broadly comparable, so they could offset each other and leave

efficiencies available for other issues. However, at this early stage in the process, there is no precise science to that.

Mr Cree: Would you be concerned if a significant deficit was produced?

Mr Pengelly: That is what the early stages of the local Priorities and Budget process is about, and that is why we have not yet commissioned information. Information about likely inflationary pressures that Departments might identify before Christmas would be different from those that it might identify in the spring of 2007. The CSR outcome will become available in the middle of 2007, and Ministers will then take decisions about how those funds are to be allocated. Our experience has always been that it is better to leave the identification of those pressures until as close to that time as possible, so that the information on which those decisions are based is as up to date as possible. Inflationary pressures do concern us, and we could commission a huge amount of work to identify them, but by the time that Ministers come to take decisions that information will be out of date.

Mr Cree: Is it the normal philosophy to leave it until nearer the time?

Mr Pengelly: No, the philosophy is to do it at what we consider to be the appropriate time. It is not about putting off the commissioning of information. For inflationary pressures that will start in April 2008, it strikes us that to begin to identify them in 2006 would be premature. As you can see in the material from the Departments that is included in our submission, they are scanning the horizon for the sorts of issues that they will face. Precise figures will be generated in early to mid 2007 to inform the Budget process that runs from mid to late 2007. Our experience has always been that that is the better time to do it.

Mr Cree: I am probably handicapped, as I come from the private sector and am used to medium-term to long-term planning.

Asset disposal will be a big issue over the CSR period. Have you identified any specific areas and, if so, how much they are likely to realise?

Mr Pengelly: The figure that is quoted up to the end of the CSR period is based on individual departmental units that have reviewed their asset registers and patterns of disposals.

The Department of Finance and Personnel is currently turning that overall forecast of likely disposals, which is based on some empirical evidence, into details of individual assets and the timing of their likely disposal. The easiest example is social housing; we have a fairly stable pattern of disposal of social housing to owner-occupiers. That is obviously not pinned down to individual houses; we are trying to turn that overall

forecast, which is based on previous patterns of disposal, into details of specific assets — that is one of the early parts of the work that we are doing on the comprehensive spending review.

2.45 pm

Mr Cree: Have you done anything specific on water reform? There are quite a lot of assets there that may become available very quickly.

Mr Pengelly: There is nothing specifically in the £1 billion that is linked to the assets of what will become the Go-co. However, we are absolutely clear that there will be a robust analysis of the assets that it holds and of what it needs to hold. Those assets, if and when disposed of, will benefit the block. They will not be sold off for the private sector to realise the benefit.

Mr Cree: Or to realise the asset value and offset it against the capital value?

Mr Pengelly: In the medium- to long-term, the water company will have a significant capital investment programme, which, in many cases, will be financed through lending by Government to the Go-co. Any asset disposals would reduce the need for Government to lend, and so would reduce borrowing charges and, hence, the charge to customers. Rather than Government having to lend money to the Go-co and use its capital expenditure, it would also free up capital for investment in other areas. The benefit will remain within the public sector in Northern Ireland.

Mr Cree: Many people will be concerned about the continuing problem of the underspend, which, I believe, was 18% last year. Do you agree that that is a serious problem that undermines public confidence in public expenditure programmes? In the light of the failure to date to adequately address underspending, what is now being considered by DFP as a means to address that problem?

Mr O'Reilly: I do not think that the overall underspend is as high as 18%. That figure may be linked to capital.

The Chairman (Dr Birnie): The 18% is the capital.

Mr O'Reilly: Any level of underspending is obviously a matter of concern, and we acknowledge that. Given that one can never overspend, however, there will inevitably be a level of underspend. By the very nature of capital projects there is always an element of uncertainty and an element of slippage in the programmes from one year to the next that creates a level of underspend, but the Department would certainly not regard the figure of 18% as acceptable. It is not an excuse, but the reason for it is the substantial increase in the total level of capital investment that has taken place over the past few years. It has risen from roughly £600 million a year just a few years ago to over £1 billion a year. The rapid growth in the amount

of investment that has taken place has meant that some of those programmes have slipped. The point we always make is that the money is not lost; it rolls over.

Mr Cree: I understand that.

Mr O'Reilly: Having said that, you are absolutely right. The figure is too high, and even if it is rolled over, it means that money was not used in year one or two that could have been used somewhere else to bring other projects forward.

Mr Pengelly: I am genuinely not trying to be overly defensive on this point, but we need to bear in mind that capital is measured by reference to a fairly arbitrary cut-off date — 31 March. If £200 million was planned to be spent on 20 March but was spent on 1 April, it would appear as a £200 million underspend. Sometimes the figures can mask the fact that while there is slippage, it may be slippage of a couple of weeks, and nothing significant. Having said that, 18% is not acceptable.

We have talked about the enhancement in the level of capital expenditure, and that has raised some capacity issues. Departments are dealing with a wider range of capital programmes than before. There is no question that while it is still not at the level we want to see, there are signs of improvement. We continue to work with the Departments and our colleagues in the SIB to enhance our ability to take those projects forward.

We are also working with Departments to get systems in place that will identify the possibility of slippage at an earlier stage. For example, if a Department were planning to take forward a project in the forthcoming year and realised at an early stage that it would not be possible to do so, then DFP could go to other Departments and accelerate projects due for funding at the tail end of the year. There is a range of measures in place to try and improve performance.

Mr O'Reilly: This year, DFP have commissioned a specific exercise, which is ongoing, to work with Departments to identify weakness in forecasting. Indeed, such weakness may be in the way the centre is managing the spending profiles in year; seeking to spot slippages that appear to be emerging, and using its power to redeploy resources accordingly. The issue identified is significant and important, and DFP is taking it seriously. There has been a lot of work carried out on this issue, particularly in light of the 18% figure you quoted from last year.

The Chairman (Dr Birnie): Further to Mr Cree's question, I wish to ask a question regarding capital underspend. I understand that work has been taken forward with PKF Consulting. What is the expected reporting date and will the report contain an action plan and targets?

Mr Pengelly: We have been discussing the emerging findings. I am not sure of a precise date for the report, but DFP is looking to bring this to a conclusion in the next month or so, if not sooner. The report will include findings, conclusions, and recommendations for the way forward although it may not include specific action plans. DFP will be preparing detailed action plans to take forward with Departments based on the conclusions and recommendations.

The Chairman (Dr Birnie): I wish to ask questions based on your written submission. For example, as regards “Chart 9: Breakdown of Efficiency Savings by Gershon Classification”, I am unclear as to what “Gershon Classification” means. The chart shows that 26% of the efficiency savings have been classified as “Other”. What does that cover? The chart also states that 15% of the efficiency savings have been classified under “Procurement”. Does that mean that less is being procured; is it being procured more efficiently, or are we talking about a combination of the savings in other categories?

Mr Pengelly: I will run through the categories, leaving the category “Other” to the end. “Procurement” is about smarter procurement; it is the savings that arise from centralised procurement — economies of scale and better contract negotiation. “Productive” refers to productive time — getting more outputs for the same level of inputs, and better throughputs through better use of staff. “Corporate” relates to corporate overheads and efficiency savings linked to back-office administration and is closely aligned to the category “Administration” — it is a general squeeze on the corporate and administrative headquarters costs. “Transactions” represents streamlining transaction processing, particularly relating to benefits and enabling of benefit transactions. “Allocative” is a wonderful term, and it refers to prioritisation. In other words, as regards the overall efficiency with which the Government discharge their duty, is money being spent on issues that are not a priority, and therefore could it be used better elsewhere?

The Chairman (Dr Birnie): Could that include a straightforward reduction in spending by the Government?

Mr Pengelly: That could happen if the case were clearly made that the spending was not in an area of priority and the money could be put to greater use in some other area of higher priority. As regards “Other”, I am sorry, but I do not have a detailed breakdown of that with me. However, it encompasses a range of small issues.

The Chairman (Dr Birnie): Your submission outlines 10 value-for-money reviews in the various Departments. Departmental efficiency delivery plans

are also mentioned. Is there a tight connection between the two? Does a value-for-money review identify areas for improvement, and an efficiency plan set out how spending will be reduced in those areas over a certain period?

Mr Pengelly: In its approach to the comprehensive spending review, the Treasury tends to use terms such as “value-for-money review” and “efficiency delivery plan” interchangeably. Ministers here have taken the view that zero-based reviews of programmes should be objective assessments that take into account the ministerial priority of a programme and how it will be delivered. For such reviews to be objective, it would be strange to rule out at the start that more money should be spent on a programme.

For example, one value-for-money programme concerns social housing. The Housing Executive is working independently to increase, from 1,500 to 2,000, the number of new-build housing units each year. Value-for-money reviews fundamentally aim to identify the scope for efficiency savings and to do things smarter or better in order to deliver better outcomes. However, reviews may also identify areas in which good outcomes are forthcoming and further investment might help achieve the Government’s overarching priorities.

Efficiency delivery plans are designed to identify areas where robust efficiency savings can be achieved. They set out the detailed mechanics for achieving and capturing those efficiencies.

Mr Weir: I want to ask you about a couple of issues, in particular, the RPA. The RPA will probably have the largest single impact on the comprehensive spending review that is unique to Northern Ireland. It is certainly one of the biggest issues. I take issue with some of the things that you have said, such as on longer-term efficiency savings, the report by Deloitte that you mentioned, and the benefits of coterminosity in relation to delivery of services. However, I will leave those issues aside for the moment.

I wish to clarify something in your submission. Annex B of your submission relates to the value-for-money studies. Following the title of section 1(a), “Structural Issues – Review of Public Administration”, there is a figure in brackets of £200 million. To what does that figure refer?

Mr Pengelly: That is the likely overall cost of the health component of the RPA.

Mr Weir: Do other figures in brackets also refer to overall costs? For example, the figure of £2 billion appears in brackets after “Labour Productivity” in section 1(b). Is that the overall additional cost of improving labour productivity?

Mr Pengelly: No. That £2 billion refers to the current spend on labour productivity.

Mr Weir: Therefore, the £200 million in section 1(a) of annex B refers to the current health spend?

Mr Pengelly: Yes.

Mr Weir: A summary table at the end of annex B shows key spending areas and programmes. A figure of £300 million is shown for the RPA for 2007-08. Is that the overall estimated cost of the RPA?

Mr Pengelly: No. Again, that figure is the current overall spend in areas that the RPA will impact on, with the exceptions of health, education and the Water Service.

Mr Weir: I am trying to understand this clearly; forgive me if I am being obtuse. The £300 million is being spent on RPA-related areas. For the sake of argument, let us say that the RPA was not happening in 2007-08. Would that money be available elsewhere?

Mr Pengelly: When the Treasury began the comprehensive spending review, Whitehall Departments were informed that they must run a programme of value-for-money reviews. The Treasury anticipated that those reviews would cover something in the order of 40-50% of the current departmental spends.

3.00 pm

The table in members' packs identifies the areas that we are subjecting to value-for-money reviews. Of the total current spend, we shall review programmes to the value of £6,599.4 million.

Mr Weir: I would like to know what the figure of £300 million represents in practical terms.

Mr Pengelly: That is the cost of providing services in areas that are under review as part of the RPA. Part of that review will concern how those services are provided. If RPA were not happening, those services would still continue on their current basis.

Mr Weir: Can you provide any estimates of the projected cost of the RPA over those periods, other than what was produced by Deloitte?

Mr Pengelly: We are currently working with the Departments, rather than remaining focused on the Deloitte report, which was very much a strategic overview. We are now drilling down and we have the detail of all of the RPA-affected bodies and services. We are working with individual Departments to examine provision on a service-by-service basis, and to examine the cost of achieving change.

Mr Weir: Presumably, you are principally referring to the RPA as it relates to local government — a separate category from RPA activities concerning health and education. What else would the review cover?

Mr Pengelly: It would also cover areas such as urban regeneration and roads.

Mr Weir: Broadly speaking, it would mean the transfer of responsibilities?

Mr Pengelly: Yes. The figures that I have cited will not cover the cost that is currently incurred by local government.

Ms Ritchie: My question concerns the spending priorities of Departments. In particular, I refer to the Department of Regional Development and structural road maintenance. The paper that you have provided states that the public transport programme in Northern Ireland seeks to deliver the objectives of the regional transport strategy. One of the objectives of that strategy was to ensure that the network was maintained and that there was no depreciation in that asset. However, the allocation of funding to structural road maintenance has been reduced over the last few years. How does the Department intend, through the CSR, to address that matter?

As for management of the asset base, I understand that the Department will be receiving proposals for Workplace 2010 and bids in that respect. How will the future management of the asset base create savings, and how will it meet the needs for decentralisation?

Mr O'Reilly: I understand that Workplace 2010 has been examined by a separate subgroup. It would probably be safer for us not to say too much on that matter, because the experts and the detail have been with another subgroup.

Dr Birnie: That subgroup has finished its deliberations.

Mr O'Reilly: We can certainly address the other points. The point that was made on roads maintenance is factually correct; there was a reduction in the allocation for structural roads maintenance in the current financial year, but there is an enhancement for next year. We have not yet reached the £100-million-a-year figure that was estimated as necessary.

We are certainly aware of that issue. Public representatives raise that matter quite frequently, so it is high on the agenda of issues to be examined during the current comprehensive spending review. I cannot confirm that we will increase that spending to £100 million because, ultimately, that is not my decision.

Mr Pengelly: Structural maintenance has a link to underspending. Historically, initial budget allocations for structural maintenance have never reached the level that my colleagues in the Roads Service would like to see. However, the monitoring process has always offered the opportunity to make some further in-year reallocations made possible by slippage and underspend in other areas. That is an area in which we would happily praise our colleagues in the Roads Service because, more than any organisation in the public sector, when it asks for money, it has a record of

delivering actual spend on the ground, if you will pardon the pun.

Ms Ritchie: Will the September monitoring round result in any further funding allocations this financial year for structural road maintenance?

Mr Pengelly: The proposals on that are currently with the Secretary of State.

This may not be specifically linked to Workplace 2010, but, generally, assets held by Departments have an associated cost as regards depreciation and cost of capital. Better asset management — reducing the volume of assets held — would give rise to recurrent savings, which would come back to Ministers for reallocation. There would be a tangible benefit.

Mr O'Dowd: Procurement policies were mentioned earlier. I will go back to my original point. If we take the Erne Hospital, which is probably one of the biggest economic units west of the Bann, will the CSR look at the procurement opportunities that the hospital will provide as regards local food manufacturers, producers, or service industries, etc, instead of what is happening now, which is that the cheapest contract is chosen?

From a social responsibility perspective, permitting such a procedure would target local industry, manufacturers and food producers as suppliers and would have a positive financial impact on the wider community.

Mr Pengelly: It is a difficult area. Ultimately, there is always a cheaper way of doing things. In cash terms, centralised procurement — procuring services on a Northern Ireland basis from suppliers outside the Northern Ireland marketplace — may enable you to pay less for services than if you went to local suppliers. However, against that there are tangible and intangible benefits from sourcing local suppliers. It would be for Ministers to take such decisions at the appropriate time.

There could be a situation in which there is a very clear value-for-money argument, together with an analysis, which could appear to be poor value for money because you would be paying more for the same services.

There is no general policy supporting the approach outlined by Mr O'Dowd. The example he uses would fall to colleagues in the Department of Health, Social Services and Public Safety (DHSSPS) for determination. Although DFP advises Ministers on overall allocations and on strategic allocations for services, responsibility for service delivery would fall to colleagues in DHSSPS who hold the budget. It would be possible for them to work alongside colleagues in DETI on local economic development issues, where there could be a payback for both Departments through a specific course of action.

Mr O'Dowd: Is there a role for the CSR to look at the wider procurement policy?

Mr Pengelly: Yes. That could be taken forward as part of the process discussed earlier. It would be a very valid issue that could be considered alongside the other issues in the spring of next year, in the detailed analysis of how public expenditure should be utilised in the CSR period.

Mr O'Reilly: Procurement is subject to a fairly specific set of rules and regulations — particularly European procurement and competition rules for larger contracts. There is not a great deal of discretion.

Mr O'Dowd: That happens in larger contracts certainly. However, I am talking about smaller contracts in the service industry.

Mr O'Reilly: There are policies on competitive tendering even in smaller contracts. Our colleagues in central procurement directorate (CPD) could give the subgroup a lot more detail and background on that than we would be equipped to do if it wants to explore the issue further.

The Chairman (Dr Birnie): CPD and the Equality Commission recently completed a report on guidelines on social issues in procurement. However, I do not know whether that would shed any light on this point. You are correct. European competition law limits what can be done to a certain degree.

Are there any other questions?

At the beginning of the session, Mr O'Reilly, when you were answering questions, you mentioned projects in the north-west, and that prompts a further question.

What discussions have there been between the Treasury and the Irish Government on so-called joint funding? If indeed there have been discussions on that issue, to what extent would any such funding be additional to the departmental expenditure limit?

Mr O'Reilly: I understand that one of your subgroups has taken evidence from representatives of the Irish Government, and that they confirmed that there are ongoing discussions between the Irish Government and the Treasury. Both DFP and OFMDFM have also been present at those meetings.

Furthermore, the Irish Government have indicated that they would consider contributing to specific projects in Northern Ireland in which there is a potential or manifest all-Ireland benefit. The Treasury has confirmed that any such allocations would be over and above anything that the Treasury and the UK Government would provide or any revenue that would be raised.

As I said, those discussions are ongoing. No specific amounts of money have been mentioned in those ongoing discussions, at least not in my earshot, although I have asked. Certainly there has been discussion about the potential for contributing to specific projects,

including roads projects, but that is information that you are probably already aware of.

Mr Cree: Has the Secretary of State identified any priorities for the CSR?

Mr Pengelly: The current position in terms of a backdrop for Departments' initial thinking is the priorities that were established in December 2005 when the Budget was launched: economic development, high-quality public services, equality and diversity. Additionally, the Secretary of State has recently identified for Departments the overarching strategies such as sustainable development and the anti-poverty strategy. Departments must also factor the delivery of those strategies into any thinking about forward pressures and issues. We are also continuing to build on the priority funding packages that were announced — renewable energy, skills and science, children and young people. It is very much at a high strategic level.

The Chairman (Dr Birnie): Thank you for coming, and for your written submission. We wish the Department well in the new year.

Adjourned at 3.05 pm

SUBGROUP ON POLICING AND JUSTICE

Monday 8 January 2007

Members in attendance for all or part of proceedings:

The Chairman, Mr William Hay
The Chairman, Mr George Dawson
Mr Alex Attwood
Mrs Arlene Foster
Mr Danny Kennedy
Mr Raymond McCartney
Mr Ian Paisley Jnr
Ms Kathy Stanton

Witnesses:

Mr Paul Goggins MP	} Parliamentary Under-Secretary of State, Northern Ireland Office
Mr Robert Crawford	
Mr Steven McCourt	} Northern Ireland Office

The subgroup met in private at 1.11 pm.

The evidence session began at 1.16 pm.

(The Chairman (Mr Hay) in the Chair.)

The Chairman (Mr Hay): I declare the meeting open to the public. Minister, it is good to have you here. I know that you have taken time out of your busy schedule to be present. The subgroup welcomes that.

I assume that you know every member here. If not, we can go round the Senate Chamber and ask members to introduce themselves.

Mr Paul Goggins MP (Parliamentary Under-Secretary of State): As I look around, I am pretty familiar with everybody.

The Chairman (Mr Hay): From the outset, it would perhaps be useful if you outlined the Government's position on the draft Policing (Miscellaneous Provisions) (Northern Ireland) Order 2007. After you have made your introduction, I will call the parties in alphabetical order to ask a lead question and to identify the area about which questioning. It will be useful for officials and parties to record that.

Mr Goggins: Thank you very much, Chairman, for the welcome. At the beginning of our deliberations, I want to say that our thoughts are very much with the family of David Ervine at this difficult time.

I am accompanied by two NIO officials: Robert Crawford, the deputy director of policing division, and Steven McCourt, the head of policing policy branch.

They may be able to assist us this afternoon. The officials are at the subgroup's disposal and are happy to participate as members require.

The history of the draft Policing (Miscellaneous Provisions) (Northern Ireland) Order 2007 goes back almost a year to the day when my predecessor, Shaun Woodward, asked officials on 9 January 2006 to prepare an Order that would suitably amend and modernise existing legislation and, in particular, introduce amendments to the Police (Northern Ireland) Act 2003.

The Order contains several new measures. First, it provides new powers for the Chief Constable to designate civilian staff to certain functions. That breaks down into five categories of staff — investigating officers, detention officers, escort officers, staff custody officers and police community support officers (PCSOs). I want to make a few comments about the last two groups because I believe that they are of particular interest to members.

The model of working with staff custody officers is currently being piloted by the Home Office in nine different areas. We are keen to find out the results of those pilot projects, which, I am sure, will help to inform future policy and decision-making.

Considerable experience has been gained in England from the deployment of police community support officers. Although some of it is anecdotal, impressive evidence is building about the role that PCSOs can play, particularly at neighbourhood level.

From April of this year, 29 community support officers will be working with the police in my constituency. Community safety officers are very effective; they are highly visible and do not get drawn into the bureaucracy that sometimes takes police officers away from the streets. They are able to form relationships with the local community, which, again, is very helpful.

The first set of powers mentioned in the consultation document for the draft Policing (Miscellaneous Provisions) (Northern Ireland) Order 2007 will enable the Chief Constable to designate civilian staff to carry out those functions.

A second power allows for the streamlining of police trainee recruitment. As members know, all candidates currently in the recruitment pool must undergo the same level of medical and criminal checks, even though the vast majority of them are never appointed as police officers. We want to allow for the provisional appointment of candidates, subject to medical checks and criminal checks. Candidates will then be formally appointed if they pass those checks. That measure would mean that there would be 1,800 fewer checks every year, which would save about £500,000, and it would make no difference to

the quality of the police officers appointed. Therefore, it is a sensible and practical measure.

The third power relates to the vetting of designated civilian staff, to which I referred earlier. It is, of course, important that recruitment standards for civilian staff are the same as those for police trainees. We will therefore be looking at criminal convictions, business interests and other relevant information about civilian staff as well as police officers. I hope that that offers reassurance to members.

The fourth power makes provision for the PSNI to address acute staff shortages by directly recruiting from other police forces. At the moment, direct entry into the PSNI is only through traineeship. We want to enable the Chief Constable to recruit experienced staff from other forces, if there is a need to do so. That is a sensible measure. I am sure that members are aware of the current shortage of detective constables, and we want the Chief Constable to be able to deal practically with that shortage.

The draft legislation contains a proposal relating to the new powers of double jeopardy, where were introduced in the Criminal Justice Act 2003. In fact, I was involved with the later stages of that legislation — it was my baptism as a Minister. Those new powers were introduced so that if there is new and compelling evidence that a serious crime may have taken place, the police can investigate it. In the past, when someone was acquitted of a crime, that was that, but these new powers change that.

In Northern Ireland, those powers apply to the police, but not to the Police Ombudsman, and we obviously want to resolve that inequity. If new and compelling evidence exists that a police officer may have committed a serious offence, we want the Ombudsman to be able to reopen the investigation if necessary. There are also some provisions about road closures and the ability to divert traffic, which are practical and sensible measures.

There are also new powers to enable the police to examine documents and electronic records to establish whether they contain evidence that somebody may have committed, or is planning to commit, a serious crime. The powers allow the police to remove those documents for a limited time.

Essentially, these practical measures will help the police in Northern Ireland to be more efficient and effective in their work. I hope that they will command the support of the subgroup, and I look forward to any questions that members may wish to ask.

The Chairman (Mr Hay): Thank you very much. Minister, I forgot to welcome your officials earlier, so I welcome them now.

I remind members to turn their mobile phones off. It would be useful if members could declare any interests before they ask their questions. I am conscious that some members are also members of the Policing Board.

Mrs Foster: I declare that I am a member of the Northern Ireland Policing Board.

I want to raise the issue of PCSOs. I have long complained about the resources available to the Chief Constable, his constables and the Police Service in general, particularly in rural areas.

On the face of it, I welcome the fact that more resources will be available to the Chief Constable. However, PCSOs should not be substitutes for police officers but should, rather, complement them. I say that for several reasons, not least because people will realise that PCSOs are not police officers. PCSOs from Lancashire Constabulary and Merseyside Constabulary have visited Northern Ireland to talk about their role. However, this is not Lancashire or Merseyside: it is Northern Ireland.

The criteria for the appointment of PCSOs are included in the legislation, which states that the Chief Constable will appoint:

“a suitable person to carry out the functions of a community support officer”.

I am interested to hear from the Minister what he understands by those criteria and whether further work will be done on those.

