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Contents

Assembly Business	1
Extension of Sitting.....	1
Ministerial Statements	
Agriculture: European Commission Financial Corrections.....	1
Prison Service: Outline Estate Strategy.....	10
Rates: Support for Business.....	18
Public Service Pensions.....	24
Oral Answers to Questions	
Finance and Personnel.....	29
Health, Social Services and Public Safety.....	34
Question for Urgent Oral Answer	
Health, Social Services and Public Safety: Altnagelvin Area Hospital: Fire.....	41
Ministerial Statement	
Public Service Pensions (<i>Continued</i>).....	45
Committee Business	
Education Bill: Extension of Committee Stage.....	47
Small Business Research Initiative.....	48
Bovine Tuberculosis.....	59

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Northern Ireland Assembly

Monday 26 November 2012

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

Members observed two minutes' silence.

Assembly Business

Mr Flanagan: On a point of order, Mr Speaker. Go raibh maith agat, a Cheann Comhairle. At the weekend, we had the DUP party conference, and the Minister of Enterprise, Trade and Investment took the opportunity to announce a review in —

Mr Speaker: Order. That is not a point of order. I advise the Member to follow it through other channels, rather than through a point of order.

Extension of Sitting

Mr Speaker: I have been given notice by members of the Business Committee of a motion to extend today's sitting beyond 7.00 pm. Under Standing Order 10(3A), the Question on the motion will be put without debate.

Resolved:

That, in accordance with Standing Order 10(3A), the sitting on Monday 26 November be extended to no later than 8.30 pm. — [Mr Swann.]

Ministerial Statements

**Agriculture: European Commission
Financial Corrections**

Mrs O'Neill (The Minister of Agriculture and Rural Development): Go raibh maith agat, a Cheann Comhairle. With your permission, I wish to make a statement to update Members on the work that my Department has carried out to tackle the problem of financial corrections, which are commonly known as disallowance, applied by the European Commission. In doing so, I will provide an update on the levels of disallowance and the degree to which, I think, we are making progress on these issues. I also want to give Members some detail on the changes that are taking place and the implications of those for farmers. In particular, I want to tell Members about the developments with regard to our legal challenge to the Commission and about the issue of new maps to farmers for 2013.

The Department of Agriculture and Rural Development (DARD) is one of over 80 accredited paying agencies in the European Union. Each year, we pay out around €300 million to the agriculture industry under the single farm payment scheme in addition to moneys expended under the rural development programme. We are accountable to the European Commission for that spend. We have to be able to provide an assurance that there are sufficient controls in place to guarantee that accurate and timely payments are made to those who are eligible for the aid.

As Members know, Commission auditors raised concerns that our mapping system was not good enough, the inspections were not good enough and our approach to sanctions and penalties was too lenient. It also took the view that our approach to allowing different farmers to use the same field to support different schemes did not meet the requirements of EU legislation. There were other audit recommendations, but these represent the most significant sources of disallowance. It is

important to note that many other member states face sizeable disallowances, and the position on that has become clearer since I last addressed the Assembly on the matter. The latest Commission announcement on disallowance confirmed that, in total, €215 million will be recovered across a number of member states, including Sweden, Spain, Italy and the South of Ireland. It is clear that, although the Commission raised concerns here, it has also identified shortcomings across many other member states, including some regarding mapping and inspection controls. It is important, therefore, that paying agencies seek to learn from one another in improving our systems, even though the systems operated vary across the member states.

I have an update on the financial corrections imposed so far. When I spoke to the House last November, I outlined the financial corrections that we expected and had accrued. I focused on the area aids corrections, as those constituted the largest sums of disallowance. There has been no significant change to the figures, but some confirmation of figures already proposed has been received. In September this year, the Commission confirmed its position on area aids for the 2007 and 2008 scheme years and entitlements for the 2008 and 2009 scheme years. At that time, I wrote to the Agriculture and Rural Development Committee about the issue. As I said in my statement on 21 November last year, DARD had already accrued £33.18 million to meet the disallowance. For the 2009 scheme year, the Commission has accepted our assessment of the risk to the fund for single farm payments and proposed a disallowance of €17.69 million. We are waiting for the audit to clear all the processes and expect the Commission to confirm that amount in the coming months. Again, the money to cover that has already been accrued.

Of course, the potential for disallowance for other scheme years still exists, and I turn now to the situation for the 2010 and 2011 scheme years. The Commission has written to the Department about the corrective action that we have taken in the 2010 and 2011 years. Given that the Commission has accepted our assessment of the risk to the fund for the single farm payment scheme for 2009, we have undertaken risk assessments for the 2010 and 2011 scheme years. Work on those is under way, and we are confident that they will show that the risk to the fund in those years is reduced. In addition, I expect that the changes we have introduced will enhance the Commission's confidence in our paying agency

controls when considering those years and, indeed, into the future.

Other audits involving smaller sums of money are also outstanding. They relate to cross-compliance, pre-2005 bovine and ovine payments and rural development. They continue to progress through the Commission processes, and we await final proposals from the Commission on all three. Again, those issues and the related provisions have already been discussed.

Ensuring good compliance is an important component of the way forward. I will speak about that shortly. However, we have also challenged Commission decisions, most notably in the case that the Department has taken to the European Court of Justice. There has been a significant development in that matter. The initial challenge regarding the calculation of penalties in the 2006 scheme year has encountered problems around the standing of the Department to take such a case. Members will recall that the Department for Environment, Food and Rural Affairs (DEFRA) was not prepared to take the case at that time. I have now asked DEFRA to take a separate case on the decision in regard to the 2007 and 2008 scheme years. I am pleased to tell the House that I have been successful in persuading the British Government to take that new case. That removes the difficult issue of standing and allows the court to focus on the substantive issues of the case. The case has now been lodged with the European Court. That means that, if the original case is ultimately ruled inadmissible on standing, the second case will still ensure that the issue of the calculation of penalties is challenged. Although that is good news, the outworking of the challenge is likely to take years to work through the legal processes.

In addition to the challenge, I am focused on compliance. I have in place a comprehensive programme of work to address concerns raised by the Commission, and this is already bearing fruit.

In looking at the on-the-spot inspections, my Department has enhanced the training and guidance for our inspectors through the provision of improved guidance and more detailed protocols. The electronic system used to process inspection results has been further refined to deliver a more consistent and repeatable control and facilitate a more accurate flow of information from the claim to the on-the-spot check and through to payment.

With improved management information, managers are better equipped to manage and monitor the flow of inspection cases through the system. Quality assurance measures have been integrated into inspection activities to maintain and improve the accuracy and quality of the process. I recognise that the consequence of the improvements had a knock-on effect on the processing of many 2011 payments and created unacceptable delays in some. However, the enhancements have now enabled us to process more 2012 inspection cases than was the position at the same date in 2011.

In addition, as part of our ongoing work to improve control arrangements, the Department has, this year, introduced remote sensing technology as a method of completing 250 on-the-spot checks. This technology allows inspections to be carried out using satellite imagery. It will also enable us to check claimed parcels remotely and provides a facility to compare the measured area parcel with the area declared on the single application form.

In cases in which it is not possible to fully interpret the agricultural parcel using the satellite image, a rapid field visit will be performed by our inspection staff to inspect those areas of discrepancy. The combination of remote sensing and rapid field visits has the potential to reduce the burden of on-farm inspections on farm businesses in the future. Also, this approach will help to ensure the increased consistency and standardisation of on-the-spot checks, seen as a critical factor by the Commission when applying the scheme rules.

I intend to significantly increase the number of on-the-spot inspections carried out by remote sensing in 2013 because this has the potential to speed up the inspection process and payments in future years. I am reviewing the success of the process as deployed in 2012, in light of which I will make a further announcement in coming months. I am determined that we use modern technology to accelerate payments to farmers at the earliest opportunity.

Another action that we took to address the auditors' concerns was to participate in an extremely demanding legality and regularity audit, as set out in the Commission's guidelines. Under this, the Audit Office undertook an in-depth examination of DARD's procedures and control framework in 2011. That involved repeating a large number of inspections in that year to see whether they were correct.

The Audit Office submitted its report to the Commission by the deadline of 1 September this year. The Commission is considering the report, and, although I am not in a position to announce the outcome of the audit at this stage, I can say that we intend to deploy the encouraging findings in further discussions with the Commission in coming weeks. This development has the potential to lead to a reduced disallowance.

I am confident that, by engaging in this audit, the Department has demonstrated the confidence to put its control system to the test and that this, combined with a further audit of legality and regularity planned for the 2012 scheme year, will provide further assurance to the Commission on the corrective actions that the Department has taken to improve controls.

With your permission, Mr Speaker, I now want to turn to the issue of maps. The Commission was critical of the fact that our mapping system did not identify a maximum eligible area, which is an assessment of the eligible land in a field that can be claimed for single farm payment. A key objective of the mapping project that I have undertaken is to identify this area for each field.

The Department is about to issue maps with revised field boundaries to farmers to support them in the 2013 single application process. The maps will be issued in three batches. Farmers in the south-east will be the first to receive their maps, which should arrive with them in December and January. That will be followed by the north and, finally, the south-west. The order of map production reflects the order in which the data was received from our data partners, Land and Property Services, given the significant work involved in having all the data available, and the desire to see maps provided as early as possible. The new maps will be much more detailed than the previous ones. Boundaries will have been moved to where physical features such as hedges, walls or fences are present. So, for example, if no boundary was visible, fields will have been merged.

Given that the information contained in the maps will also be used to prepopulate the 2013 single application form, it is essential that farmers look at their map early and report necessary changes to avoid potential delays in processing their claim. It is essential that farmers examine the information that we send to them and report any changes necessary, as they and they alone know the current situation on their land.

If farmers come to us late with changes that need to be made, it cannot be guaranteed that they will be included in time on a new map or used to populate their single application form. This, in turn, may delay the processing of their 2013 claim. I cannot stress enough how important it is that farmers follow the guidance that we issue with the maps. As well as the guidance, staff will be available in DARD Direct offices to assist. I know that many farmers find all the information that they receive very bureaucratic, but, if they ignore the advice that we send them and claim more than the maximum eligible area, they could end up with penalties in 2013.

12.15 pm

I am also investing in a new corporate geographical information system that will underpin the maps to ensure that we have a better platform on which to build future maps and to improve the information that we, as a Department, have for decision-making. One of the benefits for farmers of that investment should be better opportunities not just to look at their maps online but, in the future, to make changes to them and to send those changes directly to the Department for verification.

I am aware that many farmers and public representatives have an expectation that DARD's maps will be 100% accurate when they are issued. That is a mistaken expectation. As I said before, that cannot be the case due to the changes that happen daily on land and because photographs may not show up every feature clearly. Maps will be correct only when farmers have checked them against what they know to be the current situation on their farm. Members should be under no illusion about the challenges involved in doing that work, and they should encourage co-operation from their constituents. It is only by working together that DARD and the farming community can make and keep the maps fit for purpose. Farmers who share parts of a single field with other farmers will have a particular problem to resolve, and they will need to contact their local office quickly to work out the best way forward.

One of the Commission's other criticisms was that we allowed dual-use claims; that is, different farmers might use the same field to claim under different schemes. That is most common when one farmer claims a field for a single farm payment and another for less-favoured area compensatory allowances. We have looked at ways to address the Commission's concerns by introducing a new set of controls that would be in keeping with its stance that a legitimate dual-use claim is

technically possible but requires adequate controls. We launched a consultation exercise setting out our preferred approach for managing those dual-use claims in the short term. The consultation closed earlier this month, and, when the responses have been considered fully, I will decide on the best way forward.

Another issue that has arisen is the need to make sure that the controls applied to agrienvironment schemes are also improved. Disallowance was not restricted to the single farm payment but was applied to land-based schemes in the second pillar. It is therefore important that we ensure that the new maps are aligned with the schedules for the agrienvironment schemes. Work will commence on that as soon as the maps are available.

Members will be aware that I have decided not to proceed with a third tranche of the countryside management scheme agreements. In the light of the experience of that scheme, it is important that the Department prepares itself for the early introduction of a new scheme that is attractive to farmers while striking a balance between achieving real environmental outcomes and compliance. It is important for me to add that the Commission will look to see that we have a scheme in place that rewards farmers for being active on the land to achieve real outcomes for the environment.

I am determined to accelerate payment turnaround for farmers, but farmers themselves have a key role to play in that. One important way that I have already mentioned is to take care to claim correctly. Another is to make their single applications online. This year, over 8,000 applications were submitted online, which represents just over 21% of the total received for the 2012 scheme year. That is an increase of over 2,000 from the previous year. That is great progress, and I hope that it will continue because it can speed up payments to farmers overall. This year, because of the introduction of new maps, there may be some challenges for farmers who have to introduce new information to the single application form online to ensure that their claim is correct. However, despite that, I intend over coming years to continue to develop and promote online applications to facilitate more accurate and faster payments. When uptake is sufficient, it will be possible to move to a mandatory arrangement. However, I recognise that that may take time in the context of all the other ongoing changes.

I will announce the payment target for the 2012 single farm payment shortly. I know that many

farmers depend on getting their single farm payment early. In line with previous years, I hope to be able to pay at least 80% of claims in December. It should be noted that there are five times as many inspection cases as there were last year.

I changed our systems to start land eligibility inspections for the 2012 applications four weeks earlier this year than in the 2011 scheme year. That provided a longer window of opportunity to complete inspections before payment processing commences, increasing the potential to make timely payments for inspection cases. However, it is important to manage expectations. The 2012 scheme year should be the final year that we have very large numbers of payments that require recalculation back to 2005. That cumbersome process remains for this year and will inevitably delay some payments. For example, when I sent farmers maps to inform their claims in 2012, the maps contained marked ineligible areas. A proportion of farmers claimed areas that appeared to include some of that ineligible area or claimed fields that had not been claimed for some years. So, it is necessary for us to carry out administrative checks on those to ensure that the Department protects the fund. That means that some non-inspection cases may take longer to process this year. In many cases, farmers wrote to explain why the claim was for more than the eligible area, but they did not in many other cases. These are the cases that are likely to take longest to complete and may run into the early months of 2013 before a payment can be made. That again illustrates the importance of engaging with farmers and making sure that there is a two-way process to ensure that the maps are correct.

That brings me to 2013, and it is important for me to say that 2013 is not going to be an easy year for either DARD or farmers. The new maps that we are issuing will have a significant impact on the 2013 single application process. We anticipate that around 70% of fields will have some change affecting their area. That will mean changes to the area for which the farmer can claim.

Because of the significant number of changes to fields, we will not be able to preprint the 2012 claim information on the single application form, as we usually do, and farmers will need to take great care when completing their 2013 claims to make sure that they get them right. We are actively looking at ways to minimise the impact that that will have on farmers, and we are also reviewing the advice that we give to farmers. I appreciate that sometimes that may be complicated, and I emphasise that, if farmers

do not understand what they need to do, they need to ask for help from my Department, from agents, form fillers or the farming unions. The more accurate claims are when they are submitted, the fewer queries and problems arise, and that in turn should help speed up payment processing. I want to ensure that payment targets in 2013 are at least comparable to those for this year, but I need farmers' help to achieve that.

We have made many improvements to our processes, and they should help to reduce the risk of disallowance in future. However, in the short term, it inevitably means that farmers must be proactive in managing their claims as the regulations require.

I reiterate that, if ever there was a year for farmers to check their maps carefully, this is that year. Farmers and elected representatives should not assume that the maps are correct. There are likely to be many areas where changes can be identified only by the farmer. We need to work in partnership to ensure that the maps, which will form the baseline going forward, are correct and continue to be corrected. Farmers must be proactive and tell us about changes to their fields. In turn, DARD must have a more stable and secure mapping platform to help make the transition from the current scheme to those being developed under CAP reform. Many farmers have already worked with us to that end, and I am confident that, in partnership, we are close to success in tackling the current scale of disallowance that we have had to endure. I am confident that, because we have recognised and addressed the issues together, we will be able to show the Commission that we now have effective systems that are compliant with regulatory requirements.

I know that that was a lengthy statement, Mr Speaker, but it was important to get all the detail out.

Mr Frew (The Chairperson of the Committee for Agriculture and Rural Development): I welcome the Minister's statement and update to the Assembly. I think that we will all agree that it is a wide-ranging statement, and I thank her for it. I welcome the improvements to the Department's processes that she outlined, and I am sure that she will agree that her Department can do much, much more in future.

The Minister mentioned that DEFRA had agreed to take the European auditors' decision on the 2007-08 financial year to the European courts. I understand from previous statements that other countries and paying agencies have

had concerns similar to DARD's regarding the calculation of penalties. Will the Minister outline whether any other country or paying agency has challenged or is in the process of challenging the decision of the auditors in the courts? If so, what are the implications for the standing of the DARD cases?

Mrs O'Neill: Go raibh maith agat, a Cheann Comhairle. As the Member will be aware, when we originally asked DEFRA to take the case, it would not do so. Therefore, I think that it is a positive development that we have been able to convince it to do so. It means that we have a twofold approach to the legal challenge. We are proceeding with the original application, but that is stuck on the issue of standing and whether we, as a devolved area, have the standing to take a case. Even if that fails, we have the second case coming behind it. It is very positive that we will have two cracks at it. If, out of all that, we are able to reduce the amounts by which we have been penalised to date, that is obviously what we are trying to do.

To date, the focus has always been on challenge. At the start of the process, when Europe first notified us of the potential fines, there was a lot of emphasis on challenge. However, we have now become much more focused on improving systems and compliance. There are three fundamental issues: challenge, compliance and communication. Obviously, you have to inform Europe of what you are doing along the way.

I referred to other countries facing disallowance at this time. I can provide the Member with more detail, but certainly other legal challenges are ongoing. We were at the start of the queue to be audited, so we are a bit further down the line than other member states. We were practically one of the first areas to be audited, which is maybe why we are further on. I am happy to provide the Member with more detail on the ins and outs of the other challenges.

Mr McMullan: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for her comprehensive statement. How important is the introduction of the new maps? What impact will the payment process have on farmers in 2013?

Mrs O'Neill: The new maps will obviously help farmers to complete their claim more accurately, but, as I said consistently in the statement, there has to be a partnership approach. I really encourage farmers to proactively walk their fields to make sure that the maps are correct and to talk to DARD about

that. I also really encourage farmers to follow the guidance issued with their application packs. If they ignore the changes, it may cause delays in their payments, and the whole system will be slowed up. So, we really encourage farmers to be proactive and to talk to DARD if they are in any doubt. There is no escaping the need for farmers to walk their fields, take their map with them and make sure that everything that should be on the map is on it and anything that should not be on it is not. There is the potential to speed up the whole process if farmers proactively engage with improving the maps.

Mr Swann: I thank the Minister for her statement. Minister, I think that we are all in agreement that the Department's handling of disallowance and the fines has been a bit of an omnishambles since the very beginning. In your statement — I know that this is the third time this has come to the House before it has actually been presented — you said at point 31:

"Given that the information contained in the maps will also be used to pre-populate the 2013 single application form"

However, at point 45, you tell farmers to be diligent because:

"we will not be able to pre-print"

the forms. Will you clarify the difference between those two points? What is the exact guidance to farmers?

Mrs O'Neill: We will send out a whole new pack to farmers, which will include a new improved map and a table reflecting their fields. We have asked farmers to use that, as opposed to what they normally get, which is an application form with the information that they would seek to correct. This way, farmers will receive a map and a table, and the table can be used to assist them in completing the map. So, the maps will not be completed in the normal way, but that is just for next year until we get everything improved. Once the farmers respond, our maps will not be 100% right — we will never get to 100% — but we should get as close to that as possible. The Commission expects 99.5%, and that is the target we hope to reach.

Mr Byrne: I thank the Minister for her timely statement. However, I am not so sure that its contents are very gratifying or appealing to farmers at the moment, given that about £50 million worth of fines have been indicated. Is the Minister confident that the Department's

senior management are fit and competent to make sure that the situation is rectified and that the Commission's concerns about mapping and wrongful claims on some farm applications can be addressed? What can be done to reassure farmers that they will not be the fall guys in the system?

Mrs O'Neill: It is my role as Minister of Agriculture to represent farmers and protect their interests. That is very much to the fore of everything I am involved in.

Hindsight is a wonderful thing. First, I want to point out that the way Europe conducts its audits makes it difficult, because they come so many years after the fact. It was only in 2009 that DARD was informed of the actual amount that it was to be fined for the 2005-06 scheme year. So the way in which the audits are conducted makes it very difficult.

With hindsight, I think that a lot of focus was put on challenge and not enough on taking action more quickly to make some of the improvements that we are now involved in, such as the maps and the inspection process. Those were the two key issues that Europe highlighted as problem areas. As I say, at the start, a lot of the focus was on challenge. We now have challenge, compliance issues and ongoing communication with Brussels. Those are the three key areas that will be very important to us in the time ahead.

I assure the Member that this is a priority for me. We are actively working towards ending disallowance, and all the measures I outlined today have been welcomed by the Commission.

So, hopefully, we will be in a position to stamp out that disallowance and get into a better position.

12.30 pm

Mr McCarthy: I thank the Minister for her statement. I declare an interest as a recipient of single farm payment. In relation to E-SAF, will the Minister advise the House whether, out of the 8,000 people who completed their application online, any have been returned? The whole idea of online is for a quick payment to the farmers. Have there been any errors, or have a number of them been returned to farmers for further information?

Mrs O'Neill: I do not have that type of detail in terms of the numbers that have been returned, but anything that is submitted online can have a quicker turnaround process. It is very quick if

the farmer receives a map and is able to respond online to the Department. Things can be changed very quickly online on the system. By and large, we want to get to a position where we have a lot more farmers claiming online. I am very pleased that 2,000 more farmers claimed online this year. That in itself is very positive. As the Member will be aware, however, we have issues of large rural areas across the North not having access to broadband, or slow connection.

So, there are a number of issues that we need to challenge. I will not move to make claiming online mandatory at this moment in time because that would not be fair; there would be an equality issue there. I hope that we keep improving and continue to attract more farmers to do it this way, because that will speed up the entire process for not just that individual farmer. More people applying online will speed up the entire process, so we look forward to more of that.

Mr Irwin: I thank the Minister for her statement. She touched on the fact that 80% of single farm payments will be made again in December. I am sure that the Minister realises that that still leaves upwards of 8,000 farmers not receiving their payments in December. Will the Minister inform the House as to the situation with inspections this year, given the desperate situation last year in relation to late inspections? What way is the Department on with the inspection process?

Mrs O'Neill: I assure the Member that the target is 80% in December but, obviously, we always want to exceed our targets. We want to make sure that the largest number of farmers possible will receive their payments. One issue that the Commission identified was the whole area of inspections, and we are constantly working to try to improve that. We have a lot of training for our inspectors. We also this year, I am pleased to be able to say, started our inspections four weeks earlier, which really assists the whole process and speeds things up.

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

As I said in the statement, this year five times more inspection cases will be paid out in December compared with last year. There are improvements; a lot more is still to be done. Ideally, you would love to be in a position where you could pay all farmers in December. We are constantly working our way towards that. I want to exceed the target of 80%. That is just the

target that we set out, but I hope to be able to exceed that. As I said, there is certainly an improvement compared with last year's inspection cases.

Lord Morrow: My question is not dissimilar from what Mr Irwin asked. It is in relation to:

"at least 80% of all claims in December".

Eighty per cent is not that high a target. You seem to be starting from a very low base. Surely, your target should be 95%-plus. Can you give the House any assurance that you will far outstretch the 80% and that it is merely a target that can be easily met?

Mrs O'Neill: We are constantly striving to make sure that we get the maximum amount of farmers paid in December. We have all those issues that I identified and spoke about in the statement. It is about improving the practice and what we are doing in speeding up the inspections. I want to see all inspections being taken forward by remote sensing because that will speed everything up and reduce the amount of time that inspectors have to spend out visiting farms. That is also something that farmers will welcome.

So, we will constantly be striving to make sure that we pay the maximum number of people. Under Commission rules, you cannot pay a penny of single farm payment until all inspection cases are completed. So, the target and priority for me is to make sure that we improve those inspection times, get them done quicker and in the most effective way, and then we pay the maximum number of people as a result of that.

Mr Elliott: I thank the Minister for that comprehensive statement. I also declare an interest as being a recipient of single farm payment. The Minister has indicated that not as much information will be on the single application form this year as in previous years. Will there be any flexibility from the Department if any forms come in with minor mistakes in them? As opposed to imposing a penalty on the farmers, will there be some flexibility to allow them to remedy those mistakes?

Mrs O'Neill: I encourage farmers to check their maps very quickly once they receive them. The longer they leave it, the more difficult it will be and the less likely it is that things can be changed in time for the 2013 payment. The first run of maps will be issued very shortly. We encourage people to check their maps immediately they receive them and then inform

the Department. That will take away the potential for any errors. The sooner that they do that, the better. As I said, I take this opportunity to encourage farmers to check the maps as soon as possible.

Mr McAleer: Minister, I welcome the paragraph in your statement about the rolling out of modern technology for remote sensing. We heard in Committee some of the benefits of that from Wales and other parts of the world. Will the introduction of remote sensing mean that farmers will be able to avail themselves of advance payments?

Mrs O'Neill: As I said, under the EU rules, payments can be made only when all the administrative and land eligibility checks are completed. This year, as I said, field inspections have started earlier. The successful introduction of remote sensing is likely to contribute to a move towards advanced payments in the future. Because of CAP reform uncertainty at the moment and the ongoing work on the controls, it is too soon to say whether that might be possible. However, my first priority is to improve the number of farmers whom we can quickly pay in December. We should absolutely look towards advance payments in the future when we have all the systems correct and proper.

Mr Rogers: I thank the Minister for her statement. Her statement says that the new maps will have a significant impact on the 2013 applications. How much does the new mapping system cost? What extra steps are being put in by DARD to ensure that there is relevant support for farmers to make the whole process as smooth as possible?