Mr Goggins: In many respects, the criteria of credibility and the standing of individuals will be the same as for those who apply to be police officers. After the Order has been passed, regulations will set out publicly and clearly the criteria that will be used to assess people's suitability to become PCSOs. Among those criteria are any business connections that applicants may have, which may be important if they are dealing with commercial premises or licensed premises. Checks will be made to ensure that their criminal records are clear.

Initially, the plan is to recruit 400 PCSOs over the first four years, 100 of whom will be appointed in the first year. PCSOs will be an additional resource; they are in no way a replacement for police officers. They will have a range of powers, but not the complete powers of a police officer, to assist policing effectively.

As Northern Ireland moves to ever more normal and peaceful times, the emphasis on neighbourhood policing is important. The Chief Constable often emphasises its importance — and rightly so — and the PCSOs will assist with that.

Mr Raymond McCartney: Is the Minister saying that PCSOs are not a replacement for the fast-tracking of the part-time reserve?

Mr Goggins: They are not a replacement for police officers; they are an additional resource.

Mr Raymond McCartney: What guarantees are in place to ensure that there will be no political vetting, and who will determine the vetting procedures?

Mr Goggins: The criteria used to assess the suitability of PCSOs will be clearly set out in the regulations. There will be no political involvement in the appointment of those staff. They will be assessed according to their skills and suitability for their role in neighbourhood policing, and normal recruitment procedures will apply.

Mr Raymond McCartney: The Minister said that he envisages that 400 PCSOs will be appointed. Is the money in place for those appointments?

Mr Goggins: Yes, money is available to recruit 400 PCSOs in the first four years. I reiterate that it is not a question of appointing PCSOs to compensate for a reduction in the number of police officers. The Government are not operating under such an equation; PCSOs are an additional resource.

Mr Attwood: The Minister and his officials are welcome. May I ask for some latitude, Chairman, to make one point to the Minister? At last week's meeting of the subgroup, the parties unanimously agreed that any outcomes from ongoing negotiations between the Government and any single political party that were relevant to the business of the subgroup should be brought to its attention. The parties argued for that to happen because the subgroup's terms of reference include the consideration of matters that relate to the devolution of justice and policing, the associated time frame, and so forth.

The Chairman (Mr Hay): Mr Attwood, I want to make it clear that members should focus on today's agenda. The member's point might be appropriate for another meeting. I want to be as liberal as possible and will try to be fair to everybody.

Mr Attwood: My point, which goes beyond liberalism, is that discussions are ongoing. If the outcomes of those discussions are not brought to the attention of the subgroup, it will have difficulty in moving forward on some of the matters that it is entrusted to progress.

The SDLP's view is that one critical issue, regardless of what is, or is not, happening with MI5, is that this subgroup will not have the authority to carry out its business unless issues such as discussions with parties are brought to its attention. Given the speculation about the negotiations around MI5, I ask the British Government to consider very carefully — as the Secretary of State is appearing before the subgroup tomorrow —

Mr Kennedy: Chairman, we are deviating substantially.

1.30pm

The Chairman (Mr Hay): I have already reminded Alex about that. I am trying to be fair to everybody, and it is important that we are fair to the Minister.

Mrs Foster: We could all make political points if we wanted.

Mr Attwood: I am not making a political point; I am making a point that was agreed unanimously by the subgroup.

The Chairman (Mr Hay): Alex, can we get back to the subject?

Mr Attwood: I look forward to hearing from the Secretary of State on that point tomorrow.

I have a number of questions. First, you said that the vetting for PCSOs would be the same, in many respects, as that for regular police officers. Will you confirm that the vetting will be of at least at the standard required for regular police officers in all — not many — respects?

Secondly, you, as Minister, will table legislation in due course legislation. Will you confirm that the work in developing the PCSO model will be led by the Policing Board and the PSNI, assisted by NIO officials and the Government? Two meetings are scheduled, one later this month and one in early February, which will be led by the Board and the PSNI to bring forward details on how PCSOs will actually work. There is a lot of experience in Britain about how they work and we will have to have an appropriate model for our circumstances. In taking this idea forward, it will be important to confirm that the implementation of policing change has, in many regards, been the responsibility of the Board, the PSNI and, where appropriate, the NIO.

I have other questions, but please take those to begin with, Minister.

Mr Goggins: If I came here every time that there was speculation in the press about policing and justice, we would have been seeing a lot of each other recently.

The Chairman (Mr Hay): We take your point.

Mr Goggins: I confirm that the standards of vetting and suitability of PCSOs, particularly in relation to criminal investigations and business interests, will be the same as that for police officers. I am sorry if anything I said cast doubt on that point.

Mr Attwood is absolutely right that the role of the Policing Board is critical. It is carrying out a lot of work, liaising with the operational side of policing and with officials in my Department. The work will, as Alex said, reflect a style of the PCSO that is suitable for Northern Ireland while building on the experience that we are gathering elsewhere. That is a very sensible way to proceed. My job, as Minister, is to make sure the necessary powers are in place. However,

developing the model on the operational side is very much based on Policing Board involvement and leadership, and is for the Chief Constable, his officials and my officials to work on.

Mr Attwood: I have two more questions. First, you confirmed that funding over and above the PSNI budget line is in place for the first four years. What happens if the Board and the PSNI agree that, after four years, another 250 PCSOs need to be recruited? That may well be the case depending upon the experience during the first four years. Will that have to be the subject of a fresh bid or will funding have to come from the police budget at that time? Are the Government prepared to consider fresh negotiations on the release of moneys to fund the extra number of PCSOs needed?

Secondly, to go back to Raymond McCartney's question, when the board decided to go ahead with PCSOs it also agreed to proceed with recruitment of part-time reserves in four other areas. Ian Paisley Jnr will remember that.

Mr Goggins: Yes, I can confirm what you have said about funding for PCSOs. It is a case of working out the best and most appropriate model for Northern Ireland.

A fresh funding bid must be made after four years. The initial four-year budget for PCSOs is sufficient, but, beyond that, preparations will have to be made for any fresh funding, because by that time we could be two, or even three, spending reviews on from the current one.

Mr Kennedy: I declare that I am a member of the Northern Ireland Policing Board. Alex did not declare his membership, but I will do so on his behalf. I am friendly like that.

Article 7(2) of the draft Order provides for a proposed new section 30A(2) to be inserted into the Police (Northern Ireland) act 2003, which states that the Chief Constable may designate a person as a PCSO only if he is satisfied that he or she is a "suitable person". Who would be considered an unsuitable person for the position?

Mr Paisley Jnr: Anyone in this room, for instance?

Mr Kennedy: It is a serious question.

Mr Goggins: It is indeed. Anyone with a recent or serious criminal conviction would be an unsuitable candidate for a PCSO position, as would anyone whose conduct, although not criminal, might fall short of what is desirable or acceptable when setting norms and standards in public life and for communities. However, the criteria upon which judgements will be based will be made clear and will be contained in regulations that will be laid when the Order is passed.

In short, we expect PCSOs to be people of high standing, to have an honest background and to be a good calibre of human being.

Mr Kennedy: Thank you, Minister. Will the highly discredited and discriminatory practice of 50:50 recruitment be used in the PCSO recruitment process?

Mr Goggins: As long as 50:50 recruitment operates in Northern Ireland, it will be used for the recruitment of PCSOs. That decision has been subject to a separate consultation on the remaking of powers.

Progress has been made in recent years. A few years ago, there was 8% Catholic representation in the PSNI, but that has risen to 20% representation now. It is hoped that that figure will increase to 30% by 2010 or thereabouts. When that target is achieved, the 50:50 recruitment system will no longer be required, and when it no longer applies for the recruitment of police officers, it will no longer apply for PCSO recruitment.

Mr Kennedy: Minister, do you realise how unpopular the 50:50 recruitment system is viewed, particularly among unionists, who consider the system to be discriminatory. How can you justify its continuing use as a mechanism for the employment of PCSOs?

Mr Goggins: I know that it is an unpopular measure with some sections of the community because representatives from unionist parties and others tell me that regularly. However, I justify its continuation on the grounds that it is transforming the face of policing in Northern Ireland. As I have said, when Patten produced his report, there was an 8% Catholic representation in the police, and that has now climbed to 20%. It is predicted that that percentage will increase to 30% in three years' time. That huge step forward could not have happened without the special arrangements.

When all parties in Northern Ireland actively support the police and encourage people to join the PSNI, and when there is a minimum of 30% Catholic representation, normal procedures will be allowed to take their course. Everyone will be happy when that is the case. I justify the use of the particular recruitment system because of the special and urgent need that existed. The 50:50 recruitment system is having an impact, and I am pleased that helpful progress is taking place.

Mr Kennedy: Minister, you said that there would have to be fresh budget bids after the initial funding period has expired. I am not sure whether you mean that new and separate money will still be made available over and above that which is allocated to the Policing Board, or whomever is in charge.

Are you saying that a portion of money will be kept back and used specifically for that? Alex wondered whether more people would be employed as a result of that. However, on the issue of the basic funding of

existing resources at that point, are you still saying that you will treat funding for PCSOs as a separate heading?

Mr Goggins: When the time comes for a comprehensive spending review, all aspects of public services will be examined in great detail. Therefore, if there is a case to be made for increased numbers of PCSOs, that case must be made within the bid that is contained in the review.

Mr Kennedy: I am not talking about additional numbers. I am talking about funding for the employment of PCSOs. Will that continue to be a separate heading and will it be separately funded in the manner in which it will be introduced?

Mr Goggins: It would have a separate heading, but within the overall policing budget.

Mr Kennedy: Would the Policing Board allocate appropriate finance to keep it going?

Mr Goggins: That would be a matter for discussion in the future, but there would have to be a clear bid.

Mr Kennedy: What is your view?

Mr Goggins: I was in the Home Office when PCSOs were first proposed, and, initially, there was great reluctance throughout the country. That attitude was transformed over a short period of time. Pump-priming money to get PCSOs started has come into the mainstream budgets of police forces, and that will be the case here. However, bids for the required level of resources must be made and justified, and I expect that to continue. It is important to emphasise that, at this early stage, we are proposing 400 PCSOs as additional staff, over and above what has already been agreed in the budget.

The Chairman (Mr Hay): Are there any other questions or issues to be clarified?

Ms Stanton: Who will define the criteria for vetting?

Mr Goggins: The criteria will be set out in regulations that will come from the Northern Ireland Office after the draft Order has been passed. There will be complete transparency in that, and those charged with the recruitment process will be required to adhere to those criteria.

Ms Stanton: How will human rights and equality be protected in that process?

Mr Goggins: All proposals in the draft Order have been tested under human rights legislation and have passed with flying colours. No proposals for legislation can be brought forward unless they meet all requirements of human rights legislation. This draft Order fully complies with those.

The Chairman (Mr Hay): Thank you, Minister. We now move on to streamlining of the police trainee recruitment process.

Mr Paisley Jnr: I apologise for being late. I was attending the debate on agriculture in another place, which, as the Minister can appreciate, is important.

Are these provisions not a move away from what Patten recommended, in that there was a deliberate effort to increase the number of part-time reserve officers? That has been limited, and we now have PCSOs.

Article 10 of the draft Order provides for the appointment of constables with special policing skills. That is a lateral entry provision. Will you confirm that the appointment of special constables will not be subject to the 50:50 recruitment process, as it was previously, and that the people who avail themselves of lateral entry will have sufficient skills to address the obvious gaps that have been identified in some areas in detective ability? Those gaps are due to the Patten severance arrangements, the effect of which was to get rid of skilled detectives.

Mr Goggins: Both those measures are sensible, practical changes that are being made to address specific needs that clearly exist. The arrangements for the appointment of constables with special policing skills are outside the 50:50 recruitment requirements. However, it is important that the Chief Constable is able to recruit and deploy staff with the relevant skills and qualifications to ensure that people across Northern Ireland know that the police are working in their communities to overcome criminality. It is important that the Chief Constable has those skills available. Therefore, the introduction of that measure is sensible, as is the streamlining of police trainee recruitment, which will mean that we actually save money. I said before that £0.5 million a year will be saved, with no difference in the end result of who will be appointed as police officers.

1.45 pm

Mr Paisley Jnr: I agree that the measures proposed in article 10 of the draft Order are sensible. Do you have any idea how many constables will be recruited under those measures? Many of those constables will be expatriates who could not get a job in the Police Service here and were recruited by English or Scottish police services, but who would wish to return to Northern Ireland. Do you have any idea how many will return in that way?

Can you also please elaborate on the terms “policing skills” and “specialist skills”? Can you identify where you believe the skills gap exists?

Mr Goggins: I will invite Steven McCourt to comment on the specific skills gaps that may have been identified in the last part of that question.

There are 97 vacancies for detective constables in Northern Ireland at the moment, and it is important

that the Chief Constable is able to fill those gaps as soon as possible. We want to help him bring in people with skills and experience, and we can do that by introducing the draft Order.

Mr Steven McCourt (Northern Ireland Office): The criteria for those posts and the definition of “specialist skills” have not been defined in the legislation. It is up to the Policing Board and the Chief Constable to consider which criteria are necessary.

Mrs Foster: Is it up to the Policing Board to decide whether a gap exists that can be filled through the provisions of article 10 of the draft Order? Is that correct?

Mr Goggins: The shortfall that everyone has clearly identified — the Policing Board, the Chief Constable and myself as Minister — is in the detective constable post. That is the first area on which we will want to see movement. However, there may be other gaps in the future, and we want the police to be able to recruit appropriately.

Mr Kennedy: I would like some clarity on that matter. Are you saying that the measures enable the Chief Constable and the Policing Board to resolve the detail of that matter?

Mr Goggins: As I said, that power will be created through the legislation. The only way to be recruited into the PSNI at the moment is through the trainee programme. We want the police to be able to recruit officers above that level, where there is a gap.

We will create that power, but the practice of that power will be a matter, as Steven McCourt has said, for the Policing Board and the Chief Constable.

Mr Paisley Jnr: The draft Order also deals with the important matter of training. There is no doubt that police officers in Northern Ireland are trained to a very high level and, indeed, are subject to a much more extensive training course than their counterparts in other parts of the UK or in other parts of Europe. The Assembly has debated the important matter of the police training college. Are you in a position to say anything more about that or to respond to the issues that were identified in that debate?

Mr Goggins: I regard the resolution of outstanding issues on the financing of a police college as a high priority for the coming weeks. We have examined the projected costs in great detail to ascertain whether it is possible to reduce some of those costs and whether there may be other potential sources of income. It may be possible to develop joint training facilities. My officials are pursuing all of those ideas, and I will be the first to come forward with further details when I am able to do so. However, I have no further details to share this afternoon.

Mr Paisley Jnr: Do you have any idea when you will share that information with us? We all want Christmas to come early on that matter.

Mr Goggins: Christmas came a bit earlier than I was hoping.

Mr Paisley Jnr: It has come and gone.

Mr Goggins: I hope to be able to share some news with members soon.

Mr Raymond McCartney: I wish to return to a question that Ian Paisley Jnr asked. Can you confirm that 50:50 recruitment will not apply to detectives?

Mr Goggins: There will not be 50:50 recruitment of detectives as part of the specific recruitment process that we have been discussing. When the Chief Constable fills those 97 vacancies through recruitment from other UK forces, the 50:50 criteria will not operate. However, that does not affect the existing powers, the renewal of which, as members know, has been subject to consultation regarding the majority who enter through the trainee system or, indeed, new recruits through the PSCOs recruitment scheme.

Mr Raymond McCartney: Has that measure obtained the approval of the Policing Board?

Mr Goggins: That measure has the enthusiastic support of the Policing Board, which understands the need to fill the gap. I am sure that the board will want us to act on that as soon as possible. At the moment, that cannot happen because the law does not allow it. That is why we want to change the law.

Mr Raymond McCartney: Sinn Féin welcomes designation because it makes people accountable to the office of the Police Ombudsman. Which positions are exempt from designation, and why are they exempt? In particular, why is the Historical Enquiries Team (HET) exempt?

Mr Crawford: It is not a question of exemption. The point is that the HET is not directly employed by the PSNI. No specific exemptions are set out in the legislation.

Mr McCourt: Designation relates to five specific categories of designated civilians with limited police powers. Any civilians working for the HET will not be utilising police powers. They will not be designated.

Mr Raymond McCartney: Are members of the HET also exempt?

Mr Crawford: The officers working for HET are agency staff, not designated civilians. They represent a different class of official.

Mr Raymond McCartney: Why is that?

Mr Crawford: It was the quickest and simplest way to get skilled police officers into the HET posts. The draft Order relates to designated civilians generally.

We have not included anything in the draft Order about agency staff because we expect that the use of agency staff will decrease.

Mr Raymond McCartney: Do you expect to designate agency staff, or will they be exempt?

Mr Crawford: We have not looked at that.

Mr McCourt: One can designate civilians only in the five specific categories where the powers that they can exercise have been stipulated in legislation. We are talking about five specific sets of skills.

Mr Goggins: It is worth remembering that no civilian staff are designated at present. The powers are new and will be introduced very carefully.

I will give you a practical example. If the police are investigating fraud, the best people to carry out some of the detailed investigative work that is involved may not be police officers necessarily but those who are skilled in financial accounting and administration. Such people could be designated with certain police powers. For example, they could have the power to seek arrest warrants or action of that kind.

We are seeking to empower appropriately suitable civilian staff who may be working with, and for, the police. We will do that very carefully. We would not give all powers to civilian staff: only certain powers and under very strict conditions.

Mr Raymond McCartney: Could that include scene-of-crime officers?

Mr Crawford: It could, if they are given the powers set out in the draft Order.

Mr Raymond McCartney: Are they exempt now?

Mr Crawford: It is not a case of exemption. It is simply that they are not designated at the moment. In future, it is likely that they would be designated.

Mr Attwood: To make sure that everybody understands what is happening, I have a number of questions concerning the recruitment of officers from outside the PSNI.

First, when the PSNI is recruiting the potentially very small number of people who are needed, will it be able to recruit not just from Britain, but from the Republic of Ireland?

Mr Goggins: Yes.

Mr Attwood: Secondly, will that provision fall after two years unless the Policing Board unanimously agrees it?

Mr Goggins: Yes.

Mr Attwood: Is it the case that the first time the provision was introduced, approximately 18 officers availed of it?

Mr Goggins: Steven McCourt has confirmed the precise number.

Mr Attwood: Is it the case that the majority of the officers who applied under that provision were Catholic?

Mr Goggins: I cannot confirm that, but Steven may be able to.

Mr Attwood: I am stating for the record that of the 18 officers who applied under that provision when it was first introduced, and which consequently expired, the majority were Catholic.

Mr Kennedy: Chairman, could I ask a sensible question? *[Laughter.]*

Mr Attwood: Some of those matters —

Mr Paisley Jnr: On a point of order, Mr Chairman. Is it appropriate that we reveal the specific religious backgrounds of 18 identifiable officers who are known to have been recruited in a particular way? That is wrong, and the member should be cautious.

The Chairman (Mr Hay): As I have said to Mr Attwood, to be fair to the rest of the members and to the Minister, it is important that we stick to the agenda.

Mr Attwood: I am referring to the agenda. It is on the agenda to discuss the provision to enable recruitment of detectives for short periods.

The Chairman (Mr Hay): You are making an assumption.

Mr Attwood: No, I am not. I am asking questions to get on the record the facts surrounding the first such recruitment — and those are the facts on that recruitment.

I differ with the Minister's view that the board enthusiastically endorsed that measure. The board unanimously endorsed it, because that is the requirement for this variation and because it recognises that there is a shortfall of detectives — not because of severance per se, but, in our view, because of the mismanagement of severance by the former leadership of the police who let too many people go too quickly. However, that is neither here nor there.

Will that provision expire after two years unless the board unanimously asks for it to be extended?

Mr Goggins: Yes.

Mr Attwood: My third question relates to the changes in recruitment procedures governing police support staff. Will the Minister confirm — so that there are no misunderstandings — that rather than everybody being vetted as soon as they get into the applicant pool, only those who come out of that pool will be subjected to vetting and the other standards? That procedure is a consequence of the fact that recruitment has been so successful and that so many applicants have got into the applicant pool.

Unfortunately, however, there are not enough jobs in the PSNI on a year-to-year basis to satisfy all those who have attained the standards of entry to it.

Mr Goggins: I confirm that.

The Chairman (Mr Hay): Mr Kennedy will now ask questions. Unfortunately, I have to leave, as I need to be in another place. My good friend and colleague Mr Dawson will take over. Once again, Minister, you and your officials are extremely welcome.

(The Chairman [Mr Dawson] in the Chair.)

Mr Kennedy: Thank you, Mr Chairman. Mr Attwood referred to the previous arrangement and the 18 appointments that were made. Can the Minister, or any of his officials, confirm whether any of the successful applicants came from the Irish Republic?

Mr Goggins: We cannot confirm that this afternoon. However, I am more than happy to look at that and make sure that every member of the subgroup is aware of the —

Mr Paisley Jnr: None of them came from there; that is just a pedantic point.

Mr Kennedy: Ninety-seven vacancies in the complement of detectives that is available to the Chief Constable is a serious matter. Why have the Government allowed it to happen?

Mr Goggins: It is important to note that the Government have recognised that such a gap requires urgent action. That is why those provisions have been proposed. We do not know why that happened, but it did. We must grasp the nettle and ensure that the Chief Constable is able to recruit the staff that he needs. The important thing is to deal with the problem.

Mr Kennedy: Do the Minister understand the level of concern that there will be once this emerges into the public domain? The Government have somehow allowed the Chief Constable to be deficient of at least 97 detectives at a time when crime is rising.

2.00 pm

Mr Goggins: It is not fair to say that people have sat around and allowed the situation to develop. Recruitment gaps occur in all walks of life and in all elements of the public service. This issue has arisen, and it is important that it is dealt with. That is what we intend to do.

The Chairman (Mr Dawson): Good afternoon Minister.

Mr Paisley Jnr: The issue goes back to article 8 of the draft Order, which deals with recruitment. Under the current arrangements potential recruits must reach an elaborate pool, and once they have been selected for, they are given a medical examination. The potential officer might fail the medical and be out of

the process. Would you consider reconfiguring that arrangement? Once a recruit has had a medical they are deemed fit for recruitment and go into the pool.

Mr Goggins: The Government propose a change that is based on the individual having met all the other competencies for recruitment as a police officer. They are established as a member of the pool and must undergo medical and criminal checks to remain a member. That means assessing many people who will not be appointed as police officers. The Government propose the provisional appointment of a police officer from the pool, provided that they satisfy the medical and other tests. If they do not pass those tests, we move on to the next person.

Mr Paisley Jnr: The Minister has identified important issues, but the process is expensive. It costs £12,000 to recruit an individual to the police — that is almost half a new recruit's salary. It costs the Government a great deal of money to get a potential recruit through the process only for that person to fail the medical. The individual will have paid for various aspects of the recruitment process and will have taken time off work — it is a big commitment, and the individual loses financially.

Mr Goggins: Recruiting staff in any public service, including the police, incurs expense. The Government propose a cheaper recruitment process that should save £0.5 million a year; it is a sensible, practical measure. Our proposal will not affect appointments and will make the process less expensive.

The Chairman (Mr Dawson): If members have no further questions on recruitment, we shall move on.

The third issue for discussion is additional powers for the Police Ombudsman and for the police.

Mrs Foster: In his introductory remarks, the Minister mentioned “new and compelling evidence” with regard to the double jeopardy rule and the Police Ombudsman. I read the memorandum but did not see the word “compelling”; the term was “new evidence”. I have concerns about double jeopardy at the best of times; however, who determines that evidence is new and compelling? Does the Police Ombudsman make such a determination or will criteria be laid down about when evidence is to be treated as new and compelling? There should be criteria, not somebody taking a subjective view about whether evidence is new and compelling.

Mr Goggins: The Director of the Public Prosecution Service (PPS) takes the decision. Under the normal provisions of double jeopardy, if the police believe that they have evidence that somebody committed an offence of which they have been acquitted, they must ask the Director of the Public Prosecution Service for permission to reopen the case.

Mrs Foster: Will the Police Ombudsman have to go through that process?

Mr Goggins: The Police Ombudsman will have to tell the Director of the Public Prosecution Service that she has new evidence and that the investigation should be reopened. The Ombudsman will have to persuade the Director of the Public Prosecution Service that the evidence is sufficient to warrant a reopening.

Of course people were concerned that introducing the new rules on double jeopardy would mean that the police would forever want to reopen investigations, rather than accept that the case could not be proved. Therefore there has to be that high hurdle; the PPS has to be satisfied that there is sufficient new evidence. There are reservations about that. However, I am sure that everyone will be pleased that, the availability of new DNA evidence means that a number of people who committed grave crimes, such as rape, and rape involving young children, can now be prosecuted, even though they were previously acquitted. That is only right. That may affect only a small number of cases, but where the evidence is available, it should be possible to reopen the investigation.

Mrs Foster: As in everything, there must be balance, and this is about a balance of rights. People should not be open to reinvestigation for years and years, but, if something is starkly wrong, reinvestigation is right.