Mrs O'Neill: In the Budget, £23.6 million was set aside for the whole remapping process. To date, we have spent just over £16 million of that. That has been a very worthwhile investment in improving the system and giving Europe the confidence that the paying agency is acting without any risk to the fund.

As for ongoing support and advice for farmers, DARD Direct offices have been very successful in reaching people. They do not all have to come to a central location; we have them right across the North. I encourage farmers who have any doubt on any issue, particularly around the new claim process and the new mapping system, to go to DARD Direct offices, seek advice or give us a call.

Mr Kinahan: I thank the Minister for her statement. I declare an interest as a recipient

of single farm payments. Is the Minister happy that dual claims can be managed in the new CAP system? Will she reply to my colleague's query about whether there will be some flexibility in the fining system this year?

Mrs O'Neill: As I informed the Member as part of the original statement, the dual claims process is a difficult one that we need to manage. We went out for consultation; that closed last week. I am looking through that very carefully to find a manageable solution for the way forward that does not present a risk to the fund, because, obviously, that is what Europe is very concerned about. I hope that we will be able to find a way forward. I encourage anybody who is in that situation and is worried about that to speak to an adviser. It is important that we get those issues ironed out as quickly as possible.

We are always very keen to work with farmers. I reiterate the point that we encourage farmers to make sure that they check the maps as soon as they receive them. They should not leave that to the last minute. For us to be able to successfully change things, make the payments more accurately and make them on time, we need to do that work as early as possible. We will continue to work with farmers. Nobody has any interest in trying to make life difficult for our farmers. The Department will always have that attitude.

Mr Allister: Last November, the Minister told us that the running total of penalty at that stage was £80.6 million. Now that she has more information, including for 2009, can she tell us today what the running total of penalty for the Department's mismanagement is?

Mrs O'Neill: The figure has not changed. I told the House about those figures last year, and that same figure of £80.6 million has been accrued to date. That includes 2009. A lot of figures have been floated, but £80.6 million is the confirmed figure, and that takes us up into the 2009 financial year.

Mr Dallat: I also thank the Minister for her statement. I am sure that, despite the comments that were made at the weekend, we would all agree that she is looking absolutely splendid today.

The Minister will agree that it is a long time since maps showed the world as being flat. It is even a long time since Lady Dixon Park was mapped in for a grant. Will she assure us that the money that is being spent on mapping will mean that this is the end of the story?

Mrs O'Neill: That is my priority and target. I am working towards ensuring that our maps are fit for purpose. I very much think that we can get there if we have the partnership approach and farmers work with the Department. We have improved the imagery and the type of aerial photography that we use in the maps, and all those things are improving the situation. We want fit-for-purpose maps for the future that are acceptable to the Commission. That will allow us to avoid potential disallowance.

Mr Clarke: Following on from the mismanagement that my colleague from North Antrim referred to, Minister, there is nearly an admission in the statement that the case your Department took, which was refused by DEFRA, will be lost. Do you believe that your Department was foolhardy in taking that case, and that that was a further mismanagement of funds?

Mrs O'Neill: If the Member is suggesting that we should just sit back, roll over and accept what Europe dictates to us —

Mr Clarke: You have.

Mrs O'Neill: The Member should let me answer the question. To date, we have had a very strong focus on challenging that issue with Europe. You cannot just accept it. We do not think that the fine that Europe has set out is proportionate to the risk to the fund. The Member may think that you should just accept it and do nothing, but I do not think that that is the approach we should take.

We took the case because the British Government, through DEFRA, would not take it on our behalf. We very strongly put our case and believe that we have good grounds to challenge what the Commission has set out. When it comes to standing — that is what the court is looking at at the moment — the problem is whether we, as a devolved Assembly, have the ability to take a case. Are we going to roll over and accept that, unless the British Government decide to take a case for us, we will not bother fighting it?

We need to challenge those decisions. We need to look at compliance and what we can do to improve the systems for our maps and inspections. However, we also have to continue to really strongly put our case that the fines are disproportionate and that they have to be challenged. Although it is a long process, I believe that we may have some success in the future.

Prison Service: Outline Estate Strategy

Mr Ford (The Minister of Justice): With your permission, Mr Principal Deputy Speaker, I wish to make a statement on the prison estate strategy.

The future of our prison estate is a key element of our wider prisons reform programme, through which we plan to deliver greater efficiency and effectiveness and improved public safety through the rehabilitation of prisoners and reductions in reoffending. Reflecting this, the Northern Ireland Prison Service (NIPS) launched a public consultation exercise on an outline estate strategy in June of this year. The outline strategy set out a range of proposals aimed at meeting our requirements in respect of each prisoner population group in order to create a prison estate that would support the rehabilitation of offenders.

The written consultation formally closed on 28 September. Since then, my officials have continued to engage with stakeholders on a range of issues relating to the future of the prison estate. Although some stakeholder engagement continues on a range of issues, I am now in a position to make an interim statement on the Prison Service outline estate strategy.

Throughout the consultation exercise, I have been impressed by the quality of engagement with stakeholders. A number of the issues that have been raised have been valuable and have helped to inform our thinking. I have previously made it clear that the estate strategy cannot be driven by a single issue. Rather, it needs to recognise and respond to the complex challenges presented by the prison population as a whole, as well as the specific elements of detaining and rehabilitating the differing groups within our prison population.

I am pleased to be able to update the House on a number of key decisions in respect of facilities for women, young offenders and adult males. I am confident that these developments will contribute to the rehabilitation of offenders and so to the creation of a safer Northern Ireland.

I am pleased that, as of 1 November, all juvenile offenders requiring custody are being accommodated at Woodlands Juvenile Justice Centre. That is an important development. It ensures that juvenile offenders are being accommodated in the most appropriate environment for them. It also delivers positive benefits for the prison estate and has opened up an opportunity to provide specific tailored

regimes for young offenders at Hydebank Wood.

12.45 pm

The prison review team (PRT) recommended that Hydebank Wood should be reconfigured around learning and skills training. I believe that that represents an opportunity for us to put in place a better and more supportive environment in which to equip young offenders for rehabilitation. Young offenders at Hydebank Wood present a particularly stark portrait of need. More than 50% of the population are below level 1 in numeracy skills; 35% are below level 1 in literacy skills; 30% are dyslexic; and 40% present with ADHD.

We know how important learning, skills and employability are to reducing the risk of young offenders reoffending on release, so we need to address better any issues around poor educational attainment and low skills in this offender group. Therefore, I confirm today our commitment to the reconfiguration of Hydebank Wood as a secure college that will offer a full programme of skills-based activities and support.

As a first step, I have asked my officials, with support from the Department for Employment and Learning, to bring forward a concept development paper on how that can best be achieved. The paper will include consideration of the associated changes that will be needed to the physical environment at Hydebank Wood.

However, the youth justice review and the prison review made clear that more needed to be done to provide effective support in the community as an alternative to, or after, custody. Although it recognised the provision that exists, the PRT suggested that the young offender population offers us an opportunity to work innovatively to provide support as well as appropriate alternatives to custody. My officials, therefore, are continuing to explore what additional support and services might be put in place to manage young offenders, including looking at community disposals and at whether it might be possible and beneficial to roll out an Inspire-style project to young adult offenders. Such a project would deliver a range of specific services in the community, aimed at reducing offending through targeted community-based interventions.

A relatively small number of women in Northern Ireland offend, but the impact on their families can be huge, particularly when a custodial sentence is given. The Department's 2010 strategy to manage women offenders and those

vulnerable to offending behaviour informed the development of the outline estate strategy. This acknowledges the complex challenges presented by the female prison population and emphasises that the prison estate needs to be considered in the wider context of other interventions and alternatives to custody for women offenders. The prison review recommended that the Inspire model should be the norm for dealing with women offenders. I fully endorse that approach, and work is already under way to roll out the Inspire model across Northern Ireland.

However, the review also pointed out that, for some women, secure custody will be the proportionate response, so the prison estate needs to be configured to ensure appropriate provision for that group of female offenders. I have previously made clear my view that the existing arrangements for women who are currently located with young offenders at Hydebank Wood are not appropriate, a view that is supported by stakeholders' responses to the consultation. I am therefore confirming my commitment to the development of a new, separate secure custodial facility for women.

Over the coming months, we will consider options for how that can best be delivered in terms of location, shape and size, although my expectation is that the size of the female offender population requiring secure custody will be smaller than at present. The prison review report envisaged a small custodial facility located within a complex of buildings providing other services that could be accessed by all women offenders, whether in custody, under supervision or subject to court orders. That proposal highlights the need to ensure that work to develop a new secure facility for women prisoners is aligned with, and informed by, that being taken forward elsewhere across the criminal justice system for sentencing, alternatives to custody and effective pathways away from crime.

The outline estate strategy also identified a number of priorities for the development of the adult male estate. Alongside the aim of creating an environment that would encourage positive change by offenders, the strategy recognised that there was a priority need to respond to and address issues of overcrowding at Maghaberry prison. I am pleased to report that a new accommodation block, Quoile House, was opened at Maghaberry last month and is now providing accommodation for 160 prisoners. Good progress is also being made towards the development of a new 240-cell accommodation block at Maghaberry.

The outline estate strategy also set out proposals to zone Maghaberry prison into three areas, reflecting the recommendations of the prison review team. Following consultation, I have decided to proceed with the proposal to reconfigure Maghaberry into three mini-prisons — for remand prisoners, low- to medium-security prisoners and prisoners requiring high security — as suggested by the prison review team. Not only will this create operational efficiencies, it will allow NIPS to deliver better-tailored regimes to specific groups of prisoners in Maghaberry and help to underpin and reinforce work to rehabilitate offenders. On the basis of further consideration of this aspect of the proposals, however, it is no longer my view that Mourne House will be practicable for use as a high-security facility. Instead, my intention is to create a discrete high-security facility within the main prison at Maghaberry, which would include provision both for separated prisoners and prisoners from the integrated population requiring high security. Further thought is now being given to how Mourne House might best be used, including consideration of whether it might be reconfigured as a remand prison.

The prisons review observed that the closure of the prisoner assessment unit in April 2011 left an important gap in custodial provision. If we are to achieve effective rehabilitation and reduce the risk of reoffending, there is a need to manage the difficult transition between prison and community, particularly for prisoners who have received long sentences. In line with the review team's report, I intend to redevelop the prisoner assessment unit located on the Crumlin Road as a working out unit for prisoners approaching the end of their sentence. This will allow prisoners to benefit from being located within the community and able to access employment opportunities, while providing appropriate support and supervision.

Finally, the outline estate strategy proposed, again in line with the prison review recommendations, that Magilligan prison be decommissioned from 2018 and a new prison built in a more central location. The review team rightly observed the challenges of providing prisoners accommodated in Magilligan with adequate employment and rehabilitation opportunities. I also accept the review team's assessment that the prison's remote location poses a significant challenge to maintaining effective family links, which is another key factor in helping to rehabilitate offenders.

I have stressed on a number of occasions that my decision on the future of Magilligan needs to

be based primarily on what is best for the people of Northern Ireland in terms of enhancing public safety through reducing offending. I have also stressed that the consultation on the outline estate strategy was genuine and the question of Magilligan prison was at no point pre-determined.

Although I recognise and have been guided by the importance of the observations made by the prison review team, a number of other factors influenced my thinking. Sue McAllister took up post as director general of NIPS on 3 July and has brought fresh thinking and perspective. Prison Service officials have also continued their further consideration and exploration of the issue.

A number of responses to the consultation challenged earlier assumptions by emphasising Magilligan's existing strengths and suggesting that more could be done to reinforce and build on these strengths. That was also reflected in the encouraging positive approach to partnership working shown by local councils and business representatives in the north-west.

Taking all of those factors into account, I am now of the opinion that a convincing case might be made for the retention of a prison in the north-west on the Magilligan site, and, of course, I would welcome the positive impact that this could have for Magilligan staff and the local economy. I want to stress that further work is needed before a definitive decision can be made, both to ensure that adequate rehabilitation opportunities can be identified and provided and to look creatively at how family links could be better facilitated and sustained to reduce barriers to the effective rehabilitation of prisoners.

I am now inclined towards retaining a prison on the Magilligan site, subject to evidence being provided that issues concerning rehabilitation and family links can be adequately addressed. Over the coming months, I believe that the focus for debate on the future of Magilligan needs to shift from whether it should be decommissioned to actively exploring whether and how we can make it work better to improve the rehabilitation of prisoners. I accept that some of these issues will take time to explore and consider, and I acknowledge that staff and local stakeholders have lived for some time with the impact of uncertainty, but it is important that we take the time to make the right decisions.

As I have previously said, the estate strategy presents us with an opportunity to do things better, to create an effective prison estate that will encourage and promote rehabilitation and

help to reduce reoffending. Reflecting its importance for the strategic reform of our Prison Service, NIPS has appointed a director of estates, which is a new position, to provide leadership and momentum in taking it forward.

The next phase of work is critical, and I am committed to returning to the House in the new year to update Members on my final decisions on the development of the prison estate; the shape of the female estate and how that will interplay with community provision; provision for young offenders; and the adult male estate, including a definitive statement on the future of Magilligan prison.

Mr Givan (The Chairperson of the Committee for Justice): I thank the Minister for his statement. I know that, for many, the headline story will be that Magilligan is to be retained. I think that we will need a definitive, final confirmation that that is the case, because for many years there has been uncertainty about Magilligan. At last, that will now hopefully be resolved. I commend my party colleagues who campaigned tirelessly for this in the north-west.

I will turn to some of the other areas. Will the Minister outline the capital resources that will be needed to make all the changes to the prison estate a reality? With the creation of three mini-prisons at Maghaberry to deal with remand, low-security and high-security prisoners, will the Minister assure the House that any changes to the high-security regime will not create a Maze-style prison, that prisoners in the separated regime will be treated exactly the same as other high-risk prisoners in the new high-security facility at Maghaberry and that no political status will be given to those republican prisoners?

Finally, will he assure us that appropriate governance arrangements will be in place for the prisoner assessment unit (PAU) so that we do not have a repeat of what happened previously?

Mr Ford: It is always good to be able to welcome a positive contribution and welcome for a statement from the Chair of my Committee. I agree with him that it was stressed that this was an interim statement and that there needs to be a definitive, final statement, particularly on the future of Magilligan.

He commended his party colleagues for their campaign on Magilligan, so I also commend those who have looked at the practical ways in which local councils and businesses in the

north-west could support the rehabilitation process in Magilligan and justify its retention. To me, that is the key point that still needs to be worked through.

I cannot give any specific answer on capital resources because, clearly, a number of different factors are still being considered. Obviously, however, as we move forward to more definitive proposals for the different aspects of the statement that I made today, it will be possible to identify the necessary capital resources.

Given his speech to his party conference, I am not sure whether the Chairperson of the Committee really wants or will accept it, but I assure him that there is no movement towards the Maze, that prisons will continue to be run in line with best practice and that we are not talking about going back 30 or 40 years to conditions that existed in the Maze and in the management of separated prisoners in particular. Appropriate governance mechanisms will be in place for the PAU as, indeed, they will be for all the other institutions as we look to the future.

Mr McCartney: Go raibh maith agat, a Phríomh-LeasCheann Comhairle, agus cuirim fáilte roimh an ráiteas seo. Thank you very much, a Phríomh-LeasCheann Comhairle, and I thank the Minister for his statement. Indeed, I will give a broad welcome to that statement.

In particular, a lot of the decisions seem to have been guided by Anne Owers's prison review team, which is to be welcomed. As we take this forward, I look forward to more detailed briefings being given to the Committee for Justice, where some of the issues can be teased out. Will he reassure us that whatever is done with the prison estate will be very much part of the wider, much-needed prison reform package?

Mr Ford: Again, I thank the Deputy Chair of the Committee for joining with the welcome that the Chair gave. He is absolutely right to say that the proposals that I put forward today have been very much guided by what Anne Owers and her team did on the prison review work. However, I have not slavishly followed them because, as I stressed earlier, certain issues have been re-examined.

I can give a commitment that, as we develop the detail of these proposals, if necessary, I and officials will be at the Committee to discuss them with members and to seek their opinions as we move forward. The Member correctly identified that there is a wider reform agenda. I

think that it is fair to say that the estate strategy is about ensuring that we provide the services that rehabilitate people rather than being about the buildings in which they are provided.

Mr Elliott: I thank the Minister for his interim statement. I want to return to the issue of the Magilligan site. He indicated that a convincing case might be made for the retention of a prison in the north-west on that site.

Can the Minister elaborate on that, even in this interim period? Will that mean a newbuild on that site or a reconfiguration of the current prison structure?

1.00 pm

Mr Ford: I thank Mr Elliott for that level of support. The only thing that I can say, as an interim statement, is that it is clear that, if Magilligan is to be retained, some of the accommodation will need to be replaced. The elderly H-blocks and some of the other buildings are not fit for purpose. On the other hand, the likes of Halward House, which is a relatively modern building, are fit for purpose. There will be an issue of rebuilding elements. Part of the question that may have to be taken into account is how much some of the supportive buildings — workshops, for example — need to be replaced with modern buildings at a time when we face capital spend issues related to young offenders, women and the needs of Maghaberry. It will be a difficult act for the Prison Service to live within its budget. There will certainly be a lesser capital requirement if we are to retain a prison at Magilligan than there would be if the entire prison were to be rebuilt elsewhere. It will be a considerable requirement nonetheless.

Mr Dallat: I also thank the Minister for his statement and join the chorus of welcomes for the apparent retention of Magilligan prison. Does he agree with me that, at the end of the day, it is the inmates there who really matter? What immediate steps will the Minister take to ensure that the excellent educational work being done there is not only continued but stepped up in the interests of addressing the defects that he identified in literacy, numeracy, basic skills and so on?

Mr Ford: I also thank Mr Dallat for his welcome. The problems with literacy and numeracy relate more to young offenders in Hydebank Wood than to adults in Magilligan. There is no doubt from the recent inspection report from both CJINI and HMIP that Magilligan does good work despite the facilities. The important thing

is that we continue to encourage that good work in all the prison institutions and do our best to improve the facilities to provide even better opportunities for the good work being done by staff.

Mr Dickson: I thank the Minister for his statement. This has clearly been a genuine consultation process. I recently visited Magilligan prison and was impressed by the rehabilitation work being done both internally and externally. Can the Minister tell us that that work will continue to be supported and further enhanced by Prison Service staff? How will today's statement impact on the management of women prisoners?

Mr Ford: I thank my colleague for his welcome. A lot of good work is clearly being done on education, skills and job training in all the institutions. However, there is significantly more work to be done if we are to get the best rehabilitation opportunities for our prisoners.

It seems clear to me that Ash House on the Hydebank Wood site is not suitable for the accommodation of women prisoners among young offenders and that there is a general recognition that, in this society, too many women are in custody who do not require to be in custody, who should be dealt with by a community method and who, in many cases, have serious health issues, including mental health issues.

As has been said, the Inspire project and the community work that it does, both as a follow-up for those who have been in custody and as an alternative to putting people into custody, is an example of good, direct engagement with women offenders who need to be managed in a different way from male offenders. The Inspire project has shown its success by the very low recidivism rate and the constructive engagement of a range of NGOs, probation and others in the work being done at the project in central Belfast, building on the work being done at Ash House. I believe that it is possible for that work to be done in dedicated facilities — somewhere other than within the Hydebank Wood YOC boundary — in a way that improves opportunities for rehabilitation. Those of us who wish to see addressed our concerns about women in custody and the effects that that has on family life will surely welcome that.

Mr Wells: Like other Members, I strongly welcome the decision to retain Magilligan. I was in east Londonderry recently, and the very clear message that I got was that there would

be blood on the ceiling if anything happened to Magilligan.

I welcome the potential new construction project, which will give much-needed employment to builders in the area. Will there be the same level of employment in the new facility? One of the main reasons for the opposition to possible closure was the devastating impact that would have on the economy of the area. Will the newbuild have the same economic impact when it comes to employment?

Mr Ford: It is too early to say anything about expectations of the precise economic effects. Different figures have been given for the economic effects of closure. The opportunities for construction work should not be underestimated at this stage. There will be a significant benefit if we do any construction, as there could be from the construction work being done at Maghaberry and if we do some of the things we could do at Hydebank Wood.

Some of the points made about the economic effect were somewhat exaggerated. I am not sure that as much of the household spend of the staff at Magilligan took place in Limavady as was sometimes claimed by supporters of the prison. However, the important thing is to see the way in which local businesses and local statutory and voluntary bodies engage with the work at the prison to aid and support rehabilitation. That will have a continuing positive effect on the economy of the Limavady and Coleraine area, if the prison is to be retained.

Ms McCorley: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a ráiteas. I thank the Minister for his statement. The news about the new women's facility is welcome. Is there a timeline for it?

Mr Ford: I thank Ms McCorley for her welcome, but I am afraid that, at this stage in an interim statement, I cannot give any timeline. The only time indication I have given is the intention to return early in the new year with a definitive statement. There are issues around running a number of different projects together and around the total capital requirement, but Ash House in Hydebank Wood is not the proper place for women prisoners to be, and a new facility has to be regarded as a priority. With due respect to those who represent East Londonderry or East Derry, depending on the side of the House I hear from, it is a little bit sad that so much of the discussion on the estate

strategy has concentrated on Magilligan rather than on the vital issue of how we manage women offenders better.

Mr G Robinson: As someone who has campaigned vigorously with my DUP colleagues, I welcome the Minister's statement and emphasise how important the retention of Magilligan is, considering that it employs 400 to 500 people and provides millions of pounds to the north-west economy. Would follow-up meetings with Limavady, Coleraine and Ballymoney councils that included business representatives be useful? Every avenue could be explored, so that the retention of Magilligan prison, including the rebuild, which would benefit the construction industry, could be given the utmost priority.

Mr Ford: Again, I thank the Member for the welcome. My understanding is that there are discussions ongoing between council and business representatives. Those discussions could include Derry City Council as well as the three that I met: Limavady, Coleraine and Ballymoney. Those discussions with local councils and local businesses are a vital part of assessing the role that Magilligan can perform.

Mr Allister: I note that it has been a weekend of movement of positions by some Alliance Party elected representatives. Although the direction of travel of one Alliance councillor may be a little dubious, I welcome the direction of travel of the Minister with respect to his move to retain Magilligan. I encourage him to keep going in that direction and commend the Prison Officers' Association, the local councils and others who campaigned so vigorously towards that end.

In the retention of Magilligan, can prison officers be assured that that which was removed from them, namely the officers' messes, will be restored so that they might have the facilities that they expect and should have in Magilligan prison?

Mr Ford: The discussion on the precise provision of messes is being considered by management, and I do not think that there is a benefit in going into any great detail.

I am slightly surprised that Mr Allister, in an uncharacteristically generous welcome for decisions, praised the councillors from the north-west and the POA but failed to include Department of Justice officials, who have been looking at the real detail and the real issues of how the prison estate can best be used to rehabilitate prisoners. It was a matter not

simply of those who gathered signatures on a petition but of real, detailed work being done by my officials. If Mr Allister is not prepared to praise them, I would like to.

Lord Morrow: I am sure that it is not lost on the Minister that, when he makes good and right decisions, the House unites around him. I am sure that he will set out to do that more often.

In relation to the future of Hydebank, the Minister said that there were very few women in prison and that it was his intention to provide new facilities, as he did not see custody as the way forward. He must have a very small unit in his mind. Can he give us some indication about when he sees that happening? Surely it can happen quite quickly.

Mr Ford: I assure Lord Morrow that I always do my best to ensure that I take the right decisions, but other people may not agree with me all the time.

On the specific issue of women prisoners, I highlighted the potential for developing an Inspire model, as I described it, to look at the issue of the small number of women who require to be in custody and the larger number who require a variety of services being managed in a new facility. In that sense, it is a matter not simply of talking about a small number of women in custody but of seeing how we best provide for the rehabilitation of women offenders. I cannot outline that immediately this morning, but it is under active consideration by my Department.

Mr Easton: I thank the Minister for his statement on the estate strategy, especially the part about Magilligan, which is welcome news. I notice that the Minister did not mention Lisnevin in Millisle. Can he give us an update on that? Will the estate strategy lead to more jobs, or will there be job losses as a result?

Mr Ford: The estate strategy is not about jobs but about providing rehabilitation facilities. The issue of jobs and the changing configuration is being considered elsewhere. I was slightly surprised that Mr Easton chose to welcome the news that Magilligan was being kept, given that most of the correspondence that I have received from him in recent time has been demanding that we do not put any prisoners in Millisle. The plans for the college are quite clear. When the new integrated public services college goes ahead at Desertcreat, the Prison Service college will move as part of that, along with colleges from fire and police, and the site will then be surplus to requirements.

Mr Lynch: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as an ráiteas sin. I welcome the Minister's statement, particularly the part about developing Hydebank Wood as a secure college. Does he have a time frame for that to be up and running?

Mr Ford: It is a little bit disappointing that I have to rise on every occasion and thank the Member for asking the question but point out that, as this is merely an interim statement, I cannot give Members the timetables, details of cost or whatever they require. The best comment that I can make is that the issues will be discussed with the Committee as they develop, and I will be back to the House as early as possible in the new year with a detailed statement on that.

Mr Lyttle: I thank the Minister for his statement and welcome how he is driving forward prison reform, particularly in relation to young people and women. How important is skills training to rehabilitating young offenders, and how will he work with other Departments and community-based organisations to deliver improved outcomes on the issue?

1.15 pm

Mr Ford: The issue of skills training, both education and skills more directly related to work, is a vital part of rehabilitating prisoners, particularly young offenders. I gave the statistics on the low level of educational attainment that so many of the residents of Hydebank Wood have, and it is clear that people who have such low levels of attainment will have significant difficulty finding jobs outside. That is why I am pleased that my officials are already engaging with those from DEL on developing the concept of a secure college. Indeed, a couple of weeks ago, I had a very positive meeting with representatives from Business in the Community, who were looking at the contribution that businesses could make to the rehabilitation of offenders. There was an inspiring visitor, James Timpson, the chief executive of Timpson, which does shoe bars, key cutting and so on in a number of places in different parts of the country. I believe that around 10% of the employees of Timpson are recruited directly from prisons. It has four units in prisons providing opportunities for people to develop work and skills that may lead to employment with Timpson or with someone else afterwards. It is a vital part of the work that needs to be done. I certainly appreciate the contribution being made by DEL, but, as I have been saying in the context of Magilligan as well

as Hydebank Wood, the additional contribution that can be made by other stakeholders, including businesses and local councils, will be vital to the joined-up approach that my Department is keen to see.

Mr Campbell: I join others in welcoming the Minister's statement. I remember that, five years ago, there were those who said to me that I could write the obituary column for Magilligan prison. They were wrong then, and the defeatists who, in the past few months, said that the prison would be lost, thankfully, seem to have been proven wrong now. We welcome the statement, and, thankfully, it is the right statement. The Minister gets criticised when he makes the wrongs ones, correctly, and he gets commended when he makes the right one. We commend him today. Can the Minister ensure that, when he comes back to the House in the new year, he will outline precisely the scale of the rebuild and the rehabilitation requirements that will be needed to make the new prison a success and, most important, the timeline to put to bed once and for all any notion that Magilligan prison will close?

Mr Ford: At least Mr Campbell was listening when I said that I could not give the detail today. It is certainly my hope that, by early in the new year, I will at least be able to give an outline of the points that he has raised. He is sitting beside the Finance Minister, and I am not sure whether I could necessarily give a firm commitment to spending even by January or February. I repeat the point that a large part of ensuring that we overcame the concept of what he described as defeatism about closure at Magilligan is that people brought forward serious and realistic suggestions on how the site, which is not necessarily in the ideal place, could be used to best effect rehabilitation, whether for those who live in the north-west or for those who have particular skills that may be used in a particular way if we develop the learning and skills agenda for Magilligan. A lot of work is still to be done, but I have no doubt from the remarks that he and others from the north-west have made that we will get such a positive community response that it will be easy to justify retention.

Mr Ó hOisín: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a ráiteas. I welcome the Minister's statement, which has removed a degree of the uncertainty around Magilligan. Indeed, it was that uncertainty that prompted many in the East Derry constituency to fear that we might have on our hands another Seagate or, indeed, Shackleton, until the recent

announcement by the Minister of Agriculture and Rural Development. In the Minister's statement, he admitted that challenges exist. Can he expand on how family links could be better facilitated, given that this was central to the thoughts on whether or not Magilligan should be relocated?

Mr Ford: I appreciate the serious point that Mr Ó hOisín makes about family links. I do not think that anyone would seriously suggest that Magilligan Point is the best place in Northern Ireland for the bulk of the population to visit. That issue was raised by a number of commentators, and, indeed, Mr Campbell made the point at a public meeting in Limavady that there were prisoners who come from, however you define it, the north-west for whom Magilligan is as accessible as Maghaberry is. There are, indeed, prisoners who do not necessarily require family contact, and that may well mean that there will be opportunities for them at Magilligan. The issue is to see whether it is possible to get the necessary opportunities for rehabilitation for the prisoners who require it, using the facilities that exist in the community and business in that north-west area and to see how that can ensure that we promote rehabilitation in a way that, it was originally suggested, could best be done by locating all our facilities closer to the larger element of population but recognising that Northern Ireland does not stop as you pass Sprucefield. There are people who need to be accommodated in every part of the region.

Mr Storey: I join the chorus of Members who welcome the positive nature of the statement in relation to the Magilligan site, albeit that some Members come late to the issue. On the day that we went to the prison and met prison officers, one party was absent, namely the party opposite. Sinn Féin decided that it was not worthwhile to go. Maybe its members had a particular issue about Her Majesty's prison.

Given the fact that we have this positive statement, huge emphasis has been placed on prisoners and their rehabilitation and education. Will the Minister give an assurance that the prison officers, who have been at the front line — I say this in the context of recent events and the murder of a prison officer — will be provided for in terms of their security in travelling to the prison and the way in which they are treated when they are working in it? That regime must change drastically, particularly with regard to Magilligan.

Mr Ford: I thank Mr Storey for those comments. I am not sure that we need to say

that prison officers need to be treated particularly well with regard to Magilligan. I made statements over the last couple of weeks about the work being done to ensure that the security of prison officers was provided for, and I entirely agree with Mr Storey on the vital necessity of that.

I also recognise that there are difficult issues around the way in which prison officers work. Those have been addressed constructively by the management of the Prison Service and the POA and have been seen in changes in the operating model. Clearly, much work has been done, and much more needs to be done. We have seen that a number of those who served in the Prison Service for a long time have already availed themselves of the voluntary early redundancy scheme. New recruits are coming through the college at present. So, there is a great deal of change. However, I am determined that we continue to work constructively with our workforce and ensure that they are provided with the best possible security in any way that can be done.

Rates: Support for Business

Mr Wilson (The Minister of Finance and Personnel): I would like to make a statement outlining my plans to build on the rates package that I introduced in April of this year. I trust that, since this is a statement that is laden with good news, those in the press who report on the Assembly will take the opportunity to spread some early Christmas festive joy around people in the economy of Northern Ireland.

The new measures are mainly about extending and improving the support provided to businesses in Northern Ireland through the rates system. At the outset, however, allow me to reiterate a point that I have made on several occasions since I took over responsibility for rating policy: every £1 that we allow in relief is £1 less to spend on health, education, roads and council services. So, when we make these decisions, we are making a choice and, despite the fact that some people argue that the Assembly does not do so, we are prioritising the building of the economy at micro level, as far as small businesses are concerned. Another point I want to make is that the erosion of the rates system will not save the economy. However, I believe that, where it is sensible, we should direct reliefs to where they are most needed. That can help to create the right conditions for business success when it is combined with other initiatives. I hope that Members recognise, therefore, in considering the points in the statement, that the Executive are not passive in their attitude to business but are prepared to do something about it. It will never be enough in many people's eyes, but we are prepared to take steps that usually go well beyond what is available in the rest of the United Kingdom.

I will remind Members of what we did earlier this year. April saw the introduction of the large retail levy, which, on average, equalled 15% of the rates bills of the largest retailers. That helped to fund the enhancement of the small business rate relief scheme. That enhancement brought 8,300 extra ratepayers into the scheme, which provided them with a 20% reduction in their rates. It also saw the introduction of an empty shops rates concession, which allowed a 50% exemption for the first year for a new business moving into a long-term unoccupied property. April also saw the continuance of the Executive's freeze of non-domestic regional rates in real terms.

The statement highlights a range of measures that I aim to implement for next April that will supplement and complement that package. I will outline those in more detail in a moment.

Briefly, the package will see the retention of the empty shops rates concession for the Budget period; a further expansion of the small business rate relief scheme; the extension of the rural ATM exemption for the remainder of the Budget period; a continuance of the non-domestic regional rates freeze agreed in the Budget settlement; and an extension of aspects of the developer exclusion as it applies to the rating of empty homes.

I start with the extension of the empty shops rates concession. We are all aware of shop closures and the effect that that then has on the vitality of towns and cities. I have seen that in my constituency and in towns and cities that I visit in my ministerial role. For that reason, I have decided to put forward proposals to the Assembly on the continuation of the empty shops rates concession for the remainder of the Budget period. That will allow Land and Property Services (LPS) to continue to receive applications for the scheme up to 31 March 2015. I have already written to ministerial colleagues on the matter to allow the measure to be implemented swiftly, and, as expected, I have received no views to the contrary. The scheme is very good, and so far it has seen 52 new businesses get up and running across the Province. I have visited a range of businesses availing themselves of the scheme, including a fish market in Enniskillen, a children's shop in Larne, a gift shop in Londonderry, a retro scooter shop in Carrickfergus and, indeed, just this morning, a restaurant in Belfast that has seen the creation of 28 jobs.

The policy makes a real difference to new business and, importantly, is a sensible cost measure because the Executive would not have got any money in from those units through rates if they had continued to be empty. It is, effectively, cost-neutral. There is no evidence of displacement, and it is entirely sensible to continue with it to help to reduce the number of empty units on our high streets. I am not alone in that assessment: Scotland has already announced that it is replicating our policy from next April. It is nice to be copied by the Scots. As Members may already be aware, shortly after I announced the policy last year, it featured in the final recommendations of the Mary Portas report on high streets. I hope that Members across the Chamber will support the measure when the statutory rule comes up for debate in the new year.

As I recently announced in the Assembly, the Executive have agreed to extend the small business rate relief scheme to include properties with a net annual value (NAV) of up to £15,000, rising from the previous figure of

£10,000. That extension is part of the jobs and economy initiative and will provide much-needed support to an additional 3,500 business ratepayers. It builds on the enhancement already planned in the in-year review. The 20% rate relief will automatically be awarded to all eligible small business ratepayers with a net annual value of £5,001 to £15,000. However, ratepayers who occupy multiple premises that are more than three properties in total will not be eligible for relief under the scheme.

Another measure that I wish to take to ensure that we target assistance is to remove entitlement to double relief and, instead, recycle the savings into raising the valuation thresholds. That will maximise the number of businesses that get support of one kind or another. Since the small business rate relief scheme was introduced a couple of years ago, some ratepayers had the good fortune to benefit from 70% or 80% derating and also got small business rate relief.

I want to redistribute this support and bring more people who get no form of support within the reach of the small business rate relief. This would apply to ratepayers already entitled to derating for industrial or sporting and recreational use. The newly expanded scheme will last for a further two years, from April 2013 through to 31 March 2015.

1.30 pm

I know that the relief is not a panacea, but it is one of the measures that the Executive are using to try to help businesses in these difficult times. We listened to what businesses and business organisations had to say. I fully accept that rates form a larger proportion of small businesses' profits or turnover than is the case for larger businesses. Therefore a 20% reduction in this important overhead will make a difference during these difficult economic times.

Over the next two years, under the proposed newly expanded scheme, eligible ratepayers will benefit from a reduction of, on average, £1,600 and it could be as much as around £3,000. Around £36 million will be awarded over the next two years to all eligible ratepayers, of which £26 million will be awarded to those currently eligible and £10 million to those who will be brought in under the extended scheme. Some £12.8 million has been awarded so far in the current year.

As stated, I am already taking steps to continue support for rural ATMs for the remainder of the

Budget period. The findings from the most recent evaluation of the policy are that the most isolated rural areas continue to benefit from the scheme, with the location of 12 new ATMs in the three most rural wards since 2010. Research shows that cash withdrawn in rural areas is usually spent locally, so the scheme has its part to play in sustaining services in rural communities.

During the 2009 evaluation process, consultation with the banks revealed that the exemption was not necessarily a consideration when selecting a location for a new ATM, but they said that it influenced their decision to keep an existing ATM in a rural area. I am of the view that retaining ATMs in those areas remains an important issue in helping to ensure the financial inclusion of rural communities, especially given the loss of other financial services in rural areas in recent years, such as bank branch and post office closures, etc.

I move now to regional rates. It is well known already to Members that people in Northern Ireland enjoy the lowest household taxes in the whole of the United Kingdom. The Executive have pursued policies aimed at keeping more of people's money in their pockets. What is not always fully appreciated, however, is how competitive our business rates are compared with those in England, Scotland and Wales. A major factor in this is that the regional rate is being held constant in real terms throughout the Budget period.

As part of the overall four-year Budget, the Executive have agreed that rates should be held at the rate of inflation through to the 2014-15 rating year, providing certainty and stability for ratepayers in their financial planning. This means a planned increase of 2.7% in the regional rate for business ratepayers for the 2013-14 rating year, which is a continued freeze in real terms. That is lower than it would have been had we used the retail price index or the consumer price index as the measure of inflation. That builds on the regional rate freeze over a period of five years. It keeps rates as low as possible and means that, unlike anywhere else in the United Kingdom, business rates in Northern Ireland will have been frozen, in real terms, for eight straight years. We have adopted the lowest inflationary index, which is the GDP deflator.

In addition, the Executive, of course, continue to hold manufacturing rates at 30%, which helps around 4,300 manufacturing businesses with about £60 million in relief this year alone. That economic support is unique to Northern Ireland.

We have also retained empty property relief at 50%. That relief was removed in England and Wales, and I understand that Scotland is heading in the same direction. I feel that our policy is the right one, as borne out by my Department's evaluation in that area, particularly given the growing number of empty shops. Of course, freezing domestic rates, in real terms, and deferring water charges have bolstered spending power. That is in marked contrast to the year before devolution, when there was a 19% increase in the domestic regional rate, the absence of a cap on domestic rate bills and looming water bills.

I do not think that we can emphasise enough, or keep emphasising enough, that those decisions have saved households hundreds, if not thousands, of pounds in the process. Of course, as I pointed out, that has been at a cost to public expenditure. However, I believe that the money has been of real benefit to the retail sector and has helped people in difficult economic circumstances.

I would like to touch on the non-domestic revaluation in 2015. As Members will be aware, the Executive have already agreed to LPS starting work immediately on the general revaluation of 72,000 non-domestic properties in Northern Ireland. From April 2015, that will redistribute the rating burden based on more up-to-date valuations. Unfortunately, that process cannot be rushed or brought forward more quickly. However, it will mean that sectors and trading locations that have not fared as well since the previous revaluation in 2003 will pay less and that those that have fared better will pay more, even if rental values overall have gone down. Just because a property has halved in value over recent years, that does not mean that rates bills will halve. When rental prices doubled, in some instances it did not result in a doubling of rates bills.

Members will be aware that, earlier this month, the UK Government announced that the non-domestic revaluation in England, which was originally planned for 2015, has now been postponed until 2017. However, the circumstances in England are markedly different from those in Northern Ireland in that they have completed two full revaluations since we last did ours, in 2003. Charging businesses a local tax that is based on old rental values is not fair, even though, as I said, some bills will go up and some will go down after the job is done in 2015. So, the exercise will go ahead in Northern Ireland.

As a final point, I would like to touch on a policy that affects domestic properties but that has

ramifications for business and, in particular, the construction sector. That relates to the accumulated stock of new houses, which means those that were planned and built in better economic times. There are over 5,000 of those. Spec builders were granted an initial exemption of 18 months when the rating of empty homes was introduced in October 2011. That exemption is due to run out. I think that we need to extend it further, given the state of the market and the fact that it has not picked up significantly.

Over the coming weeks and months, I will be presenting new regulations to the Assembly to give effect to those various enhancements, extensions and improvements. I trust that I can rely on Members to support them, alongside the Finance and Personnel Committee, which deserves much credit for the work that it does by informing and scrutinising my Department's work in making the rating system more responsive to the needs of business. Let us not forget that devolution has allowed us to do that and to do things differently in Northern Ireland. For that reason, I commend the statement to the Assembly.

Mr McKay (The Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a Phríomh-LeasCheann Comhairle.

I thank the Minister for his statement. I am nearly tempted to ask why he was in the retro scooter shop in Carrickfergus and whether he made any purchases, but however.

I particularly welcome the extension of the empty shops rates concession. That is very positive for town centres. What is the Department doing to highlight that and to ensure that more businesses, particularly more new businesses, avail themselves of that?

Mr Wilson: I thank the Chairman for his question. I did not buy a retro scooter. At the risk of annoying all the mods as well as the other people who I annoyed this weekend, let me say that I want a real bike. Now I have annoyed more of the population of Northern Ireland, but so what.

The Chairman asked an important question. I believe that the empty properties policy is very important to setting up new businesses and revitalising those properties. Very often, that increases the footfall in particular parts of towns. We have done a number of things. First, I have mentioned the policy on every possible occasion here in the Assembly. Secondly, I have now been to about nine

locations across Northern Ireland and visited premises and got local papers to report on that to try to highlight its benefits and, indeed, to show that businesses have benefited from it. A lot of the owners have been very complimentary and indicated that it was part of what influenced them to take on the business. Thirdly, we have worked with the Northern Ireland Independent Retail Trade Association and other business organisations and chambers of trade to try to get them to publicise and sell the benefits of the scheme to their members.

Therefore, we have done a range of things. Although it has been in place only for a short time, there is already an uptake, but we wanted to capitalise on that. For that reason, we have decided to extend support for another two years. As people see the successes, I believe that the groundswell will build.

Mr Girvan: I thank the Minister for his statement. There are many good points in it. The large-stores levy was brought in during this current financial year, and it was used to increase the rate levy support from £5,000 to £10,000. How are we going to fund the increase in rate relief to include small businesses with a net annual value of up to £15,000, as proposed in the statement?

Mr Wilson: We are going to do it in two ways. First, the Executive have already made a commitment that, under the jobs and economy initiative, moneys that we had from Barnett consequential, from departmental savings, from reprofiling spending, and so on, will go into a range of measures, and one of those measures is the extension of the small business rate relief scheme. The other way is taking those double reliefs from sports clubs and manufacturing businesses, which were getting relief on top of the relief that they were already receiving. That will release some money, which we have then been able to put into the extension of the scheme. As I said in the statement, the whole purpose is to try to encompass as many businesses as we can in the various relief schemes that we have, and we are succeeding in doing that.

Mr Cree: I thank the Minister for his timely statement. My question follows on from Mr Girvan's. Is the whole package really cost-neutral — if I can use that term — to the Executive? Do any moneys need to be added to it to fund the scheme?

Mr Wilson: The whole package is not cost-neutral. The part that I indicated was cost-neutral was the 50% rates relief on empty

shops that had been vacant for more than a year. We were not going to get any rates from those shops if they did not come back into use, so, by deferring the rates for one year, we are not losing any money. In fact, in the longer run, if the business survives for more than one year, it becomes a cost-benefit to the Executive, because we get the rates in the second, third and fourth year, and so on, if the business succeeds. To a certain extent, therefore, it is a bit of an investment. It is not really costing us any money in the first year, but it gets us money later on.

Part of the extension of the small business rate relief scheme is cost-neutral, in so far as we are moving funds from those who are getting double relief to those to whom we are now giving relief for the first time. However, there is an ongoing cost to the Executive, and I have made it quite clear that the economy and jobs initiative, which will fund part of this, has involved taking money from Barnett consequential, which could have been used elsewhere, or taking money from departmental savings, which could have been used elsewhere, or reprofiling spending, which could have been used elsewhere, and putting it into small business rate relief, so that element is not cost-neutral. There is a cost, even if it is only the opportunity, which is foregone, to spend the money in some different direction.

Mr McCarthy: I thank the Minister for his statement. He has quite rightly indicated that using rates relief can do only so much. What, if any, other measures are available to the Executive and the Minister to address small businesses? In particular, what steps are being taken to address the burden of regulation that many small businesses face at this time?

Mr Wilson: Rates are the responsibility of my Department. We can look at what has been done across the Executive, whether it be in town-centre regeneration and the money that has been spent on town-centre infrastructure, or individual grants that are available to small businesses through the Department of Enterprise, Trade and Investment, for example, such as the voucher scheme, which is now available and offers small amounts of money to businesses that are setting up and need consultancy or whatever. There are other reliefs such as that. Arlene Foster has also got the small business loan scheme, and the Department for Learning and Employment provides training grants for small businesses. Indeed, some small businesses that I have visited have actually availed of that training help and are looking at how they can avail of further help.

1.45 pm

Departments are therefore doing a whole range of things, all of which are important micro-economic interventions to help businesses that tend to be fairly labour-intensive anyway; that tends to be locally based and, therefore, have a commitment to the area; and tend to keep money in Northern Ireland. For that reason, we should not underplay the importance of the Executive's interventions in promoting small business at a difficult time.

Mr Weir: I join other Members in thanking the Minister for his statement. I welcome the initiatives that he mentioned in it.

With regard to the removal of entitlement to double relief and the fact that that will free up resources, which can then be re-targeted at helping small businesses, is the Department, at this stage, in a position to estimate the value of resources that can be freed up as a result of the removal of the double relief?

Mr Wilson: At present, I cannot give the Member a figure for the total amount of money that will be freed up as a result of the removal of double relief. However, I will explain the impact that it is likely to have on some businesses. Around 2,700 businesses will be affected by this. The average amount will move from £164 for some smaller clubs to £1,688 for some larger manufacturing firms. I should have the total figure. I am sure that it is somewhere in this big black book of answers. However, I cannot turn it up at the minute. If the Member wishes to have that information, I will write to him with it.

Mr Rogers: I thank the Minister for his statement. He talked about promoting new businesses, and so on, and the rate relief for one year. Has he any plans to phase in some rate relief in the second and third years as well? For businesses to bed in, they need rate relief for more than one year.

Mr Wilson: No: I have not done so, and I will tell the Member why I have not done so. It has been as a result of consultation that the Department has had with business organisations. The Member makes a good point. Indeed, some businesses that received the relief for one year raised that point with me. However, the difficulty is this: we do not want to distort the market whereby we give one business an advantage over another and simply displace an existing business that does not have the benefit of the 50% rate relief with one

that does. We restricted relief to one year to avoid that happening to small businesses.

The Member is quite right: start-up costs are usually one impediment to a new business. We felt that a year was the correct time by which to extend relief in order to give new businesses the start that they need without, in the longer run, giving them an advantage over competitors that are already established in the market. It came through very clearly in the consultation from, for example, chambers of commerce and, even, some small-business organisations, that although they wanted to see help being given, they did not want to see it being applied in a way that was unfair to their existing members.

Mr McQuillan: I welcome the Minister's statement, especially his announcement that rural areas will benefit from 12 new ATMs. Will he assure the House that this policy will continue?

Mr Wilson: The fact is that the policy is being extended and will stay in place until the end of the current Budget period. Obviously, I cannot make judgements about decisions that will be made by the Assembly or a new Minister after the current Budget period, or anything like that. However, I can give that assurance for the rest of the current Budget period. One of the reasons was, as I said, that we want to see the financial inclusion of people who live in remote rural areas. Also, the survey showed that 70% of the money that was taken out of rural ATMs was spent locally; very often, if it was in a garage or whatever, it was spent in the garage where it was taken out. So it is a way of sustaining other local services, and that is one of the reasons why we thought that it was quite important.

Lord Morrow: This is a good news story all right. I welcome it, as I suspect that the rest of the House does. I see a plea in it from the Minister that, when the statutory rules come up for debate in the new year, we will not see the irresponsibility from the two parties opposite that we have had recently. That will depend on them having a change of heart.

Minister, you tell us that this is effectively a freeze on rates for some eight years. Do you not feel that councils could be doing much more around rates? For example, Dungannon and South Tyrone Borough Council has had no rate increase for the past three years. Do you not think that councils could play a greater part in driving this scheme forward?

Mr Wilson: I have absolutely no doubt that Dungannon council has been greatly influenced by the wisdom of the Member who asked the question. Of course he is right; there is no point in us freezing the regional rate if councils simply use that as an excuse to raise revenue by putting rates up by more than the level of inflation. While there are still some exceptions, councils now seem to understand that it is not in their interests to increase rates by more than the rate of inflation.

The Member made the point, and a number of councils — I will not name them, but I will do so some day — have criticised the Executive for not doing enough for small businesses in their areas. When I examine their district rate increases, I find that, although we have frozen our rates, they have put them up, sometimes by multiples of inflation. One of these days, I will lose patience with them and will name and shame them. I hope that the threat of naming and shaming will force councils to look at the rate increases that they impose every year to make sure that they are kept in line with the rate that we set.

Mr Allister: I am sure that we are all concerned about the fate of businesses in our constituencies. Indeed, in Ballymena town, in the past year, we have seen a staggering 10% increase in the number of empty business premises, to now just under 500 in the borough. The Minister intends to extend the empty shops rates concession. What measures will there be to ensure that there simply is not relocation by those currently benefiting for one year from taking up an empty shop? In order to make the scheme more attractive and more impactful in our country towns, will the Minister agree that it is time to look again at the possibility of extending it to empty offices as well, so as to provide a greater ambit to try to challenge the spiralling direction in which towns such as Ballymena have been moving?

Mr Wilson: First, the measure that we have taken today and the announcement that it will still remain for only one year is our attempt to do exactly what the Member suggests. I do not want to find that people simply move from one premises to another to get the benefit of the scheme. I suppose that this relates to the question asked by Mr Rogers. There will be capital costs in moving from one premises to another, and those capital costs are less likely to be covered entirely if the rate exemption lasts for only one year than if it were an indefinite exemption or one lasting three or four years. I think that, by limiting it to one year, you cut down the likelihood of people moving from one place to another.

As far as the office issue is concerned, of course some offices are included. Offices where the general public have face-to-face interaction with the people who work there, selling or providing services, are covered. We took the view at the time that if we covered offices generally, there would be a greater chance of displacement, so we decided not to go down that route.

Mr D Bradley: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as ucht a ráitis. Tá ceist agam air. I thank the Minister for his statement. He will remember that the Committee agreed to his proposal to proceed with non-domestic revaluation in 2015 despite the decision to postpone that elsewhere. Is it the Minister's view that rebalancing the rating burden, based on more up-to-date values, will readjust that burden and negate the need for measures in the future, such as the ones he outlined here today?

Mr Wilson: Let us be quite clear about this: all the relief measures that we have talked about today will expire at the end of this Budget period, as is required by the legislation. If the next Assembly decides to renew any of those measures, it will have to start again from scratch.

When we introduced the regulations a year and a half ago, I explained that we believed the measures were necessary — this was only part of the reason — to deal with the disparity that has arisen due to different trading patterns since the last revaluation took place in 2003. So, the revaluation itself should help to even out some of those disparities. I do not know whether it will even out all of them, and I do not want to make an assumption about the outcome. We introduced the measures to at least reflect some of the changes over the intervening period that gave an unfair advantage to some businesses and penalised others. By and large, it was an out-of-town/town centre and large business/small business disparity.