Mr Goggins: It is also important to remember that it must be a serious matter. It has to involve a serious criminal matter, and that applies to the Police Ombudsman as well. A request can be made only in relation to a serious criminal matter.

Mr Paisley Jnr: Following up on that, is the definition of “new evidence”, therefore, evidence that has never previously been relied upon in a previous investigation or trial? Is that correct?

Mr Goggins: It has to be new evidence. It could be that the evidence existed before, but that the means were not then available to interpret it in a way that was helpful.

Mr Paisley Jnr: That would definitely make it new, so I accept that.

Mr Goggins: For example, an item of clothing that existed during the first investigation, but that can now be subjected to new DNA tests, may be able to reveal evidence the relevance of which was not then recognised. It was not as significant then as it is now, since new technology can enable us to interpret it more effectively. It has to be new in that sense. It cannot just be a regurgitation of old evidence.

Mr Paisley Jnr: The Minister will be aware that prior to establishment of the Criminal Cases Review Commission — the body that now sends cases back for appeals after there has been a trial — the Home

Secretary had the power to do that if fresh factors for new evidence were brought to his attention. Obviously, that was a very high threshold to attain. Is the Minister saying that that definition of “new evidence” is within that threshold? Is that what he means by “new evidence”?

Mr Goggins: It cannot be just a fresh look at all the evidence that was considered before. If that evidence was looked at, and the person was acquitted, that is that. The evidence has to be new. Indeed, that is true of cases considered by the Criminal Cases Review Commission, and it would be the case here. However, it is important to recognise a subtle distinction: the evidence may have already existed, but it was not possible to interpret it because DNA had not been analysed. Interpretation of DNA now means we can get more out of that evidence than was the case before. In such cases, the evidence reveals something new.

Mrs Foster: Will the Minister clarify that? It is sometimes argued that the evidence was there but that it was not brought forward, or that it was not argued strongly enough, or that it was not given due weight. Do those arguments not constitute new evidence?

Mr Goggins: That would not be new evidence.

Mr Raymond McCartney: As the Minister will be aware, the genesis of the draft Order was the consultation paper, to which Sinn Féin made a submission raising concerns, including, in particular, those about increased powers. One was on the lowering of the reasonable suspicion for the seizure of documents or electronic records. The second was about the 28-day detention period. In the light of that submission and of concerns raised by other people, have those reservations been taken account of?

Mr Goggins: The 28 days is in relation to the terrorism legislation, rather than the draft Order. Clearly, 28 days is the current position, although there are reviews of terrorism legislation. No doubt the issue will keep coming up for public and parliamentary debate.

As to powers to seize documents, that is obviously a matter to be approached carefully. We cannot simply have police officers going willy-nilly into people’s property, into their houses and business premises and removing items at will. However, where an officer has a reasonable suspicion that certain documents contain evidence that could sustain a prosecution of a serious matter, he needs to be able to access them, and — if it takes some considerable time to analyse the documents — to remove them, initially for 48 hours, and, by extension, for up to 96 hours.

The information may be on the hard drive of a computer or on extensive files. Sometimes it is necessary to remove files to examine them carefully, but that must be done proportionately. Any instance when evidence is taken away must be properly

recorded, and, indeed, items that are subject to legal privilege are exempt from that. Therefore although there are safeguards, if it is strongly suspected that documents contain information, the Government believe that the police should have the power to remove those documents and to examine them thoroughly.

Mr Raymond McCartney: My party welcomes the increased powers for the office of the Police Ombudsman. The Minister will also be aware that the office has been given the power, on the direction of the Public Prosecution Service, to investigate misconduct by PSNI officers. In the light of recent criticism by the judiciary of the way in which some investigations were conducted, is the Minister aware of any referrals by the Public Prosecution Service to the Office of the Police Ombudsman?

Mr Goggins: Do you mean in relation to the double jeopardy rule?

Mr Raymond McCartney: No, just with regard to the general principle.

Mr Goggins: I cannot comment on specific cases that might have been referred.

Mr Raymond McCartney: My final question is on the collection of DNA and fingerprints from children. Is the Minister aware of the numbers of such cases and whether there is a procedure to destroy them, should it not be necessary to retain them?

Mr Goggins: Unless Robert Crawford has an accurate figure, I am happy to send the subgroup the exact numbers. I realise that a difficult judgement must be made with regard to children. However, children can sometimes do dreadful things. Having the fingerprints of a child who has committed a serious crime may solve that crime. I have spoken to the Chief Constable about that important matter, which he treats very seriously indeed. Nonetheless, if such information is available and a prosecution can be mounted for a serious crime, that is a proportionate response. However, the Chief Constable deals with the matter very carefully.

Mr Attwood: I want to revisit the issue of police powers. We share a sense that some of the past architecture of the legislation on terror offences in the North has been recreated. My party is concerned about the proposal to retain one-judge courts and about how that may develop.

I would like clarification on the police's power to examine documents. Take the example of a police officer who enters a premises to carry out a legal search and remove a document because he has a reasonable suspicion about that document. Can an officer remove such a document for further examination only when he has reasonable suspicion about it? That is what the Minister indicated. My

understanding of the legislation is that a constable's powers will be much wider than that.

Mr Goggins: Let me ask Robert to clarify the details.

Mr Crawford: Reasonable suspicion is required under the Police and Criminal Evidence Act 1984, but it is not required in such a case.

Mr Kennedy: It is difficult to hear the witness.

Mr Crawford: Sorry, I will speak up a little. Reasonable suspicion is not required in that case because the purpose of the power is to allow a police officer to examine documents to determine whether he or she should have reasonable suspicion that they could be evidential or whether they contain information that would allow them to be seized under the Police and Criminal Evidence Act 1984. That is why the power is restricted to a specific time.

An example might be the seizure of complex financial records in a serious crime case, such as fraud, where it may not be immediately apparent to a police officer during a lawful search that the information could be evidential. The officer would still have to justify and substantiate his reasons for seizing documents. It is important to stress that the officer would also be accountable to the Police Ombudsman for his actions.

Mr Goggins: I want to clarify my remarks because it may be helpful to Alex. In practice, a police officer must have a reasonable suspicion that if he or she were to examine documents, he or she would find evidence in them that a crime has been committed. That is the accurate position, which is slightly different from that which I first intimated.

Police officers cannot go round seizing documents willy-nilly. There has to be a rationale behind their actions; they must be able to justify their suspicions.

2.15 pm

Mr Attwood: I appreciate that, but my understanding of the proposal is not the Minister's understanding. My understanding is that any officer would be able to enter a house and seize any document about which he has suspicions. That officer could, for example, seize a document simply because it is in a foreign language — or not even in a foreign language, but in another language; documents in a house in west Belfast could be in Irish, or, in a house in the Shankill, in Ulster Scots. Of course, if it turns out subsequently that there is something in that document, the officer can pursue the matter in the appropriate way. However, the provisions outlined in the draft Order would allow an officer to seize a document simply because he does not understand the language in which it is written. That raises the concern that the power could be interpreted so widely that officers will have a licence to do what they want when carrying out a lawful search of a house. The draft Order outlines the process that an

officer must follow in order to satisfy himself after the event, but there is no standard as regards what happens at the time of the event. That is not a healthy way forward.

Mr Goggins: I do not think that we are a million miles apart. Mr Attwood says that the officer must have a suspicion; I say that that officer must act reasonably at all times, so it must be a reasonable suspicion that something in the document may give rise to the suspicion that an offence may have taken place or is about to take place. In practice, what matters is that we have a memorandum of operation that governs the actions of police officers so that they act proportionately and reasonably.

Mr Attwood: Is that provision currently reflected in British legislation governing England and Wales?

Mr Goggins: It is not; this provision is specific to Northern Ireland and reflects the ongoing need to ensure that we can deal with any situations that may arise.

Mr Attwood: Does that mean that we have a provision in the North that does not apply in England and Wales?

Mr Goggins: That is right.

Mr Attwood: Does that mean that an officer in the Metropolitan Police must have reasonable suspicion before he removes any documents during a search of premises, but, according to the Minister's interpretation of the provision, a PSNI officer would not have the same requirements placed upon his shoulders when carrying out a search of a house in the North. The terrorist legislation here is being repealed, yet this new Order is now being introduced. Why is the North being treated differently from England or Wales?

Mr Goggins: It is true that the Government have clearly had to strengthen UK-wide terrorist legislation and introduce new and more powers across the whole of the United Kingdom at a time when the security situation in Northern Ireland has been improving. We have therefore been in a position to reduce the level of terrorist legislation in Northern Ireland, which is why Part VII of the Terrorism Act 2000 will cease to have effect in July of next year. Nonetheless, we have thought this through very carefully, and we still feel that certain powers are needed to reflect the specific circumstances of Northern Ireland.

Mr Attwood: This is an important question. The terror legislation that was introduced in respect of international threat applies in Northern Ireland as it does in England and Wales.

The Minister outlined that paramilitary violence in the North is changing, to the extent that the Government are getting rid of some of the architecture of past terrorism, such as anti-terrorism legislation and non-jury courts. At a time when those measures are

being removed, why are the Government according even greater powers to a police officer who enters premises to seize any document that he might want? That is inconsistent; there is tension between the Minister's analysis of what is happening in the North and his analysis of how the North compares to Britain.

Mr Goggins: I thought that I had made it clear, Mr Chairman, that although the situation is improving, the remaining threat must be treated seriously. Whether the threat relates to the investigation of bomb-making equipment or to the underlying organised criminality that may fund the remaining elements of a potential terrorist attack in Northern Ireland, the Government consider it necessary to give those powers to the police. The threat is diminishing, but it is still there, and the police must have the powers to deal with it. That is the Government's analysis of the situation, which is why we are introducing those powers.

However, that does not alter the fact that Northern Ireland is moving in the right direction on matters of security and towards a more peaceful society.

The Chairman (Mr Dawson): To be fair to other members who have been patient, we must move on.

Mr Kennedy: The Police Ombudsman's role will now include the investigation of police officers who were acquitted previously of an offence in cases where there is new evidence — again, the absence of the word “compelling” raises concern. Is there any timescale for such investigations or any time limits within which a former officer could be accused of, or charged with, any such offence?

Mr Goggins: There are no time limits. The question is whether there is new evidence. I must check, Mr Chairman, whether the word “compelling”, which is so ingrained in my consciousness, is used. As I explained to the subgroup earlier, my baptism as a Minister was when I was involved with the Criminal Justice Act 2003, and the words “new” and “compelling” are etched in my mind for ever.

The evidence must be new and sufficiently compelling to persuade the PPS that a particular case needs to be reopened. Therefore, in practice, the evidence will have to be new and compelling. That is my defence.

Mr Kennedy: Will that be written into law?

Mr Goggins: I will need to check the precise wording. The key word is “new”, but unless the evidence is also compelling, the case would not be reopened.

Mr Kennedy: Will the Minister check the precise wording and confirm that to the subgroup?

Mr Goggins: Yes.

The Chairman (Mr Dawson): As there are no further questions, I thank the Minister and his officials

for coming to today's meeting. The subgroup appreciates his giving of his time. Perhaps members could have been a little tougher on him, but they were quite lenient, which is appreciated.

The Minister has promised to come back to the subgroup on some matters, and members look forward to receiving that information.

Mr Goggins: My officials and I will get a note to the subgroup as soon as we can.

The Chairman (Mr Dawson): That is appreciated. The subgroup will meet tomorrow at 12.00 noon.

Adjourned at 2.23 pm.

SUBGROUP ON POLICING AND JUSTICE

Tuesday 9 January 2007

Members in attendance for all or part of proceedings:

The Chairman, Mr William Hay
Mr Alex Attwood
Mrs Arlene Foster
Mr Gerry Kelly
Mr Danny Kennedy
Mr Raymond McCartney
Mr Ian Paisley Jnr

Witnesses:

Rt Hon Peter Hain MP	} The Secretary of State for Northern Ireland
Ms Hilary Jackson	
Ms Rachel Miller	} Northern Ireland Office

The subgroup met at 12.03pm.

(The Chairman (Mr William Hay) in the Chair.)

The Chairman (Mr Hay): I remind members and the public that the subgroup is now in open session.

I welcome the Secretary of State to this meeting of the subgroup. I know that you came at very short notice to be with us. There was certainly a clear consensus in the subgroup that you should be here to discuss with us your letter of 28 December 2006, which we recognise is on a very important subject.

We will allow you a few minutes for introductory remarks, and the parties will then have five or six minutes each to ask whatever questions that they feel are necessary. I also welcome your officials, and I thank you all very much for coming.

Mr Peter Hain (The Secretary of State for Northern Ireland): Mr Chairman, thank you. I am grateful for the opportunity to talk to the subgroup. Hilary Jackson and Rachel Miller have come along to help me to answer any question that you might try to trip me up with.

Given that this is the first opportunity that I have had to address an Assembly subgroup since David Ervine's death, I want to place on record at the beginning that I think his death is a tragic blow, not just to his family obviously, and to him, but to the whole of Northern Ireland's political culture. He was an invaluable part of that, and he helped to make the transition that we have seen put into effect. The best way in which we could salute his memory is to restore the Government here in Stormont on 26 March.

I would like to, if I may, correct a basic misunderstanding that I have detected in some of the public comments made by some MLAs on what the Northern Ireland (St Andrews Agreement) Act 2006 actually means. When people talk about postponement of restoration on 26 March, or of the election, or a combination of both, they misunderstand the legislation. The legislation leaves no discretion for changing those dates. On 30 January there will be a dissolution of Stormont under the legislation either to have an election on 7 March, followed by a restoration on 26 March, or to close Stormont down for goodness knows how many years. It is a very clear choice — devolution on 26 March or dissolution. The legislation leaves no scope for any other option.

Since the subgroup invited me — and I thank it again for doing so — I shall address briefly one or two points about policing and justice. In particular, I shall discuss the letter that I sent to the subgroup over the Christmas break.

First, it is clear to me that all the major parties in the Assembly are committed to the principle of the devolution of policing and justice. Indeed, much is made in public debate about the DUP's position, and I shall quote from the paper that the party sent to the subgroup:

"However, the DUP has consistently indicated its support in principle for the devolution of policing and justice".

Therefore there is no party that does not agree with the Government that this is the desirable way to go in the future. Everybody wants the model for selecting the justice Minister, or Ministers, to be capable of commanding confidence right across the communities. There is no point in proceeding in any other way. The question of policing, justice, and the rule of law is so important and so sensitive that it must have cross-community support.

It remains my hope that the parties will be able to come to an agreement on the type of model that best meets Northern Ireland's needs. The paper was intended to aid the discussions that the subgroup was having on that model. It was also intended that it would set out a particular model, which, on the basis of the discussions I have had with the parties, is capable of meeting the concerns and aspirations of everybody who is represented at Stormont. Essentially, the proposal is that the long-term model for devolved policing and justice will be a single elected justice Minister in a single Department.

However, to ensure that there is a full sense of cross-community confidence in the new arrangements, I also propose that, at least in the early stages and years, the Minister should be supported by a deputy Minister. Those Ministers — a justice Minister and a

deputy justice Minister, one from each of the two largest designations — will be elected by the Assembly on a cross-community basis before d'Hondt is run. Other Ministers, of course, would be appointed and would have been appointed in the likely time frame beforehand.

All those arrangements would be subject to review by the Assembly by 2011 in the way that has been set out by the Northern Ireland (St Andrews Agreement) Act 2006. My intention in putting forward this proposal was to provide a focus for discussions in the hope that it would enable the parties to reach agreement on the model for appointing a justice Minister or Ministers. That remains my hope. It is my overwhelming preference that the model decided upon is determined by the subgroup and endorsed by the Assembly, in whatever form, and beyond that by the Programme for Government Committee.

In the event that agreement cannot be reached, the second preference is to have that model, or an alternative that the subgroup may wish to advise me on, and then to legislate to provide for either of those as the option that the Assembly could adopt. A variety of vehicles can facilitate that legislation. One could be by way of a Government amendment to the Justice and Security (Northern Ireland) Bill, which is currently before Parliament and which is due to go into Committee in the House of Commons at a later date.

In order to introduce the amendment while that Bill, if that is the chosen vehicle, is before the Commons, it would be my intention to make any necessary amendment either in the Committee Stage itself or at the Commons Report Stage, which could happen either at the end of January or in early February. It is important, therefore, that I know as a matter of some urgency what the subgroup's views are, so that I can take the necessary action and, hopefully, proceed to operate by consensus.

I know that there was concern about my issuing the letter to the subgroup during the Christmas break, but I did that because of our deadline. I appreciate that in normal circumstances it would not be ideal to raise such a significant matter during a break or recess, but I am sure that members will understand that the importance of the issue and the desire to reach a consensus was such that it was important for them to have an opportunity to look at the letter as early as possible.

I have read and heard all sorts of things about me imposing or forcing a justice Minister down the throats of the Assembly after it had been functioning for over a year — because it could only happen then. That would be a constitutional nonsense; it would not happen. That is not what I have got in mind. I intend to proceed by consensus. However, as the letter and associated model made clear, if there is wilful obstruction of the process, we will have to look at another way.

The idea that I would impose a Minister from any particular party and stuff that Minister down the throats of the Assembly — especially in such a sensitive area — is ludicrous and is a constitutional nonsense. I look forward to the subgroup's conclusions, which I understand intends to produce by 17 January. Given our timetable, that would be helpful.

The Chairman (Mr Hay): Thank you, Secretary of State. I remind members that the Secretary of State has to leave at 1.00 pm. I will call parties in alphabetical order.

Mr Paisley Jnr: Secretary of State, I welcome you to the subgroup's meeting. May I also take this opportunity to express the DUP's concern for the family of Mr Ervine. It is important that that is done.

Secretary of State, given that you do not have much time, I will cut to the chase. You said that there are twin pillars in the process. It is obvious that the Democratic Unionist Party has measured up and has not been found wanting in areas relating to power sharing. It is equally obvious that, to date, there has not been sufficient delivery on policing and support for the rule of law and the police from Sinn Féin. If that support is not delivered, the process will collapse. Make no mistake about it; if it does collapse, it will do so because of Sinn Féin's failure to live up to what it has got to do.

There are other issues, such as financial arrangements, that must be addressed by yourself and the Government. However, when all is cut and dried, there are twin pillars in the process, and Sinn Féin has not yet been able to support law and order. I repeat the view that you stated earlier: this is about delivery. There will be no progress until we get delivery from Sinn Féin.

I welcome the clarity of some of your comments, but I want to tease out some of the issues that are important to the DUP. Your paper was not helpful to this discussion. This morning, you said that your paper would aid a discussion and provide focus. If it has done that, fair enough. However, the details of the paper have not been helpful.

As you know, some people, in a juvenile way, have tried to make politics from your paper by suggesting that it was cobbled together in a dark, non-smoke-filled room — as the legislation now dictates — between the Democratic Unionist Party, Sinn Féin and the Government. I want you to confirm that my party did not play any part in such a conspiracy. I do not believe that such a conspiracy existed, and to play politics with such an important issue — as has been done in the weeks up to this discussion — has been unhelpful.

Turning to the main proposal, will you confirm that you have no plans, now or in the future, to change what is known as the triple lock in the Northern Ireland (Miscellaneous Provisions) Act 2006? Will you also

confirm — and I believe you already have in your opening comments — that you will not impose a justice Minister over the heads of the people? As you said, it would be a constitutional nonsense — it would not work. We must refocus on realisable and realistic discussions. As you know, the DUP produced a detailed paper, which, although not the be-all and end-all of political papers, was put forward for discussion, and discussions should emerge from it. I hope that we can get back to that urgently.

12.15 pm

Mr Hain: I welcome those points. I noted four, and I hope that that is all of them. First, I welcome the fact that you and Dr Paisley have said that the DUP will not be found wanting, either on the issue of devolution of policing and justice and the time frame, or on the principle of power sharing, subject to —

Mr Paisley Jnr: Secretary of State, let us not get into the time frame.

Mr Hain: May I answer your points, and then, by all means, you can come back to me?

Mr Paisley Jnr: Your boss did this yesterday. Let us not put words into people's mouths on the time frame.

Mr Hain: I am not trying to put words into people's mouths. I have just taken your phrase about not being found wanting, provided that the second pillar of the St Andrews process — delivery on policing and the rule of law — is agreed. To be fair to Sinn Féin, the ardhomhairle, which met a little while ago, was crystal clear about wanting to take things forward. I understand that there are discussions going on within Sinn Féin and its appropriate decision-making bodies to take that forward. I am convinced that there is a desire in the Sinn Féin leadership, as there is in the DUP leadership, to make this process work and to have restoration on 26 March 2007, with the twin pillars of power sharing and support for policing and the rule of law in place.

As to whether there was some kind of conspiracy, I agree with you, Ian, that there was no conspiracy between the DUP, the Government and Sinn Féin. In the unlikely event of that being possible, it would be an interesting scenario. There was no such conspiracy. We looked at the DUP's paper, which was welcome, and we looked at the proposals from parties, including Sinn Féin, the SDLP and others, and we tried to distil from those contributions the model that we thought would fly best. That is the model that we have given to the subgroup.

The triple lock is so called because, first, the Assembly would have to decide on a cross-community basis to receive the devolution of justice and policing powers; secondly, the First Minister and the Deputy First Minister, or perhaps the other way round, would

have to table a motion to the Assembly; and thirdly, Parliament would have to vote for it. That procedure is set out in the Northern Ireland (Miscellaneous Provisions) Act 2006, and there is no proposal to change that, so it remains, as you put it, in place.

I have said what I have to say about imposition, and I am glad that that has been welcomed. I will try to explain why we have included that proposal. First, the statement on that is a further expression of the commitment that both Governments gave in paragraph 11 of the St Andrews Agreement. That states:

“default by any one of the parties following restoration of the Executive should not be allowed to delay or hinder political progress in Northern Ireland.”

In other words, if there were wilful obstruction, on an unreasonable basis, we would have to find an alternative way forward. I said that, in part, as an inducement for there to be no wilful obstruction by anybody of progress on this agenda. All parties are committed to the principle of the devolution of policing and justice — I quoted earlier from the DUP paper, for example — so it is just a fallback mechanism in case of gratuitous or wilful obstruction, it is an inducement to not do that.

I will describe some of the circumstances in which it might be necessary for the Secretary of State to have such a power available. I should add that we do not intend to exercise that power when we put this amendment before Parliament; it would be exercised in the event of a crisis that occurred well into the life of the Assembly. The Government have set a time frame for May 2008; we want the devolution of policing and justice to have taken place by then.

However, let us suppose, for example, that the Assembly chose a Minister in the way that I have suggested, or in an alternative agreed fashion put forward by this subgroup, but that that candidate's party leader tried — unreasonably — to block the appointment. Alternatively, the Assembly could decide that an appointment from a party outside the Executive, such as the Alliance Party, was desirable, or the Assembly could take the view that a distinguished person from outside the Assembly and who was acceptable to all the parties, should be the justice Minister in the early years of devolution. All of those ideas have been floated in recent months; ours is a proposal to try to break a possible deadlock on the issue. I hope that that clarification has been helpful, to Ian Paisley Jnr and to the subgroup.

Mrs Foster: There has been a lot of talk about wilful obstruction, which is a new term of art for us today. What do you mean by wilful obstruction? Is it when one party will not engage in the discussion, or is it something else? If, in your view, that wilful obstruction has taken place, can you see circumstances

in which the triple lock, as we call it — the Northern Ireland (Miscellaneous Provisions) Act 2006 — would be changed?

Mr Hain: I see no circumstances in which the Northern Ireland (Miscellaneous Provisions) Act 2006 would be changed. All the parties, including the DUP, agree on the principle; the objective is clear. I am trying to envisage circumstances in which, despite that, there was wilful obstruction of the process and I might have to introduce fresh legislation to take those powers.

For the reasons that I have described, that is not what I want to do. However, there may be a lack of trust between the parties, either on the ability to deliver power sharing to which all the parties are committed, or on the willingness to deliver — and I stress deliver — support for policing and the rule of law.

If, following the *ardchomhairle* — to which all parties are committed in principle — that distrust poisoned the atmosphere, and wilful obstruction made it more difficult to implement what everybody is agreed on, those powers might be necessary; but that is well down the track. Let us try to achieve consensus, which is by far the best option.

Mr G Kelly: I welcome the Secretary of State, and I wish to put on record my personal condolences to David Ervine's family.

The DUP went straight to the blame game. The Secretary of State was asked here to discuss this model. There was a lot of discussion about whether he had the right to put it forward. Personally, I do not care. If the man or woman on the street — or anywhere else — has a model that will help us to move on, it is the job of the PFG to get that model.

I welcome the fact that we have another model to discuss. It is up to us. Part of our job was to produce a model. The difficulty is that this is 9 January; we have been given an extension until 17 January; but we have not reached agreement. We have very little time. If we fail, what are we to do? However, I want to move on.

In the previous PFG meeting we argued over whether this paper should be submitted. Let us get down to dealing with the details involved in this model, whether it is a Sinn Féin model, an SDLP model or a DUP model. Let us try to reach some sort of conclusion.

Frankly, it is about vetoes. There is a point at which it is OK for the DUP to say that it is a devolutionist party — its members say that *ad nauseam*. However, there is no evidence of that on the issue of the devolution of policing and justice. They talk about several lifetimes, or about putting it off for ever.

That does not signify a belief that a transfer or devolution should take place. We need an indication that that will happen, and if it does not, we need to find a way for it to happen. It might be through that letter,

or by another method, but we need to find a way to assure the people of our community that they will be in charge of the democratic accountability of a police service that will hopefully serve them.

Referring to the paragraph in the letter that deals with the transfer, I am keen — probably in contrast to the DUP — that the British Secretary of State remains adamant that we find some way to make sure that policing and justice are transferred in this lifetime and not after several lifetimes. In other words, I want him to make a firm commitment to do that, whether it needs legislation. That is my first question.

Mr Hain: First, I agree with the substance of both your points. There is a short time frame, and that is why we must get our skates on. Mr Chairman, the earlier that I receive feedback from this subgroup, the better. That will be invaluable, because we have already started drafting and thinking about what a possible amendment to the Justice and Security (Northern Ireland) Bill might look like.

We will proceed with that legislative amendment, preferably by agreement, but if not, then necessarily by our best call of where we think consensus lies. I have called it as best I can in my paper on where I think consensus lies, but I genuinely would welcome cross-party agreement. If we get that, we will legislate accordingly.

Furthermore, it is important that there is clarity about the model so that we can make the necessary preparation for devolution. That is very important in every respect. On the time frame, both Governments' positions are very clear. We want devolution of policing and justice to be achieved by May 2008. That is why the Northern Ireland (St Andrews Agreement) Act 2006 places a duty on the Assembly to report to the Secretary of State by 27 March 2008 on where things stand. That is very clear. That is the course on which we are set, and we hope that that will be achievable. Provided that there is the necessary delivery on policing and that all parties support policing and the rule of law, I — and the Prime Minister — believe that the timetable is achievable. The Prime Minister made an assessment last week, which was welcomed by the leader of the DUP, in which he said that the timetable was achievable.

Therefore we can find words and opportunities to poke each other in the eye and to disagree with each other, but the big prize here is a fantastic prize, which is making what happens in this Building work. It means that decisions will be made by all of you rather than by me. That is in our reach across the policy board and on the issue of policing and justice as well.

Mr G Kelly: Further to that, different sections of our community clearly have huge issues of trust. On that basis, Sinn Féin has argued that we need strong

cross-community safeguards. Indeed, every aspect of the Good Friday Agreement argues for those safeguards. We have argued that the first sitting of an Assembly should introduce a model for ministerial oversight, at least in the short-term.

I know that the model that you have put forward is for a justice Minister and a deputy justice Minister. Sinn Féin, on the other hand, argues for a model that accepts two justice Ministers of equal authority, because we believe, and indeed all parties believe and argue, that that will clearly be an issue of deep worry.

Sinn Féin has argued that a model be agreed in the first sitting of the Assembly. We want strong cross-community safeguards that are consistent with the Good Friday Agreement to be included in that model. We have also argued for shared ministerial oversight, which would deal with the trust deficit — at least in the meantime — because at some point we will need to leave the issue of trust behind and instead rely on the fact that, in its absence, we can have agreements and contracts that people will stick to instead.

Therefore is there any reason for your going for a justice Minister and a deputy justice Minister instead of having two co-equal Ministers?

12.30 pm

Mr Hain: I have received two broad propositions from a variety of parties. The first, which Mr Kelly has today confirmed as Sinn Féin's preference, is to have two Ministers who would have joint status and be equal in every respect. The other is for a single justice Minister. However, given the lack of trust and the sensitivity that exists over this matter, it would probably be best to have a Minister from both the major communities — at least in the early years and, probably, during the first term of the Assembly, which would run to 2011. Of course, the length of the term would be for the Assembly to decide.

However, the deputy justice Minister would not — as it were — make the tea and do the photocopying; the deputy Minister would have, in every respect, a senior post and the share of responsibilities would be agreed between the Minister, the deputy Minister and the First Minister and the Deputy First Minister. The deputy justice Minister would be invited to sit on the Executive and would have a genuinely important role.

The reason for not having two justice and policing Ministers — or whatever their final title may be — is that they would be dealing with an independent judiciary, an independent Director of Public Prosecutions, and the independent Police Service of Northern Ireland, which, through its procedures, is more accountable than other police force anywhere in the world. The idea that there would be, as it were, two Ministers to whom the Chief Constable would have to report equally would be a recipe for stalemate and logjam. It would

be much better to proceed on the basis of a justice Minister and a deputy justice Minister. However, if there were a justice Minister and a deputy justice Minister, the deputy justice Minister would have a significant influence, and that would be recognised.

Mr Attwood: I also extend my condolences to Jeanette Ervine, her children and the wider Ervine family on David's death.

I welcome the Secretary of State. In one way, I welcome his paper because we needed a kick up our collective arses — and some arses, in particular, need a kick. The paper concentrates minds on the big issue when perhaps they were not so concentrated before. However, I have some problems — as, I am sure, the Secretary of State can imagine.

If the Secretary of State were to step back from this issue — obviously, there are a lot of politics around the devolution of justice — does he not find it ironic that, although the DUP will not give a date for the devolution of justice, Sinn Féin could be on the Policing Board tomorrow, with a lot more power over policing matters than a devolved Minister would ever have? Is it not ironic that Sinn Féin has made an issue of the devolution of justice, when any policing Minister would have a lot less power than a Sinn Féin member of the Policing Board? Does the Secretary of State not think that when we step back from this issue — regardless of the politics and profile surrounding it — it is ironic that the Policing Board, the Police Ombudsman, and the PSNI will continue to hold the powers over policing, and that those powers will not fall to a policing Minister?

Mr Hain: I find many things that are said in debates, or through points or postures from various party spokespersons, ironic. Of course, I could not possibly say that of anyone in the SDLP — that would be an outrageous suggestion.

I do not want to single out individual parties on this issue, however, Mr Attwood made an important point and, if I am right, Mark Durkan also made the point eloquently in the House of Commons a few weeks ago. A lot of power has already been devolved to the Policing Board and district policing partnerships. It would be an act of monumental folly if the whole process fell through due to the de jure completion of devolution of policing while forgetting the practical devolution of policing that has already happened. Should all the parties want to take their seats on the Policing Board they would find that the power there is quite significant.

Policing Board members have, in a sense, more influence than the Secretary of State over the Chief Constable in operational matters. That is, and has been, the situation for a number of years. Mr Attwood makes a powerful point.

Mr Attwood: Thank you for that. Your paper states that the deputy justice Minister will have lead responsibility. However, is it not the case that, as with any other junior Minister in the Assembly appointed under the Northern Ireland Act 1998, the deputy justice Minister will be subject to the direction and control of the justice Minister?

It would be interesting to hear if the Secretary of State intends to table legislation that will vary the powers of deputy, or junior, Ministers, or if the powers of the deputy justice Minister will be subject to the direction and control of the senior justice Minister and, ultimately, subject to agreement regarding those powers by the First Minister and Deputy First Minister and the justice Minister.

Secondly, if a party were to decide to go for the justice Ministry under the 50:50:50 cross-community voting model, which some people claim is consistent with the Good Friday Agreement but which is not, would that party have to make that Ministry its first pick? If a party is entitled to more than one Ministry could it choose the one it wants and try to opt for the justice Ministry later?

Thirdly, people say that there is tension between the Secretary of State's assertion that, at the moment, there are no circumstances in which the Northern Ireland (Miscellaneous Provisions) Act 2006 legislation — the triple lock — would be changed, and his assertion that he might legislate to take certain powers to himself to enable the appointment of justice Minister. Some people would say that that is a bit like riding two horses — that the triple lock exists but that it can be taken away.

The SDLP would be delighted if the Secretary of State removed the triple lock because it was never justified. How can he convince the members of the subgroup that there is no tension between those assertions?

Mr Hain: I formed my conclusions about a deputy justice Minister as a result of discussions with the parties. Although provision for junior Ministers already exists, I did not think that it was a helpful prefix in the context of a deputy justice Minister because we are talking about a person who would be of equal status, more or less, to a Minister. Such a provision would need to be made through the amendment that I intend to make because the deputy justice Minister would not be like a junior Minister. We need to examine the issue together and, if we proceed with this model, Chairman, the subgroup's views would be extremely welcome. The matter would be subject to agreement between the justice Minister, the deputy justice Minister and the First Minister and Deputy First Minister. We could proceed by consensus.

The position of justice Minister is an important post; it is a most sensitive area, as is shown by the number

of problems that we have had over the past few weeks and months. I have outlined the way that we were planning to proceed.

Another important point is where the appointment of a Minister for justice and policing would fit into the d'Hondt sequence. As with the other alternative models that are provided for in the Northern Ireland (Miscellaneous Provisions) Act 2006, the appointment will be made outside the d'Hondt arrangements and before ministerial appointments are made. The Minister will be chosen by the Assembly on the cross-community 50:50:50 process that we have suggested. The party from which the justice Minister is chosen will have that office count towards its total number of ministerial seats under the d'Hondt formula, but it will not affect its first choice. If a Member from party X were chosen as the Minister for justice and policing, and that party were already in the Executive and was entitled to more than one ministerial post, its first choice would be unaffected, and the Minister for justice and policing would count as its second or third choice, depending upon which party it was.

I have been asked about the triple lock. That is provided for in the legislation. Parliament has decided that, and there is no proposal to change that, as I said to Mr Paisley at the beginning. I am trying to find a way forward. In the event of having to find a solution, I have signalled that it would be my intention, or the intention of the person occupying my position, to legislate to find a solution in the way that I have described, particularly in respect of some of the options that I have described, including a person outside the Executive, a person from a party outside the Executive, a person outside the Assembly, or some other kind of circumstance. If we did not have a logjam and a deadlock, created by an inability to find consensus here, we would not have to use legislation to find a solution.

Mr Kennedy: I also express my condolences to the Ervine family.

Secretary of State, both your letter and your model are being added to almost daily. On behalf of the Ulster Unionist Party, I must state that we feel that the process that you are engaged in undermines not only the work of this subgroup, but that of the Policing Board. Furthermore, it contaminates the political system. The party is concerned at the continued emergence of side deals and details.

This very day, there is an indication that the Prime Minister will be making a major statement, or issuing something tomorrow, on the role of MI5. The subgroup is unaware of the detail or content of that. That is how you are conducting business. You have even moved the goalposts in your model this morning. You now indicate that the deputy Minister for justice will, in

effect, have equal status, which is not stated in your letter or in the model outlined on 28 December. It appears that you are searching about for anything that will give you a political lifeboat, and that is an unsatisfactory way to do business.

I have a number of questions for you, Secretary of State. Your letter reads:

"If that agreement cannot be achieved, however, the model as described in the attached paper is the basis on which I will legislate"

You have said that that might not be the most desirable position, but that you will clearly proceed on that basis and that if you do not enforce a Minister, you will certainly enforce the model. That would presumably include the devolution of policing to the Assembly by May 2008.

12.45 pm

Can you confirm whom you have been talking to in your discussions, which political parties you have spoken to and which, if any, have agreed to this model or these proposals? Have you had discussions with any parties in relation to the need for you to appoint a Minister for justice?

There was confusion again yesterday when articles by the Prime Minister were published in various well-known newspapers indicating that it was his view that the leader of the DUP had given an indication and had agreed a timetable for devolution of policing and justice. Is that your understanding? Is your view of that similar to the Prime Minister's, or do you side with the leader of the DUP? What is your view?

If a Sinn Féin ardchomhairle and Ard-Fheis approve its leadership's recommendations and the party moves on policing, I ask the Secretary of State whether he can confirm that the DUP has given sufficient signals that the election will proceed and that a devolved Administration will be established on 26 March, assuming — and it is a big assumption — that the DUP is the largest party; and that, consequently, there will be agreement that policing and justice be devolved in May 2008. Is that a yes or a no?

Mr Hain: Let me answer those questions in order. Without engaging in argy-bargy with you, Danny, which I have no desire to do, I want to point out that, in the past, the UUP has prided itself on being the reasonable party, as it were, that seeks to find a way through rather than create obstacles to progress. I do not find your contributions to be in that spirit, if I may say so.

Mr Kennedy: That is a badge of honour for us.

Mr Hain: Fine, but I reject absolutely your accusations and the rhetoric surrounding them that I am somehow undermining the subgroup, or, even more

preposterously, undermining the Policing Board, by putting forward a model that is based on discussions between the parties, and that I am somehow contaminating politics by talking to parties.

I remind you that, when I sought to meet all the parties on Friday 15 December 2006 at Stormont, your party was unable to attend, although I understand that there were good diary reasons for its not being present. I will meet the UUP this afternoon, and no doubt that that will prompt somebody to say that a side deal is involved.

I meet parties, and talk to party leaders, all the time. I am more than happy to talk to your party or to its leader. If I had been able to meet your party on 15 December, it would have been able to contribute to the discussion. I reject flatly that there is any conspiracy to contaminate politics.

The Prime Minister is making a statement tomorrow on national security and MI5. I do not want to pre-empt that statement, because it is for Parliament to hear what the Prime Minister has to say rather than any other body, including, with respect, Chairman, this subgroup, for reasons that you understand.

I can say that the statement will address various parties' concerns, including, as it happens, concerns that the SDLP has raised about the respective future roles of the Police Service of Northern Ireland and the security service. I want to stress that they are separate organisations with distinct roles and separate channels of accountability. However, those organisations will obviously need to liaise closely, as happens right across the United Kingdom, in order to protect the community from international and other forms of terrorism, especially from al-Qaeda, which is a living and present threat. The new arrangements that the Prime Minister will describe tomorrow are meant to facilitate dealing with that threat.

On the question of moving the goalposts, I do not want to indulge in textual banter, but as it says in the model that we put to you:

"In addition to providing overall support to the Justice Minister, the Deputy Minister will have his or her own lead responsibilities"

— "lead responsibilities", not some kind of office-boy role —

"to be agreed between the Minister and the Deputy Minister and FM/DFM but including oversight of the implementation of transfer arrangements and new departmental structures."

That was a suggestion. Again, if the UUP or the subgroup has a better idea — well, that is why we are here and why we put the model forward.

Finally, you asked, essentially, whether we would achieve restoration on 26 March. As I explained

earlier, there needs to be clarity of understanding that the legislation provides either for devolution on 26 March via an election on 7 March or for dissolution. There are no other possibilities, no question of postponement, and no other option is provided for in the legislation. Fresh emergency legislation would have to be introduced into Parliament to change that in any way. I put on record to the subgroup that there is not the slightest chance of that happening. I took an emergency Bill through Parliament only a couple of months ago; the idea that I would go back, with the Prime Minister's support, and say, "Please guys, we got the dates wrong, can we try again?" is preposterous. That will not happen.

I think that we are proceeding towards restoration on 26 March, provided that delivery is achieved on the twin pillars of commitment to power sharing and commitment to support for policing and the rule of law. There is every expectation that the DUP and Sinn Féin leaderships want to achieve that.

The Chairman (Mr Hay): Can you be quick with your question, Mr Kennedy?

Mr Kennedy: Mr Chairman, thank you for your indulgence. Just in relation to — *[Interruption.]*

The Chairman (Mr Hay): The Division bell has sounded. Can you ask your question quickly?

Mr Kennedy: Is the emergence of the Prime Minister's statement tomorrow an indication of further side deals between the Government and Sinn Féin, and will there be more to follow?

Mr Hain: As I said, we have talked for days and weeks and months with all the parties on all these matters; people have sought clarity, and we are giving clarity.

Mr Paisley Jnr: This is an important issue. It is a national intelligence issue, and we should not allow it to be kicked about in such a way that it undermines the community's confidence in the national — *[Interruption.]*

The Chairman (Mr Hay): I do not know whether members want to quit or not; if they do not, we can continue. However, the Secretary of State has to leave at 1.00 pm.

Mr Paisley Jnr: I would like clarification from the Secretary of State. The St Andrews Agreement was supposed to increase the Northern Ireland focus in national security by way of the national intelligence security committee, which, I understand, is an issue that is still being considered. Can you confirm that nothing will be introduced that allows for an independent oversight role in national security, and that political parties in Northern Ireland will be given a greater awareness of what is actually happening at national security level, which is a very different matter?

Mr Hain: The primacy of national security is an excepted matter. That will be absolutely protected. There is no question of different accountability arrangements. You will have to await tomorrow's statement for the detail, but I think that you will approve of it.

The Chairman (Mr Hay): Secretary of State, we will end the meeting there. I thank you for your presence today. This subject has generated some lively discussions among the subgroup. Speaking as Chairman, I think that there is unity of purpose to try to solve the problems.

Mr Hain: Thank you, Chairman. I am at your disposal in future if you need me.

The Chairman (Mr Hay): I thank you and your officials.

Adjourned at 12.54 pm.

SUBGROUP ON ECONOMIC ISSUES

Thursday 18 January 2007

Members present for all or part of the proceedings:

The Chairperson, Mr Thomas O'Reilly
Mr Thomas Burns
Mr George Dawson
Ms Michelle Gildernew
Mr Mitchel McLaughlin
Mr David McNarry

Witnesses:

Mr David Hanson MP	} Minister of State, Northern Ireland Office
Mrs Nuala Kerr	} Department for Employment and Learning
Mr Wilfie Hamilton	} Department of Enterprise, Trade and Investment
Mr Leo O'Reilly	} Department of Finance and Personnel

The subgroup met at 10.58 am.

(The Chairperson (Mr T O'Reilly) in the Chair.)

The Chairperson (Mr T O'Reilly): You are welcome to the Subgroup on Economic Issues. As usual, there is a tight schedule and a lot of questions to be answered. We will try to get as many questions in as possible, so I ask you all to be brief and to the point in your contributions. The Minister will begin with an opening statement.

11.00 am

Mr David Hanson (Minister of State, Northern Ireland Office): I thank the subgroup for the work that it has undertaken over the past few months and for giving me the opportunity to discuss some of the economic policy issues. The reports produced by the subgroup have been helpful to the Government, and I know that you have received the Government's formal responses to the recommendations contained in your reports. I am grateful for the chance to attend the subgroup and to answer members' questions on any of the issues in the reports as well as on the economic challenges facing Northern Ireland.

First, it is important to acknowledge that significant improvements have taken place in the local economy over the past decade. There is growing employment, with unemployment here well below the UK average. I believe that economic growth can continue in the present conditions.

In 1989, Northern Ireland's economic output was 74.8% of the UK average, and in 2004 it was 80.2%. Employment is at a record high with over 704,000 people employed, and manufacturing output in Northern Ireland has increased by 5.7% over the past five years while there has been a decline in manufacturing output in the rest of the UK. In 2005, Northern Ireland's economic growth was 3.8%. That is broadly in line with the UK average of 3.9%, which, of course, includes London and the south-east where there is considerable growth.

That does not mean that I am complacent, and neither should the Assembly or the direct rule team be. Northern Ireland is becoming increasingly competitive; it is becoming one of the most competitive regions in the UK, and it is supporting growth in those job areas. However, we must carefully examine what the challenges will be. The region also remains attractive to foreign investment. Despite accounting for only 2% of the UK population, Northern Ireland now secures approximately 10% of all foreign direct investment (FDI) to the UK.

The regional economic strategy for Northern Ireland — on which, I hope, the subgroup will be able to comment and the Assembly will be able to implement — will shortly be put out to public consultation. The strategy will acknowledge that more must be done in a number of areas. First, we need to do more to reduce economic inactivity. Secondly, more must be done to promote innovation and commercial research and development. Thirdly, we must ensure that the skills base of the workforce is raised. Fourthly, an economic infrastructure that is suitable for the challenges of the twenty-first century must be provided. Fifthly, Northern Ireland needs to reap the economic benefits of closer co-operation with the Republic of Ireland, the more traditional support with Great Britain and, importantly, a wider Europe over the next few years.

The regional economic strategy will set out the Government's commitment to focus on four key drivers that will help that economic vision. We will concentrate on skills, infrastructure, innovation and enterprise development. If the strategy is approved — and the Assembly will have a key role post any pending election to take matters forward — policy will be prioritised around those four key areas, and resources from the Department of Finance and Personnel will be focused accordingly.

It is also clear that there needs to be significant reform in the local economy and in public services. The emphasis of the review of public administration (RPA) was on local council reform and on reform in central Government. The Civil Service reform agenda will also deliver a radically different and more efficient public sector.

I hope that the Government will pledge themselves to and be committed to economic vision, but that cannot be done in isolation; the private sector also has a key role to play. The private sector in Northern Ireland must become more innovative and more outward looking, and it should have greater linkages with universities so that commercial research and development opportunities can be encouraged and exploited.

There is a shared agenda between yourselves and the Government in that there needs to be greater communication between business and education to facilitate the necessary upskilling of our workforce that your reports rightly point to. The experience in the Republic of Ireland highlights the importance that investing in skills has in creating a strong economy.

Many economic challenges lie ahead. Everyone wants a wealthy, vibrant economy that can compete in the global marketplace. We are going to face challenges from eastern Europe, as a growing economy, China, India and other parts of the old Commonwealth, and an increasingly global economy.

That means that this economy must become more innovative and entrepreneurial, and we need to ensure that the infrastructure and facilities are there to support business and trade. We need to ensure that our citizens have the skills, which, sadly, many do not — not only important skills for the future, but in many cases basic skills such as reading and writing — to ensure that they can participate in the workforce and contribute to building a strong regional economy.

It will be a big challenge for the new Assembly and Executive, but the challenge will be same whether the Assembly or direct rule Ministers take forward these proposals. We both share the same aim for this area.

To sum up, our focus on skills, innovation, enterprise and infrastructure is the correct way forward, but I welcome the subgroup's comments on that. In many regions of the United Kingdom and the Republic of Ireland the same agenda is in place. We must respond positively to those issues. We must ensure that we develop a sustainable Northern Ireland economy involving many public- and private-sector workforce issues. In particular, we must ensure that Northern Ireland becomes internationally renowned for its commitment to skills, education, science and innovation and that it has support from a modern infrastructure.

There has been much discussion on these matters, not just in the subgroup, but also in the Economic Development Forum, which I addressed recently. We must do more for the future.

A lot of key issues are being addressed, many of which are in the subgroup's reports, and which my colleagues and I are happy to respond to today. However, there are some important questions to consider,

whatever happens in the future, and they are: how do we build on the manufacturing productivity gains in recent years, and how do we reverse the decline in private-sector productivity? How do we further expand into key areas of high-value-added financial and business services, when we grow from a small base with significant difficulties in Northern Ireland? How do we increase the level of process and product of R&D and innovation here? How do we encourage small businesses to grow and develop in an economy where more and more firms are becoming export orientated? How do we ensure that we increase in a service-dominated economy, where capital is paramount? How do we ensure that we attract, retain and develop a skilled workforce? Finally, how can we use the cities, and the skills in them, to enhance their contribution to economic growth?

It is a challenging agenda, to which the regional economic strategy will provide some solutions. I welcome the subgroup's comments and the consultations that will take place, and I hope that my officials and I will be able to deal positively with the points, Mr Chairman.

The Chairperson (Mr T O'Reilly): Thank you very much. That statement gives us some thought for questions. Before I ask George Dawson to ask the first question, I ask those accompanying the Minister to ensure that all mobile phones are switched off, as they interfere with the recording equipment, and we do not want to miss anyone's contribution.

Mr Dawson: I welcome the Minister and his colleagues. Despite the warm words this morning, the Government have previously described Northern Ireland's economy as unsustainable. This and previous subgroups have been looking for a radical approach to that, as opposed to the Government's approach, which seems to be "steady as she goes", change nothing and do little.

The Minister outlined a number of issues — inactivity levels, innovation, skill base, infrastructure and co-operation — with the key aim of reducing the productivity gap. If the Government hold to their stated policies, as outlined in the various responses to our reports, then what is an acceptable productivity gap between ourselves and the rest of the United Kingdom, and when will that gap be closed?

Furthermore, the Minister proposed a series of challenges about building productivity, expanding high-value-added jobs, etc. Our various reports approached those matters. We have presented a radical strategy to achieve what the Government are seeking to achieve.

On the Government side, however, that radical strategy seems to have been rejected. We want to know

how the Government propose to answer the very questions that the Minister asked this morning.