Once we have seen the outcome of the revaluation, the Executive, or the next Executive during the next Assembly mandate, will, of course, want to look at whether all the issues have been addressed. However, I believe that most of the issues should be addressed in the revaluation exercise. That is one of the reasons why we decided to go ahead with the 2015 exercise, although that has been delayed in England and Wales and there may have been an argument for saying, "Let us keep in line and in step, so that we have revaluations

at the same time right across the United Kingdom".

Ms Fearon: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. I particularly welcome the rural aspect of the scheme. Are all those rural ATMs external so that they can be accessed 24 hours a day? Are there any incentives for shops and other organisations to externalise their ATMs?

Mr Wilson: They are all stand-alone ATMs. Incentives will really depend on whether businesses and banks believe there is a demand locally. All we can do is ensure that there is no cost disadvantage in doing so. One of the reasons we have kept the relief, which, as I say, is worth over £2,000, is that we want to keep ATMs in those areas. However, as I pointed out in the statement, banks have made it quite clear that that is not a big factor for them in deciding whether to put new ATMs in certain areas. There will be other factors, and I suppose it really depends on their assessment of the kind of usage and the feedback they get about potential usage from local communities.

Public Service Pensions

Mr Principal Deputy Speaker: The Minister of Finance and Personnel wishes to make another statement, copies of which are in the Foyer for anyone who does not have one at this point in time.

Mr Wilson: I do not know that this statement provides the good news that the last one did. Nevertheless, I believe that it is a very necessary statement to inform the House of an Executive decision last Thursday, which, I believe, will have fairly massive implications for Northern Ireland.

As part of their programme of pension reform, the coalition Government are introducing major changes to the public service pension schemes from April 2015. I want to update Members on the position in Northern Ireland and how the matter will be dealt with now.

2.00 pm

The background is that proposals for reform of the UK public pension schemes were recommended in the final report of the Independent Public Service Pensions Commission on public service pension provision in the United Kingdom, which was published on 10 March 2011. Lord Hutton recommended that final salary pension arrangements in the public sector were unsustainable and recommended their replacement with alternative models that shared the cost of pension provision more equitably between public service employees and the taxpayer whilst continuing to protect the accrued pension rights of current employees — a conclusion that most of us in the Assembly must endorse. Given the simple fact that we all live longer, we have to examine how to pay for that and who pays for it. We must get the balance right between employer and employee in dealing with our finite resources and the status quo that has existed for years in areas such as pensions. We do not have infinite financial resources, and I, as Finance Minister, have made that clear to the Assembly on more than one occasion.

(Mr Speaker in the Chair)

The Executive recognised that change had to happen in Northern Ireland. As a result, the Executive decided, way back on 8 March this year, to adopt these pension reform proposals for Northern Ireland and, in particular — this is important — to commit to the policy for a career

average revalued earnings pension scheme with pension age linked to the state pension age being adopted for general use in Northern Ireland public service pension schemes and to adopt that approach consistently for each of the different public service pension schemes in line with their equivalent scheme in Great Britain and not to adopt a different approach for Northern Ireland. That is an important decision, and I hope that Members will realise its significance as I go through the rest of the statement.

I sought immediately to persuade my Executive colleagues the very next month, April of this year, that my preferred option — indeed, the most sensible option — would be to table a legislative consent motion in the Assembly. That would allow the necessary legislative provisions for the reform of public sector pensions in Northern Ireland to be taken forward in the Westminster Public Service Pensions Bill. The alternative option would be to introduce our own public service pensions Bill in the Assembly, but that could only be done once the Westminster Bill had completed its passage in Parliament and the final content was known.

I wanted to use the legislative consent motion for two key reasons: first, because it made sense, in that our policy on pensions was to keep parity with Great Britain, and, secondly and more importantly, because of the financial consequence of any slippage from the April 2015 deadline set by HM Treasury. The costs of delay, as I have already explained and highlighted in this House, are estimated to be in the region of £262 million a year. The only sure way to meet the deadline and avoid that would have been to use a legislative consent motion. I consistently made it clear to Executive colleagues that, if we did not use a legislative consent motion, we simply would not have our primary legislation, secondary legislation and system changes made in time to meet the HM Treasury deadline of April 2015 for the implementation of the required pension reforms in most schemes. Local government pension schemes will be reformed from April 2014.

I am very disappointed to announce that the Executive failed to agree to my recommendation for a legislative consent motion in this instance. Therefore, the Executive have effectively determined the legislative route to be undertaken to implement these reforms. In order to implement the binding decision of 8 March 2012, a public service pensions Bill for Northern Ireland will need to be introduced in the Northern Ireland Assembly, subject to Executive approval, and

then to make its way through the Assembly process. That required process cannot commence until HM Treasury's Public Service Pensions Bill has completed its passage through Westminster. That is expected to be May 2013, when the final content will be known. Officials have estimated that a Northern Ireland public service pensions Bill may not receive Royal Assent until as late as January 2015. Every effort will be made to advance the legislative process when possible, but I point out that, in my view, we have potentially squandered our limited resources on an unnecessary process. We need to use those resources wisely in the current economic times.

Following Royal Assent to the proposed Northern Ireland Bill, secondary legislation will be required to amend the rules of each of the individual public service pension schemes in Northern Ireland. That may take up to an additional 10 months, which will result in an implementation date for the reforms of late 2015. The failure to agree to use a legislative consent motion means simply that we will not have our primary legislation, secondary legislation and systems changes in place by 2015. The introduction of our own Bill will merely take us to the position that we agreed in March but with a much longer timescale and a significant cost impact.

In introducing our Northern Ireland public service pensions Bill, I have given full account to the financial consequences of any delay because of slippage to the introduction of changes here and the timescale set out in Great Britain. I now have an estimate of the potential cost of a delay on an annual basis from the Government Actuary's Department. It worked out in detail the estimate of the health and social care scheme in Northern Ireland, which was chosen because it was the largest. A delay of one year from 2015-16 would result in savings forgone or additional liability in Northern Ireland of £100 million. That is 7% of the pensionable bill, and it would be for each and every year. My officials then conducted a similar exercise for the other schemes using the methods that were used to arrive at that figure. The estimates were as follows: £62 million for teachers; £18 million for the police; £60 million for the Civil Service; £23 million for firefighters; and, as I stated, £100 million for health. That gives a grand total of over £260 million a year.

Although those figures do not represent a direct cash saving, it is likely that HM Treasury will seek to use a similar type of calculation method and recoup the amounts directly from Northern Ireland funding in the event that the reforms are not implemented. The scale of the £260 million

is simply too much for us to manage. It will seriously impact on the delivery of public services here. Let me put it into terms that perhaps the general public will understand. Sometimes, we talk in global figures, and we may as well talk in Chinese for all that they mean to people. Let us just see what it means. It is more than Arlene Foster's entire budget in the Department of Enterprise, Trade and Investment. That would mean that the money that she has to support businesses, tourism, energy policy and so on would not be available. It is more than the entire Department of Agriculture and Rural Development budget, so it would mean entirely stopping support for the rural economy, the provision of veterinary services and closing down the Rivers Agency and the Forest Service. It is the cost of employing 5,000 full-time schoolteachers, which means that we would need to cut around one quarter of the schoolteaching workforce to address that financial cost. It is also the average salary costs of more than 8,000 full-time nurses, which is the equivalent to cutting around half of the total qualified nursing workforce.

I emphasise to the Assembly that the cost of pensions is rising. We have to control it now. We need to show leadership to our electorate and to the public in Northern Ireland. However, choosing legislative routes that add undue costs and delay the potential savings to be gained from implementing the pension reforms agreed to in March is not an efficient use of resources. The best that we can do now is expedite our legislative process and ensure that we proceed as quickly as possible. I expect all Members to lend their support to the smooth passage of the pensions Bill to minimise, as far as possible, the financial penalty. The electorate will find it difficult to comprehend why we decided to take the legislative route and wasted time and money that we can ill afford to lose. Therefore, the very best that we can do is get as close as possible to meeting the April 2015 deadline and not procrastinate and deliberate, as we are often inclined to, over the legislative process.

It is regrettable that I had to bring this statement to the Assembly. I know that I made a joke about it, but I hope that it does not overshadow the good news that I was able to announce earlier. I also hope that, during the debate on the statement, we will get a commitment to at least make the best of a bad job and get the legislation through as quickly as possible to avoid what, I believe, would be the disastrous economic consequences of delay.

Mr McKay (The Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his statement. The Finance and Personnel Committee will not be found wanting in ensuring that the Bill proceeds promptly. We will work constructively with the Minister to ensure that changes are made before the deadline in two and half years' time. I agree with the Minister that we cannot procrastinate on this matter. We need to get it right.

Will the Minister explain why the Department has been unable to prepare a Bill or associated regulations in tandem with or closely following developments across the water to allow for local considerations specific to here?

Mr Wilson: I thank the Chairman for that commitment, and I trust that we will not see a repeat of what happened previously. Committees want to do their job properly. However, as I have pointed out, last week, I completed the progress of the Superannuation Bill. It was a two-clause Bill, as opposed to the 35-clause Bill that we will have to go through for pensions. It took over a year to get that Bill through the Assembly, and the Committee looked for extended time. I welcome the Chairman's assurance that that will not happen again this time, because any extended time at Committee Stage will delay things even further. In fact, I have asked my officials whether they were too optimistic in the time that they laid down for Committee Stage.

The Chairman asked why we had not prepared legislation and regulations ahead of the Bill that is going through Westminster. The reason is that the Bill is going through Committee at Westminster and will then go to the House of Lords. Already, considerable amendments have been made in Committee, and I suspect that, as with any other Bill, amendments will also be made in the House of Lords. The OLC has made it clear to us that, as five Departments are involved, preparing legislation here as the Bill is being amended in Westminster would involve quite a lot of nugatory work. It might also require more and more consultation with Departments to make sure that every change that was made at Westminster and then built into whatever was being drafted here was discussed with all five Departments with pension schemes. Therefore, to make the best use of resources and time and to avoid the duplication of work, nugatory work and having to change the Bill continually, it made more sense to do it when the Bill had gone through Westminster and we had seen its final state.

Of course, the other point is that such work would delay the OLC's current work on other Departments' legislation, which people are already complaining about and asking why it has not come through. If the pensions Bill was given priority, the Department of Education, for example, may have to sacrifice its Bill on special needs education, which is at a fairly advanced stage. Losing that Bill might have had repercussions, and there might have been repercussions from losing planning legislation. So, it is not a cost-free option. Of course, it can always be argued that those Bills are ready to go and we know what Departments want them to include, so why not progress with them rather than with a Bill that may be changed two or three times while the OLC works at it?

2.15 pm

Mr Girvan: I thank the Minister for his statement. He has done a good job of hiding his annoyance and frustration over the way that this is going. It seems that there is a dispute about who legislates for this. Have parties in the Executive agreed the principles of pension reform? How will those who voted for setting it up fund the £260 million?

Mr Wilson: They agreed not only the principles but, it is worth reiterating, the outcome of the process that the Assembly will go through. That has already been decided. The Executive have adopted a position on it that all the main parties support. Indeed, although the Minister of the Environment, who is from the SDLP, did not agree on the legislative consent motion, he is taking through a pension scheme — ahead of all of this — that will reflect the principles of the pension legislation. So, everybody has agreed to not only the principles but the detail that:

"the policy for Career Average Revalued Earnings pension schemes with pension age linked to State Pension Age to be adopted for general use in the Northern Ireland public service schemes; and, to adopt this approach consistently for each of the different public service pension schemes in line with their equivalent scheme in Great Britain and not to adopt a different approach for Northern Ireland".

So, we will go through a legislative process of which the outcome is already known. However, there will be considerable delay and the danger of a financial penalty.

Mr Cree: It is difficult to understand, but I suppose no more so than it is to understand the delay in the review of the financial process,

which is currently bogged down, in which any right-thinking person can see the logic. For clarification for others who may not be aware of the point, is the £100 million that the Minister quotes as savings forgone merely employers' contributions?

Mr Wilson: That will be the additional cost or liability to the public sector for the pension schemes. If there is additional liability, the Treasury has made it clear that Westminster will not pay for it for public sector employers. You can see the logic of that. I know how unpopular this pension measure is. I get letters about it all the time. I have had, as I am sure has every Member, representations from trade unions and individual constituents. It is not a popular measure. Now, do we really think that Westminster is likely to adopt an unpopular measure, for which MPs and Ministers in England are getting it in the neck, and say, "By the way, if Northern Ireland doesn't want to do it, it is all right. We will pay the difference"? You would have to live in fantasy land to believe that. So, a penalty will be involved in this.

All that I can say is that I want to be proved wrong. I can tell Members that I will not drag my heels just to say, "I told you so". This is too important for that. My officials and I will make sure that we do everything that we can to get this pension legislation through. I will be happy to be proved wrong at the end of the day. All that I know is that, when I look at past legislation and present posturing, I am not convinced that we will not finish up paying some penalty in 2015.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. The Minister will have read in the recent report on the Superannuation Bill that the Committee recommended that, on parity issues, the Department should undertake local consultation with Civil Service trade unions:

"at the formative stage of policy development and in tandem with, rather than subsequent to, the timetable followed by the respective Whitehall department".

Has DFP already fully consulted on the pension reforms locally to identify any local issues and considerations, and, if so, what has been the outcome of that exercise?

Mr Wilson: There is a pensions forum anyway, and all these things are discussed regularly. However, we do not have legislation that we can consult on at present. Again, to try to shorten the period as much as we can, where we can do consultation ahead of, for example,

Committee Stage, we will do that. We have already had discussions with the OLC. Where we can get some of the existing legislation displaced to allow the pensions legislation to be drawn up — albeit that there may well be three or four variations before we get it finalised — we will do that as well. We will try to shave off as much time as we can by advance consultation and advance preparation of legislation and so on. Even with that, optimistically, we will still be over the deadline.

Mr Weir: I thank the Minister for his statement, albeit one that is reluctantly given today. What implications will there be for us if there is any slippage in the timetable for the legislation to get through Westminster?

Mr Wilson: If there is slippage in the legislation getting through Westminster, that may well have an implication on the start date. However, Westminster has kept to the timetable to date. The legislation is coming out of Committee, I think, this week, which is exactly as planned. It will go to the House of Lords, and I do not see any reason why there will be any slippage there. Westminster is not anticipating any slippage on it. If there were slippage, of course, it would give us an argument to go to Westminster and say that it cannot impose the date of April 2015 on us if the final Bill was not agreed at the time when it was estimated that it would be. However, I do not see that that is likely to be an outcome, not since, to date, the timetable has been kept to.

Mr McQuillan: I thank the Minister for his statement. Will not agreeing the legislative consent motion and the cost impact put jobs at risk?

Mr Wilson: I have given some illustrations of what £260 million would purchase: 8,000 nurses; 5,000 teachers; the whole of the DARD budget; the whole of the DETI budget. Of course, if we get the financial penalty, it will mean that we will not have the resources to spend on some of those things, and jobs will be put at risk. It is a bit ironic that, in wanting to exercise the role of the Assembly on something that the Executive have already agreed, we will create that degree of uncertainty. We have agreed what we will do with pensions at the end of the day.

I emphasise again that I am now focused and want everyone else to be focused on making sure that that penalty is minimised, if not eradicated, by swift action — swifter action than we have ever seen before. That means that Ministers have to clear papers quickly and not

have them sitting there for two, three or four months. The parties that have brought this about need to bear responsibility. Secondly, when the legislation gets to the Chamber and Committee Stage, there must be no grandstanding, as there has been. I have to say, when I look at the performance on welfare reform, I get worried that the kind of grandstanding that some Members and some parties in the Assembly feel that they have to engage in could delay the pensions Bill. I welcome the assurance from the Chairman this morning — I will keep reminding him of it — that his Committee will not be involved in that kind of grandstanding and that he will stamp on it if it happens. I only hope that all Ministers are listening to what I am saying and that papers will be cleared at a rate that has been unprecedented in the Executive.

Mr A Maginness: I listened with great interest to what the Minister said. However, is he not aware that there are many dedicated people in the public sector such as teachers, policemen and people who work in the health service who are very concerned that the legislation will result in the erosion of their pension and that they are right to defend their proper interests?

Mr Wilson: I do not understand where the Member is coming from for two reasons. First, his party's Minister's stated position is that, even ahead of this House making any decision, he will introduce pension reform for local government workers, which reflects what will happen in the rest of the United Kingdom. So, his own party's stance seems to be schizophrenic on this issue. Secondly, the Executive have already made a commitment on what the outcome of this will be. Whether we like it or not, we know that we cannot sustain a break with parity.

If the Member is really saying to me and the Assembly that he believes that the protection of pensions to keep them as they are currently are is worth a £260 million hit to the Executive's Budget, I want him to tell me and the House where that £260 million will come from. Is he happy for 8,000 nurses to go on the dole or for 5,000 teachers to be out of work? Is he happy for DETI not to have an economic development budget or for farmers not to have a penny spent on them by DARD? If he is saying that that is the cost and that is what the SDLP is prepared to pay for keeping pensions in their current form, much as people may be angry about it, then we know why it is a small party and will remain one: it is totally irresponsible.

Mr Speaker: As Question Time begins at 2.30 pm, I suggest that the House takes its ease until then. Questions on the statement will continue after Question Time.

2.30 pm

Oral Answers to Questions

Finance and Personnel

Mr Speaker: Questions 3 and 13 have been withdrawn.

Rates: Welfare Reform

1. **Mr Lunn** asked the Minister of Finance and Personnel for his assessment of the impact of welfare reform on domestic rates. (AQO 2931/11-15)

Mr Wilson (The Minister of Finance and Personnel): Welfare reform has implications for the rating system. Those implications are being actively pursued by the Executive subgroup on welfare reform. The main reason why there are implications is because some of the money that would previously have been paid directly from the Exchequer through annually managed expenditure (AME) for rates relief has now been transferred to the departmental expenditure limit (DEL). There has been a 10% reduction in the amount of money that will be transferred. Of course, there will be no annual uplift in that, so the cost of the difference will increase as years go by. For that reason, we are looking at the implications in three phases.

The first and immediate phase is a holding operation. The Executive have already agreed that, at least for the first year and possibly for the second year — although the second year will be difficult, as I will explain in a minute — we will pay the difference, which will cost £13 million. We will keep the current level of rate relief available to single pensioners, etc, in place.

We will then need to look at an interim solution and decide what changes can be made to the scheme to keep it within cost and to reflect the changes that there will be with the introduction of universal credit. Once universal credit comes in, we will not even have the means of identifying who might qualify under some of the rate relief schemes. The passport benefits will all have disappeared, so we have to look for a solution. I hope to bring forward a consultation document that will be presented to the Executive and then go out for wider consultation. As a result of the Social Development Minister's achievement in getting some changes to universal credit, we now have until April 2014 for universal credit to kick in.

That may allow the current scheme to roll on for some time.

In the longer run, we will have to make changes on the basis of affordability and of how to identify people, because we will no longer have the passported benefits due to the introduction of universal credit.

Mr Speaker: I remind the Minister of the two-minute rule.

Mr Lunn: I thank the Minister for that extended answer. Given the pressure that councils will be under because of local government reform, have any discussions been held concerning any changes to future assumptions brought about, in particular, by changes to housing benefit?

Mr Wilson: This is really an issue of how we administer housing benefit and rates relief. It should not have any impact on what councils do. This is more for central government Departments and the policy that we adopt. For that reason, there will have to be an Executive consultation document on what changes we need to make to the scheme.

Mr D Bradley: Go raibh maith agat. The Minister said that the Executive's support is assured for one year and possibly two years. He seemed to indicate that the second year is in some doubt. Can he clarify the situation with the second year?

Mr Wilson: The Executive have said that they will be prepared to finance it for two years. The only reason why I say that the second year is in doubt is this: how do we choose the people who are eligible for the relief? If the passported benefits have disappeared because of universal credit, do we have to set up a separate administrative system to identify those who should be eligible for relief? That is why I have my worries about extending the scheme beyond April 2014. We may well have to do it. If we do have to do it, we will have to set up our own administrative arrangements, and, of course, there are costs involved in that as well.

Mr Campbell: Can the Minister outline the extent of that additional cost, given the problems that the Assembly is facing in respect of welfare reform, as it would particularly apply within the Department of Finance and Personnel (DFP)?

Mr Wilson: The cost will be £13 million in the first year. We know that because there is a 10% reduction on the £130 million allowance we have. In the second year, it is estimated

that the cost could be as high as £20 million. Members may ask why it would increase from £13 million to £20 million, and there are two reasons for that. First, many of the allowances are age-related so, as the population ages, more people become eligible. Also, some of the allowances are related to income and family circumstances, and the recession is likely to push more people into it. Secondly, even with just an inflationary increase in rates, the amount of the rates bill will go up by inflation, and we expect a normal inflationary increase in the sum.

Mr Mitchel McLaughlin: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his answers thus far. Will he indicate whether there have been preliminary discussions on anticipated pressures on other relevant departmental budgets in the aftermath of welfare reform, particularly in terms of anti-poverty interventions?

Mr Wilson: That is one of the things that we have been looking at. The Minister for Social Development takes the lead on this through the welfare reform group, but one of the things that we have been looking at is whether all of the money that we spend on passported benefits — there is a range of them, and I am not going to go into them all now — could be pooled and spent in a different way that targets the people who are most affected by welfare reform. That would require some very hard political decisions: Ministers would have to give up some money, and they would have to stop some current schemes, which would not be popular. That is one of the discussions that the welfare reform group has been looking at.

Budget: Review of Financial Processes

2. **Mr Easton** asked the Minister of Finance and Personnel to outline the benefits of progressing the review of financial processes. (AQO 2932/11-15)

15. **Mr I McCrea** asked the Minister of Finance and Personnel for an update on the review of the Budget process. (AQO 2945/11-15)

Mr Wilson: Mr Speaker, with your permission, I will take questions 2 and 15 together.

In February 2011, the Executive commissioned a review by my officials of the financial process in Northern Ireland. On 9 March 2012, following consultation with the key stakeholders, including this Assembly, I circulated a paper to the Executive, reporting the outcome of the review. To date, that report

has not been tabled for discussion by the Executive.

Mr Easton: I thank the Minister for his answer. What is delaying the Executive discussions on the review report's action plan?

Mr Wilson: I have said this before in the House, so I am not giving any new news. The stated aims of the paper were to: increase transparency and accountability to the Assembly, which would give it clearer information on how money was being spent and delivered by each Department; align the Budget Estimates, the Budget and the accounts with the same set of figures so that Members could understand the financial information being presented; and strengthen at an early stage the strategic Budget process, which would have allowed for earlier engagement by the Assembly and its Committees.

Those aims were supported by all of the parties. In the last Budget period, I remember the lack of those things being one of the criticisms, especially from Members opposite. Despite all of that, the Education Minister, for some reason or other, does not want any transparency in his budget and does not want that degree of accountability. He held the process up by refusing to agree the paper. Therefore, Sinn Féin has not allowed the paper to be brought forward, and, at this stage, we are still left without the changes to the financial process.

Mr I McCrea: Will the Minister outline what disaggregated information the Department of Education provides for input into publications by Her Majesty's Treasury and national publications?

Mr Wilson: Here is the ultimate irony in all of this: the Minister who is holding this up because he does not want to divulge the information and wants to have flexibility to move money from his budget around without that degree of accountability, provides the very detail that we seek to have to the Treasury in England. He provides to the Treasury information on the amount that is spent on preschool and primary education, post-primary education, other educational services, youth services and community relations. If you look at the Treasury publications, you will find that information. However, it will not be made freely available and presented by the Department of Education and the Minister of Education to the Assembly. I cannot understand it; the Brits get more information than people here do.

Mr Kinahan: I look forward to the financial process being more intelligible. What scope does the Minister have to break the logjam in the Executive so that we have a more accountable system that we can all understand?

Mr Wilson: I have the same scope as with the pensions Bill in that, once papers have been delayed by the Executive for three meetings, as a result of reforms that we introduced, I can bring the paper forward myself. I did that with the pensions Bill, and I think that I will have to do that with the financial processes Bill. I hope that it does not get the same treatment as the pensions Bill, where a cross-community vote is demanded and, therefore, it becomes stuck regardless of the fact that the majority of Executive members may wish it to come forward. I hope that that will not be the case. That is one way of breaking the logjam and a route that I have to consider.

Mr Allister: I am reluctant to intervene when the Executive are doing such a good job of flagging up their own dysfunctionality, but I want to ask about the resistance of the Department of Education and the Minister to transparency in the Budget. So as people might understand, does that mean that, at the moment, we have a global line in the Budget with no breakdown of where the money goes in the various sectors in education? Is it the case, in consequence, that the Minister of Education can shift money from the controlled sector to the maintained sector and Irish-medium sector without anyone ever knowing anything about it because it was never in anything but the most general terms in the Budget in the first place?

Mr Wilson: The Member is right that the headings are very broad and cover schools mainstream, schools infrastructure, and youth and community expenditure. Money can be moved within that.

I do not seek the degree of control whereby every minute line is outlined in the budget process because, of course, Ministers need some flexibility. I do not believe that any Minister should fear the changes that we are asking for. After all, the Assembly votes money on the basis of bids that are made by Ministers, and there are discussions about the budget and an anticipation that money will be spent in a particular way. If it will not be spent in that way, the Assembly and the Committee should at least be aware of that, and no Minister should fear that. All that it means is that you have to argue your case for changing the pattern of

expenditure, and that is good for openness, transparency and accountability.

Mr Speaker: Question 3 has been withdrawn.

Prompt Payment: Subcontractors

4. **Mr McKay** asked the Minister of Finance and Personnel how he will safeguard subcontractors to ensure that they receive prompt payment for both private and public sector work. (AQO 2934/11-15)

Mr Wilson: As far as we are concerned, the main control for prompt payment to subcontractors is to be found in public sector contracts. We have tried to do certain things to make it easier for subcontractors in the private sector who feel aggrieved to go to arbitration — that arbitration can be cheaper, etc.