Mr Hanson: As I said in my presentation, the Government's proposals seek to consider the infrastructure that is needed. We are looking at how we can invest in roads and rail and how we can invest within the terms of the investment strategy for Northern Ireland (ISNI). The strategy represents a major investment of £16 billion over the next 10 years; with the Chancellor's package, it will increase to £18 billion. The question is how the ISNI can be used to put in place some of the key infrastructures in respect of service and support mechanisms for industry in order to make us more productive and competitive.

At the same time, there is a strong focus on skills, which I mentioned in my contribution. We are considering dramatically increasing the number of apprenticeships over the next few years. By 2010, we plan to have 10,000 apprenticeships in place. We are considering introducing pre-apprenticeships in schools for pupils aged between 14 and 16 to try to get them involved and interested. We are establishing education programmes at primary and wrap-around care levels to ensure that we begin the long road to improving educational ability and attainment in schools over a long time.

We must also consider how Northern Ireland can be marketed as a real venue for some of the financial and business sectors on the island of Ireland, in the United Kingdom and Europe. We are undertaking a tremendous amount of work on skills development, infrastructure and investment. We are also looking at wider issues. I have considered the subgroup's suggestions; some of which we have been able to accept, others that we are able to consider, but there are some that we cannot accept. However, there is still a great role for us to work together. As you will know, George, those suggestions will be taken forward in the Assembly in due course.

Mr Dawson: Following on from that, I reiterate the main point of the question. When will the productivity gap between Northern Ireland and the rest of the United Kingdom be closed? The policies that the subgroup has put on the table have a clear time line, a clear set of targets and a clear date by when we believe that the productivity gap will be closed. What is your date for the closure of the productivity gap?

Mr Hanson: It is difficult to say in broad terms; I want the productivity gap to be closed as soon as possible and practicable.

Mr Dawson: That is all a bit motherhood and apple pie, Minister.

Mr Hanson: Yes, it is motherhood and apple pie. There are clear policies behind the regional economic strategy that consider those issues. When that strategy

is published shortly, there will be clear time lines and targets to ensure that we achieve that.

It is a difficult situation because we are working in an economic climate that examines the entire range of those issues. However, I believe that the infrastructure investment that we are making in education will, over time, reduce the productivity gap with the rest of the United Kingdom and the Republic of Ireland.

Mr Dawson: Will the regional economic strategy put a date to that?

Mr Hanson: The regional economic strategy will be published very shortly. It is difficult for me to go into detail on what it will say until it is published. However, when the strategy is published for consultation, the Assembly and colleagues in business and in Government will be able to comment on it. There will then be an opportunity for a wide-ranging debate on the economy. I believe that the strategy's proposals will be widely welcomed.

Mr Dawson: If there is no date for the final achievement of closing the productivity gap, the regional economic strategy will stand in stark contrast to the subgroup's proposals, which contain clear dates and time lines. Government will have to wrestle with that difference.

Mr Hanson: I intend to publish the regional economic strategy in the next couple of weeks before the likely date of any *purdah* before an election. There will be a 12-week consultation period. The strategy has already been revised four times following discussions with the Economic Development Forum.

The strategy will be subject to consultation during those 12 weeks and may well be taken forward by the Assembly. There is an opportunity for the work of the subgroup to impact on the strategy. With our officials, the Secretary of State and I, as direct-rule Ministers, have made our best guesses as to that impact. We have put in place what we can do with the resources available — in what will be a tight financial situation over the next comprehensive spending review — to make a difference on the ground.

11.15 pm

Mr McNarry: I would like to take this opportunity to thank the Minister for assistance that he gave to some young people in Comber who had a housing problem. It was very much appreciated. Perhaps he has forgotten it.

Mr Hanson: Thank you. I never forget anything.

Mr McNarry: I want to deal with education and young people's involvement in the economy. My points are brief. The subgroup recommended that special attention be given to science, technology and engineering. Does the Minister accept that recommendation? How can he help to achieve it?

Mr Hanson: The subgroup made a number of recommendations. I looked at the important question of research and development. Another subgroup has mentioned tax credits as a key issue with regard to that. I agree that the rules on tax credits should be simplified, that their take-up should be promoted and that there should be more co-operation between universities and business on generating high-level skills.

The subgroup has recommended much that can be looked at by the Government and colleagues. The R&D base of industry in Northern Ireland needs to be widened. We must look at how we can develop new products and at investing in young people to get them interested in science and technology. By “young people”, I mean children who are now four- and five-years-old. We should try to get them interested in science and technology so that when they reach 16, 17 and 18 years of age, they begin their university education on a science and technology basis. We need to ensure that we have sufficient employment opportunities here to retain people who have that interest in science and technology and not lose them to the Republic, GB or Europe. Those are all major challenges.

There are many key points in the reports that I have assessed and acknowledged. Complete responses are before the subgroup. The Government have tried to support science through the education and library boards and through the curriculum, advisory and support services. We have tried to ensure that, through the Education and Skills Authority, there is an opportunity to put in place an effective science curriculum in schools. Those are key issues.

Northern Ireland will not compete effectively any longer on the basis of low labour costs. Rather, it will have to compete on the basis of innovation, skills, invention and what it can give, intellectually, to the development of products to increase their value.

Mr McNarry: I am glad that the Minister has picked up on the subject of four-to-five-year-olds. The subgroup can readily agree with what he says. My question asks, however, whether he is aware of work to kick-start that activity? One talks about these things, but someone needs to say: “Let’s do it”, particularly with regard to four-to-five-year-olds. Is anything underway?

Mr Hanson: My colleague wants to make a point.

Mr Wilfie Hamilton (Department of Enterprise, Trade and Investment): My point is about science and stem subjects. The subgroup is correct to highlight the importance of those. It is essential that they are addressed in a holistic way and that there is a link through education back to four- and five-year-olds. It is important that it starts at that stage in life.

In his opening remarks, the Minister highlighted the need for a more integrated approach to the economy.

Whatever the subject area, it is important that every Government Department, agency, university, educational establishment and the private sector follow an integrated approach. Each knows what it can contribute and each will make that contribution. We need to move holistically and be responsive to have effect.

While there has been much work to date in the Department of Education, that Department has acknowledged to the Department of Enterprise, Trade and Investment and to other Departments that there is a need for a more holistic approach on stem subjects. It is absolutely vital that those subjects are protected and developed. An interdepartmental working group has just been set up to review how those subjects can best be promoted in the education curriculum. Business leaders will be involved to ensure that the systems put in place will meet business needs. That is an important process. It will ensure that, from the earliest stages of education, the needs of business will be catered for.

Mr McNarry: I am very pleased to hear about the interdepartmental working group. All political parties would like to be kept fully informed of the group’s progress.

Mr Hamilton: We can let you have the terms of reference.

Mr McNarry: Minister, the Bain Report has been published. Have the Government costed the financial implications of the report in the recommendations?

Mr Hanson: The Government broadly accept the recommendations of the Bain Report. My colleague Maria Eagle is working with the Secretary of State on an implementation plan for those recommendations. I am hopeful that she will be able to produce that shortly — by that, I mean before the end of the month.

That implementation plan will detail the recommendations that the Government will accept or reject. The implementation plan will include costings and discussion as to how to take forward Sir George Bain’s recommendations. I am confident that we will be able to produce the implementation plan in the next couple of weeks.

Mr McNarry: I hope that the Assembly will debate the Bain Report at 12.30 pm next Monday. As Minister Eagle has not been able to find her way here or to send any representatives to any of our subgroups, I hope that she or some of her personnel might be able to find their way into the Assembly to listen to the debate on the Bain Report. It should be interesting.

Mr Hanson: I wish to make two points on that issue. First, I am sure that officials will be in the Chamber for the debate. I am mindful, as are all direct-rule Ministers, that we are hopeful that the Assembly will take forward those matters. It is important that

Ministers and officials listen to what is said in the Assembly.

Secondly, I am representing the Government as a whole, and I am happy to do that and to take back points to my colleagues.

Mr McNarry: I wish to make a final point about education. This subgroup has the support of the education subgroup and the Programme for Government Committee in asking for an additional £20 million for areas such as special needs, early-years development and underachievement. Would you, as Minister, support that?

Mr Hanson: I will certainly consider that. I have not had a great deal of information to date about the proposals. However, I will consider them and take it to my colleague Maria Eagle.

Mr McNarry: The proposals were mentioned in the subgroup's report. With all due respect, Minister, you have been up to speed on the questions that I have already asked. I suspect that you have had some sight of the proposals — perhaps not, but you are being very good. Those proposals are not in the printed edition of the report.

Mr Hanson: I was talking about the education subgroup's report; I have not seen that report.

Mr McNarry: The issue is discussed in the economy subgroup report.

Mr Hanson: Yes, I have seen the economy subgroup's report, but, to date, I have not seen the education subgroup's comments.

Mr McNarry: In principle, if I were to ask for £20 million for those areas of education — for which there is a valid case — would you consider supporting it?

Mr Hanson: Certainly, the Government will consider those matters in the recommendations and in the response that we will put before the subgroup. However, I am not in a position to give a definite “yes” or “no”.

Mr McNarry: I am not picking the issue above all the other recommendations, but at least three different bodies connected to the Assembly have supported that particular issue.

Chairman, that is all that I have to say about education. With your indulgence, I will come back after other Members have spoken.

The Chairman (Mr T O'Reilly): That is fair enough, David. Before I ask Mitchel McLaughlin to ask the next question, I wish to express my view on something that I am picking up in the meeting. Good questions are being asked about time lines, financial packages and about how plans for how things will be done are being considered. I would appreciate if issues could be tied down a little more, rather than going around in

eternal circles and leaving the subgroup with no more definitive answers than when we began.

Mr McNarry: Sock it to him, Tommy. *[Laughter.]*

Mr McLaughlin: Good morning, Minister.

Mr Hanson: It is the duty and responsibility of Government, occasionally, to be evasive. *[Laughter.]* You will appreciate that shortly.

Mr McLaughlin: Normally, he is a quiet sort.

Minister, I welcome you and your officials. In prefacing my question, I welcome the focus on skills, infrastructure, innovation and enterprise to which you made a number of references in your presentation.

Will formal appraisal or economic modelling underpin the regional economic strategy? It is commonly agreed that the economy is clearly failing: current policies have not delivered the necessary solutions, the productivity gap has not narrowed, and there has been significant slippage in competition. Will the economic strategy demonstrate the unsustainability of current arrangements and set out, in formally validated evidence, the step change necessary to create a sustainable economy here? I am quite sure that members of the subgroup, and the parties to which they belong, are interested in knowing how we can bridge that gap.

Basically, unlike previous reports and strategies that have been rolled out periodically, will this strategy be sustained by scientific evidence that will demonstrate that it is the necessary step change?

I have a related question, but I would prefer to ask it after the Minister has responded to my first question.

Mr Hanson: As I mentioned in my introductory remarks, we will be seeking, through the regional economic strategy, to analyse the challenges that face Northern Ireland. We will focus on the four key areas in which we think assistance will be required. As I have mentioned, those areas are: skills enhancement; infrastructure; innovation; and promoting entrepreneurial activity.

The focus of the strategy will be to consider, with resources and as part of an economic model, how we can make a step change by concentrating on those four key areas. The strategy will set out the areas that require infrastructural investment, skills enhancement and so on. Therefore the draft strategy that is to be published next week will contain analysis and focus, and, through the comprehensive spending review, the resources that I mentioned will be focused on those areas over the next three years to ensure that we make a step-change difference.

Mr McLaughlin: That might be the case, but it needs to be a step change and not just the rhetoric of “we need”. Minister, you listed what we need under a number of headings, and every one of us will accept

the “we need” part of that. However, we also need timelines and dates for the application of the additional resources that will make the difference — unless the strategy is capable of demonstrating that the resources have always existed and that there has been a failure of application. That seems to be the response to our requests for additional resources. I am trying not to stray into the second point, but it is directly related.

We want an Executive that can succeed. I can speak only for my party, which is determined to succeed in having a devolved Assembly and Executive. However, an Executive has to be capable of delivering its Programme for Government and dealing with, for example, the skills deficit and the infrastructural deficit and their implications. The strategy that is about to be unveiled must address how the Executive would be expected to do that within existing resources when direct-rule Ministers did not manage to do so over the past 30 years.

Mr Hanson: Mitchel, as you know, the discussions that were held with the Chancellor following the St Andrew’s Agreement laid out the finance that could potentially be available to the Assembly over the next few years.

Mr McLaughlin: With respect Minister, there is no step change in that.

Mr Hanson: At the moment, a minimum of £35 billion has been allocated for the next four years. We have a longer-term capital investment plan of £18 billion, which will be in the Assembly’s gift for the next 12 years. The package also covers an innovation fund, end-year flexibility and the retention of efficiency savings that will be made. Although the current funding situation will make the financial situation tight in Northern Ireland and in all parts of the United Kingdom for the next few years, people will still have an element of certainty in which they can plan. Following the consultation on the regional economic strategy, the incoming Assembly and Finance and Enterprise Ministers can look at allocating those resources to meet the step-change needs.

Considerable resources are coming into Northern Ireland — more than are coming into my own constituency — that will be committed for that certainty ahead of the comprehensive spending review, by the Chancellor, as part of the economic package.

11.30 am

Mr McLaughlin: The subgroup has not been convinced in any of its discussions, including its initial engagement with the Chancellor and subsequent discussions with the Treasury and the Department of Finance and Personnel, that there is evidence of the additional resources that are needed, other than welcome commitments of some certainty. Therein lies the conundrum. The expert testimony that the

subgroup has received does not demonstrate that additional resources will be forthcoming. I want to use that as the introduction to my second question.

Mr Hanson: I want to put that into context. I am proud of the Labour Government’s investment in Northern Ireland’s public services and economy. Northern Ireland’s economy now has twice the level of funding than in 1997, when the Labour Party inherited Government. That level of investment will continue. The Chancellor has given a commitment that a minimum of £35 billion will be provided during the next four years and that £18 billion will be available for capital investment.

There is a strong capital investment programme in the ISNI, which will examine a range of public sector infrastructure projects in hospitals, schools, roads and investment. It will examine projects such as the Maze/Long Kesh development and other major infrastructure projects that will bring additional wealth and economy to Northern Ireland, and will, I hope, raise the game, so that we not only create important retail jobs but will add significant infrastructure jobs and create employment that will enable the economy to meet the challenges of the twenty-first century.

Mr McLaughlin: However, the Labour Secretary of State also says that the economy is unsustainable, even with all of that. There is also the productivity gap, which the Minister has not disputed. The simple conclusion is that the policies are not working. We must await the launch of the regional economic strategy which the Minister assures us will be underpinned by the necessary forensic evidence. In fairness, we must wait for that before we pass judgement. It is clear, however, that a political argument as well as an economic one must be addressed if there is to be sustainable devolved Government.

It seems that the necessary commitment of additional resources is not present. I will put that in the context of the single issue of water charges, which are deeply unpopular and on which there is cross-party unanimity. The issue is not about not paying a fair price for a public service. People are not saying that if there were openness and transparency, they would not support water charges. They are prepared to pay for public services. However, despite repeated calls from the subgroup and the Programme for Government Committee, the Government and NIO Ministers have given us stock answers and almost theological positions. They refuse to engage in discussion and provide the wherewithal.

If there is to be a devolved Administration, it is clear that, from the outset, the economic resources do not exist to deal with the legacy costs of 30 years of under-investment. Unless that message is put across to direct rule Ministers, and through them to their ministerial

colleagues in the Treasury, the Executive will be condemned to failure.

Mr Hanson: There is an obvious disagreement between the member and the Government on water charges. The Government believe that water charges are necessary in order to raise the game and to provide the investment needed to improve sewerage, water quality, and so on. That is what the Government believe they must do. There has been a big gap in the capital investment required to modernise the Water Service to standards that one expects in the twenty-first century.

We are putting a tremendous capital investment programme in place to improve water services and to build new sewage facilities: they need to be paid for. Historically, we have had an open and honest disagreement on that, but I do not think that an appropriate contribution has been made to paying for such facilities.

I know that you share with me the wish that the Assembly will be in place by the end of March. When it is up and running again it can review its policies on those matters. We have passed Orders in the House of Commons, but, as I say, there is a disagreement between us on the issue.

The figures are £600 million in a capital investment programme over a three-year period, with £1.3 billion invested next year as we continue at this level of investment. Those are real, focused investments in the Water Service. They must be paid for, but they cannot be paid for from the resources that we have; we have had to look at ways of generating resources.

Mr Dawson: Before moving to corporation tax, I want to leave you in no doubt that more than one party at this table disagrees with the Government's economic policy.

Mr Hanson: I appreciate that, George.

Mr Dawson: It is an agreed position. No one, apart from the Government, has provided us with evidence that supports the Government's position. In fact, one eminent industrialist, Sir George Quigley, was open in saying that under no circumstances should an Executive be formed given the economic terms that have been outlined. That is the common view of the business community.

Mr McNarry: What constituency is he standing in?

Mr Hamilton: I wish to clarify a point. You said that the parties disagree with economic policy, and then you went on to talk about the economic package. I would like to think that there is a good deal more consensus on the economic policies that we are trying to develop in conjunction with the parties and the business stakeholders. I am not sure that the economic policy and the economic package are synonymous.

Mr Dawson: One certainly feeds into the other. If we do not have the economic package in place, we will not be able to deliver on economic policy for the people of Northern Ireland. I am sorry, Wilfie, that you take that view.

Corporation tax has been much discussed. The view of many who presented evidence to us — and members have discussed the issue around the table as well — is that the purpose of the variation in corporation tax is to attract high value-added jobs to Northern Ireland and to deliver on R&D in Northern Ireland. It is not, as the response from the Government tried to suggest, a way of reducing corporation tax. I want to put that on record.

The previous Minister with responsibility for the economy indicated that a reduction in corporation tax was possible and desirable. That was in response to a question from my colleague David Simpson in the House of Commons.

The Prime Minister, when he met business leaders in Armagh, said that he was prepared to look seriously at the request for a reduced corporation tax rate. Since then, Treasury officials have simply rehearsed the difficulties without presenting any solutions.

Will serious consideration be given to the request to reduce corporation tax? If you believe that serious consideration has already been given, is there room for further discussion on corporation tax reduction, either in the terms that we have outlined or in other terms?

Mr Hanson: As you know, George, I was at the meeting in Armagh with the Prime Minister and the Taoiseach when business leaders raised the issue; and I was present at 11 Downing Street with the Chancellor when it was raised as part of the discussions on the economic package. The Chancellor is still considering it; he has not given it a definite no. However, it is a non-devolved matter, even as regards my responsibilities in the area. I am afraid that I will probably disappoint you, as I will have to rehearse some of the difficulties again because they are significant.

The first difficulty is that, in a UK context —

Mr Dawson: There is no point in rehearsing them again; they are all on record. With respect, we are wasting time.

Mr Hanson: In that case, George, I cannot give you a definitive answer. I can say only that the Chancellor and the Prime Minister are aware of the concerns and the issues, and that the difficulties are severe.

Mr Dawson: The subgroup included corporation tax in the report because it wants to hear what consideration has been given to those associated difficulties and what are the solutions. The subgroup believes that there are solutions and is willing to engage with the Treasury in discussing them. However, the Treasury has not yet

demonstrated a similar willingness. Is the Minister prepared to say that he will engage with the subgroup to look for solutions to those difficulties?

Mr Hanson: As long as I have the responsibility to consider such issues, I am happy to engage with the subgroup and the Assembly and to discuss them with the Treasury. However, there are severe problems with having one level of corporation tax in one part of the United Kingdom and another level of corporation tax in others. Certain areas, including my constituency in Wales, that have a lower level of productivity and face greater economic challenges than Northern Ireland would not receive the same reduction in the level of corporation tax — that might well result in jobs going from Wales to Ireland or another part of the United Kingdom.

There is a further difficulty on which I am happy to engage with the subgroup. Under current EU state-aid rules, a reduction in Northern Ireland's corporation tax rate would be extremely difficult. The Chancellor could make a case for such a reduction, and it could be discussed with EU officials. However, at the end of the day, EU state-aid rules are there for a purpose.

Although I have rehearsed the difficulties, I am happy to consider solutions because if, three months down the line, there is successful restoration of devolution, the Assembly would not be bound, as I am in part, to have collective responsibility for the United Kingdom. The Assembly can say what it wants and argue for what it wants. As a Northern Ireland Minister, as I will remain under the new arrangements, I will be a point of contact to discuss the issues that I will then raise on behalf of the Assembly in Cabinet Committees and with the Chancellor. I am happy to do that because the aspirations of the Assembly are legitimate and deserve positive consideration.

However, I return to the severe difficulties in relation to other parts of the United Kingdom, state-aid rules and the simple fact, of which Mr Dawson is aware, that 96% of companies and businesses in Northern Ireland do not currently pay the 30% corporation tax rate.

Mr Dawson: It is not a question of how a reduction would affect existing companies: it is about attracting new companies, as the Republic of Ireland has successfully done, and I could list the large corporations that have located there.

Is the Minister saying that if Northern Ireland changes only in the ways that he has specified — without any variation in the rate of corporation tax — it will attract significant numbers of large companies with foreign direct investment to Northern Ireland?

Mr Hanson: I am saying that the same factors that will be considered by those devising a new regional economic strategy should be taken into account.

Investment in skills, higher productivity, less reliance on a large public sector and the necessary investment in infrastructure throughout Northern Ireland — and members know the key areas as well as I do — can make Northern Ireland a productive and important place for foreign investors. There is already more foreign investment in Northern Ireland than in other parts of the United Kingdom.

I fully accept the difficulties caused by having different levels of corporation tax in the North and South and that the lower rate in the Republic of Ireland may be a factor that draws companies to Dundalk rather than to Newry. However, in a UK-wide context the Government have severe difficulties with any variations in the rate — although the Chancellor has certainly heard the voice of the Assembly.

Mr Dawson: If the Minister believes that what he is doing will make the difference, I want to see a commitment from the Government, in the regional economic strategy, that the levels of foreign direct investment in Northern Ireland will be equivalent to those currently being achieved in the Republic of Ireland. The subgroup will wait to see whether that commitment is included.

The Chairperson (Mr T O'Reilly): Time will tell.

Mr Dawson: Before moving on, much has been said about infrastructure. The subgroup is pleased by the welcome investment in that. Any new Executive will be caught in the linkage between borrowing and local taxation, as was the previous Executive.

In our view, an Executive should be able to repay on borrowing from any source, not only local taxation. Are the Government open to discussion on breaking the link between borrowing and local taxation? I am thinking particularly about the reinvestment and reform initiative (RRI).

11.45 am

Mr Hanson: I would be happy to discuss that matter with the incoming Executive.

Mr Dawson: There is little likelihood of an Executive's being successful unless packages are in place before it is formed.

Mr Hanson: I disagree. I believe that the Executive should be successful, irrespective of the introduction of any financial packages. In my view, the financial package is strong. Currently, the prospective Northern Ireland Executive have a much clearer indication of the financial resources that will be available to them than either the Scottish Executive or the Welsh Assembly.

We have promised to invest £35 billion over four years, together with a capital investment of £18 million. Other packages, including end-year flexibility and the commitment to ensure that asset sales and Gershon

savings, if made, are kept in the Northern Ireland economy, are important factors around which a programme can be built.

Ultimately, all programmes are about prioritisation. We are giving a clear indication of what we think is available from central Government in that package. Within that, the Assembly will have to prioritise, and there will be times when it will have to make difficult choices, as we do now in Government.

Mr Dawson: I would not want you to be chided by the Chairperson, Minister, but on my earlier specific point, are the Government open to discussions on breaking the link between borrowing and local taxation?

Mr Hanson: I have said that I am happy to discuss that matter in general terms. If it is a matter for discussion in Mr Dawson's terms, before the formation of the Executive, I would be happy to discuss it with the appropriate Members of the Assembly. We are open to suggestions.

Mr McNarry: Would the Minister be open to standing for election on the basis of what he has just said? Would he seek a mandate in a Northern Ireland seat?

Mr Hanson: I am conscious that I am here as a Member of Parliament from the House of Commons, who was voted for by the people of north Wales. That is where my mandate lies as a Member of the UK Parliament. People who live in Northern Ireland are best placed to run its services, but the Assembly is not sitting, and that is why I am doing it. However, one of my other tasks is to make sure that the Assembly gets back up and running so that people who wish to seek that mandate can do so.

Mr McNarry: That is good, but it does not stop you from standing in the election next month.

Mr Hanson: The Government and my constituents in north Wales have plenty to keep me busy.

The Chairperson (Mr T O'Reilly): I would think so.

Mr Hanson: Thanks for backing me up, Thomas.

Ms Gildernew: The Minister mentioned skills. I have concerns about technological support for underdeveloped areas in new energy models, such as biofuels and anaerobic digestion. Such innovation would help to bolster the rural economy, which needs support.

Bearing in mind the shortage of university places, do the Government intend to provide more opportunities at third level and in the further education sector? Perhaps they could examine the model of the science and technology colleges in the Twenty-six Counties.

The LEADER programme has secured a great deal of investment and support for areas of need, and has assisted innovative companies. Invest Northern Ireland has been disappointing from that point of view; it has

been unwilling or unable to examine underdeveloped areas and take risks.

My third point concerns public investment. The Minister mentioned water charges when he answered Mitchel McLaughlin's question. Some 120 jobs at the lower end of the pay scale are at risk at the Royal Belfast Hospital for Sick Children. A new PFI strategy is being discussed that will bring those workers — domestics, porters and other ancillary staff — under the control of the private company that borrows the money to build the new hospital.

That could lead to standards slipping and would not fit in with progression to a sustainable economy: it would put unrealistic demands on people who already work in the Health Service. If we are going to build a better economy, we must have the resources to do so. Mitchel McLaughlin is right; if the Executive do not have the proper resources, they are doomed to failure from the start, and as elected representatives, such initiatives are sending worrying signals to us.

Mr Hanson: The Government are keen to work with the sector to increase the number of university places available. One recommendation in the report produced by the Subgroup on the Economic Challenges Facing Northern Ireland was that the number of PhDs in five key technology areas should be increased. We are aware of a joint paper by the two universities, and we are currently discussing with them, as part of the comprehensive spending review, how we can increase the number of proposed PhDs and ensure that we fund that increase in due course.

We need also to consider how we can work with other sectors. There is a role for the private sector and voluntary agencies in helping to fund some of the placements that could help to expand university education.

My colleague Maria Eagle has acknowledged that there is a need to look very seriously at university places and increasing the number of student places. Recently, we issued a consultation paper on that subject, which highlighted that increasing the maximum number of students would have a financial cost to Government: about £6.7 million for each additional 1,000 places. However, it is worth considering, and we are establishing whether that increase could be resourced during the next round of the comprehensive spending review. No final decisions have been taken, but there is an opportunity and willingness to consider how we can expand the education base at university level, particularly in the key science and technology areas, to ensure a productive Northern Ireland economy.

Ms Gildernew also mentioned science, skills and alternative uses of fuels, biomass, etc. The Government have produced a science and skills fund, which covers

a range of areas, and around £30 million has been allocated to the fund. Not all of that resource has been taken up, but we are certainly looking at how we can develop a range of alternative energy sources and new initiatives relating to biomass and wind energy, etc. It is important that the fund is developed and extended. The Government are trying to look at how that fund can be used productively — although I am conscious of making commitments that might well outlive my responsibilities in these areas. We are also keen to look at how we can maximise the benefits of university education across the island of Ireland. It is important to have much more North/South co-operation on education opportunities at university level, and that co-operation would help to develop the skills base of the island as a whole.

Ms Gildernew: What about Invest NI as regards risk-taking — compared to the LEADER funding scheme?

Mr Hamilton: Does that question refer to risk-taking as regards investing in rural areas?

Ms Gildernew: Yes, and being proactive in seeking to make investments. I have raised the matter with Invest NI and have been disappointed with its answers.

Mr Hamilton: Risk-taking is a difficult matter. The subgroup and politicians have raised the issue in the past — that the need for accountability does not always encourage risk taking. However, we need to be more flexible. For example, the Invest NI board and the permanent secretaries from several Departments will be looking at the extent to which Invest NI needs to rise to the challenge — and it does need to rise to the challenge. We need more investments and more higher-value-added investments.

However, it is not only a matter of promoting wealth creation; Government are also mindful of the need to promote the spread of wealth. We are trying to encourage a great number of investments in New TSN areas, something that is in Invest NI's corporate plan. If Invest NI could target that investment better, it should do so.

Invest NI has made such investments in some areas and been criticised because, on the face of it, they seem to be low-value-added. The practice of making certain types of investment in certain areas to encourage graduate retention and movement from economic inactivity into the labour market is important. Invest NI must do a mix of things: it needs to focus on high-value-added investments in certain places and other types of investment elsewhere. However, the balance must be towards higher-value-added investments.

Ms Gildernew: There must be a geographical spread in employment. I will talk to the officials at a later date about constituency issues.

Mr Hamilton: I would like to talk to you about that investment.

Mr McNarry: There she goes now, for goodness sake.

Ms Gildernew: I am not the one who mentioned Comber. *[Laughter.]* We will talk about that again.

Mrs Kerr: On the matter of additional places, it is not just at university level that business must exploit the emerging opportunities in new technologies. Evidence shows that places are needed at technician level — that is levels two and three. The challenge is to up-skill the workforce to ensure that they have the flexibility to take those opportunities when they arise, and to allow pull-through for people at lower levels, including the economically inactive. Next year's refocusing of the professional and technical programme will be part of that challenge.

The Chairperson (Mr T O'Reilly): Mr Dawson prosecuted the corporation tax question well. However, to add to your barrel of woes, given that you have committed to engage on the question of corporation tax, will you and the Secretary of State undertake to put pressure on the Chancellor to establish a working group to consider that specific issue? We requested that, through the Programme for Government Committee, in a letter of 4 January 2007.

Mr Hanson: The Secretary of State and I are in discussion with the Chancellor on a regular basis, and he is aware of the letter. His response will be forthcoming. Your letter, which was copied both to the Chancellor and to the Taoiseach, related to a number of matters, of which corporation tax was one. I am happy to at least raise those matters with the Chancellor. To put pressure on the — potential — next Prime Minister is difficult because, ultimately, he will be responsible for the dispensation of ministerial jobs. However, between the two of us, we will come to some conclusion on that matter.

Mr Dawson: David offered you a seat in Northern Ireland.

The Chairperson (Mr T O'Reilly): That is plan B. *[Laughter.]*

Mr Hanson: I am not sure which party I would stand for.

The Chairperson (Mr T O'Reilly): Well evaded.

Mr McNarry: Great changes in job provision have occurred in Northern Ireland. There are reduced opportunities for skills in heavy engineering and shipbuilding. The textile industry is virtually non-existent — to the extent that even 30 jobs in a small, niche textile company in Killinchy are under threat. It is serious when a niche factory struggles to compete on productivity. In agriculture, many farmers are having

to take on an extra job to ensure that their homes and farms are kept safe, and it is worrying that few of their offspring express any interest in working on the family farms. What careers advice would the Minister offer to 14-year-olds today? How should they focus their education, whether towards academic attainment or skills training, with a view to being best prepared to enter real employment?

This subgroup has heard from young people, captains of industry and employers. It was clear from their evidence that we are producing a sizeable number of young people — setting aside the many who have no qualifications — who do not have relevant qualifications. I focused on 14-year-olds because their parents are beginning to ask what their children are doing at school and what their boy or girl should be doing, academically or in training, to get a job.

12.00 noon

It would be helpful to have some advanced pinpointing of the fields in which jobs will be found in 2010 and 2015. I know that the Minister takes a personal and genuine interest in that issue, although he will not live here or stand for election here. It would be helpful if we could tell 14-year-olds where to find the jobs of the future. People are using resources either to train in a skill for which there is no employment or to achieve an academic position for which there is no real work.

Mr Hanson: I have three teenagers, one of whom is 14, and a three-year-old. If they asked me what they should do in the future, I would advise them to look at what I term the new industries; to look at intellectual capacity in innovation, invention and development; to look at information technology (IT) skills because that is an employment field for the future; but not to look at — with due respect to people such as my father who engaged in heavy manual work — the older industries such as shipbuilding, which are not sustainable for the future.

We need to look at innovation. We need to be able to compete and be successful by inventing and developing technology. We need intellectual capital to support our future economy.

Some of the most successful companies that I have visited in Northern Ireland are considering innovation and creating products for the future. I visited some film companies in Belfast that are developing intellectual capacity to create the products of the future. They are bringing people into Northern Ireland to work in the film industry.

Mr McNarry asked me how I would answer a 14-year-old who questioned me about future employment. I would want to know what the child was capable of and what their natural skills and talents were. As a nation, we must compete, not, sadly, in production — China's millions of people can produce goods and ship

them across the world more cheaply than we can, despite the resultant ecological damage — but in intellectual skills, design and marketing, and advanced IT. We must consider how to push the boat out even further by inventing and inspiring for the future. We did that successfully in the past.

Mr McNarry: I am glad to hear the Minister's views and I agree with them; it is good advice. However, can we attract the jobs to which we are directing children? Can we compete with other economies? After all, 14-year-olds all over the world will be chasing the same jobs.

Mr Hanson: We have to consider how Northern Ireland can position itself. It can work with its successful neighbour, the Republic of Ireland, to build on that country's success; it can co-operate with the United Kingdom on an east-west basis; and it can work as part of the wider Europe. I welcome the wider Europe. People from Poland and Lithuania are working in Northern Ireland, but, ultimately, that is a short-term transfer of labour to meet some of the skills deficits here. However, the wider Europe will include a great many opportunities to help to develop entrepreneurial skills, advice and infrastructure so that companies in eastern Europe can build their skills and manufacturing capacity to the levels that we expect.

Our focus should be on the development of skills that can be used in a worldwide market, and we should use those skills to build markets in eastern Europe. In order to make a difference, we should also work with our strong neighbour, the Republic of Ireland, and our strong partners in the rest of the United Kingdom.

Mr McNarry: Is the Minister saying that, if Northern Ireland is to retain its economic base, 14-year-olds should head in that direction? Should a devolved Government co-operate and collaborate with central Government and say that they need incentives and investment to build factories, for example, to train young people and to create jobs?

Mr Hanson: Yes, but Northern Ireland will compete on the basis of skills. I do not necessarily anticipate that factories will be built here. People could be based in Northern Ireland and service manufacturing plants or sell their intellectual property, throughout the world. Those are the advantages of living in modern times. I am only forty-nine and three quarters, and when I was at school, I was not even taught computer skills.

Mr McNarry: What age is the Minister?

Mr Hanson: I am forty-nine and three quarters.
[Laughter.]

When I was at school, we did not consider today's industries. Not only must we have the vision to examine the needs of 14-year-old pupils, but we must

think about what five-year-old children will require in 20 years' time.

Mr Hamilton: The Minister has said that if, on the one hand, we can develop, from top to bottom, a holistic, focused and concentrated policy approach to innovation and science that includes private-sector responsibilities, we could do the same for schools and education. We could then build the supporting infrastructure.

Recently, Citigroup executives from the United States and England were in Belfast for the opening of the company's technology centre. They could not believe that, with our telecommunications facilities, work could be delivered from Northern Ireland to the US virtually in real time. In its report, the subgroup highlighted the importance of increasing the speed from two megabytes to eight megabytes; in the context of CSR, the Department of Enterprise, Trade and Investment wonders whether the speed could rise to 20 megabytes. If people have the right skills — and Northern Ireland has a modern telecommunications infrastructure that is the envy of Europe — perhaps the north-west could have a telecoms support network that could be connected to a telecoms hub. There are real opportunities. The question is will new fiscal policies and more money be made available? Regardless of that, we must use those resources we have well.

Mr Hanson: Intellectual manufacturing will generate wealth that will, in my view, sustain people in basic industries — the construction industry is one example — and support services.

We must also focus on the tourism market. For reasons that are known to all of us and that we do not need to rehearse, Northern Ireland has not been the great tourist destination that it could be. However, some places have the potential to be appealing tourist attractions, and the infrastructure is being put in place. A couple of days ago, my colleague Maria Eagle was in Derry to celebrate the completion of phase 1 of the walled city of Derry signature project. The Titanic Quarter is being developed as a tourist destination, which will create jobs in the service sector — in hotels and restaurants — and will contribute to a growth in the use of public transport.

Mr McNarry: There are great aspirations behind the Minister's positive comments, and I thank him for that. However, he needs to convince me that he is confident about sustainability.

Mr Burns: I support Mr Dawson's point that corporation tax is an important, but difficult, issue. However, other issues are even more difficult, and we will get over corporation tax.

When the Assembly is up and running, there will be joint ministerial trade missions with representatives from the Republic of Ireland. My fear is that if we cannot offer the same tax rates as the Republic of

Ireland, people in Northern Ireland who live within a 25-mile radius of the border will want to work in the Republic.

Might east of the Bann become a great place for public-sector workers, such as those who work in Government offices and in hospitals, and so forth? Given that nobody who works in that capacity produces anything, could the public sector be caught up in the application of corporation tax? It is critical that that tax does not affect that sector.

What effect will the proposals have on reducing dependency on the public sector and lessening the need for Treasury subventions?

Mr Hanson: I am not in favour of reducing the public sector per se; I am in favour of developing the private sector so that the public sector becomes a smaller part of Northern Ireland's economy.

I did not join the Labour Party or go into politics to cut public spending or to reduce the amount of money that is spent on health and education. My mission is to ensure that we invest public-service resources appropriately in health, education and many other public services so that they become world-class provisions. We are trying to reform public services and to find different ways to deliver them.

However, the issue is not about reducing the resources that are spent. We need to ensure that the private sector grows so that the money that goes into the public sector from the total economy is reduced. It is unfortunate that there is still too much dependence on the public sector in Northern Ireland for job creation. The private sector needs to grow to ensure that people have the sufficient skills to increase their wealth and prosperity. That will mean that people west and east of the Bann will have a mixture of employment markets, including a good public-sector market in Government that provides jobs in hospitals, schools, libraries, transport and other good public-sector providers. In such circumstances, people will also have an opportunity to develop their economic capacity through any potential new industries while still being involved, wherever possible, in manufacturing in Northern Ireland. Therefore, a balance must be struck. The Secretary of State has said that the current balance is wrong. However, the strategy does not mean a reduction in the public sector overall but a growth in the private sector.

I know that we have covered corporation tax in some detail, but I accept that it is a difficulty. As I said earlier, if two people, one of whom lives in Dundalk and the other in Newry, want to set up a business in the greater Newry/Dundalk area, the different corporation-tax band might be one of the factors that drives them to Dundalk rather than to Newry. I accept that.

However, both members and I know that, particularly as the political process continues, people will work in Dundalk and live in Newry, and vice versa. That cross-border activity exists, and it is much easier to live and work in those circumstances than it was 10 years ago. When I went to Newry before Christmas, I saw a great deal of co-operation between people on both sides of the border on the infrastructure and on marketing the whole region. That co-operation is crucial, and not just where corporation tax is concerned. Although that is an important issue, the skills and the potential that that region can offer will attract jobs and industry.

Mr Hamilton: We could not let the meeting pass without saying that we fought the Irish Government tooth and nail for the 700 Citigroup jobs. Those jobs came to Northern Ireland because of the skills, education and the availability of the labour force here. Those jobs could have gone to Dublin, but they did not: they came to Belfast. That wee success story should go on the record.

Mr Dawson: Obviously, we all support the developments in, and promotion of, tourism. However, one of our previous reports noted our concern that, to date, those tourism projects have not been supported fully. That is one reason why we have asked for additional money.

In our second report, we had a strategic look at the roads' infrastructure. We did that partially to support tourism but also to develop the economy. We identified several roads over and above those that are in the existing development plans. The response to that work was the identification of the costs of those roads. However, there was no indication as to whether the Government thought that our suggestions on the upgrading of those strategic roads in the region had any merit. As David McNarry has been a bit parochial, the Minister will forgive me for mentioning that the A8 to Larne is one of those key strategic roads.

Mr McLaughlin: I want to know about the Derry to Dublin road. [*Laughter.*]

12.15 pm

Mr Dawson: All those that we have identified are key roads for the development of the economy and the tourism industry.

Mr McNarry: There is an election coming up.

Mr Dawson: Do the Government have a view as to the merits of our proposals?

Mr Hanson: I looked at the list of roads that are mentioned as requiring improvement in recommendation 8 in the subgroup's second report. I recognise that all politics are local and that, at the end of the day, politicians are judged on the roads as much as on anything else. We have a number of current road-

transport plans, some of which mirror the subgroup's suggestions. Mr Dawson will have seen from the response to the recommendation that issues such as the dualling of the A6 from Derry to Dungiven, the A5 from Strabane to Lifford, and the improvement link between the A8 and the M2 to reduce delays at the Sandyknowes roundabout are already being addressed. In the budget for 2007-08, which I have recently produced, additional resources are being allocated to road development and road transport, and we will certainly examine the question of priority for the links that are mentioned in the subgroup's report.

I must say that it is important that the tourism revenue —

Mr McNarry: We are not getting an answer.

Mr Hanson: I cannot give a guarantee. We are almost in purdah. If the subgroup can secure a guarantee, we can go from there.

Tourism revenue has grown by 9% over the past year and currently contributes more than £500 million to the Northern Ireland economy. As I have said, the walled city of Derry signature project, the Titanic Quarter and the Giant's Causeway centre are just some of the key tourism infrastructure projects that we are developing. In Belfast, projects such as the development of Victoria Square, the north-west quarter and the Cathedral Quarter have tourism potential. They will bring in people from other parts of the United Kingdom, from the Republic and from cruise ships who will spend money in the city.

Mr Dawson: My key point was that, both in tourism and roads planning, we have identified sums of money over and above existing commitments, and over and above any Government plans to invest in those areas, thus generating a need for a greater package than is currently on offer.

Mr Hanson: Hopefully, Mr Dawson will have the opportunity to develop those projects very shortly.

Mr Dawson: With the additional money?

The Chairperson (Mr T O'Reilly): I appreciate that we are close to the Minister's time limit.

It has been announced that a feasibility study is to be conducted on a rapid transit system to link Belfast city centre with the Titanic Quarter. What is Government's preliminary view on funding arrangements for such a system?

Mr Hanson: The Government's view has been that many of the developments in the Titanic Quarter can ultimately be funded from the benefits of the private sector's setting up the area. The Government, as a partner, can facilitate that, and I am very hopeful that we will be able to attract people from the private sector who are able to put in place the financial support

mechanisms to help with infrastructure costs for those areas.

The signature project for the Titanic Quarter very much depends on the current application for National Lottery funding. That would bring in significant resources that the Government may have to match. It would be a financial cost to us, but, in broad terms, I am hopeful that funding for the infrastructure will be secured from the private sector. It will make significant gains in due course from the business and residential arms of that development, and it is important that it contribute to the cost of the infrastructure.

Mr Dawson: It would be a pity, Chairman, if the last word from the Minister was that the future development of Northern Ireland's economy is dependent on a lottery.

Mr Hanson: Well, the signature project is dependent on National Lottery funding.

The Chairperson (Mr T O'Reilly): Mitchel has indicated that he wishes to ask one final question.

Mr Hanson: If it is a friendly one, I will take it.

Mr McNarry: He wants to know the numbers for this week's National Lottery draw.

Mr McLaughlin: I would contribute some of it to the economic package.

We have been given a lot of statistics, and the Minister was good enough to rehearse some of them. However, the underlying reality is that 500,000 people are economically inactive. I endorse strongly the Minister's comments about defending the public sector while growing the private sector and rebalancing the economy. What will the draft regional economic strategy say about targets to bring people out of the 500,000 economically inactive and into economic activity?

Mr Hanson: It is a key area, which is linked not only to the draft regional economic strategy, but to 'Lifetime Opportunities', our anti-poverty and social inclusion strategy, which the Office of the First Minister and the Deputy First Minister (OFMDFM) published in November 2006.

I am anxious to ensure that the economically inactive return to the workplace. Various Departments are looking at ways in which to introduce positive measures to get people off benefits and back into work. We are also looking at ways in which to ensure that people obtain the necessary skills to raise their income level. Like the subgroup, I am not satisfied that Northern Ireland still has very high levels of poverty, which are often centred in particular constituencies, or in particular wards in those constituencies.

The Department for Social Development (DSD), for which I have responsibility, is currently undertaking a major programme of neighbourhood renewal. The Department is trying to restore the social infrastructure

through investing in areas with the highest unemployment rates and levels of deprivation. It is also looking to launch projects that will help to raise the expectations and quality of life of those people who are excluded from society.

As well as the issues that we have covered today, such as the economic infrastructure and economic possibilities, we must consider running benefit take-up campaigns. We must think of ways in which to get people off benefits and into work. First, however, we must look at ways in which we can provide people with the basic skills training for them to get jobs. Those plans form a key part of the Government's overall strategy to tackle poverty and social exclusion. We must ensure that all parts of Northern Ireland benefit from the wealth and prosperity that we hope to create, because it would be of no use if that wealth were to impact only on certain parts of Northern Ireland.

That wealth must reach places such as Mr McLaughlin's constituency and some of the Belfast wards. In particular, it must impact on those rural areas where large pockets of deprivation and social exclusion endure. To achieve that will prove a difficult test. We have had to prioritise, and we shall focus on 30-odd wards and neighbourhoods. However, I am conscious of the fact that, in order to tackle those social exclusion issues, we must undertake cross-departmental work.

Mr McLaughlin: The draft regional economic strategy will be silent on the issue of social exclusion, however.

Mr Hanson: No, it will not be silent on that issue. I see the strategy as part of an overall Government package. Yes, we are committed to creating the new jobs of tomorrow and to developing the economy of Northern Ireland, but work to achieve that will go hand in hand with our commitment to tackling social exclusion and to getting those people who currently do not benefit from the wealth and prosperity that there is here — for there is still great wealth and prosperity in parts of Northern Ireland — to contribute to, and benefit from, the community at large.

That will require cross-departmental work. The draft regional economic strategy, DSD's neighbourhood renewal strategy and OFMDFM's anti-poverty and social inclusion strategy are all drivers that will help to ensure that we not only create wealth but share it fairly in order that people have an opportunity to participate in society.

Mr Hamilton: The offices that run the pilot schemes to tackle economic inactivity have increased numbers back into the market fourfold and fivefold, so many of those pilots will be extended next year into a more general application.

The key point to note about the draft regional economic strategy is that it will soon be published for consultation. We have had to refine all the work on the question of targets. Not so long ago, the Economic Development Forum (EDF) was unclear about targets, but now it is more positive. The purpose of the consultation will be to agree collectively a document that we can all get behind in order to deliver what we think is required.

The Chairperson (Mr T O'Reilly): On behalf of the subgroup, Minister, I thank you, Leo, Wilfie and Nuala for coming along this morning to answer our questions.

If you or any of your officials wish to contribute any further information, the subgroup would appreciate receiving it before close of business next Monday.

Mr Hanson: I appreciate that the subgroup's time-scale is limited. Thank you for your hospitality today.

The Chairperson (Mr T O'Reilly): Our pleasure.

Adjourned at 12.23 pm.