The Central Procurement Directorate (CPD) guidance for public sector contracts says that, first, payments by main contractors have to be made within 30 days of a valid invoice. Secondly, there should be monthly reporting by the main contractors on subcontractor payments and the progress that has been made. Thirdly, payment issues should be regarded as a standing item at project meetings. Fourthly, there has to be validation by project managers, for example, by conducting random checks, that subcontractors have received payments. Lastly, where main contractors fail in their obligations, we can exclude them from applying for public sector contracts for a one-year period.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. I met the Construction Employers Federation (CEF) in recent weeks, and contractors and subcontractors are appreciative of the measures that have been taken by the Department to try to deal with the issue. They are very strongly of the opinion that this works better in England. In Germany, for example, there is a much more radical and efficient system that protects subcontractors. We need to move ahead from what we currently have here. Do you agree, Minister, that we need to consider more radical measures and changes to the system to ensure that what is currently happening with the ripple effect from Patton is not repeated?

2.45 pm

Mr Wilson: I do. The Chairman and the Finance Committee have raised the issue with

me on a number of occasions, and they are quite right to do so.

We are considering the fairly radical step of introducing project bank accounts. Through that, when a contractor submits a bill with invoices for the work that has been done, the money would go not to the main contractor's account but into a project bank account and then be paid directly to the subcontractors on the basis of invoices that they have submitted and which have been agreed by the main contractor. On some occasions, the main contractor has held on to money. Rather than having that middle man, if a valid claim were issued and the main contractor were to say that it is a valid claim, the money would go directly to a subcontractor. CPD is considering that, and it would be a fairly radical step forward.

Mr Frew: I welcome the Minister's comments on project bank accounts, which are badly needed in our construction industry. Another big issue for the construction industry is the practice of subeconomic tendering. What steps are being taken to prevent subeconomic tendering in the future?

Mr Wilson: Public procurement regulations enable contracting authorities to set aside a tender that they regard as being abnormally low. Of course, that is after offering the tenderer the opportunity to explain and clarify why it has offered such a low tender because there could be very good reasons why someone believes that they could do a job at a rate that even the client believes is below the economic rate. We are now considering guidance to the centres of procurement expertise (COPEs) that will enable them to exclude bids that are below the economic rate.

We have to be very clear that there will be implications. You will find that there will be judicial reviews and challenges to some of those decisions. People always ask what the Government are doing on the issue, and I am outlining some of the things that we can do. Ultimately, however, the industry and members of the industry submit the tenders. If they drive prices down, which in turn drives firms to the walls or drives main contractors to put the burden on subcontractors, the industry also needs to address that. Although we have some responsibility, the CEF and all the other construction employers and organisations also need to do things to sort out their industry. I say that to them all the time. You might think it odd to hear it coming from a Finance Minister, but subeconomic prices are not to anyone's advantage.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. I want to ask the Minister a couple of things. First, as part of the Pre-qualification Questionnaire (PQQ) process, some firms have tendered for work and received work when, on the face of it, they have absolutely no history and no experience whatsoever in that work, constituted as that firm. Secondly, in the prompt payments report from the Audit Office, we saw that, beyond Departments, there were education and library boards, health trusts and local authorities that were being more than dilatory in their payments —

Mr Speaker: I encourage the Member to finish.

Mr McGlone: Will the Minister advise what he has done to accelerate that process of prompt payment?

Mr Speaker: There should be only one enquiry in a question.

Mr Wilson: The Programme for Government has a target for payments within a 10-day period and a 30-day period. Some Departments have succeeded in achieving that more than others. My Department has a 99% rate of payment within 30 days. Other Departments, sometimes brought down by their arm's-length bodies, do not have such a good record.

We can do a number of things. The Finance Minister and the Committees must keep emphasising to Ministers that, if there are bodies that are associated with Departments that are not engaging in prompt payment, they have to do something about it and start leaning on them. In times when businesses find it hard to get money from the banks, we cannot afford to put them under even greater pressure as far as working capital is concerned. That pressure will come from ministerial level right down to the ones who are failing to do it.

As to the question about firms that have no record of doing similar work, it is not always possible to say exactly what similar work is. You do not want to close the market to new entrants. However, I think that the Member was alluding to firms that go bankrupt and set up another company. I am pleased to tell him — because, Mr Speaker, the Member first brought it to my attention — that, as a result of his bringing it to my attention, the procurement board has now agreed that, if a firm becomes insolvent before or during a tender process, it will be excluded from the contract.

Road Projects: Finance

5. **Mr Storey** asked the Minister of Finance and Personnel to outline the financial consequences for other road projects, such as the A26, should there be any further delay in the progression of the A5 project. (AQO 2935/11-15)

Mr Wilson: When I announced the outcome of the Executive's October monitoring round and the 2013-14 and 2014-15 Budget realignment, I explained that, as far as the delay on the A5 and A8 road schemes was concerned, there was money that would not be spent in this year.

Two things have been done. The first is that, in the monitoring round, the Department for Regional Development was allocated £31 million, which could be spent mostly on water projects that could be brought forward to this year. That money has to go back into the roads budget next year. So, this year, we will get some construction work done, albeit by Northern Ireland Water rather than Roads Service.

Secondly, where there was money that could not be spent this year and would have to be carried over, I am pleased to tell the Assembly that the Treasury has now agreed with the proposal that I put to them, which enables us to carry over £50 million into the final year of the Budget period. That means that there should be no impact on other spending decisions and projects. Therefore, other road schemes should not be affected by the delay in either of these two projects.

Mr Storey: I thank the Minister for clarifying the situation for me. I am disappointed by a letter that the Minister sent to me, in which he referred to the fact that he had not received any representation from Minister Kennedy on the A26 road scheme, particularly in relation to finance. Given that the scheme covers a Budget period beyond this Budget period of 2011-15, will the Finance Minister explain to the House what carry-over mechanisms are in place to ensure that a project identified in one Budget period is delivered in the next?

Mr Wilson: It is up to the Minister for Regional Development to decide which projects he wants to carry forward and prioritise. The A26 road scheme was identified as one for the next Budget period.

We do not know what the capital budget will be for the next Budget period or what other measures we might undertake. We are looking, for example, at resource-financed investment,

whereby we switch some resource into financing loans for capital expenditure. However, that decision will have to be made when we come to discuss the next Budget. As we really do not know what resources will be available, it is difficult to say at this stage whether even some of the things that have been set as priorities now can be done in the next Budget period. On the other hand, if there were to be a relaxing by the Government of restrictions on infrastructure and capital spending, or new ways that would enable us to borrow, some schemes that we think do not have a hope of getting started might get started.

Mrs Overend: Will the Minister advise us of the costs to date of the delay to the A5 project?

Mr Wilson: It is estimated that the cost is about £10 million per month. However, it is not actually cost; it is simply unspent money that we have to look for ways of spending. As I said, to ensure that money is spent this year, we are bringing forward some Northern Ireland Water projects, which would have been done next year, and they will give work to the construction industry. The money for those projects will then be transferred from the Northern Ireland Water budget to road infrastructure. There will be some delay in the rest of the spend on the A5. However, at least that money will not be lost, because the Treasury has given us the ability to carry it over right into the final year of the Budget.

Mr Byrne: I thank the Minister for his answer, and I wish him good luck in the conclusion of his discussions with the Treasury on the funding mechanism going forward. Will he confirm that everyone concerned still intends the A5 to proceed as envisaged?

Mr Wilson: Yes. The reason why we have gone to such lengths to secure the money and to make sure that, although we cannot spend it this year, it will be available next year or the year after, is an indication of the good intent on the Executive's part. We have gone to great lengths to secure it, because the great fear was that the Treasury, which, for obvious reasons, is very hard on carrying money over, has acceded to our request. We have been able to tailor it in such a way to make sure that the Treasury does not compromise its position on the Administrations in Wales or Scotland.

Chambers of Commerce

6. **Mr Humphrey** asked the Minister of Finance and Personnel what discussions he has had with the chambers of commerce regarding the

acute economic and financial difficulties currently facing traders. (AQO 2936/11-15)

Mr Wilson: As part of the consultation, my proposal is to rebalance the rating system. I have had extensive engagement with local chambers of commerce, and I have also spoken to bodies such as the Federation of Small Businesses and NIIRTA. I have visited a number of locations across Northern Ireland, including Ballyclare, Belfast, Newry, Limavady, Londonderry, Newcastle, Lisburn, Fermanagh and Banbridge — and Carrickfergus and Larne, which I am in every week anyway. I have done a grand tour of Northern Ireland, and I have spoken to traders, councils and traders' organisations. I have had feedback on what is and what is not working and on what needs to be done. I have tried to be as realistic as possible with the workload.

Mr Humphrey: I thank the Minister for his answer. I concur with what he said, because in conversations that I have had with the Belfast Chamber of Commerce and the traders whom I know, they said that they are very appreciative of the work that he and his colleagues continue to do. So, I commend him in the House for doing that. Given the feedback that I have received and that he mentioned, will he continue, through this very difficult period for traders, to work with those locally and with chambers of commerce across Northern Ireland not just in the run-up to Christmas but as we go into the new year?

Mr Wilson: Not only will I do that but other Ministers will do the same. We should consider the amount of money that has gone into the jobs and economy initiative and at the ongoing work that the Minister of Enterprise, Trade and Investment and the Minister for Social Development are carrying out and at what the high street task force is doing by looking at what can be done to help small businesses.

We should also look at all the work that DETI is doing with the retail business, including the small business loans fund, which will give loans of up to £50,000 unsecured for five years — many small businesses cannot get that from the banks — and at other training initiatives that have been undertaken. If we consider those, we will see that it is not just the Department of Finance that is engaged in this; the whole Executive are engaged in looking at ways in which we can help small businesses in Northern Ireland. As I said earlier, those microeconomic interventions can be as important as some of the headline

macrointerventions that tend to get most of the news coverage.

Dr McDonnell: I thank the Minister for his answers so far. I hope that he enjoyed his tour. I was going to ask him where he has not been, rather than where he has. Does he have any assessment of the overall percentage of our retail outlets that have shut down? Equally, how many of those may have re-opened on a charitable basis or as charity shops and may not be obliged to pay rates as a result?

Mr Wilson: I am sure that that information is available, although it is not available in the big black book of answers that I have here today. Therefore, I cannot give the Member that information, but I will. I will say to the Member that, on a day when we have announced a whole lot of positive things, I would prefer to see Members emphasise the positive things that are happening, rather than wanting me to give all the figures that illustrate the bad or the gloomy news about Northern Ireland.

This year, 52 businesses have opened as a result of the empty shops relief; half the businesses in Northern Ireland are getting a 20% reduction in their rates as a result of actions that the Assembly has taken; and businesses in the manufacturing sector will have £60 million available to them that they would not have if they did not have the rate relief. Over the next two years, as a result of the small business rate relief, businesses will have £36 million in their pockets that they did not have previously. Those are the good things. Perhaps we should talk about the good things rather than always look for the bad news. The journalists do that. This is an Assembly. We, as Members, should at least try to get some optimism into the economy.

3.00 pm

Health, Social Services and Public Safety

Mr Speaker: Question 4 has been withdrawn and requires a written answer.

Termination of Pregnancy Guidelines

1. **Mr A Maginness** asked the Minister of Health, Social Services and Public Safety when he will publish guidelines on the medical termination of pregnancy in light of the tragedy reported in Galway. (AQO 2946/11-15)

Mr Poots (The Minister of Health, Social Services and Public Safety): It would be inappropriate for me to comment on the tragedy in Galway, but I do wish to extend my deepest sympathy to the family of Savita Halappanavar.

As to the publication of guidance, as I have stated before, I will take my time to explore fully all the issues involved and to ensure that any document produced for health professionals is compatible with the requirements of the law. I will not, nor should I, given the gravity of the issue, rush to produce guidelines to an artificial timeline.

Mr A Maginness: I thank the Minister for his answer. This is a difficult task facing the Minister, and one respects his position. When compiling such guidelines, will he remember that there is intense public feeling around the abortion issue? Will he do all in his power to protect the life of the unborn child?

Mr Poots: The position of the Department of Health is that we are seeking to save lives and protect life. That is the first and foremost rule in the Department on the provision of healthcare: it is about saving lives, not taking life. I believe that that applies to those who are born and to the unborn, because we seek to save and protect life. We are very clear that the life of the mother has a priority here, but that is purely in those instances in which the life of the mother is under threat. Some form of social abortion is not something that I will ever be bringing before the House or seeking the support of Members for, and I do not believe that if I were inclined to do so, it would receive the support of the House because it is not something that is publicly supported.

Ms Maeve McLaughlin: I thank the Minister for his response. Has he had any recent discussions with the Royal College of Midwives or other health professionals about their concerns around the delay in publishing the guidelines? Go raibh maith agat.

Mr Poots: I was with the Royal College of Midwives recently on the development of a maternity strategy. We have not discussed the issue to which the Member refers. I know that there are people from the Royal College of Midwives who are advisers to Marie Stopes. I am of the opinion that the role of midwives is largely to ensure quality care for expectant mothers and the babies whom those expectant mothers are carrying; to ensure that they receive the best possible support throughout that pregnancy; to ensure the safe delivery of that baby; and to provide considerable support

thereafter to ensure that the baby gets the best start in life, as opposed to being involved with something that is, in fact, taking the life of the unborn child.

Mr I McCrea: The Minister will be more than aware that there are a lot of calls for guidance for professionals. Does he consider the law on abortion in Northern Ireland to be clear?

Mr Poots: The law is clear here. Abortion in Northern Ireland is regulated by criminal law, and termination of pregnancy in Northern Ireland is illegal, unless there is a real and serious threat to the life of the woman, or if there is a real and serious threat to the physical or mental health of the woman that is either long term or permanent in its nature. In any other circumstances, it would be unlawful to perform a procedure that terminates a pregnancy. We can produce guidelines that will, perhaps, help to provide clarity for obstetricians in particular situations, but that will not change the law. This House is the only thing that can change the law, and, as I indicated, I will not be bringing anything before the House to change that law.

Mrs Overend: Will the Minister be following closely the investigation of the Galway tragedy so that any lessons relevant to Northern Ireland could be quickly applied?

Mr Poots: I am not exactly sure what the Ulster Unionists' position might happen to be. I am very clear that we set the rules here on abortion. It is not something that has been kept at Westminster, and I am glad that it is not with Westminster. A previous Secretary of State indicated that it was their deepest regret that they had not introduced abortion to Northern Ireland. Some people who maybe advocate direct rule are, on the other hand, opposed to abortion. The two things are not compatible. Perhaps they can learn that that is the case.

Mr Allister: Despite such help as guidance might give to some, does the Minister agree that to bring certainty and quell the controversy that has arisen from the opening of the Marie Stopes abortion clinic, an option he might consider would be to provide that such termination of pregnancy as may be lawful in certain circumstances could only lawfully be carried out in a National Health Service facility? That would bring that certainty. Would the Minister consider that as a way forward?

Mr Poots: We are considering all options and are seeking legal advice on all of them with respect to what can be applied in Northern

Ireland. The Regulation and Quality Improvement Authority (RQIA) is continuing with its course of work. There is different governance for Northern Ireland than for the rest of the UK in that respect. It may be something that can be done simply by giving RQIA all the responsibility for monitoring all bodies.

Alternatively, it may be that we only permit abortions to be carried out in a health service facility. All those things are open for discussion. All those things are being looked at. When we have received all the advice, I will bring this matter to the Assembly. Thankfully, you have a Minister who does have this particular position. Had you a direct rule Minister, the position may be completely different; they may have welcomed Marie Stopes to Northern Ireland and supported abortion in Northern Ireland. I am thankful that the Assembly is not in that position.

Mr Speaker: Mr Lunn is not in place to ask question 2.

Paediatric Congenital Cardiac Services

3. **Mr Lyttle** asked the Minister of Health, Social Services and Public Safety to outline the future of paediatric congenital cardiac services following the recent announcement by the Secretary of State for Health that he would be following the Independent Reconfiguration Panel's recommendation that the Safe and Sustainable review of paediatric congenital cardiac services in England and Wales should be reviewed. (AQO 2948/11-15)

6. **Mr Nesbitt** asked the Minister of Health, Social Services and Public Safety for an update on the consultation on paediatric congenital cardiac care following the fresh review announced in England by the Secretary of State for Health. (AQO 2951/11-15)

9. **Mr D Bradley** asked the Minister of Health, Social Services and Public Safety whether he will suspend the current consultation on paediatric congenital cardiac services in light of the decision to review Sir Ian Kennedy's recommendations. (AQO 2954/11-15)

Mr Poots: Mr Speaker, with your permission, I will answer questions 3, 6 and 9 together.

The review announced by the Secretary of State for Health in England has no immediate relevance to the review being undertaken by the Health and Social Care Board on paediatric cardiac surgical services in Northern Ireland.

The Northern Ireland public consultation is, therefore, continuing as planned. I expect to reach a decision on the provision of that service for the population of Northern Ireland in early 2013.

Mr Lyttle: I thank the Minister for his response. Does he accept that the fact that the recommendations of the Safe and Sustainable team have been called into question by the Independent Reconfiguration Panel has caused significant concern for the public in Northern Ireland? Will he update the Assembly on his work with the Irish Minister for Health with regards the feasibility of a joint all-island children's heart surgery service?

Mr Poots: Clearly, Jeremy Hunt has rolled back from what was proposed in the work that has been done in England. We are engaged in a consultation process. I have to say that a lot of people, who are very well qualified medically, support the report's recommendations. I do not think that we can ignore that, because those people have particular expertise, but I think that there will be a lot of problems with the implementation of such a report for Northern Ireland, not least the fact that a lot of people would end up being separated from their children at a time when they want to be with them most. There is also a huge potential for children's lives to be lost when their parents are not with them, which is something that I would be appalled by. So, we will look at all the options. I had a very useful meeting with Minister Reilly and his most senior civil servant last week, and that course of work is continuing. I hope that that will lead to a fruitful outcome, but we have to wait and see.

Mr Nesbitt: Should the Minister go ahead with downgrading the existing facilities in the Clark Clinic, what sort of knock-on effects would there be in retaining specialism and other treatments for young people in the broad area?

Mr Poots: I have not taken any decision to downgrade anything, but, at this moment in time, if you were to lose cardiac paediatric care, it would have an impact in respect of the requirement for anaesthetists, and, consequently, that might put further stress on the hospital. Members need to realise that our children's hospital is relatively small, and for a lot of the more difficult and complex procedures, care is not available in Northern Ireland. Indeed, care will come under greater pressure to be available in Northern Ireland, as we do not have the scale to have the support surgeons and consultants in place. So, this is going to be a continuing challenge to us, and,

hopefully, we will get over this hurdle and find a progressive means through it. Members should recognise that given the nature of it and given the population that we have, it may not be possible to provide everything in respect of care for children directly here in Northern Ireland, and we need to operate in other networks.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as ucht as a fhreagra. I thank the Minister for his answer. Will the Minister suspend the current consultation on paediatric congenital heart services in light of the decision to review Sir Ian Kennedy's recommendations?

Mr Poots: We operate under different legislation to the rest of GB. Therefore, if we are to make decisions of significance, it is incumbent on us to engage in consultative processes. I am not going to break the law and then make a decision, only for it to be challenged by judicial review. I will allow the consultation process to run its course and will make a decision based on best advice available. We will get a lot of advice coming from the health side and from the parents and families who have had children treated in the Clark Clinic and have gone through surgical procedures here in Northern Ireland.

I want to ensure that we have the best possible treatment paths and the best possible care for these young children who need the best possible care and do not need second-class treatment. I want to ensure that they only get the best possible care, whether it is here in Northern Ireland, whether it is in Dublin, or whether it is across in mainland Britain.

Ms S Ramsey: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his honest answers on this issue. The Minister is well aware that the Health Committee was in the hospital last week and took evidence on this issue, which is important to children and families. It is also a very emotive issue. We made a proposal that the Minister suspends the current consultation process. Taking on board the answer that the Minister gave previously, if the Minister is willing and is looking to make a decision early in the new year, where does the review of the review that has taken place in England fit in? Is there a time frame for when that report is due to come out?

Mr Poots: Clearly, we had the Kennedy review, which gave its recommendations, and it does not sit in isolation from other courses of work that were carried out in 2011. Indeed, there will be close scrutiny of the success rate of

operations that have taken place in the Royal Victoria Hospital over the course of time; 2012, and so forth. It is absolutely critical that all of that is taken into account. We engaged in the consultation process, and we will come to a decision.

3.15 pm

We do not believe that the review in England has immediate relevance to our review. We are going about our course of work and will arrive at our decision based on the information that we have received at that point.

Mr Speaker: Question 4 has been withdrawn.

Chronic Condition Management Programme

5. **Mr Dallat** asked the Minister of Health, Social Services and Public Safety to outline the uptake of the chronic condition management programme to which he committed in the Programme for Government. (AQO 2950/11-15)

Mr Poots: The Programme for Government (PFG) commitment is to enrol people with a long-term condition who want to be enrolled on a dedicated chronic condition management programme. There is currently no comprehensive picture of what patient education and self-management programmes are available across Northern Ireland. Under that PFG commitment, the year 1 milestone for 2012-13 is, therefore, to identify patient education and self-management programmes for long-term conditions that are in place in each trust area, including information about the number and type of programmes, provider organisations and number of attendees.

My Department is working with the Public Health Agency (PHA) to establish a data set of such programmes for the baseline year 2011-12. Once that is in place, it will help to inform priorities for commissioning of patient education and self-management programmes in the future. Arrangements will be put in place to monitor progress over time with regard to the number and type of patient education and self-management programmes that are available and the number of attendees.

Mr Dallat: I thank the Minister for his answer. I listened carefully to what he said. Can he give some indication of what additional resources have been designated to meet the targets that he has just told us about?

Mr Poots: As regards resources, obviously, in our role with telemedicine, for example, we have identified that we will put an additional £18 million into people's engagement in greater self-management and home care. People with chronic conditions will be able to have information sent to the central database and will, therefore, get a much quicker response when vital signs demonstrate stress because that is updated by the individual daily. We have decided to make that very significant investment, which will impact on the lives of some 20,000 people.

Mr Campbell: I thank the Minister for outlining the work that has been done so far. Is he in a position to outline the distinctions in the programmes in the various trust areas? If it is too early for that, will it be the case that, eventually, in the longer run, resources will follow the greater prevalence in the various trust areas?

Mr Poots: Certainly, some trusts have been much quicker in their responses than others. I would like to see all trusts respond in a way that ensures that we can roll things out as quickly as possible and impact on as many people as possible, because it is evident to us that the more that we engage people in self-care, the more early interventions we will have. Early intervention generally leads to better management of a chronic condition, which does not allow it to become an acute condition. That is all beneficial. We have evidence of some really good work being done by some trusts. Others are falling behind. They need to look at that, identify why they are falling behind, and pick up speed.

Mr Beggs: Can the Minister advise when the health service in Northern Ireland began such closer management of chronic conditions and when significant improvements in the quality of care and the resultant reduction in hospital bed days can be expected and are, in fact, already being achieved in Northern Ireland?

Mr Poots: I launched the Department's policy framework 'Living With Long Term Conditions' in April 2012. The framework provides a strategic direction and driver for commissioning, planning and delivery of services for adults with long-term conditions in Northern Ireland. A key feature of the policy framework is that people with long-term conditions should be supported to self-manage their conditions and have the knowledge and skills that they need to be able to do so effectively in order to maintain or enhance their health and well-being, as well as their clinical, emotional and social outcomes. A

long-term conditions regional implementation steering group is to be established to drive forward the framework. It will include representation from the Health and Social Care Board (HSCB), the PHA, health and social care trusts, and the Long Term Conditions Alliance NI. The terms of reference are being finalised. It is anticipated that the implementation group will be in place shortly, and a key outcome for the regional implementation steering group will be the development of an action plan to progress the good practice set out in the policy framework.

Mr Speaker: Question 6 has already been answered.

Domiciliary Care: Private Firms

7. **Mr McKay** asked the Minister of Health, Social Services and Public Safety to outline the governance and accountability arrangements which exist for firms offering private domiciliary care on behalf of the health trusts. (AQO 2952/11-15)

Mr Poots: The Regulation and Quality Improvement Authority, as the independent regulator of health and social care providers, has responsibility, under the Domiciliary Care Agencies Regulations (Northern Ireland) 2007, made under the Health and Personal Social Services (Quality, Improvement and Regulation) (Northern Ireland) Order 2003, to regulate — that is to register and inspect — domiciliary care agencies against minimal standards, which are published on the Department's website. Inspections are carried out annually.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. Will the Minister confirm that there will be no change in the governance and accountability arrangements?

Mr Poots: If any change takes place, it will be a further tightening of governance. We cannot slacken or reduce in any way the governance and regulation of those who provide care to people who are vulnerable. It is absolutely critical that we do not drop our guard when it comes to providing care for people who are in a vulnerable condition.

Mr Dunne: Will the Minister provide an update on the provision of remote telemonitoring in older people's homes, as managed by Fold TeleCare centre in Holywood, in my constituency?

Mr Poots: Up to the middle of November, approximately 2,500 people in Northern Ireland have benefited from remote telemonitoring since its introduction. A further 124 have been referred and are awaiting its installation. The service will allow those with chronic conditions to be monitored regularly from home and will ensure that changes in their condition are identified at the earliest point.

Mr Gardiner: Does the Minister accept that with the increasing reliance on domiciliary care, there is increased need for respite care to support the families?

Mr Poots: I think that that point has a lot of validity, particularly where we are seeking the support of voluntary carers. A lot of those carers operate under a huge amount of pressure, and if they crack, the system ends up having to deal with both individuals involved. So, it is essential that we provide good support for carers, and one way of doing that is to have adequate respite care.

Mr McDevitt: Does the Minister know how much was paid last year to private providers?

Mr Poots: I do not have a figure for the amount paid to private providers, but I do know that we spend £265 million on nursing home care; £203 million on domiciliary care; £160 million on residential care; £78 million on day care; and £59 million on social work.

In all of that, we need to ensure that we get value for money. We are spending huge amounts of government money. In the financial year 2010-11, the hourly cost of providing domiciliary care in the statutory sector was £16.76, while in the private sector it was £12.77. So, if we can ensure that the care provided by the private sector is of equal standing to that in the statutory sector, there is an obvious saving to be made, and it would be inappropriate for anybody in the House, including me, to stand in the way of this House saving the healthcare system money, which can then be dispensed and used in better ways throughout the system or to provide better care for others.

Health Service: Accountability

8. **Mr Clarke** asked the Minister of Health, Social Services and Public Safety what action he is taking to enhance accountability within the health service. (AQO 2953/11-15)

Mr Poots: I am building on existing accountability arrangements to ensure that we hold all our arm's-length bodies (ALBs) to account on all aspects of their expected performance. This includes the operation of their governance arrangements; their use of resources, covering money, people, estate and information; the quality and safety of the services; and their overall service delivery against agreed targets and priorities. The role of the chair and the board of each ALB is being reinforced. Chairs now play a prominent role in twice-yearly accountability meetings held by the permanent secretary individually with each body. My Department has also issued revised codes of conduct and accountability to the board of each body and will shortly issue a board-effectiveness assessment tool, which is to be completed by each body over the coming months. I am considering the potential to facilitate more direct involvement by the general public and other stakeholders in the accountability arrangements.

Mr Clarke: I thank the Minister for his answer. Minister, are you content that hospital managers react quickly enough, particularly those in A&E, in extremely busy periods?

Mr Poots: This year, I have asked for an escalation plan to ensure that we are well prepared. If a hospital is used to having, for example, 240 attendances at an emergency department but gets over 300 people every day for a solid week, it is absolutely essential that it can cope with the additional numbers who will inevitably be admitted and that the department itself can cope with those additional numbers.

Over recent months, the number of people who breached the 12-hour standard has fallen from 986 in March to 301 in October. The percentage of people seen within four hours has also improved, albeit not as much as I would have liked. In March, 75.9% were seen within four hours, and by October, that had increased to 80.7%, which is a welcome improvement. It is important that that performance is sustained and is built on through the winter months, which can always prove challenging for us. I will look to the HSCB to continue to work with trusts to ensure that the focus remains on the performance of emergency departments and, indeed, that managers respond very quickly to needs.

Mr Rogers: I thank the Minister for his responses so far. What measures has the Minister put in place at the Northern Ireland Fire and Rescue Service to ensure accountability and transparency at all levels?

Mr Poots: The Member may be aware that considerably greater accountability measures have been applied to the Northern Ireland Fire and Rescue Service over the past year than might previously have been the case. The Department's attendance at board meetings and the fact that, for many areas, procurement mean that there is considerably greater watchfulness when it comes to the governance of the Northern Ireland Fire and Rescue Service. Of course, there is a reason for that: some people did not seem to apply the governance rules as well as they should have. We are looking to turn the ship around and are making progress with the Northern Ireland Fire and Rescue Service. The focus needs to be on ensuring that the bad practice of the past does not continue into the future, and that is where my focus is. I cannot undo the things that happened in the past, but I can hopefully set the Northern Ireland Fire and Rescue Service on a route that leads to that type of behaviour not forming part of the future.

Mr Speaker: Question 9 has already been answered. Chris Hazzard is not in his place for question 10. Dolores Kelly is not in her place for question 11. I call Raymond McCartney.

Mr McCartney: Question 10; thank you.

Mr Poots: I will respond to question 12, unless Mr McCartney has become Mr Hazzard.

Health Service: Consultancy Fees

12. **Mr McCartney** asked the Minister of Health, Social Services and Public Safety to outline how the £3.2 million spent on consultancy fees represents good value for money when front line services are under pressure. (AQO 2957/11-15)

Mr Poots: The £3.2 million approved by the Executive for Transforming Your Care (TYC) implementation support is not just for external consultancy. It provides for internal project support, such as a central project team, and for the backfilling of posts to allow day-to-day management to continue while others are engaged in the strategic reform process.

Some £661,000 has been spent to date on external consultancy for TYC. I will expect the HSCB to make a robust case to me for any further expenditure beyond that amount and to demonstrate how the transitional investment will help in the delivery of fundamentally improved outcomes for patients.

Notwithstanding that, I am clear that to plan, design and implement the scale of reform envisaged by TYC, across a budget of well over £4 billion, will require some external support.

Mr McCartney: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as an fhreagra sin. I thank the Minister for his answer. There was public outcry about the amount of money spent. Although the Minister, to some extent, costed some of the consultancy fees, does he feel that that was value for money?

Mr Poots: For the money spent, I think that we got much better value for money than the company, in many ways, would have liked to provide.

3.30 pm

It was a very tight bidding process, and we received from the company substantial work and support in driving things forward, particularly in bringing the trusts to the point at which they provided to us the qualitative information and draft population plans that they had produced. We now have a draft strategic implementation plan and moved from what was a vision to reality. The consultation is taking place. Rolling on from that, we will move into the new year with that consultation coming to a close and able to make decisions that should save the health service considerable money and, at the same time, provide a better quality of care, which is what is most important to the people whom we serve.

Question for Urgent Oral Answer

Health, Social Services and Public Safety

Altnagelvin Area Hospital: Fire

Mr Speaker: Ms Maeve McLaughlin has given notice of a question for urgent oral answer to the Minister of Health, Social Services and Public Safety.

I remind the House that I wrote to all Members on Friday to say that, from now on, if they wish to ask a supplementary to a question for urgent oral answer, to avoid further confusion they should rise continually in their places, as they do at Question Time. I have noticed at Question Time that some Members still have a problem rising continually — continually is the word — in their place. The Member who tabled the question will be called automatically to ask a supplementary. I will then call Members who are on their feet to ask a supplementary, taking account of the same issues that I have at Question Time, including getting the right balance of parties in the House and many others. I expect the majority of questions for urgent oral answer to be finished within 15 or 20 minutes.

Ms Maeve McLaughlin asked the Minister of Health, Social Services and Public Safety for his assessment of the fire at Altnagelvin hospital on Friday night.

Mr Poots: Although we await the formal report from the Northern Ireland Fire and Rescue Service (NIFRS) on the cause of the fire, all indications suggest that the cause was accidental and not related to the fabric of the building. The seat of the fire was in a small plant room, and at no time did the fire penetrate the roof into areas accommodating patients or staff.

The majority of the disruption was caused by very significant water ingress, emanating from pipes adjacent to the fire in the plant room that had melted with the heat of the fire. The emergency plans of the trust, when tested, proved hugely effective, and the evacuation of patients and staff was managed in a very professional manner, without injury to anyone involved.

This was a truly integrated response by the three emergency services working in close

collaboration with the staff of the trust. All who participated should be thoroughly congratulated on their sterling efforts. I spent some time on Saturday meeting many of them and was inspired by the dedication and commitment that they demonstrated in seeking to protect the safety and well-being of patients.

The vast majority of areas in the hospital affected by water ingress have already been brought back into operational use. Minor work is ongoing on two wards, and I expect that to be completed shortly. Patients from these wards have been relocated to suitable accommodation elsewhere in the hospital. In light of this experience, the trust is considering the reallocation of patients to wards, with a view to better accommodating orthopaedic patients with heavy casts in lower floors of the building.

Over the past three years, my Department allocated approximately £5 million of capital investment for measures to update and enhance safety standards in the building. My Department's officials will continue to work closely with the Western Trust in ensuring that the Altnagelvin hospital provides a safe environment for the care of patients. Should a need ever be identified for additional resources to maintain patient safety and service provision in the Altnagelvin hospital site, I can assure you that these will be made available. As part of a wider redevelopment of the hospital, plans and funding are in place to relocate the inpatient accommodation from the tower to a newbuild ward block with an estimated capital cost of £50 million.

We will carry out a comprehensive incident review to ensure that any lessons to be learned are adopted across Health and Social Care (HSC). The impact of the fire on patient services is that 33 planned surgical procedures due to have taken place today were cancelled by the trust. However, the hospital's emergency services continue to operate as normal.

Again, I commend all of those involved in managing the incident and in the evacuation process on demonstrating the utmost professionalism and dedication.

Ms Maeve McLaughlin: Go raibh maith agat. I thank the Minister for that. I also acknowledge the role that the emergency services and the health professionals played on Friday and over the weekend. I have no doubt that they assisted in preventing what could have been an awful tragedy.

There is a public concern about reports on the health and safety issues in the block, and the fact is that the building is one of the oldest in the health estate. If the investigation finds that the building is unfit, will the Minister assure the House that he will move to ensure that investment is made in Altnagelvin, given its role in the community?

Mr Poots: I think that I gave that assurance in the initial response. If anything to do with patient safety were compromised as a result of the fabric of the building, we would ensure that funding were made available to rectify that at a very early point.

We have invested approximately £5 million on the site over the past few years to maintain health and safety. That money has provided a new fire evacuation lift and has upgraded the fire alarm system and, indeed, the electrical installations. In all that, we have recognised that the age of the building — it is a 1960's building — is such that work needs to be done. Importantly, we have recognised that we want to build a new facility and to replace the building altogether. In the meantime, however, we will ensure that it is a safe environment.

I make it very clear that there is no evidence whatsoever that anything to do with the fabric of the building caused the fire. I believe that something else caused it, and I trust that the Fire Service will be in a position to indicate the source of the problem, hopefully quite soon. We do not need to cause alarm among the public by saying that our hospitals are dangerous or that they are susceptible to fires or anything else. I believe that there were particular circumstances why the fire happened.

The staff's response was absolutely magnificent. Nonetheless, our hospitals need to be safe environments, and the people who go into them need to be aware that they are safe. The press, other media and some politicians may wish to cause concern and alarm, because that grabs a headline. I am not interested in grabbing headlines; I am interested in dealing with facts. The fact is that nothing to do with the fabric of the building caused the fire. Therefore, people should not relate it to previous reports, given that considerable work has already been carried out to ensure that such an incident would not happen.

Mr Campbell: I join the Minister in highly commending the nursing and medical staff and the emergency services, who responded magnificently on Friday night as a result of the incident.

The Minister indicated that there would be a comprehensive incident review. Will he ensure that each and every acute hospital comes under the terms of that review? That will determine how they would cope if an incident like that were to occur at any of our major hospitals, with dozens, perhaps scores, of patients having to be moved out of a site.

Mr Poots: I thank the Member for the question. Each hospital is expected to have an emergency plan to deal with such circumstances. The Western Trust's emergency plan stood up to the test. It was a real-life emergency: 120 people were evacuated in less than two hours. I had the privilege of meeting many of the staff on Saturday. When the ward sister first noticed the fire alarm going off, she went down the ward to see what the problem was. She identified that an ingress of smoke was coming through the ventilation system. She had the patients moved to a safe part of that floor within seven minutes, which is absolutely magnificent.

The PSNI gave us huge support, as did the Fire Service and the Ambulance Service. The administration and management staff were in there really quickly. Our porters and ancillary staff were identifying where other beds could go. Our pharmacists were involved in ensuring that the people still kept their drugs. All the records had to be moved, because the patient beds were staying in the same place. People were going up and down 10 floors, carrying individuals with broken bones or other orthopaedic problems on stretchers. A huge effort was involved, and we should all commend and recognise the way that staff pulled together and did their work. They performed the role that was asked of them admirably.

How that incident was responded to and dealt with will be a learning experience for all our hospital facilities, as will how we ensured that nobody's care was compromised as a result of the quality of staff in Altnagelvin Area Hospital.

Mr Durkan: I thank the Minister for his answers so far. I want to echo the praise that the Minister and others gave to the emergency services and hospital staff. I was on the scene on Friday night with my colleague Pat Ramsey, and it was humbling to witness, at first hand, the heroic efforts of staff to ensure the safety of their patients.

Given that the need for a new hospital building to replace the tower block has been identified and accepted, will the Minister please give the House details of when work on that building is due to be commenced and completed, and

whether, given the major safety concerns that exist, it is possible to expedite that work?

Mr Poots: As the Minister who identified that that development should go ahead, I welcome the fact that we have made that commitment. My Department is working with the Western Health and Social Care Trust to finalise the business case, so, the developmental work has commenced. We had to develop the business cases, and the planning phase as the hospital architects and so forth would see it has commenced. We hope to start that work in the 2013-14 financial year and complete it in 2016.

That is a different and separate investment from the satellite radiotherapy unit, but both facilities should be finished in 2016. That is a demonstration of our commitment to Altnagelvin Area Hospital as a key hospital in our network. We want the best services for the people in the west of Province. We also want a high-quality hospital to support that community.

Ms S Ramsey: Go raibh maith agat, Mr Speaker. I thank the Minister. It is important that others have praised the efforts and work of the staff, local people and the emergency services. This was a major incident, and the Minister has outlined some of the stuff that took place. Staff went above and beyond the call of duty, and it is important that we recognise that.

Minister, I appreciate what you said, and it was useful to say that we should not add to the speculation or to any of the stories that are out there, but, in your answer, you mentioned that the fire was nothing to do with the fabric of the building. I assume that you have an idea or have been advised that there is an idea of what caused the fire. Will you indicate what that is? If it was not the fabric of the building, what were the circumstances? When will we get the final formal report on the fire?

Mr Poots: Although it would not be right for me to predetermine the outcome of an investigation that is being carried out by the Fire Service into the source of the fire, I know that it is following a particular line of inquiry about how the fire might have started. Thankfully, it was not a major fire, but the ingress of water as a result of it was major. Indeed, the pungency of smoke spreads very quickly, and when I was there late on Saturday afternoon, I could still smell the smoke right down on the second floor. It does not take a lot of fire to cause a lot of harm and a lot of problems.

As soon as the Northern Ireland Fire and Rescue Service has identified the source of the

problem to its satisfaction, I encourage it to publish its findings. That will give the public greater confidence in the facility and may provide a warning to others about how they might avoid fires in the future.

Mr Beggs: I also want to put on record my thanks to hospital staff and the Northern Ireland Fire and Rescue Service for their speedy and safe evacuation of patients and for addressing the fire. What actions are being taken to minimise disruption, including perhaps the cancellation of planned surgery, and when does he expect the hospital to return fully to normal?

3.45 pm

Mr Poots: Staff worked through the weekend. Until now, I had not mentioned the estates staff who came from all over the trust area, including Fermanagh and Tyrone, to provide support in areas of the hospital where work needed to be done. They moved quickly and effectively, so we hope to have most of the hospital occupied again today. Some of today's operations were cancelled. No emergency procedures will be affected by the fire. By later this week — in fact, I hope that it will be earlier — the hospital will be operating as normal. We want the hospital normalised very quickly, which I trust will be the case by tomorrow or Wednesday.

Mr McCartney: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as na freagraí sin. I thank the Minister for his answers and add my words of commendation to those of everyone else for the work done by staff and the emergency services on Friday night and throughout the weekend.

The Minister said in strident terms that this had nothing to do with the fabric of the building, but, unfortunately, the notion has crept into public commentary that it perhaps was, and I note what the Minister has said today. It is important that the Fire Service report is put in the public domain as quickly as possible, because although this will go off the news agenda, it will linger in the public perception. I hope that the Minister will ensure that the report is done as speedily as possible.

Mr Poots: I have had the conversation with my permanent secretary that once the Fire Service is satisfied, the cause of the fire needs to be made public as soon as possible. I believe that doing that will assist us in providing confidence and warn others how simply a fire can start.

Mr McCarthy: Like others, I pay tribute to the excellent work of the services over the

weekend. Is the Minister convinced that a proper and fit for purpose maintenance regime operates throughout the health estates to prevent such a situation happening again?

Mr Poots: Yes.

Mr Wells: I am sure that the Minister agrees that the staff performed magnificently over the weekend. I also mention the offer of help from Letterkenny General Hospital. The offer was very welcome, although I understand that help was not required. When everything is settled and the hospital is back to full working order, it may be worth issuing a report, not of condemnation but from which to learn from the textbook response of Western Trust staff to what could have been an awful disaster. Other hospitals may learn from how well staff dealt with this incident through spreading best practice throughout Northern Ireland.

Mr Poots: I absolutely agree. People test emergency procedures, but this was a real-time trial in which an incident happened and people had to respond, and they did so remarkably well. Staff acted above and beyond the call of duty. Many of those who were there until the early hours had already worked all day. They were supposed to have signed off duty that evening and gone home to enjoy an evening's relaxation with their family, but they were there into the early hours of the morning sorting out all these issues.

I was impressed by the whole-system approach. This was not just about the porters, the nurses and the doctors; but about the system coming together in its entirety. Even Translink was involved in ensuring that people were transported within the hospital grounds. It all worked remarkably well. I think that other hospitals in Northern Ireland and beyond have a lot to learn about how these things are handled.

When we come to look at a new ward block for Altnagelvin, I suspect that you, Mr Speaker, will be glad to hear that it will not be a 10-floor block. It will probably be around three floors, from which, should the situation arise, it will be easier to evacuate people.

Ministerial Statement

Public Service Pensions

Business resumed:

Mr Allister: I ask the Minister: what sort of an Executive agree and commit to pension reform then drag their feet for eight months before deadlocking on taking the obvious, necessary step of a legislative consent motion? What example does that set to the public, to whom Ministers tell their responsibilities from time to time?

As regards the specifics of the legislation, will the Minister assure me that it will extend to the quangos and arm's-length bodies, including Northern Ireland Water whose senior staff still benefit from a contribution of 26.9% of their salary towards their pension and pay less than 3% themselves? Will that be tackled in the legislation and brought to an end?

Mr Wilson: First, in relation to the second part of the question, the policy intention is that the provisions will apply to all public sector schemes. That includes some of the smaller bespoke schemes that make pension provision for employees in public bodies that are not captured in the above categories. It will also include the pension schemes in North/South bodies, although the time for that has been extended beyond 2015.

As far as the Executive are concerned, let us make it quite clear. Most parties in the Executive have behaved in a totally responsible manner on this matter. The people who really need to answer the hard questions are those in the SDLP, whose Minister is actually going to introduce the changes ahead of the rest of the changes in the Assembly — his local government scheme will be introduced by 2014 — and those in Sinn Féin, who signed up to it and then, whether as a result of fear of criticism by the SDLP or by some of the trade unions bodies, then decided to go down this route.

However, let us make it quite clear that they are still bound by the Executive commitment. Let me just remind them again, and I will keep reminding them, that they will abide by the policy of career average and the policy of linking to the state pension age, and they will not adopt a different approach for pension schemes for Northern Ireland than those proposed for the rest of GB. That is, and remains, the Executive policy.

This is purely an issue of process, and I guarantee that if the process is not completed by April 2015, and we get hit with a bill for tens of millions of pounds, the people of Northern Ireland will not understand, least of all those who Sinn Féin claim to be looking to help; people who are disadvantaged, who need jobs and who need support in times of hardship. However, at the same time, Sinn Féin is quite happy to hand tens of millions of pounds back to the British Exchequer.

Mr Agnew: Where does the £260 million cost that the Minister referred to go? Will he confirm that it goes, in fact, towards paying the pensions of retired teachers, police persons, and Civil Service workers? If that is the case, Minister, you said earlier, when you referred to freezing the regional rate, that it is better that the money is in people's pockets than in government coffers. Why is that money different? You also referred to the thousands of teachers and nurses who could end up in the dole queue at a cost of £260 million. Is that not equally the case with the cost of corporation tax, which will also cost hundreds of millions?

Mr Wilson: I have to say that the Member's grasp of economics is as good as his grasp of changes in the climate and the things that have to be done to deal with them. He believes that not only can he overturn the laws of nature by changing what happens in the sun but he can also overturn the laws of economics. We all know why there is only one of him in the House when we hear a question like that.

The fact of the matter is that if the liability for pensions is reduced in other parts of the United Kingdom we will have to fill that increased liability here. I do not know whether he has ever heard of the term "opportunity cost". If we spend resources on one thing, we cannot spend those same resources on something else.

I have outlined the stark choices that are before us. People are living longer and pension schemes are under-capitalised and, therefore, the money has to come from some other area of government expenditure. I have given some examples of that. It means that you spend less money on teachers, nurses, economic development, agriculture and a whole range of other things. That is the stark reality of it.

He mentioned the comparison with corporation tax. There is no comparison. The difference is that the only reason for looking at the devolution of corporation tax is that, by having that tax power here and giving up some resources by reducing the corporation tax rate,

we will create jobs in the private sector by encouraging firms to invest. If the Member went and did a wee bit of economics first before standing up in this House, he would not ask such stupid questions.

Mr Lunn: I apologise for not being in my place when the Minister started his statement. Perhaps the previous questioner learned his economics at Grosvenor High School.

Mr Wilson: He did not learn it from me.
[Laughter.]

Mr Lunn: The Minister said that this would be an unpopular measure, which it is obviously is. Does he agree with me that, out there in the private sector, final salary schemes are being discontinued wholesale and replaced by career average schemes? Will he also confirm that the indexation of pensions in payment will still apply when the dust settles?

Mr Wilson: First, even those who are going to be hurt by this recognise that there have to be changes in the pension schemes as they are at present. However, after these changes have been made, pension schemes will still provide good pensions for people in the public sector, though they will not be as generous as they are now. Some people will not be affected at all because those who are within 10 years of retiring will still have the same conditions attached to their pensions.

People who have paid to date will still have those contributions frozen for the kind of pension which they receive at present. The changes that will apply will still leave pension schemes generous, in terms of some of the pension schemes in the private sector, albeit not as generous as they were in the past.

I can understand why people are reluctant to see those kinds of changes, but most sensible people realise that they have to come. The important thing, as far as I am concerned, is that we have to make the best of a bad job. We have to make sure that there is no grandstanding on this. I fear that we will, and that is why I welcome the assurances that have been given today that there will not be grandstanding on it, but only time will tell if that is the case.

I assure this House that if there is grandstanding there will be a very heavy price to pay, because people across Northern Ireland in different parts of the public sector — and the people who receive public sector services — will suffer.

Mr D McIlveen: I, too, apologise for not being in my place when the Minister started his statement. He is, obviously, aware that there are parties around the Executive table that have supported legislative consent motions when their Ministers have been in danger of missing a particular deadline that has been imposed on them.

Does the Minister agree with me that some parties in the Executive are playing politics with the pensions of people in the public sector, the very people who they claim to champion?

4.00 pm

Mr Wilson: I am glad that the Member raised that point. It is a point that I should have raised, and it is a very good point. Maybe I should get him to do some briefing for me on these things in future. He is quite right: there is not a party in the Assembly whose Ministers have not used legislative consent motions at some stage or other. I hear the argument, "This is all about process. We have a devolved Administration, and, therefore, we should deal with these matters in the devolved Assembly. In fact, devolution requires us to deal with these things locally." Yet, as the Member quite rightly pointed out, when it suits Ministers to get something through quickly or if they have a particular interest or a particular embarrassment, they are quite happy to use legislative consent motions.

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

All that I can say is that if the principle of legislative consent motions has been accepted, the public will find it very difficult to understand why a legislative consent motion that could have been used to save Northern Ireland tens, if not hundreds, of millions of pounds was rejected.

Mr Mitchel McLaughlin: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister. As has been acknowledged, this is an important but contentious issue. Although the general principles can be agreed, it is not clear from the Minister's comments thus far why the principle of respecting the role and function of the Assembly was not addressed in his approach over the past number of months. Perhaps the Minister should question his approach, given that, at times, he has upset not only ministerial colleagues but the normally docile, constructive and co-operative Finance and Personnel Committee. Perhaps he should examine his own approach in addressing the issue of why the other parties have adopted this approach. It

may have more to do with his style of ministerial jurisdiction than any lack of logic on behalf of the other parties.

Mr Wilson: I do not understand the question that the Member is asking. First of all, the matter was introduced to the Executive. The Executive, including Ministers from his own party, agreed what the approach should be: we will follow faithfully what happens in the rest of the United Kingdom. The matter was not brought back to the Executive for eight months because one party in particular refused to allow it to come back. There was nothing that I could have done during that period.

Some people may ask why we did not prepare legislation here in Northern Ireland. First of all, no Executive decision had been made on what the process should be. Secondly, we could not prepare legislation while the legislation was not even finalised, let alone introduced, at Westminster. Since the legislation has still not been finalised at Westminster, there is great difficulty in preparing it here.

The Member can say what he wishes about my responsibility in this. My responsibility was to bring forward the proposals, which was done; present the paper to Ministers, which was done; and have meetings with Ministers to remind them that this is a matter of urgency, which I did regularly. However, I cannot force people to co-operate if they do not wish to co-operate. I still do not know why they do not want to co-operate because they are not against legislative consent motions in principle. They are not against the proposals of the Bill at all, and they know the full consequences of the actions that they have taken, yet they are still prepared to go ahead with those actions. I think that the examination should be of those who made that decision rather than of the person who tried to get a sensible decision made.

Committee Business

Education Bill: Extension of Committee Stage

Mr Storey (The Chairperson of the Committee for Education): I beg to move

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 8 April 2013 in relation to the Committee Stage of the Education Bill (NIA 14/11-15).

The Education Bill underwent its Second Stage on 15 October 2012. As part of the Committee Stage, the Committee for Education sought and recently received a relatively large number of substantive written responses. This week, the Committee will begin its oral evidence sessions, involving key stakeholder organisations.

To allow sufficient time for the Committee to consider the evidence and any proposed amendments, an extension to the Committee Stage of the Education Bill is being sought. I assure the House that the Committee will endeavour to conclude its work well in advance of the proposed extended deadline. On behalf of the Committee, I ask the House to support the extension of the Committee Stage of the Education Bill until 8 April 2013.