Indexes

INDEX

PART I (BUSINESS)

- Additional Debating Time: Muckamore Abbey Hospital, 355, 423
- Affordable Housing, 285—305
- Agriculture, 211—31
- Assembly
- Assembly Business, 1, 9—10, 147, 183, 199, 211, 250, 285, 355, 391, 423, 481, 483, 483—5, 487
 - Additional Debating Time: Muckamore Abbey Hospital, 355, 423
 - Declaration of Interests, 355—6
 - Extra Sitting: Police Ombudsman's Report, 355, 423
 - Hansard
 - Bound Volumes, 481
 - New Member
 - Farrell, Ms Marietta, 285
 - Purvis, Ms Dawn, 424
 - Resignation, Lewsley, Ms Patricia, 199
 - Roll of Membership, 483—5
 - Security Review, 285, 423—4, 487
 - Standing Orders of the Transitional Assembly, 481
 - Tributes to Madam Speaker, 481
- Committee Business
- Draft Ministerial Code, 488—505
 - Draft Standing Orders for the Northern Ireland Assembly, 506—14
 - Report on the Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, 424—36, *see also* Reports
 - Report on Workplace 2010 and Public Sector Jobs Location, 391—405, *see also* Reports
- Private Members' Business:
- Affordable Housing, 285—305
 - Agriculture, 211—31
 - Autism, 266—84
 - Bain Report, the, 356—74
 - Bamford Review, Implementation of, 163—81
 - Equality Commission, 375—89
 - Fire and Rescue Service Draft Integrated Risk Management Plan, 107—22
 - Free Personal Care, 199—210
 - Introduction of the Offence of Corporate Manslaughter, 123—32
 - Liquor Licences, 466—72
 - Muckamore Abbey Hospital, 454—65
 - North/South Co-Operation, 437—54
 - Police College, 132—46
 - Post Offices, Closure of, 231—48
 - Protection for the Elderly, 183—99
 - Review of Public Administration, 49—87
 - Road Safety, 250—65
 - Rural Schools, 306—22
 - Secretary of State for Northern Ireland, 13—48
 - Social Disadvantage and Educational Attainment, 323—39
 - Sudan, 340—54
 - The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 89—107
 - Tie-up Aid, 473—80
 - Water Charges, 148—62
 - Welfare Reform Bill, 405—21
- Autism, 266—84
- Bain Report, the, 356—74
- Bamford Review, Implementation of, 163—81
- Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, 424—36, SG59—98, SG199—231, SG233—63, *see also* Subgroup
- Corporate Manslaughter: Introduction of the Offence of, 123—32
- Declaration of Interests, 355—6
- Draft Ministerial Code, 488—505
- Draft Standing Orders for the Northern Ireland Assembly, 506—14
- Economic Issues, SG1—16, SG99—119, SG285—99, *see also* Subgroup
- Elderly, Protection for the, 183—99
- Equality Commission, 375—89
- Ervine, David, death of, 249
- Evidence Sessions, *see also* Subgroup
- Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, SG59—98, SG199—231, SG233—63
- Economic Issues, SG1—16, SG99—119, SG285—99
- Policing and Justice, SG121—30, SG265—76, SG277—84
- Review of Public Administration (RPA) and Rural Planning, SG29—44, SG45—57
- Schools Admission Policy, SG17—28, SG149—98
- Workplace 2010 and Public Sector Jobs Location, SG131—47
- Extra Sitting: Police Ombudsman's Report, 355, 423,
- Fire and Rescue Service Draft Integrated Risk Management Plan, 107—22
- Free Personal Care, 199—210
- Hansard
- Bound Volumes, 481
- Indication of Intention to Nominate First Minister by the largest political party of the largest political designation and Deputy First Minister by the largest political party of the second largest political designation, 2—4,
- Liquor Licences, 466—72
- Madam Speaker, Tributes to, 481
- Ministerial Code, Draft, 488—505
-

Muckamore Abbey Hospital, 355, 423, 454—65
 North/South Co-Operation, 437—54
 Points of Order, 1, 2, 3, 4, 10, 11, 11—12, 13, 14, 15, 17, 18, 19, 20, 21, 23, 24, 29, 31, 32, 35, 36, 39, 49, 53, 60, 61, 62, 66, 67, 69, 72, 85, 92, 93, 126, 142, 144, 145, 147, 148, 165, 175, 183, 198, 199, 211, 231, 250, 285, 311, 329, 355, 360, 363, 364, 377, 379, 380, 381, 383, 389, 417, 421, 423, 447, 466, 481, 483, 485, 487, 489, 492, 496, 507, 514, SG271
 Police College, 132—46
 Police Ombudsman's Report, Extra Sitting, 355, 423
 Policing and Justice, SG121—30, SG265—76, SG277—84 *see also* Subgroup
 Post Offices, Closure of, 231—48
 Reports
 Report on the Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, 424—36
 Report on Workplace 2010 and Public Sector Jobs Location, 391—405
 Resignations
 Lewsley, Ms Patricia, 199
 Review of Public Administration, 49—87
 Review of Public Administration (RPA) and Rural Planning, SG29—44, SG45—57, *see also* Subgroup
 Road Safety, 250—65
 Roll of Membership, 483—5, 487
 Rural Schools, 306—22
 Schools Admission Policy, SG17—28, SG149—98 *see also* Subgroup
 Schools, Rural 306—22
 Secretary of State for Northern Ireland, 13—48
 Security Review, 285, 423—4, 487
 Social Disadvantage and Educational Attainment, 323—39
 Standing Orders, 481, 487, 506—14
 Standing Orders of the Transitional Assembly, 487
 Statements from Leaders of other Political Parties in the Assembly, 4—7, 10—12
 Subgroup, *see also* Evidence Sessions
 Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, SG59—98, SG199—231, SG233—63
 Economic Issues, SG1—16, SG99—119, SG285—99
 Policing and Justice, SG121—30, SG265—76, SG277—84
 Review of Public Administration (RPA) and Rural Planning, SG29—44, SG45—57
 Schools Admission Policy, SG17—28, SG149—98
 Workplace 2010 and Public Sector Jobs Location, SG131—47
 Sudan, 340—54
 The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 89—107
 Tie-up Aid, 473—80
 Tributes to Madam Speaker, 481
 Water Charges, 148—62
 Welfare Reform Bill, 405—21
 Workplace 2010 and Public Sector Jobs Location, 391—405, SG131—47, *see also* Subgroup

PART II (MEMBERS' INDEX)

Adams, Mr G

- Assembly Business, 10
 - Roll of Membership, 484
- Indication of Intention to Nominate First Minister and Deputy First Minister, 3
- Points of Order, 18, 18—19, 19, 175
- Private Members' Business
 - Implementation of Bamford Review, 165—7, 175
 - Secretary of State for Northern Ireland, 16—17, 17, 18, 18—19, 19
 - Social Disadvantage and Educational Attainment, 336—7

Anderson, Ms M

- Assembly Business
 - Roll of Membership, 484

Armstrong, Mr B

- Assembly Business
 - Roll of Membership, 485
- Private Members' Business
 - Agriculture, 230—1
 - Closure of Post Offices, 245
 - Police College, 137—8
 - Protection for the Elderly, 186
 - Road Safety, 257
 - Rural Schools, 318—19

Attwood, Mr A

- Assembly Business
 - Roll of Membership, 484
- Committee Business
 - Draft Ministerial Code, 489—90, 492—3, 493, 493—4, 500, 503—4
- Private Members' Business
 - Introduction of the Offence of Corporate Manslaughter, 127—8
 - Police College, 142, 142—4
 - Secretary of State for Northern Ireland, 25—6
- Subgroup on Policing and Justice, SG121—2, SG123, SG124, SG126, SG127, SG128, SG129, SG267, SG268, SG271, SG271—2, SG274, SG274—5, SG275, SG281, SG282

Beare, Mrs N

- Private Members' Business
 - Protection for the Elderly, 189—190

Beggs, Mr R

- Assembly Business
 - Roll of Membership, 485
- Committee Business
 - Draft Standing Orders for the Northern Ireland

- Assembly, 508—9, 509, 510, 512, 512—13, 513
- Report on Workplace 2010 and Public Sector Jobs Location, 401, 401—2
- Private Members' Business
 - Closure of Post Offices, 234—5
 - Liquor Licences, 469—70
 - Review of Public Administration, 80—1, 81—2
 - Rural Schools, 314—15
 - Water Charges, 161—2

Bell, Mr B

- Private Members' Business
 - Autism, 274—5
 - Muckamore Abbey Hospital, 456

Berry, Mr P

- Private Members' Business
 - Autism, 277—8
 - Fire and Rescue Service Draft Integrated Risk Management Plan, 116—17
 - Protection for the Elderly, 193—4

Birnie, Dr E

- Committee Business
 - Report on Workplace 2010 and Public Sector Jobs Location, 394—5, SG132, SG133, SG138, SG145
 - Report on Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform, 434—6
- Private Members' Business
 - Affordable Housing, 297—8
 - Closure of Post Offices, 237—8
 - Liquor Licences, 466—7
 - Review of Public Administration, 52
 - Secretary of State for Northern Ireland, 42, 46
 - Sudan, 342—3
 - The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 100

Birnie, Dr E

- (as Chairperson of the Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges and Water Reform) SG199, SG203, SG207, SG207—8, SG212, SG214, SG215, SG221, SG223, SG229, SG229—30, SG230, SG231, SG233, SG238, SG240, SG243, SG244—5, SG245, SG252, SG253, SG254, SG259, SG260, SG262

Boylan, Mr C

- Assembly Business
 - Roll of Membership, 484

Bradley, Mr D

Assembly Business
Roll of Membership, 484
Private Members' Business
Affordable Housing, 303
Autism, 266—7
Bain Report, the, 358—9, 372, SG156, SG157
Closure of Post Offices, 240—1
Fire and Rescue Service Draft Integrated Risk Management Plan, 117—18
North/South Co-Operation, 447—8
Rural Schools, 308, 309
Social Disadvantage and Educational Attainment, 325—6, 326
Subgroup on Schools Admission Policy, SG17, SG18, SG21, SG22, SG25—6, SG27, SG28, SG156, SG157, SG162, SG166, SG167, SG174, SG177, SG179, SG181, SG182, SG183, SG186, SG190, SG192, SG193, SG197

Bradley, Mrs M

Assembly Business
Roll of Membership, 484
Private Members' Business
Free Personal Care, 207—8
North/South Co-Operation, 452
Protection for the Elderly, 197—8
Welfare Reform Bill, 413—14, 414

Bradley, Mr P J

Assembly Business
Roll of Membership, 484
Point of Order, 514
Private Members' Business
Agriculture, 216—17
Fire and Rescue Service Draft Integrated Risk Management Plan, 118—19
Review of Public Administration, 78—9

Brady, Mr M

Assembly Business
Roll of Membership, 484

Bresland, Mr A

Assembly Business
Roll of Membership, 484

Brolly, Mr F

Assembly Business
Roll of Membership, 484
Point of Order, 417
Private Members' Business
Closure of Post Offices, 239, 240
Introduction of the Offence of Corporate Manslaughter, 128—9
Rural Schools, 315, 315—17
Social Disadvantage and Educational Attainment, 332—3
Welfare Reform Bill, 415—16, 417

Browne, The Lord

Assembly Business
Roll of Membership, 484

Buchanan, Mr T

Assembly Business
Roll of Membership, 484
Committee Business
Report on Workplace 2010 and Public Sector Jobs Location, 393-4
Private Members' Business
Fire and Rescue Service Draft Integrated Risk Management Plan, 117
Rural Schools, 314

Burns, Mr T

Assembly Business
Roll of Membership, 484
Private Members' Business
Affordable Housing, 304, 305
Subgroup on Economic Issues, SG296

Burnside, Mr D

Assembly Business, 1
Roll of Membership, 485
Point of Order, 1

Butler, Mr P

Assembly Business
Roll of Membership, 484

Campbell, Mr G

Assembly Business
Roll of Membership, 484
Points of Order, 20, 381
Private Members' Business
Affordable Housing, 288
Equality Commission, 375—6, 381, 388
North/South Co-Operation, 437, 450, 450—1
Police College, 132—3
Review of Public Administration, 59—60, 60
Social Disadvantage and Educational Attainment, 329, 329—30
The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 94

Clarke, Mr T

Assembly Business
Roll of Membership, 484

Clarke, Mr W

Assembly Business
Roll of Membership, 484

Clarke, Mr W

(as Chairperson of the Subgroup to Consider the Schools Admission Policy) SG178, SG179, SG180, SG182, SG185, SG186, SG187, SG188,

SG190, SG191, SG192, SG194, SG195, SG196,
SG197, SG198

Clyde, Mr W

Private Members' Business
Agriculture, 214—15

Cobain, Mr F

Assembly Business
Roll of Membership, 485
Private Members' Business
Affordable Housing, 289—91
Subgroup on Policing and Justice, SG122, SG124,
SG126, SG129, SG130

Copeland, Mr M

Private Members' Business
Affordable Housing, 300, 300—1, 301
Liquor Licences, 470
Protection for the Elderly, 191—2
Social Disadvantage and Educational
Attainment, 334
Welfare Reform Bill, 418, 419

Coulter, Rev Dr R

Assembly Business
Roll of Membership, 485
Private Members' Business
Agriculture, 224—5
Autism, 270, 271—2
Free Personal Care, 199—201
Muckamore Abbey Hospital, 461—2
Review of Public Administration, 62—3

Craig, Mr J

Assembly Business
Roll of Membership, 484

Cree, Mr L

Assembly Business
Roll of Membership, 485
Committee Business
Report on Comprehensive Spending Review and
Programme for Government; Rates Charges
and Water Reform, 428—9
Private Members' Business
Fire and Rescue Service Draft Integrated Risk
Management Plan, 109—10, 110
Water Charges, 148, 149—50
Subgroup on the Comprehensive Spending Review
and Programme for Government; Rates Charges
and Water Reform, SG63, SG64, SG70, SG71,
SG73, SG74, SG80, SG81, SG85, SG94, SG95,
SG96, SG97, SG201, SG202, SG209, SG210,
SG211, SG212, SG213, SG216, SG218, SG222,
SG226, SG227, SG231, SG235, SG236, SG239,
SG242—3, SG258, SG259, SG263

Dallat, Mr J

Assembly Business
Roll of Membership, 484
Committee Business
Report on Workplace 2010 and Public Sector
Jobs Location, 395
Private Members' Business
Autism, 283—4, 284
Closure of Post Offices, 233—4
Equality Commission, 385, 386
Fire and Rescue Service Draft Integrated Risk
Management Plan, 120
Free Personal Care, 208
Muckamore Abbey Hospital, 463—4
Protection for the Elderly, 192—3, 198
Road Safety, 253—4
Rural Schools, 320—1
Social Disadvantage and Educational
Attainment, 336, 337
Sudan, 351, 352
Welfare Reform Bill, 418—19
Subgroup on Workplace 2010 and Public Sector
Jobs Location, SG131, SG132, SG134, SG137,
SG139, SG143, SG144, SG144—5, SG146—7

Dawson, Mr G

Assembly Business
Roll of Membership, 484
Private Members' Business
Autism, 278—9, 279
North/South Co-Operation, 448, 448—9
Secretary of State for Northern Ireland, 30
Sudan, 344—5
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 105—6,
106
Water Charges, 160
Subgroup on Economic Issues, SG9, SG10,
SG11, SG14, SG15, SG286—7, SG287, SG291,
SG291—2, SG292, SG293, SG294, SG297,
SG298

Dawson, Mr G

(as Chairperson of Subgroup on Policing and
Justice) SG272, SG275, SG275—6, SG276

Deeny, Dr K

Assembly Business
Roll of Membership, 486
Private Members' Business
Agriculture, 227—8

Dodds, Mrs D

Private Members' Business
Bain Report, the, 363, 363—4,
Social Disadvantage and Educational
Attainment, 335—6

Dodds, Mr N

- Assembly Business
 - Roll Of Membership, 484
- Private Members' Business
 - Affordable Housing, 298—9
 - Equality Commission, 383
 - Protection for the Elderly, 194—5
 - The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 101
 - Welfare Reform Bill, 408—9, 409—10

Doherty, Mr P

- Assembly Business
 - Roll of Membership, 487
- Committee Business
 - Report on Workplace 2010 and Public Sector Jobs Location, 396, 397
- Subgroup on Workplace 2010 and Public Sector Jobs Location, SG131, SG132, SG134, SG136, SG137, SG138—9, SG139, SG142, SG143, SG146

Donaldson, Mr J

- Assembly Business
 - Roll Of Membership, 484
- Committee Business
 - Draft Standing Orders for the Northern Ireland Assembly, 510, 511
- Point of Order, 492
- Private Members' Business
 - Liquor Licences, 471, 472
 - Road Safety, 255—6, 256
 - Sudan, 350—1
 - The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 89—91, 92, 95, 96, 102
- Subgroup to Consider the Schools Admission Policy, SG18, SG18—19, SG19, SG20, SG25, SG26, SG27, SG153, SG154, SG155, SG165, SG167, SG171, SG176, SG177, SG181, SG182, SG185, SG186, SG192, SG193, SG198

Durkan, Mr M

- Assembly Business
 - Roll of Membership, 484
- Committee Business
 - Draft Ministerial Code, 492, 495, 502
- Indication of Intention to Nominate First Minister and Deputy First Minister, 5, 5—6
- Private Members' Business
 - Free Personal Care, 208—9, 209

Easton, Mr A

- Assembly Business
 - Roll of Membership, 484

Elliott, Mr T

- Assembly Business

- Roll of Membership, 485
- Committee Business
 - Report on Workplace 2010 and Public Sector Jobs Location, 398—9, 399, 401
 - Fire And Rescue Service Draft Integrated Risk Management Plan, 113, 113—14
- Private Members' Business
 - Affordable Housing, 292—3
 - Agriculture, 211—12
 - Free Personal Care, 209—10
 - Rural Schools, 310

Empey, Sir R

- Assembly Business
 - Roll of Membership, 483
- Committee Business
 - Draft Ministerial Code, 499
- Indication of Intention to Nominate First Minister and Deputy First Minister, 4, 4—5, 5
- Point of Order, 481
- Private Members' Business
 - Review of Public Administration, 54
 - Secretary of State for Northern Ireland, 14, 15—16

Ervine, Mr D

- Point of Order, 4
- Private Members' Business
 - The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 102, 102—3

Farren, Dr S

- Private Members' Business
 - North/South Co-Operation, 437, 437—8, 444, 445
 - Secretary of State for Northern Ireland, 40—1, 41, 48,
 - Sudan, 346—7

Farry, Mr S

- Assembly Business
 - Roll of Membership, 483

Ford, Mr D

- Assembly Business
 - Roll of Membership, 483
 - Standing Orders of the Transitional Assembly, 487
- Committee Business
 - Draft Ministerial Code, 494—5
 - Draft Standing Orders for the Northern Ireland Assembly, 498, 508, 509, 511, 512
- Indication of Intention to Nominate First Minister and Deputy First Minister, 6, 6—7, 10—11
- Points of Order, 211, 487
- Private Members' Business

Agriculture, 217—18
Muckamore Abbey Hospital, 458—9
Review of Public Administration, 58
Secretary of State for Northern Ireland, 21,
21—2, 22
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 95—6,
96—7, 97

Foster, Mrs A

Assembly Business
Roll of Membership, 484
Committee Business
Draft Ministerial Code, 498, 502—3, 503, 504,
505
Private Members' Business
Autism, 280, 280—1
Equality Commission, 381—2
Free Personal Care, 206
Implementation of Bamford Review, 170
Liquor Licences, 467—8
Police College, 140—1
Rural Schools, 306—8
Review of Public Administration, 67, 75—6
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 102,
103—4, 106
Subgroup on Policing and Justice, SG121, SG122,
SG123, SG125, SG126—7, SG127, SG128—9,
SG129, SG266, SG267, SG270, SG272, SG273,
SG279

Gallagher, Mr T

Assembly Business
Roll of Membership, 484
Point of Order, 62
Private Members' Business
Agriculture, 229—30
Review of Public Administration, 49, 49—50, 51
Rural Schools, 313, 313—14
Subgroup on the Review of Public Administration
(RPA) and Rural Planning, SG34, SG36, SG40,
SG50, SG55, SG56

Gardiner, Mr S

Assembly Business
Roll of Membership, 485
Private Members' Business
Introduction of the Offence of Corporate
Manslaughter, 123
Review of Public Administration, 68—9
Road Safety, 252—3

Gildernew, Ms M

Assembly Business
Roll of Membership, 484
Private Members' Business
Agriculture, 225—7

Closure of Post Offices, 243—4,
Free Personal Care, 206—7
Review of Public Administration, 60, 60—1, 61,
62
Road Safety, 264, 264—5
Secretary of State for Northern Ireland, 24,
24—5
Sudan, 345—7
Subgroup on Economic Issues, SG5, SG6, SG9,
SG10, SG12, SG14, SG293, SG294

Girvan, Mr P

Private Members' Business
Muckamore Abbey Hospital, 460, 460—1
Subgroup on the Comprehensive Spending Review
and Programme for Government; Rates Charges;
and Water Reform, SG80, SG83, SG85, SG91,
SG92, SG93, SG204

Hamilton, Mr S

Assembly Business
Roll of Membership, 484

Hanna, Mrs C

Assembly Business
Roll of Membership, 484
Fire And Rescue Service Draft Integrated Risk
Management Plan, 110
Implementation of Bamford Review, 177
Private Members' Business
Autism, 276, 277, 284
Free Personal Care, 204—5
Muckamore Abbey Hospital, 457—8
North/South Co-Operation, 444
Sudan, 340—1, 351

Hay, Mr W

Assembly Business
Roll of Membership, 484
Point of Order, 49
Private Members' Business
Closure of Post Offices, 231—2, 232—3
Equality Commission, 379
Fire And Rescue Service Draft Integrated Risk
Management Plan, 111, 112
North/South Co-Operation, 444—5, 445
Police College, 135—6, 136—7
Review of Public Administration, 69, 69—70, 70

Hay, Mr W

(as Chairperson of the Subgroup on Policing and
Justice) SG121, SG122, SG123, SG124, SG125,
SG126, SG127, SG128, SG129, SG130, SG265,
SG267, SG269, SG271, SG272, SG277, SG278,
SG284

Hilditch, Mr D

Assembly Business
Roll of Membership, 484

Hillis, Mr N

Private Members' Business
Protection for the Elderly, 195—6

Hussey, Mr D

Points of Order, 21, 31, 32, 62, 66, 85, 145, 481
Private Members' Business
Affordable Housing, 292
Agriculture, 220
Closure of Post Offices, 244, 244—5
Fire And Rescue Service Draft Integrated Risk
Management Plan, 118, 119
Liquor Licences, 470, 470—1
Police College, 140
Review of Public Administration, 56, 62, 76—
77, 77
Rural Schools, 319—20
Secretary of State for Northern Ireland, 43—4

Hyland, Mr D

Point of Order, 67
Private Members' Business
Closure of Post Offices, 242—3
Introduction of the Offence of Corporate
Manslaughter, 129

Irwin, Mr W

Assembly Business
Roll of Membership, 484

Kelly, Mrs D

Assembly Business
Roll of Membership, 484
Point of Order, 198
Private Members' Business
Affordable Housing, 292, 296, 299—300, 305
Agriculture, 215, 221—2
Autism, 280
Equality Commission, 376—7, 377, 384, 388
Implementation of Bamford Review, 167—8,
174, 180
Police College, 138—9, 144
Review of Public Administration, 60, 71, 82—3
Welfare Reform Bill, 407, 407—8, 408, 411

Kelly, Mr G

Assembly Business
Roll of Membership, 484
Private Members' Business
Police College, 134
Subgroup on Policing and Justice, SG123, SG126,
SG127, SG128, SG129, SG130, SG280—1

Kennedy, Mr D

Assembly Business
Roll of Membership, 485
Points of Order, 36, 199, 360, 389, 514
Private Members' Business

Agriculture, 220—1, 221

Bain Report, the, 361, 373—4, 374

Closure of Post Offices, 240, 244

Equality Commission, 387

Fire And Rescue Service Draft Integrated Risk
Management Plan, 110

Implementation of Bamford Review, 169—70

Liquor Licences, 472

Police College, 134—5, 135

Review of Public Administration, 73

Rural Schools, 310

Secretary of State for Northern Ireland, 27, 30,
33, 34, 42, 46—7, 47, 48

Social Disadvantage and Educational
Attainment, 336, 338, 339

Sudan, 342, 351

Tie-up Aid, 477, 478, 479, 480

Welfare Reform Bill, 410, 410—11, 414, 415

Subgroup on Policing and Justice, SG267, SG268,
SG268—9, SG269, SG270, SG271, SG272,
SG274, SG275, SG283, SG284

Lewsley, Ms P

Private Members' Business
Fire And Rescue Service Draft Integrated Risk
Management Plan, 114,
114—15,
Review of Public Administration, 71, 71—2, 72
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 95

Lo, Ms A

Assembly Business
Roll of Membership, 483

Long, Mrs N

Assembly Business
Roll of Membership, 483
Point of Order, 364—5
Private Members' Business
Bain Report, the 362, 362—3, 363
Review of Public Administration
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006,
104, 104—5

McCallister, Mr J

Assembly Business
Roll of Membership, 485

McCann, Mr F

Assembly Business
Roll of Membership, 487
Private Members' Business
Affordable Housing, 286—7, 287—8, 303—4,
304
Protection for the Elderly, 190—1
Welfare Reform Bill, 406

McCann, Ms J

Assembly Business
Roll of Membership, 484

McCarthy, Mr K

Assembly Business
Roll of Membership, 483
Tributes to Madam Speaker; Bound Volumes of Hansard; and Standing Orders, 481
Point of Order, 481
Private Members' Business
Autism, 272, 291
Fire And Rescue Service Draft Integrated Risk Management Plan, 110—11, 111
Free Personal Care, 201—2, 202, 209
Implementation of Bamford Review, 163—4, 164, 164—5, 165, 180, 181
Liquor Licences, 469
North/South Co-Operation, 443—4, 444, 449, 453
Police College, 139—40
Protection for the Elderly, 188—9
Road Safety, 254—5
Rural Schools, 311, 311—12
Sudan, 344
Tie-up Aid, 477, 477—8
Water Charges, 160—1
Welfare Reform Bill, 411

McCartney, Mr Raymond

Assembly Business
Roll of Membership, 484
Point of Order, 144
Private Members' Business
Police College, 137, 144, 145
Road Safety, 250—1
Water Charges, 150, 161
Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges; and Water Reform, SG64, SG65, SG72, SG74, SG76, SG85, SG87, SG88, SG89, SG96, SG200, SG200—1, SG204, SG205, SG206, SG210, SG213, SG216, SG225, SG228—9, SG229, SG241
Subgroup on Policing and Justice, SG266, SG267, SG270, SG271, SG273, SG274

McCartney, Mr Robert

Indication of Intention to Nominate First Minister and Deputy First Minister, 3, 4, 11
Points of Order, 3, 13, 148
Private Members' Business
Secretary of State for Northern Ireland, 13, 14, 19—20, 26—7, 27, 28
Water Charges, 148, 150, 151, 154, 154—5