Question put and agreed to.

Resolved:

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 8 April 2013 in relation to the Committee Stage of the Education Bill (NIA 14/11-15).

Small Business Research Initiative

Mr Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer of the motion will have 15 minutes to propose and 10 minutes to wind. All other Members who wish to speak will have five minutes.

Mr McGlone (The Chairperson of the Committee for Enterprise, Trade and Investment): I beg to move

That this Assembly calls upon the Executive to actively promote and raise awareness and understanding of the small business research initiative (SBRI) across the public sector; and further calls upon the Executive to put in place appropriate measures to increase uptake of the SBRI by Departments and the wider public sector to help stimulate and drive innovation, especially in local microbusinesses and small and medium-sized enterprises.

Go raibh maith agat, a LeasCheann Comhairle. The aim of this debate is not to criticise or condemn any Department or the Executive for not availing themselves of the small business research initiative (SBRI). The aim is to highlight the potential of the initiative and to encourage and obtain assurances from the House that every effort will be made to raise awareness of it among all Departments and gain a commitment from them to look at options and, where appropriate, bring forward proposals to avail themselves of the opportunities that the SBRI provides for businesses.

SBRI uses public sector procurement to drive innovation. The Technology Strategy Board (TSB), which promotes the initiative, informed the Enterprise, Trade and Investment Committee that the purpose of SBRI is two-fold: first, to find solutions to the challenges faced by government through innovative technology; and secondly, to drive economic growth through innovation in industry.

The process starts with a public sector body, such as a government Department, identifying a specific challenge: a problem to which it needs to find a solution. That becomes an open competition to which any business can apply, and because the initiative funds R&D, there are some exemptions from the EU procurement rules. Of course, because SBRI is procurement rather than financial assistance, it is not governed by the constraints of EU state-aid rules.

Phase 1 of a contract can result in funding being allocated to a number of successful applicants to work on the feasibility of a project proposal. At phase 2, successful applicants will be offered contracts that can be aimed, for example, at developing a well-defined prototype solution. Contracts for phase 1 are typically in the region of £20,000 to £100,000. Contracts for phase 2 can be in the region of £1 million or more. To date, the highest value contract awarded under SBRI is in the region of £17 million. The Technology Strategy Board informed the Committee that it is particularly keen to promote SBRI in Northern Ireland as it offers real opportunities to microbusinesses and small and medium-sized enterprises (SMEs) and is ideally suited to the local economy and the business base. In the experience of the Technology Strategy Board, locally developed SBRI competitions attract more bids from local businesses. In that case, why has there been only one Northern Ireland-led and sponsored SBRI competition?

One of the main barriers to government participation in the SBRI is risk aversion. Mechanisms are needed to help to overcome risk aversion among procurement professionals and to get them engaged with the initiative. A second barrier is the assumption among policymakers that SBRI is just about procurement. That assumption needs to change, and policymakers need to see it as a strategic tool to drive innovation. We need a change of thinking or, perhaps, a change of culture. We need to move away from the traditional ways of thinking about procurement, whereby we procure only products and services. We need to start to think about the problems faced by Departments to which solutions have yet to be found. We need to consider whether there may be businesses that are in a position to undertake research and development in an attempt to devise and develop innovative solutions to those problems. We need to think about procuring solutions.

A quick scan of the Technology Strategy Board website shows that there are potential opportunities in a variety of fields, including health, agrifood, social welfare, energy use, energy efficiency, green technologies, environment, construction, transport, tourism, communications and information management. There is potential in each of the 12 Departments here, and in the wider public sector, to identify problems and to propose competitions under SBRI to come up with innovative solutions.

When the Committee undertook its inquiry into research and development, it was found that

government was doing a lot to promote and encourage R&D. Funding has been allocated to R&D through a variety of programmes and funding streams. SBRI provides a real opportunity for the Executive to say that they are committed to R&D and will provide direct and much-needed support to our small business sector. The Executive could say that they believe in the potential of our SMEs and microbusinesses to provide good, innovative solutions to the problems we face. It is an opportunity for government to put its money where its mouth is.

Of course, the Minister of Enterprise, Trade and Investment has been engaged in some of that. The only Northern Ireland-led and sponsored SBRI competition to date has been in the Northern Ireland Tourist Board (NITB), which is sponsored by the Department of Enterprise, Trade and Investment (DETI). The Committee has learned that a new competition is soon to be advertised through SBRI. That will be to address the phosphate and nitrate problems associated with chicken litter and will involve DETI, the Department of Agriculture and Rural Development (DARD) and the Central Procurement Directorate. It is anticipated that that will be signed off by 10 December. Ministers and their Departments are to be commended for their efforts in that regard.

We can do some maths. If one Department leads an SBRI competition in which three local small businesses receive contracts averaging £50,000, £150,000 will go to local small businesses. If one of those local businesses is successful and gets a contract under phase 2 at £500,000, a total of £650,000 will go to local small businesses. If all 12 Departments undertake similar-sized competitions, a total of £7.8 million will be pumped into our private sector small business economy before any company has sold a product or service.

Our best chance of encouraging our local technology-based SMEs and microbusinesses to apply to SBRI competitions is to provide more local competitions for them to apply for. If they can achieve some measure of success locally, that can only encourage those same companies to apply for SBRI competitions in other regions and, therefore, bring new funding into the local economy.

The Radox case study, to which Members have had access, is a good example of the potential of SBRI. Radox is now set to play a significant role in the global marketplace, which is predicted to reach \$2.6 billion by 2014. That has come from an initial six-month phase 1 proof-of-principle contract of £90,000. It has

also provided the company with insights into a much wider range of markets for its existing and future products. The SBRI provides the potential for many more of our small businesses to achieve similar levels of success.

4.15 pm

Early-stage funding, usually in the form of venture capital, is essential to exploit the economic value of research. There has never been a greater demand for venture capital in Northern Ireland, but there has never been so little available. During the Committee's inquiry into R&D, Northern Ireland Science Park representatives informed members that if this problem is not fixed, it will be the number one constraint to growing the types of businesses that we need in the knowledge economy. SBRI provides an opportunity for government to provide direct support to help to fix the problem. In the United States, an initiative similar to SBRI is called the small business innovation research (SBIR) programme. That programme is now considered the single most important source of early-stage funding in the US. We can make SBRI an equally important source of early-stage funding for companies in Northern Ireland.

We need to promote SBRI in the public sector, but the other side of that coin is that we need to promote SBRI to our local small business sector. Only companies with the appropriate level of sophistication to drive R&D will consider the initiative. We need to promote it to those companies, and we need to work to increase the level of R&D awareness and readiness in our small business sector to provide it with the capacity and capability to apply for competitions under initiatives such as this.

The research and development statistics for 2011 were released last week. Total expenditure on R&D is up, total business expenditure on R&D is up, and expenditure on R&D by SMEs is up. These figures are to be welcomed. However, Northern Ireland still lags behind most other regions. The 10 biggest spending companies accounted for 62% of the total R&D spend, up 3% from the previous year.

Not only do we need to keep increasing the expenditure by SMEs on R&D, we need to increase the percentage contribution that SMEs and microbusinesses make to the overall figure for business expenditure on R&D. The small business research initiative is one tool, and we have heard from the Technology Strategy Board about how effective that tool can be. Indeed, the need for increased awareness of its effectiveness and of the very fact that it even exists needs to be promoted by the Department

and, indeed, all other Departments. It is one tool to help to achieve that business expenditure, and I seriously encourage every Department and every Minister to take a long hard look at its potential and to seek to promulgate that through their respective Departments. I commend the motion to the House.

Mr Newton: I welcome the debate. Research and development has been at the forefront of the thinking of the Committee for Enterprise, Trade and Investment since the start of this mandate. We produced a report on R&D, and that was recognised as a very positive step forward. The report was welcomed by the Minister, and the response from across the board, including from universities and industry, has been very favourable. There is a recognised need for us to explore all avenues of support. We need to up our game, especially in the area of innovation and R&D, and the Technology Strategy Board gives us another avenue to pursue. Launched in 2007, it plays a significant supporting and encouraging role in stimulating the levels of innovation activity. This support is for practical activity, helping businesses from a wide range of activities to develop their concepts, ideas, products or services into saleable business advantages. We all know that western economies need to innovate to succeed and that standing still is not an option. If it were, it would bring only business failure.

In Northern Ireland, we have tended to work towards seeking support from Invest NI, MATRIX and others, and the big Northern Ireland business names already work successfully with the Technology Strategy Board. TSB has established and is developing links with our universities and, indeed, the Northern Ireland Science Park and the Advanced Composites and Engineering Centre, which is located in the East Belfast constituency. There is, then, a strong base on which we can build, but we cannot be seen to be content with the level of activity. We need to increase and develop the level of activity to include many, many more SMEs.

Bringing increased numbers of SMEs into contact with innovation and R&D activity and helping them to succeed in this area, which, as the Chairman said, is often alien to them, will bring dividends to the participating firms, enhance the level of added-value products or services to their portfolio and give increased margins on products or services that are developed through an innovative approach.

Turning specifically to the small business research initiative, I can only welcome the approach that this sector of TSB is undertaking. The Committee's innovation and research report notes that members agreed that new structures are required to give that level of activity a lift. The Committee recommended a number of strands, and they have already been published. The SBRI approach is helping to address some aspects of the report.

At this stage, I thank the Federation of Small Businesses (FSB), which introduced me several months ago to the small business research initiative. FSB has championed the initiative by making introductions and opening doors for staff from SBRI to enable them to talk with interested bodies. Again, I thank it for that. Through the power of government and public sector procurement, the initiative offers to drive innovation. It provides new and innovative solutions to public sector challenges, as it helps to create business opportunities for technology companies, especially for SMEs and those that are regarded as microbusinesses. The process is simple and straightforward. It encourages government Departments and other public bodies that are looking for new approaches and solutions to problems to think outside the box and about how they may be able to work with industry and the private sector towards a solution. Companies are invited to make the provision of a solution.

The benefits are obvious. Northern Ireland's level of innovation will go up, SMEs will be encouraged to develop their thinking in the provision of solutions to government bodies, and the real benefits will flow by helping to rebalance our economy towards the private sector. I welcome SBRI. It will work through existing channels to stretch out to SMEs via local organisations and networks. Creating additional or new approaches would further confuse the situation. That is a complaint that we often hear from SMEs, particularly that the bureaucracy —

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

Mr Newton: I support the motion.

Ms Maeve McLaughlin: Go raibh maith agat. As a member of the Committee for Enterprise, Trade and Investment, I welcome this opportunity to speak on the issue. I firmly believe that any programme that exists for our small business sector must be explored and, indeed, exploited.

As we heard, this programme has two phases. First, if applicants are successful, they are awarded a grant of over £100,000 for two six-month periods. Applicants who then enter the second phase, and I think that it is important to point this out, will be offered contracts with a maximum value of £1 million and for a maximum of two years.

As we heard through the Committee, a range of businesses have availed themselves of the programme in a number of sectors, such as energy and climate, tourism, health, transport and policing. NITB, for example, had one competition to procure a number of mobile apps to promote tourist numbers and spend. The programme seeks to enable Departments and, critically, other public sector bodies to meet challenges by procuring innovative solutions to those challenges from technology organisations.

It is, therefore, the public sector body's responsibility to identify the specific challenge, and the programme then operates under EU pre-commercial procurement guidelines, as would be expected. Examples of such a programme have been highlighted. For example, the Retrofit for the Future competition was launched in England. It is important to point out that that was launched to save 80% of CO2 emissions, and a total of 87 housing projects will benefit from the scheme, receiving a share of £17 million. Each retrofit prototype received an average of £142,000 to demonstrate how technology can cut carbon emissions. However, it has been pointed out that although 6,000 businesses have availed themselves of that in England, we are told that only 2% or 3% of funding has gone to businesses in the North of Ireland. Therefore, it poses several questions. Are the networks working? Is there a developed departmental understanding of the initiative? Is there duplication with other existing Invest NI-delivered programmes?

There are many aspects, particularly relating to healthcare, that could be addressed through SBRI in areas such as increased efficiency and improved patient care. In the life and health sciences sector, SMEs in the North of Ireland are at a complete disadvantage owing to their disconnect geographically from the complete supply chain. In consultation with local and regional organisations, such as the Clinical Translational Research and Innovation Centre — quite a mouthful, but C-TRIC for short — there is a view that if that programme were targeted at healthcare, it would certainly improve opportunities for SMEs here. It would play a strong role in projects of that nature; in

idea creation, owing to our unique mix of academics, business and clinicians; and in our ability to evaluate the effectiveness of novel healthcare technologies. I thank the proposer for tabling the motion on behalf of the Committee, and I support it.

Mrs Overend: I thank the Chairperson of the Enterprise, Trade and Investment Committee for proposing the motion on its behalf. A focus on research and development is vital as we seek to support our indigenous businesses and navigate our way to economic recovery. The topic of the debate is timely, given that the Committee received a briefing on 8 November from Mr Stephen Browning and Mr Brian McCarthy from the Technology Strategy Board on the small business research initiative. I do not believe that there will be any major differences of opinion today, given the merits of the initiative, and the Ulster Unionist Party certainly is supportive of attempts to promote and raise awareness and understanding of it.

TSB is a UK-wide body that works closely with the existing structures in the Department of Enterprise, Trade and Investment (DETI) and Invest NI, as well as with universities and other organisations, such as the Northern Ireland Science Park. In its submission to the Committee, the board described itself as the UK's national innovation agency, and its broad remit is to promote innovation and support innovative business. In carrying out that function, it provides a series of grants to businesses of all sizes, with 60% to 70% going to small and medium-sized enterprises. That is a welcome shift in focus from TSB, given the hardship faced by many small businesses in the current economic climate. The funding has operated in a range of areas, such as energy, construction, agrifood and healthcare. I am sure that Members will agree that investment of that nature must be maximised.

One particular scheme run by the Technology Strategy Board is the small business research initiative, which is the subject of the motion. To quote from the Assembly's research paper, SBRI:

"seeks to enable government departments and other public sector bodies to meet challenges by procuring innovative solutions to those challenges from technology organisations."

As the Committee Chair said, available grants range from £100,000 in the first phase of application to a maximum of £1 million in the second phase. Timescales range from two months to two years over the whole of the

phased competition. Therefore, it is clear that the fund can amount to a substantial contribution to firms that are successful.

Another aspect of the initiative is that applicants retain the intellectual property associated with the project, and that is an important point. Despite the increase in patented technologies and innovative products since 1998, Northern Ireland still lags well behind the rest of the UK and the Republic of Ireland when it comes to intellectual property protection for those products. The number of patents gained in any region serves as an indicator of innovation and research and development. More importantly, however, without intellectual property protection, the high-value innovative technologies produced here are vulnerable to being copied. We need a greater emphasis on education on intellectual property for our innovators and producers. SBRI offers that protection.

It is clear that there is potential for our Northern Ireland SMEs to come into their own in research and development that may become available from all 12 Departments when they require such services. Colleagues have given examples of R&D opportunities, and I look forward to hearing whether there are government plans to engage further on those.

4.30 pm

It is worth noting that the SBRI was something that the Committee looked at during its inquiry into research and development. It was mentioned specifically in recommendation 4, which stated that a mechanism should be put in place to engage with the TSB to gain an understanding of the initiatives and support available for R&D. In response to that, the Department has formed bilateral agreements with the TSB, and Northern Ireland was the first devolved Administration to win a TSB SBRI procurement competition. That proactive approach is something that the House should welcome.

In conclusion, I refer again to the wording of the motion, which calls for:

"appropriate measures to increase uptake of the SBRI by Departments and the wider public sector to help stimulate and drive innovation, especially in local microbusinesses and small and medium-sized enterprises."

I fully agree with that sentiment, and I look forward to hearing how the Minister intends to achieve that.

Only last week, my colleague Leslie Cree questioned the Minister during Question Time on how much assistance Northern Ireland companies have received from the SBRI, to date. Although the Minister did not have those figures available at that time, I trust that she can give more of an indication today.

Ms Lo (The Chairperson of the Committee for the Environment): On behalf of the Environment Committee, I commend the ETI Committee for bringing the motion forward. It seems obvious to me that all of us should be behind the motion, doing what we can to raise awareness of this research initiative across the public sector.

The specific reason for the Environment Committee's interest may not be immediately apparent, so I will explain. Among the research papers that were distributed to Members in relation to the motion was a case study that described a research project taking place here in Northern Ireland by Randox. Randox is a world-renowned clinical diagnostic company, which was established here 20 years ago. It is the only British manufacturer of clinical diagnostic products and is ranked the sixth largest manufacturer of clinical chemistry reagents in the world. Clearly, it is a company that we should be very proud to have on our doorstep, but, unfortunately, it was not our government that tapped into its skills through the small business research initiative; it was Whitehall. The project I am referring to is jointly funded by the Home Office, the Technology Strategy Board and the Department for Transport. Was that, perhaps, because we did not need the expertise that those departments were looking for? Far from it, Mr Deputy Speaker.

That jointly funded project is developing a practical device that is capable of detecting when drivers have been using drugs. That is a hugely important issue and one which the Environment Committee raises with the Department of the Environment (DOE) at every opportunity when discussing ways to improve road safety. In its road safety strategy, DOE is committed to investigating new technologies to better detect and collect evidence from drivers who are suspected of being impaired through drugs. What a shame that it was not a DOE initiative that offered the funding to a local company to come with a workable solution. It is important to note that that project did not require vast amounts of funding. A relatively

small amount of £90,000 over six months allowed Radox to develop an oral fluid screening device. That will be followed by a £250,000 second phase to reduce the analysis time to eight minutes.

The small business research initiative promises to enable government to engage with industry and act as a lead customer through which it will provide innovative solutions to public sector challenges and business opportunities for technology companies.

Addressing the increasing problems being faced as a result of people driving under the influence of drugs is a prime example of where the Northern Ireland Government could have engaged with an industry on their doorstep to come up with a solution. It would have been a win-win. Instead, DOE seems to focus on other non-technological ways to address the problem, such as detecting impaired driving as a result of drugs.

I suspect that the resources it has taken for the PSNI to train an additional 200 officers in field impairment testing over the past two years would have gone a considerable way to developing the technology that would make this crime much easier to detect and, thereby, deter. A missed opportunity, possibly; but certainly a prime example of how the small business research initiative can benefit both government and industry. As Chairperson of the Environment Committee, I urge DOE to look at its potential and take opportunities where they arise. Mr Deputy Speaker, on behalf of the Committee, I support the motion.

Mr Moutray: I am glad of the opportunity to take part in the debate brought to the House by the ETI Committee to raise awareness of the small business research initiative.

The SBRI programme uses the power of government procurement to drive innovation, and provides opportunities for companies to engage with the public sector to solve problems specific to both. The SBRI is keen that there is engagement with a broad range of organisations and industries, and encourages that through its competitions for new technologies. The competitions are structured in a two-phased process open to any organisation, although it should be particularly attractive to SMEs, which currently get 60% to 70% of the funding.

The SBRI is aimed at the development of an innovative process, material, device, product or service. Universities are eligible to apply, as are registered charities, providing that they use

their trading company limited by guarantee. The competition base is broad-ranging, from energy and climate change to policing, tourism, health, communication, transport and education. The Northern Ireland Tourist Board has utilised the SBRI to purchase the development of innovative apps to help increase the flow of visitors to Northern Ireland and, indeed, encourage the greater spend of visitors when they are here, something that we would all support.

On 8 November, the ETI Committee was briefed by officials from the Technology Strategy Board on the SBRI in Northern Ireland. They indicated that they would like to see more SBRI competitions run here and that 2% to 3% of their funding goes to businesses locally. I think we all believe that that is too low. DETI officials have indicated that the SBRI will be looked at intensively. The Executive have committed to channelling funds into generating more SBRI projects.

I believe that, while there may have been a slow start, the contacts have now been built and working relationships are good between DETI, Invest NI and other stakeholders. Hopefully, that will bear a lot of fruit in the short term. We all realise that the challenge is raising awareness of the SBRI in Northern Ireland. I hope that the debate goes a little way to helping in that respect.

Mr A Maginness: I welcome the debate. It is appropriate and timely. I thank the Chair for his initiative, together with the Committee, in bringing the motion before the Assembly.

The small business research initiative is a happy marriage between public procurement and the private sector, and the whole concept of innovation in industry, particularly in the private sector. From our point of view, that happy marriage is very important, particularly as we are a small-business economy, because it is directed, as it says in its title, at small business research initiative. Therefore, it is particularly appropriate to our economic circumstances and the structure of our businesses here in Northern Ireland.

In some ways, this initiative was highlighted in the report by the ETI Committee in relation to research and development. During the course of discussions between the technology strategy board and the Committee examining the function and use of the small business research initiative, it became quite clear that the technology strategy board was more than anxious to spread the word among business and the public sector here in Northern Ireland.

The initiative depends very much on the creation of competitions in relation to challenges that affect the procurement process within government. Therefore, it is important to remember that small businesses have a very real opportunity of not just participating, but benefiting manifold from being involved in such competitions, and the more competitions within government, the better. Through this motion here today, it is up to us, it is up to the Executive and individual Departments to highlight the existence of the small business research initiative and to encourage Departments to involve small businesses in the solutions to procurement problems.

This initiative is bespoke for businesses in Northern Ireland, and I know that the technology strategy board is more than anxious to promote it. I believe that it is now a good opportunity for the Government, the Executive and all Departments to get involved. I believe that innovation, research and development is essential to our economy here. It will help us to move out of recession and into greater business activity.

Therefore, I believe that this is the tonic that is required for business and the public service here in Northern Ireland. By bringing this motion here this afternoon, we are serving the interests of all in business and in government here in Northern Ireland, and I hope that the Government and the public and private sectors become much more sensitive and aware of the small business research initiative because it will benefit all of us, and I believe that it will better our economy.

Mr Dunne: I, too, welcome the opportunity to speak on this matter today. Any attempt to help stimulate growth and innovation in our economy must be welcomed and taken seriously. I feel that this initiative has the potential to bring real benefits locally.

The small business research initiative is an exciting and novel way to try and help companies, particularly small and medium-sized enterprises that often struggle to find real benefit from funding opportunities. One of the key findings of the ETI Committee's recent report into research and development highlighted the fact that many of our local SMEs struggle to benefit from research and development opportunities. They often do not have the resources available. They are too busy doing the day job to dedicate resources towards research and development. Therefore, ultimately, they often lose out on funding opportunities.

The many case studies from companies around the UK that have experienced real benefit through participation in the SBRI scheme highlight the very valuable contribution it can make to business. It can often open up new avenues for SMEs, build contacts that otherwise never would have existed, and allow them an opportunity to develop an innovative product to address a real problem which exists, while helping the company to grow and sustain much-needed jobs in today's harsh economic climate.

4.45 pm

The scheme helps businesses to grow and gain confidence, particularly those that are cautious about developing products and understanding risk-taking. We have a rich history of being innovative, imaginative and progressive. The SBRI could be very well matched to many small local companies. The local economy, combined with its rich abundance of SMEs, shows real potential for developing a strong relationship between the local business sector and the TSB through that initiative. There is the added benefit of its being a UK-wide company. It has allowed local companies to make bids in many competitions for a whole range of problems that needed a solution. One such case study is Radox Laboratories, which has developed a drug-drivers detection system for the Home Office. It is an example of how a local company has taken that opportunity with both hands. It now has the opportunity to bring forward a product that could potentially be in demand throughout the world.

In the Committee's evidence session, which was very useful and from which we gathered a lot of information from representatives of the Technology Strategy Board, we found that they are very keen to build on initial work in Northern Ireland. I would like to see much greater awareness of that initiative locally. There is real potential to improve awareness of the SBRI scheme among local businesses. The fact that the Technology Strategy Board, which heads up that programme, is based in Swindon in England, with 200 employees, is a disadvantage. The fact that there is no permanent presence here in Northern Ireland needs to be looked at. A permanent presence would go a long way to improve awareness and uptake.

The Northern Ireland Tourist Board competition, which has been mentioned quite a lot previously, was also interesting. It was certainly encouraging to see such high interest among local companies in developing an application that would bring real benefit to the

local tourist sector. I would like to see even more local input from companies and more local contracts being brought forward.

Finally, I would like to commend the ongoing work of the Minister, Arlene Foster, and her Department in helping to stimulate growth in the economy, and the work of Invest NI, particularly through its Boosting Business campaign and other initiatives. I trust that we will continue to see progress on the matter in the near future and much greater awareness of that positive initiative. I support the motion.

Mr Agnew: As you can see, Mr Deputy Speaker, there is no disagreement as to the benefits of the SBRI. We have heard various Members describe the benefits and the particular programmes that it has initiated. I do not intend to repeat what has already been said. However, the focus needs to be on how we better promote the use of the SBRI and how we can further raise awareness of the scheme's potential.

Although the motion was brought forward by the Committee for Enterprise, Trade and Investment, and the Minister is present to hear the debate, the motion seeks greater awareness across all Departments. Indeed, for that reason, I am delighted to see the Chairperson of the Committee for the Environment choosing to speak in the debate. It is a cross-departmental issue.

At our Committee meeting on Thursday 22 November 2012, I raised the potential use of the SBRI to solve some problems in telecommunications. I asked the officials in a genuine way whether that was a possible avenue. They had to state their ignorance of the SBRI. It was not my intention to try to catch them out. I admit my own ignorance of the SBRI until quite recently. Indeed, Robin Newton mentioned that it was the FSB that brought it to his attention. I raised the lack of knowledge among those departmental officials to highlight the problem that there is not sufficient awareness in Departments.

For that reason, I think that we in the Committee and in our other duties as MLAs need to champion and raise awareness of the SBRI. By the mere asking of that question in Committee, I am pretty sure that those officials will, by now, be well aware of its existence and will, I hope, investigate its potential use in solving some of the problems faced by the Department. As I say, we all need to act as champions for the SBRI, be it in our role as Committee members or in our constituencies, by engaging with local businesses.