McCausland, Mr N

Assembly Business

Roll of Membership, 484
Private Members' Business
Equality Commission, 386, 386—7, 387, 387—8, 388
Secretary of State for Northern Ireland, 34, 34—5
Social Disadvantage and Educational Attainment, 327, 327—8

McClarty, Mr D

Assembly Business
Roll of Membership, 485
Private Members' Business
North/South Co-Operation, 440—1, 441

McCrea, Mr B

Assembly Business
Roll of Membership, 485

McCrea, Mr I

Assembly Business
Roll of Membership, 484

McCrea, Dr W

Assembly Business
Roll of Membership, 484
Point of Order, 17
Private Members' Business
Agriculture, 219—20
Autism, 272—4
Free Personal Care, 202—3
Implementation of Bamford Review, 165, 174, 174—5
Secretary of State for Northern Ireland, 17, 28—9, 29, 30, 31, 34
The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 98—9

McDonnell, Dr A

Assembly Business
Roll of Membership, 484
Subgroup on Economic Issues, SG4, SG6, SG8, SG9, SG14, SG14—15, SG16, SG111, SG112, SG117, SG118—19, SG119

McElduff, Mr B

Assembly Business
Extra Sitting (Police Ombudsman's Report), 355
Roll of Membership, 487
Points of Order, 69, 165, 311, 355, 421
Private Members' Business
Autism, 268—9
Bain Report, the, 360, 360—1, 361, 361—2, 371
Fire And Rescue Service Draft Integrated Risk Management Plan, 122
Implementation of Bamford Review, 165
Review of Public Administration, 69, 72
Rural Schools, 310—11, 311

-
- Secretary of State for Northern Ireland, 23, 28, 45, 46
Social Disadvantage and Educational Attainment, 323, 323—5, 325, 327, 338
Welfare Reform Bill, 421
Subgroup to Consider the Schools Admissions Policy, SG23, SG24, SG27, SG157, SG158, SG161, SG164, SG165, SG166—7, SG167, SG174, SG177, SG179, SG183, SG190, SG192, SG197
- McFarland, Mr A**
Assembly Business
Roll of Membership, 485
Committee Business
Draft Ministerial Code, 493
Private Member's Business
Implementation of Bamford Review, 173
Police College, 141
Secretary of State for Northern Ireland, 25
- McGill, Mrs C**
Assembly Business
Roll of Membership, 484
- McGimpsey, Mr M**
Assembly Business
Roll of Membership, 485
Private Members' Business
Road Safety, 260—1
Water Charges, 157—9
- McGlone, Mr P**
Assembly Business
Roll of Membership, 484
Private Members' Business
Affordable Housing, 285—6, 300, 305
Autism, 277
Closure of Post Offices, 245, 246
Liquor Licences, 468, 468—9
Police College, 133—4
Review of Public Administration, 83—4
- McGlone, Mr P**
(as Chairman of the Subgroup on the Review of Public Administration and Rural Planning) SG45, SG48, SG52, SG53, SG54, SG55, SG57
- McGuigan, Mr P**
Private Members' Business
Fire and Rescue Service Draft Integrated Risk Management Plan, 107—8
North/South Co-Operation, 445—7, 447
Review of Public Administration, 67—8
Subgroup on the Review of Public Administration and Rural Planning, SG39—40, SG41—2, SG43
- McGuinness, Mr M**
Assembly Business
- Roll of Membership, 484
Indication of Intention to Nominate First Minister and Deputy First Minister, 3
- McHugh, Mr G**
Assembly Business
Roll of Membership, 484
- McIlveen, Miss M**
Assembly Business
Roll of Membership, 484
- McKay, Mr D**
Assembly Business
Roll of Membership, 484
- McLaughlin, Mr M**
Assembly Business
Roll of Membership, 484
Point of Order, 145
Private Members' Business
Closure of Post Offices, 235—6, 240
Introduction of the Offence of Corporate Manslaughter, 125—6
Police College, 145
Subgroup on Economic Issues, SG101, SG106, SG107, SG115, SG116, SG119, SG289, SG289—90, SG290, SG290—1, SG297, SG298
- McMenamin, Mr E**
Committee Business
Report on Workplace 2010 and Public Sector Jobs Location, 395
Point of Order, 24
Private Members' Business
Secretary of State for Northern Ireland, 20, 24
- McNarry, Mr D**
Assembly Business
Roll of Membership, 485
Committee Business
Draft Ministerial Code, 492, 497, 497—8
Point of Order, 363
Private Members' Business
Affordable Housing, 305
Bain Report, the, 356—8, 362, 363
North/South Co-Operation, 449, 449—50, 450
Rural Schools, 309—10, 310
Secretary of State for Northern Ireland, 31, 34
Social Disadvantage and Educational Achievement, 328—9, 338, 339
Tie-up Aid, 474—5, 477, 478
Subgroup on Economic Issues, SG3, SG7, SG8, SG9, SG10, SG12, SG14, SG15, SG102, SG103, SG103—4, SG104, SG105, SG106, SG112—13, SG113, SG114, SG114—15, SG119, SG287, SG288, SG289, SG291, SG293, SG294, SG294—5, SG295, SG296, SG297, SG298
-

Subgroup to Consider the Schools Admission Policy, SG19, SG20, SG21, SG22, SG26, SG27, SG151, SG154, SG155, SG155—6, SG156, SG157, SG158, SG164, SG165, SG166, SG167, SG173, SG174, SG175, SG177, SG180, SG181, SG183, SG184, SG185, SG186, SG187, SG189, SG190, SG191, SG192, SG195, SG196, SG197—8

McNarry, Mr D

(as Chairman of the Subgroup on the Comprehensive Spending Review and Programme for Government; Rates Charges; and Water Reform), SG59, SG60, SG61, SG62, SG63, SG64, SG65, SG66, SG67, SG68, SG69, SG70, SG71, SG72, SG73, SG74, SG75, SG76, SG79, SG80, SG81, SG82, SG83, SG83—4, SG84, SG85, SG86, SG87, SG90, SG91, SG92, SG93, SG94, SG95, SG96, SG97, SG98

McQuillan, Mr A

Assembly Business
Roll of Membership, 484

Maginness, Mr A

Assembly Business
Roll of Membership, 484
Tributes to Madam Speaker; Bound Volumes of Hansard; and Standing Orders, 481
Point of Order, 481
Private Members' Business
Autism, 284
Review of Public Administration, 85—6
Secretary of State for Northern Ireland, 19, 20, 20—1, 23
Sudan, 352—4
Water Charges, 150—1, 151, 151—2, 161
Welfare Reform Bill, 419—20

Maskey, Mr A

Assembly Business
Roll of Membership, 484
Points of Order, 72, 85, 93
Private Members' Business
Review of Public Administration, 51, 51—2, 52, 52—3, 53, 54, 56, 57—8, 58, 60, 71, 72, 85
The Equality Act (Sexual Orientation) Regulations (Northern Ireland) 2006, 92, 93, 99, 100
Subgroup on the Review of Public Administration and Rural Planning, SG32, SG34, SG35—6, SG41, SG49, SG49—50, SG53, SG55

Maskey, Mr P

Assembly Business
Roll of Membership, 484

Molloy, Mr F

Assembly Business
Roll of Membership, 484
Committee Business
Report on Comprehensive Spending Review and Programme for Government; Rates Charges; and Water Reform, 424—6
Report on Workplace 2010 and Public Sector Jobs Location, 391—3
Private Members' Business
Road Safety, 261—2

Molloy, Mr F

(as Chairman of the Subgroup on the Review of Public Administration and Rural Planning), SG29, SG36, SG39, SG41, SG42, SG43, SG44

Morrow, The Lord

Assembly Business
Roll of Membership, 484
Committee Business
Draft Standing Orders for the Northern Ireland Assembly, 507
Points of Order, 15, 18, 199, 231, 377, 381, 421, 447, 507
Private Members' Business
Closure of Post Offices, 231
Equality Commission, 377, 381, 383, 385
North/South Co-Operation, 438—9, 439—40, 444, 447
Police College, 135
Protection for the Elderly, 198, 198—9, 199
Road Safety, 262—4
Rural Schools, 321, 321—2
Secretary of State for Northern Ireland, 15, 18, 22—3, 23, 23—4, 24
Water Charges, 152—3
Welfare Reform Bill, 414, 414—15, 415, 421

Moutray, Mr S

Assembly Business
Roll of Membership, 484
Private Members' Business
Sudan, 341—2

Murphy, Mr C

Assembly Business
Roll of Membership, 484
Committee Business
Draft Ministerial Code, 491—2, 492
Private Members' Business
Road Safety, 257—9
Secretary of State for Northern Ireland, 32—3, 33, 33—4

Neeson, Mr S

Assembly Business
Roll of Membership, 483

Committee Business
Report on the Comprehensive Spending Review
and Programme for
Government; Rates Charges; and Water Reform,
430
Report on Workplace 2010 and Public Sector
Jobs Location, 396
Private Members' Business
Closure of Post Offices, 236
Review of Public Administration, 57, 58
Water Charges, 153, 154

Nesbitt, Mr D

Points of Order, 3, 10, 12, 32, 39
Private Members' Business
Equality Commission, 377—9, 383, 384, 385
Review of Public Administration, 51
Secretary of State for Northern Ireland, 39
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 93, 94—5

Newton, Mr R

Assembly Business
Roll of Membership, 484
Committee Business
Report on Workplace 2010 and Public Sector
Jobs Location, 397—8, SG132, SG141, SG142,
SG146
Private Members' Business
Post Offices, closure of, 241—2
Subgroup on Workplace 2010 and Public Sector
Jobs Location, SG132, SG134, SG135, SG141,
SG142, SG146

Ní Chuilín, Ms C

Assembly Business
Roll of Membership, 484

O'Dowd, Mr J

Assembly Business
Additional Debating Time (Muckamore
Abbey Hospital) and Extra Sitting (Police
Ombudsman's Report), 423
Roll of Membership, 484
Committee Business
Draft Standing Orders for the Northern Ireland
Assembly, 511, 512
Report on the Comprehensive Spending Review
and Programme for Government; Rates
Charges; and Water Reform, 338, 433, SG244,
SG254, SG255
Points of Order, 19, 23, 29, 126, 329, 421, 423, 466,
507
Private Members' Business
Agriculture, 221
Autism, 281
Equality Commission, 382—3
Free Personal Care, 208

Implementation of the Bamford Review, 178—9
Muckamore Abbey Hospital, 462—3
Protection for the Elderly, 196
Review of Public Administration, 84—5
Secretary of State for Northern Ireland, 43
Social Disadvantage and Educational
Attainment, 337—9
Welfare Reform Bill, 405—7, 420—1, 421
Subgroup on the Comprehensive Spending Review
and Programme for Government; Rates Charges;
and Water Reform, SG238, SG243—4, SG249,
SG254, SG255, SG262

O'Dowd, Mr J

(as Chairman of the Subgroup on Economic Issues)
SG99, SG100, SG102, SG103, SG105, SG106,
SG107, SG109, SG111, SG112, SG115, SG119

O'Loan, Mr D

Assembly Business
Roll of Membership, 484

O'Neill, Mrs M

Assembly Business
Roll of Membership, 484

O'Rawe, Mrs P

Committee Business
Report on Workplace 2010 and Public Sector
Jobs Location, 402—3
Private Members' Business
Bain Report, the, 366—7
Protection for the Elderly, 185—6
Review of Public Administration, 72
Subgroup on Workplace 2010 and Public Sector
Jobs Location, SG131, SG146

O'Reilly, Mr T

Private Members' Business
Review of Public Administration, 74—5

O'Reilly, Mr T

(as Chairperson of the Subgroup on Economic
Issues) SG285, SG286, SG289, SG292, SG293,
SG294, SG297, SG298, SG299

Paisley, Rev Dr I

Assembly Business
Additional Debating Time (Muckamore Abbey
Hospital), 355
Extra Sitting (Police Ombudsman's Report), 355
Roll of Membership, 484
Security Review, 423, 487
Committee Business
Draft Ministerial Code, 492, 496, 496—7, 505
Indication of Intention to Nominate First Minister
and Deputy First Minister, 2, 10
Points of order, 10, 13, 15, 147, 183, 211, 285, 355,

380, 381, 423, 483, 485, 487, 496, 496—7
Private Members' Business
Equality Commission, 379, 380, 381, 383, 384
Muckamore Abbey Hospital, 454
Secretary of State for Northern Ireland, 13, 15,
18, 19, 25

Paisley Jnr, Mr I

Assembly Business
Additional Debating Time (Muckamore
Abbey Hospital) and Extra Sitting (Police
Ombudsman's Report), 423
Roll of Membership, 484
Security Review, 423
Committee Business
Draft Ministerial Code, 496
Points of Order, 13, 92, 423, SG271
Private Members' Business
Agriculture, 222—4
Police College, 144, 145—6
Protection for the Elderly, 183—4
Secretary of State for Northern Ireland, 13,
37—9
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 92
Subgroup on Policing and Justice, SG268, SG269,
SG270, SG271, SG272, SG273, SG278, SG279,
SG284

Poots, Mr E

Assembly Business
Roll of Membership, 487
Committee Business
Draft Standing Orders for the Northern Ireland
Assembly, 506—7, 512, 513
Report on Workplace 2010 and Public Sector
Jobs Location, 403—5
Point of Order, 142
Private Members' Business
Affordable Housing, 288, 289
Agriculture, 228—9
Police College, 142
Review of Public Administration, 80, 85
Road Safety, 251—2
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 96, 105,
Subgroup on the Review of Public Administration
and Rural Planning, SG35, SG42, SG43, SG48,
SG49, SG54, SG55

Poots, Mr E

(as Chairperson of the Subgroup on Workplace 2010
and Public Sector Jobs Location) SG131, SG132,
SG133, SG134, SG135, SG138, SG140, SG146,
SG147

Purvis, Ms D

Assembly Business

Roll of Membership, 424, 484
Committee Business
Report on the Comprehensive Spending Review
and Programme for Government; Rates
Charges; and Water Reform, 433

Ramsey, Mr P

Assembly Business
Roll of Membership, 484
Private Members' Business
Autism, 279—80
Implementation of the Bamford Review, 173—4
Road Safety, 264
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 100—2
Welfare Reform Bill, 408, 409, 411, 414

Ramsey, Ms S

Assembly Business
Roll of Membership, 484
Private Member's Business
Affordable Housing, 294—5
Free Personal Care, 203—4
Implementation of the Bamford Review, 171—3
Muckamore Abbey Hospital, 456—7, 460

Ramsey, Ms S

(as Chairperson of the Subgroup to Consider
Schools Admission Policy) SG149, SG151,
SG152, SG153, SG154, SG155, SG156, SG157,
SG158, SG159, SG161, SG162, SG163, SG166,
SG167, SG168, SG170, SG171, SG173, SG174,
SG176, SG177, SG178

Ritchie, Ms M

Assembly Business
Roll of Membership, 484
Committee Business
Draft Ministerial Code, 495—6, 497
Report on the Comprehensive Spending Review
and Programme for Government; Rates
Charges; and Water Reform, 429—30
Report on Workplace 2010 and Public Sector
Jobs Location, 400—1
Private Members' Business
Fire and Rescue Service Draft Integrated Risk
Management Plan, 119, 119—20
North/South Co-Operation, 444, 451—2,
452—3, 453
Protection for the Elderly, 187—8
Review of Public Administration, 63—5
Road Safety, 259—60
Secretary of State for Northern Ireland, 44—5,
45
Sudan, 349—50
Tie-up Aid, 475—7
Water Charges, 159—60, 160
Subgroup on Economic Issues, SG101, SG102,

SG105
Subgroup on the Comprehensive Spending Review
and Programme for Government; Rates Charges;
and Water Reform, SG60, SG61, SG65, SG66,
SG70, SG74, SG77, SG84, SG88, SG89, SG98,
SG201, SG207, SG209, SG210, SG211, SG213,
SG217, SG218, SG227—8, SG228, SG237,
SG239, SG241—2, SG248, SG249, SG255,
SG256, SG261, SG262

Robinson, Mr G

Assembly Business
Roll of Membership, 484
Private Members' Business
Police College, 139
Rural Schools, 312—3

Robinson, Mrs I

Assembly Business
Roll of Membership, 484
Private Members' Business
Autism, 269
Closure of Post Offices, 232
Fire and Rescue Service Draft Integrated Risk
Management Plan, 113
Implementation of the Bamford Review, 168,
176
Muckamore Abbey Hospital, 464—5
Road Safety, 252, 256

Robinson, Mr K

Assembly Business
Roll of Membership, 485
Point of Order, 24
Private Members' Business
Bain Report, the, 364, 365, 366—7, 367
Introduction of the Offence of Corporate
Manslaughter, 130—2
Review of Public Administration, 73, 73—4
Rural Schools, 312—3
Secretary of State for Northern Ireland, 24
Social Disadvantage and Educational
Attainment, 330—2

Robinson, Mr P

Assembly Business
Roll of Membership, 484
Committee Business
Draft Ministerial Code, 489, 490—1, 494, 496,
499, 499—500, 501—2, 503
Report on the Comprehensive Spending Review
and Programme for Government; Rates
Charges; and Water Reform, 431—2
Points of Order, 13, 15, 93, 147, 489
Private Members' Business
Secretary of State for Northern Ireland, 13, 48
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 93

Subgroup on Economic Issues, SG2, SG4, SG5,
SG6, SG7, SG10, SG11, SG12, SG13, SG14,
SG113, SG116—7
Subgroup on Policing and Justice, SG123

Ruane, Ms C

Assembly Business
Roll of Membership, 484
Private Members' Business
Autism, 275—6
Agriculture, 214—5, 215—6
Equality Commission, 379, 379—80, 380, 381,
384
North/South Co-Operation, 441, 443
Secretary of State for Northern Ireland, 35,
35—6, 36—7
Sudan, 343—4
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 91—2,
92, 92—3, 93,
Subgroup to Consider Schools Admission Policy,
SG19, SG22—3, SG23,
SG27, SG175, SG177, SG190, SG191, SG193,
SG197

Savage, Mr G

Assembly Business
Roll of Membership, 485

Shannon, Mr J

Assembly Business
Roll of Membership, 484
Committee Business
Report on the Comprehensive Spending Review
and Programme for Government; Rates
Charges; and Water Reform, 426—8
Private Members' Business
Affordable Housing, 301—3
Agriculture, 223
Autism, 279
Bain Report, the, 369—70
Closure of Post Offices, 238—9
Equality Commission, 387
Fire and Rescue Service Draft Integrated Risk
Management Plan, 115—6
Implementation of the Bamford Review, 175,
175—6, 176—7
North/South Co-Operation, 439
Police College, 141—2
Protection for the Elderly, 198
Review of Public Administration, 79—80
Sudan, 347—8
The Equality Act (Sexual Orientation)
Regulations (Northern Ireland) 2006, 97—8, 99
Tie-up Aid, 473—4, 477
Water Charges, 155—6
Welfare Reform Bill, 415, 417—8
Subgroup on the Comprehensive Spending Review

and Programme for Government; Rates Charges;
and Water Reform, SG61, SG62, SG63, SG66,
SG67, SG71, SG72, SG78, SG79, SG84, SG210,
SG211, SG212, SG213, SG221, SG223, SG224,
SG225, SG226, SG229, SG242, SG244, SG250,
SG251, SG254, SG256, SG257, SG258

Simpson, Mr D

Assembly Business
Roll of Membership, 484
Private Members' Business
Affordable Housing, 289, 291—2, 292
Agriculture, 221

Speaker (Bell, Mrs E)

1, 2, 3, 4, 9, 10, 11, 12, 13, 15, 17, 17—18, 18, 19,
20, 21, 22, 23, 24, 28, 29, 31, 32, 35, 36, 45, 46, 49,
53, 54, 58, 61, 62, 72, 77, 84, 85, 89, 91, 92, 93,
96, 100, 102, 105, 107, 108, 123, 125, 126, 144,
145, 147, 148, 150, 163, 165, 183, 198, 199, 211,
231, 249, 250, 266, 285, 306, 310, 321, 323, 329,
340, 355, 356, 365, 369, 375, 388, 389, 391, 405,
413, 423, 423—4, 424, 447, 466, 481, 483, 485,
487, 488, 489, 492, 493, 494, 495, 497, 501, 504,
505, 506, 507, 508, 509, 509—10, 510, 513, 514

Spratt, Mr J

Assembly Business
Roll of Membership, 484

Stanton, Ms K

Point of Order, 49
Private Members' Business
Equality Commission, 382
Review of Public Administration, 49
Water Charges, 156—7
Welfare Reform Bill, 412—3, 413
Subgroup on the Comprehensive Spending Review
and Programme for
Government; Rates Charges; and Water Reform,
SG60, SG64, SG73, SG83, SG93, SG94, SG214,
SG230, SG253, SG256
Subgroup on Policing and Justice, SG269

Storey, Mr M

Assembly Business
Roll of Membership, 484
Committee Business
Draft Standing Orders for the Northern Ireland
Assembly, 507, 509, 511
Points of Order, 53, 60
Private Members' Business
Affordable Housing, 296—7
Agriculture, 223
Autism, 270—1
Equality Commission, 379, 386, 387
Fire and Rescue Service Draft Integrated Risk
Management Plan, 108—9, 111, 121
Introduction of the Offence of Corporate

Manslaughter, 126—7
Review of Public Administration, 53, 60, 66, 67
Social Disadvantage and Educational
Attainment, 325

Subgroup on Economic Issues, SG100, SG101,
SG105, SG107

Subgroup on the Review of Public Administration
and Rural Planning, SG53

Trimble, The Lord

Private Members' Business
Water Charges, 148—9

Weir, Mr P

Assembly Business
Roll of Membership, 484
Tributes to Madam Speaker; Bound Volumes of
Hansard; and Standing Orders, 481
Committee Business
Draft Ministerial Code, 489, 493
Draft Standing Orders for the Northern Ireland
Assembly, 510, 512
Report on the Comprehensive Spending Review
and Programme for Government; Rates
Charges; and Water Reform, 431, 432—3
Report on Workplace 2010 and Public Sector
Jobs Location, 397, 398, 399
Points of Order, 13, 17, 35, 49, 61, 481, 489
Private Members' Business
Bain Report, the, 370, 371—2
Closure of Post Offices, 246—8
Fire and Rescue Service Draft Integrated Risk
Management Plan, 114, 120—2, 122
Liquor Licences, 468, 471
Police College, 136
Review of Public Administration, 49, 54—6, 61,
64, 70, 85
Secretary of State for Northern Ireland, 17, 35,
41, 41—2, 42
Social Disadvantage and Educational
Attainment, 339
Subgroup on the Comprehensive Spending Review
and Programme for Government; Rates Charges;
and Water Reform, SG202, SG203, SG208, SG
211, SG213, SG219, SG220, SG222, SG223,
SG236, SG237, SG247, SG248, SG260, SG261
Subgroup on the Review of Public Administration
and Rural Planning, SG32—3, SG33, SG34, SG39

Wells, Mr J

Assembly Business
Roll of Membership, 484
Tributes to Madam Speaker; Bound Volumes of
Hansard; and Standing Orders, 481
Committee Business
Draft Ministerial Code, 488, 505
Private Members' Business
Tie-up Aid, 478, 479—80

Wells, Mr J

(as Deputy Speaker), 66, 67, 68, 132, 133, 134, 137, 189, 190, 191, 238, 240, 292, 295, 297, 360, 361, 363, 405, 415, 416, 416—7, 417, 421, 433, 436, 437, 512, 513

Wells, Mr J

(as Chairman of the Subgroup on Economic Issues), SG1, SG4, SG5, SG6, SG6—7, SG8, SG9, SG10, SG11, SG12, SG13, SG14, SG15, SG16

Wells, Mr J

(as Chairman of the Subgroup to Consider the Schools Admission Policy), SG17, SG18, SG19, SG22, SG25, SG26, SG27, SG28

Wilson, Mr B

Assembly Business
Roll of Membership, 484

Wilson, Mr J

Assembly Business
Roll of Membership, 484

Private Members' Business

Review of Public Administration, 56, 56—7
Subgroup on the Review of Public Administration and Rural Planning, SG34, SG36, SG41, SG42, SG43, SG51, SG56, SG57

Wilson, Mr S**Assembly Business**

Roll of Membership, 484

Private Members' Business

Affordable Housing, 301, 304, 308—9

Bain Report, the, 359—60, 362, 363, 365, 374

Implementation of the Bamford Review, 164, 165

Rural Schools, 317—8, 321

Welfare Reform Bill, 406, 407, 409, 411, 412, 414, 415

Subgroup to Consider Schools Admission Policy, SG151, SG153, SG154, SG155, SG158, SG164, SG167, SG172, SG173, SG176, SG177, SG180, SG181, SG182, SG184, SG185, SG186, SG187, SG188, SG189, SG196, SG196—7