Again, Members mentioned the benefits that have already come to Northern Ireland through local businesses competing in SBRI for projects that are headed up in GB. I ask that the Minister act as a champion for SBRI in her Department and at the Executive and to ensure that awareness of the scheme is raised in each Department.

New problems require innovative solutions, and the SBRI offers Northern Ireland businesses the opportunity to provide those solutions. That is why I welcome today's debate and support the motion.

Mrs Foster (The Minister of Enterprise, Trade and Investment): I very much welcome the Committee's motion and the debate. Members will recall that at the heart of our economic strategy is the imperative to stimulate more innovation, research and development, and creativity. We say that not because "innovation" is the buzz word, which, of course, it is at present, but because we believe that it is the key driver of productivity and economic growth. It is only through greater innovation that we will see our economy return to strong sustained growth in the years ahead.

As we in the House know by now, the economic strategy sets out the two key priorities of rebuilding and rebalancing our economy. Innovation is important to both those priorities. Through rebuilding, we know that innovating companies are more likely to survive the stresses of the downturn and to grow even in difficult conditions. Of course, if we are to rebalance our economy from one that, we all accept, is overly dependent on the public sector to one that is high value-added and export focused, we need to encourage more companies to become more innovative. To support that, we in government need to become much smarter. I think it is accepted that we really need to push the boundaries in using our public sector in order to help our economy to grow. We need to work harder to commercialise the knowledge we generate in the public sector through, for example, research and development in our health service.

The recently signed memorandum of understanding between Invest Northern Ireland and the Health Department, I think, now creates an environment where we can make better use of our health sector as a lever for economic growth. I think that it was Ms Lo who mentioned the health sector and the need to be more innovative there, and I think we all accept that. I believe that we can make more use of what is available to us, particularly in the area of Connected Health. However, we must

recognise that all areas of our public sector have the potential to make a positive economic impact. What we have struggled with is finding ways of leveraging that in a way that adds real value and really drives innovation.

My colleague Sammy Wilson recently updated the House on the work being undertaken to make sure that public procurement adds real value to the local economy. The facts speak for themselves: in 2010-11, 77% of contracts managed by centres of procurement expertise were awarded to Northern Ireland-based companies, and 67% of those contracts were awarded to SMEs.

Turning specifically to SBRI, Members will know that that is a key programme run by the Technology Strategy Board across the UK. SBRI is a structured process aimed at driving innovation through the procurement of research and development. It should not be seen as a replacement for more traditional forms of procurement; rather, it very much adds value to that. It is designed to encourage companies to innovate and to develop new products knowing that they are doing so in response to a customer's need.

It is primarily aimed at addressing public sector needs where there is no readily available solution in the market. Colleagues mentioned the two-phased approach that is adopted, therefore there is no need for me to rehearse that.

Some of the benefits of using SBRI are that it allows the public sector to gain a much better understanding of potential solutions and to harness the skills and knowledge of the private sector to meet its needs. One of the frustrations of government is that you often find that procurement exercises are looking at ways to answer questions that have long been answered and we have moved on by that stage to answer different questions. So, it allows for engagement with non-traditional suppliers and to create greater competition and value for money.

I frequently hear Members referring to risk aversion in our public services. By facilitating the development of multiple solutions, SBRI ensures that the public sector can take a portfolio approach to risk at a scale that is proportionate.

SBRI has run in the UK for only a relatively short period. However, we can look to the United States of America, where a similar programme, the SBIR, has run since 1982. The outputs of that programme are impressive. It

has been a key factor in stimulating the growth of companies such as the semiconductor manufacturer Qualcomm, which last year had a \$15 billion turnover. Recent research on the US programme found that 80% of research and development undertaken under the programme was additional and unlikely to have happened otherwise. In addition, participating firms found it much easier to access venture capital funding and, on average, 25 jobs have been created per winning firm.

We heard about some of the closer-to-home examples. We have very positive examples. Among the winners of the SBRI competition for tourism apps, which was the first run by any devolved Administration, two were from Northern Ireland companies. One, 'Take a Hike', was a start-up less than one year old, and the other, 'My Tour Talk', was less than five years old. Those are not the sort of companies that would normally find it easy to sell to government, yet 'My Tour Talk' is now winning business outside Northern Ireland and negotiating franchise agreements internationally. That is a clear example of the public sector, through SBRI, stimulating an export opportunity for a Northern Ireland company.

Another exciting company is Drumbo-based start-up Repknight. By winning a national SBRI competition, that tiny company, with just three people employed, was able to develop its social media monitoring product to sell initially to a Whitehall Department. It is now making significant progress in international markets. It is telling that that company has expanded from three to 11 staff directly as a result of products developed under SBRI.

However, SBRI, despite its name, is not limited to just small businesses. It is excellent to see Randox succeed in the national SBRI competition to develop mobile drug testing technology to identify drug drivers, which has a global market estimated at \$2.6 billion by 2014. According to the company, the SBRI competition was central to the development of its technology. As Anna Lo rightly said, we should be very proud of Randox being successful in that competition. I know she said that it was not one run by this devolved Administration but I take considerable pride in the fact that it was a national competition that Randox was successful in. I hope that other companies will not confine themselves to just Northern Ireland-run competitions but will also look at the national competitions.

Mr Dunne, I think, made the comment that the Technology Strategy Board does not base itself

here in Northern Ireland, and that is absolutely right. It does not base itself on a regional basis but works across the UK on a programme basis. Invest Northern Ireland and DETI have a very close working relationship with the Technology Strategy Board, so I do not have any concerns on that issue. Of course, we always welcome the setting up of companies here, not least from national Government, but I do not have any concerns in relation to its commitment to working with Invest Northern Ireland and DETI.

5.00 pm

We need to recognise that we can do more. My Department and Central Procurement Directorate have been working closely to encourage more Departments and the wider public sector to commission SBRI-type products. I welcome the fact that the motion does not talk about central government and regional government but just talks about the public sector, because councils could also have a role in this. We encourage councils to think about innovative ways of dealing with some of their procurement.

I was very pleased that the Technology Strategy Board's chief executive, Iain Gray, was here earlier this year. Iain was clear that he sees SBRI as a key opportunity for Northern Ireland to lead the innovation agenda across the UK. The board's team of experts has undertaken outreach events with Northern Ireland Departments and has provided significant support to officials. Mr Agnew made the point about needing to raise awareness across government. We accept that. That is the reason for appointing the four innovative procurement executives. We hope that they will make a difference in getting the message out, but it is also up to us, as Assembly Members — I think that this point was made by Mr Agnew — to evangelise about SBRI.

I am sure that Members will be aware that the European Commission proposes to run a SBRI-style competition as part of Horizon 2020. To incentivise Departments to commence SBRI projects, we are exploring the potential to establish a central fund that will be used to co-fund projects. I want to see many more SBRI competitions run locally. That is why I am particularly pleased to inform Members that on 10 December, with the help of the Technology Strategy Board, we will launch our second Northern Ireland SBRI competition, which is a joint DETI/DARD project that is designed to develop solutions for the sustainable utilisation of poultry litter. That, of course, as everybody in the House knows, is a major issue facing

Northern Ireland's agrifood industry. We want to have that brought to a conclusion very soon because we need it to grow the poultry sector here in Northern Ireland. That is a very important sector to the agrifood industry.

Mrs Overend asked me a direct question about statistics. SBRI is run across government and some competitions are in national security areas, and, therefore, detailed stats are not readily available. However, after the question from her colleague Mr Cree, we went to the Technology Strategy Board about figures. The board is working on a Northern Ireland breakdown, and it hopes to have those figures with us later this week.

I thank the Committee and Members who have contributed to the debate this afternoon. I once again emphasise that we wish to see significantly greater use made of SBRI by Northern Ireland Departments. We also want to see many more of our local companies winning contracts and growing jobs and exports through what we believe is a really excellent scheme.

Mr Flanagan (The Deputy Chairperson of the Committee for Enterprise, Trade and Investment):

Go raibh maith agat, a LeasCheann Comhairle. I thank Members who have participated in what has been a very useful debate. I think that most people in here will welcome it. The role of all Committees is to advise and assist Ministers. The decision by the Committee to bring the motion to the House is a good example of the work that Committees can and should undertake.

Most Members highlighted what SBRI is for and how it has been used in the past. A number of Members alluded to the fact that as traditional sources of funding are cut, it is vital that businesses and the public sector look elsewhere and use innovative measures to try to attract funding. According to the evidence that the Committee for Enterprise, Trade and Investment has taken so far, very little is known about the existence of SBRI funding, let alone the work that can be carried out. As Mr Agnew mentioned, that was particularly the case last week, when officials from DETI were unsure about its existence. That really confirmed to us the need for the motion to be brought forward to increase awareness of its existence. The sole purpose of the motion is to increase awareness of the SBRI among public sector officials and businesses. It follows nicely from the Committee's inquiry into research and development.

It is particularly difficult for small, medium and microenterprises to avail themselves of funding

streams, and it is important that other avenues are opened up and explored. SBRI provides a substantial opportunity to grow our indigenous small and microbusiness base, which, as the Enterprise Minister frequently states, is the backbone of our economy.

The recently announced job losses at Patton demonstrate the need to increase the number of small and microbusinesses in our economy so as to lessen the impact of such large-scale redundancies. The recently announced job losses at FG Wilson and Thales highlight the need to develop and grow indigenous businesses in the technology and engineering sectors. Businesses that are committed to the local economy here will not relocate based on short-term economic advantage but will have some loyalty to the place where they were started.

SBRI provides the opportunity to increase the number of indigenous businesses and to grow and develop the small and microbusiness sector. As demonstrated by what a number of Members have said, increasing the uptake of SBRI is not the sole responsibility of one Department; it is the responsibility of all Departments and, indeed, the wider public sector.

SBRI is about getting our public sector to think outside the conventional parameters and constraints on the way that they work. It is about providing businesses with the chance to realise that light-bulb moment when the germination of an innovative idea can lead to a more concrete concept and, eventually, to a product that can generate financial returns to our economy. Those returns are made through manufacturing, sales and exports, which, in turn, generate jobs for our people. The Chair of the Environment Committee described one such prime example. Randox has worked with the Home Office and the Department for Transport in England to come up with a system that tests drivers on their fitness to drive based on the potential consumption of drugs. The poultry litter example that was referred to by Patsy McGlone and the Minister is a problem that the Department of Agriculture has grappled with for years. Most of us would be hopeful that with the help of SBRI, that problem could be sorted out, and I suppose that we are all glad to hear that applications for that competition will open in December. Those two examples demonstrate the potential that exists for more competitions. I am sure that if Members and people in the wider community were to think about their everyday work, they could come up with two or three issues or problems that

Departments face that just might be appropriate for SBRI.

I now turn briefly to some of the comments that Members made. Patsy McGlone highlighted the role and rationale of SBRI and the opportunities that are presented by it. Robin Newton spoke about how the SBRI could help in addressing many aspects and recommendations of the Committee's R&D inquiry. Mr Newton said that there was an opportunity to drive innovation in SMEs and microbusinesses and that it could help to encourage Departments to think outside the box.

Maeve McLaughlin outlined the various categories that were eligible for funding and said that it was the responsibility of public sector bodies to identify specific challenges. She also said that without the support of the public sector here, SBRI will have only limited success.

Sandra Overend said that SBRI offers surety for organisations in intellectual property protection. That is a very important aspect for anybody who is getting involved in R&D and innovation.

Stephen Moutray mentioned that universities and charitable organisations can apply to SBRI. That, of course, broadens the potential of SBRI to the higher education and social economy sectors.

The former Chair of the Committee, Alban Maginness, said that SBRI was appropriate and relevant to the nature and structure of businesses here.

Gordon Dunne said that SBRI was an exciting and novel way to help businesses, particularly SMEs, which often struggle to find finance. He also said that he would like to see a permanent presence for SBRI here, and I presume that he has somewhere lined up in Bangor or the Hollywood hills for that. However, I also presume that they would need to fix the mobile phone coverage in the Hollywood hills for that to happen.

Steven Agnew spoke about the need to promote the scheme. He said that increased awareness among officials in all Departments was key, particularly given the findings of the Committee's meeting last Thursday.

I will leave it there. There is not really much point in drawing this out any longer. There seems to be consensus among all MLAs, and I suppose that that is a very good thing for a

motion that is about raising the awareness of a scheme.

Question put and agreed to.

Resolved:

That this Assembly calls upon the Executive to actively promote and raise awareness and understanding of the small business research initiative (SBRI) across the public sector; and further calls upon the Executive to put in place appropriate measures to increase uptake of the SBRI by Departments and the wider public sector to help stimulate and drive innovation, especially in local microbusinesses and small and medium-sized enterprises.

Mr Deputy Speaker: Members should take their ease for a few moments while we change the people at the Speaker's Table.

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

Bovine Tuberculosis

Mr Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 15 minutes in which to propose the motion and 15 minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

Mr Frew (The Chairperson of the Committee for Agriculture and Rural Development): I beg to move

That this Assembly approves the Committee for Agriculture and Rural Development's report on its review into bovine tuberculosis; and calls on the Minister of Agriculture and Rural Development to bring forward a timetable for implementing the recommendations contained in the report.

I begin by outlining why the Committee felt that it was vital that it undertook this work on bovine tuberculosis (TB), a disease that is a serious problem for herd health in Northern Ireland. Although, since 2002, there has been a downward trend in herd and animal incidence rates, there has been a recent and rapid upsurge. The rate fell to an all-time low of 4.99% in August 2011. However, it rose to 6.99% on 30 June 2012. That represents a comparative increase of 40%. From figures published up to August 2012, the incidence rate still appears to be moving upward. There is concern that that may signify that the disease is taking a much firmer hold in Northern Ireland. That cannot be allowed to happen because it would make it much more difficult to eradicate and get Northern Ireland to the point at which it is free from bovine TB.

In evidence to the Committee, Department of Agriculture and Rural Development (DARD) officials admitted that they have no explanation for the increase, and I am hopeful that the Minister in her response today may be able to shine some light on the matter. One of the main issues that the Committee tackled in the review was the role of wildlife in acting as a reservoir and a spreader of TB to cattle. The role of wildlife, particularly badgers, in TB is highly emotive and incredibly divisive. The science behind it is hotly and publicly disputed, as well demonstrated by the situation in England, where a new programme that was proposed to tackle the disease was to include increased testing, a renewed emphasis on biosecurity and a badger cull plus badger

vaccination. The badger cull aspect has been the focus of all attention, including a number of judicial reviews, intense media coverage, a public petition, a Westminster debate and action by protest groups.

Regardless of the situation in England, the Committee examined scientific evidence that shows that the badger plays a role in the persistence of the disease in Northern Ireland. Badgers are susceptible to TB, and it appears that many have died from the disease. Research provided to the Committee also made it clear that no other country in the world has managed to eradicate bovine TB without first tackling any reservoir of the disease in wildlife. In no uncertain terms, industry stakeholders and the farming and rural community also expressed to the Committee their concerns that the DARD approach was not addressing the wildlife issue. There was a programme based on testing and more testing. There were proposals for various research projects into the role of the badger, but little or no action on the ground.

It was with considerable interest that the Committee listened to what the Minister had to say in July 2012, when she indicated that DARD would be undertaking a wildlife intervention study. The study was to be based around the key themes of capturing badgers, testing them for TB, vaccinating those who test negative and removing or culling diseased animals. That new approach was the subject of much Committee discussion. Some members remain to be convinced that this approach is the correct one. No doubt, those members will speak about that later. However, in the end, the Committee gave a broad, but cautious, welcome to the proposals for the wildlife intervention programme.

5.15 pm

Although we were very glad to see at least some movement on the wildlife issue, and I am in no doubt that the intense scrutiny of the Committee was the direct cause of that movement, the Committee still has some concerns about the programme as proposed. The programme is innovative and has not been attempted elsewhere in the UK or in the Republic of Ireland. Consequently, DARD, in conjunction with the Food and Environment Research Agency (Fera) and the Department for Environment, Food and Rural Affairs (DEFRA) in England, has to develop the programme from scratch. Information on costs, methodology, timescales for the pilot, where that pilot may be held and how the programme might be rolled out across Northern Ireland if

successful was not made available to the Committee before its report was published. I hope that the Minister will be able to fill in some of those blanks and unknowns for us today.

Of major concern was the issue of the testing kit used to check whether a badger has TB. The badger has to be captured, anaesthetised and a blood sample taken and analysed. Then, depending on the results, the badger will be vaccinated or removed. All this will happen in the dark or coming up to dawn, as the badger is a nocturnal animal. To date, the only test available for use in the field is Brock Stat-Pak, which has an estimated sensitivity of 49.2% and a specificity of 93.1%. A more detailed explanation of what that means is in the Committee report, but, in layperson's terms, it means that the test may not pick up nearly 50% of infected animals. Of course, this is of concern. DARD officials have responded to Committee concerns about this, all of which are laid out in the report. I expect that the Minister will address these concerns when responding to the debate. Although the research programme is welcome, we in the Committee feel that it could have come much sooner. I emphasise that we need to see the detail so that we can assess it as soon as possible.

I will now pick up on some other key issues worth mentioning. For me, one of the starkest things to emerge during the inquiry was the lack of information and knowledge about this complex disease and, at the same time, the wealth of available information that was not being properly used or widely shared. There is, for example, very detailed data available on the various strains of bovine TB, but very little appears to be done with that information. Are certain strains, for example, more virulent than others? Can some strains evade skin testing to a degree? Another example is that bovine TB displays a distinct pattern, which is that 70% to 80% of reactors are in 20% to 30% of herds. It is clustered, but no one seems able to identify why this happens. Is it a concurrent infection? Is it the same 20% or 30% of herds over time? There are other risk factors. Finding out why that clustering happens and developing methods of addressing it has the potential to make a serious difference to incidence in Northern Ireland. The Committee knows that DARD has been considering commissioning a study of this and recommends that it should happen as soon as possible. It should be a detailed study of the epidemiology of herds exhibiting this pattern, with a clear focus on understanding how the cycle of repeat breakdowns and/or concurrent infections or large breakdowns can be broken. However, to have a proper focus, DARD needs to develop a

better definition of what is meant by 20% or 30% of herds. That definition needs to be worked up in conjunction with the industry.

We heard from many stakeholders during our inquiry, and nearly all said that the current testing and surveillance regime was one of the most robust in Europe. However, at the heart of that regime is a reliance on what is commonly known as the skin test to identify whether the disease is present in cattle. The Committee was concerned by some of the evidence that indicated that the skin test had limitations and could miss up to one in four infected animals. Other witnesses said that its failure rate could be even higher, and emerging research may indicate that the effects of liver fluke and Johne's disease could be masking bovine TB even further. It is, therefore, vital that research into such issues is sustained and continued.

The gamma interferon test is a blood test that can be used to complement, but not replace, the skin test. It has some limitations, which are fully discussed in the report, and it is substantially dearer than the skin test. The Committee is aware that an evaluation of the blood test is under way, but results are not expected until 2014. There are, apparently, opportunities to improve its performance and reduce its cost. The Committee urged DARD to explore those opportunities.

Improvements need to be made. The disease cost Northern Ireland around £317 million over the 15 years up to March 2011. That is a substantial amount of money, the bulk of which has been spent on the testing regime and on compensation payments for the slaughter of infected cattle. However, that has to be put in context: it allows our export trade in livestock and livestock products, which is valued at over £1,000 million a year, to take place.

That is the purely financial cost of the disease. Recognition must also be given to the personal and emotional distress that a herd breakdown brings to many farming families. Compensation arrangements were not explored in the inquiry, but it is worth noting that compensation is paid out at 100% of the market value for every animal that is slaughtered. Some external bodies have criticised that arrangement, and, as a result, the Department is looking at alternatives. The Committee remains to be convinced that such alternatives will aid in the plan to eradicate bovine TB, which is the ultimate aim.

It would be remiss of me not to say something about the possibility of a cattle vaccine.

DEFRA has developed a cattle vaccine and an associated test to differentiate infected from vaccinated animals, known as the DIVA test, but a number of outstanding issues mean that they cannot yet be used.

EU legislation would have to be amended, and the issuing of international validations, as well as acceptance in the marketplace, would be required. Experts' best estimate is that it could take years to achieve that, and even if and when all that happens, the vaccine is not the final solution. Infection can still happen, so other solutions will always be needed, including cattle controls and ways to tackle wildlife.

In outlining the key components of the Committee report, I look forward to hearing the Minister's response, as well as fellow MLAs' comments. I thank all those who took the time and made the effort to write to the Committee during its inquiry and who provided oral evidence, particularly the Northern Ireland Audit Office, which gave us a detailed analysis of the work that the Public Accounts Committee did in the previous mandate. The outcome of that work provided the Committee with a solid foundation from which to move forward during the inquiry.

I will now take the remaining time to make some remarks as the DUP agriculture spokesman. I was very disappointed that the Minister of Agriculture and Rural Development saw fit not to push this matter at the Executive and to have it included as a Programme for Government target, even when some DUP Ministers made it clear that it should be and that they would have supported such an action.

I plead with the Minister to reconsider that and to try to add it to the Programme for Government in some way. It is an important factor that affects our farming community, and it must be tackled. It is very clear that we need to see action from the Department, as that has been lacking for many years.

Do not get me wrong: we test and test and we pay out compensation, and then we test and test again, but all that we are doing is measuring the disease, not eradicating it. We are not even measuring the disease that well if we are missing one in every four infected cattle. More research must be done, and it must be shared better between DARD's veterinary division, the Agri-food and Biosciences Institute (AFBI), vets on the ground and the farming community.

The Committee for Agriculture and Rural Development is still awaiting the publication of

the TB biosecurity study and is keen to scrutinise the results. That is another example of information not being shared. Why has it not?

The Minister puts great stock in the fact that she works well on her all-island strategies and with the Republic of Ireland Government. I suggest to her that she should look across the border and assess the actions that have already been taken in the Republic of Ireland to try to eradicate bovine TB. The productivity of their work means that there has been a fall in the disease from 7.5% in 2000 to 3.94% in the first nine months of 2012.

Minister Coveney could not be accused of a lack of action, no matter what you think of that action. His Department is confident that much of the improvement in the TB situation in recent years is due to the badger removal programme. Sinn Féin must look across the border with the Republic of Ireland with complete embarrassment, considering its lack of action on the subject for many years.

This party and the Committee of which I am Chairman picked up the gauntlet of bovine TB and have run with it ever since, forcing the Minister into action. I hope that she will respond to the report and its recommendations and publish a timetable for implementation of those very recommendations, which the Committee sought and worked hard on over the past few months.

Mr Deputy Speaker, I commend the report to you. I hope that the Assembly will see its great merit. We are here to scrutinise the Department, but we are also here to assist and advise. I hope that the report goes some way to doing that.

Mr McMullan: Go raibh maith agat, a LeasCheann Comhairle. On 13 March 2012, the Committee for Agriculture and Rural Development agreed to conduct an inquiry into bovine tuberculosis. The Committee agreed to write to key stakeholders to request submissions on the matters included in the terms of reference. Some of the highly relevant points raised centred around biosecurity, vaccinations, dealing with TB in wildlife, testing for bovine TB, cattle movements, and research. The Committee received 19 written submissions and 13 oral submissions, commissioned five research papers and undertook a study visit to England.

Bovine TB is a respiratory disease. In infected cattle, it is found in the throat and lungs. Therefore, the infected animal spreads the

bacteria from its breath or in discharges from its nose or mouth. We have had a TB programme here since the 1950s, but it was not really until 1959 that we had compulsory testing. Test results have never come close to the 0.2% for three consecutive years that is required before bovine TB-free status is obtained. It is worth noting that in all that time, the lowest that we have ever got to is 4.99% in August 2011. Worryingly, on 30 June 2012, the figure was 6.99%.

At present, the EU-recognised test is the skin test. According to DARD, it has a one-in-four failure rate. However, some witnesses, such as Queen's University and AFBI, have indicated that the rate of reliability could be lower, perhaps only 50% or 60%. Even given those figures, it is still the best test available. Animals that fail the test are known as reactors. If such an animal is found in a herd, the herd is placed on TB breakdown. The reactor should be isolated before being taken for slaughter. Breakdown herds must have two clear tests before movement restrictions are lifted. A further test occurs four to six months later to make sure that no other animal is affected.

There was discussion around the difference in test results between private vets and DARD officials. On the back of evidence from VetNI, the Committee commissioned its own research. Although that showed that there was a difference in the TB-testing results of private vets and DARD vets, the differences may not be as large when other factors outside DARD analysis are taken into account.

In 2011-12, the total amount of compensation paid to two or more claims per herd accounted for 70% of total compensation in the entire year. That total was almost £13 million. Single payment claims per herd totalled almost £4 million, which accounted for 30% of that 70%. Two or more claims totalled almost £9 million, which accounted for the other 70%. In October 2008, the EU bovine TB subgroup of the task force for monitoring disease eradication specifically commented that DARD's compensation scheme did not encourage farmers to implement biosecurity measures and could encourage fraud. In its 2009 report on bovine TB, the Public Accounts Committee recommended that as an added incentive to prevent bovine TB, the Department should consider:

"introducing a system whereby the rate of compensation would be progressively reduced in cases of multiple claims by the same herd keeper".

The Veterinary Service's forecast for 2012-13 is a figure of 12,201 cattle, which is up from the June figure of 11,039. The TB figure for 2012-13 is estimated to be £16.811 million. As the Chair of the Committee said, the cost over the past 15 years has been £317 million. What has not been said is that, of that £317 million, £132 million has been paid in compensation. Although those figures are huge, we must at all times protect our £1 billion livestock and livestock products sector, which is hugely export-dependent.

5.30 pm

We must now support the Minister's plan for the test and vaccinate or remove wildlife intervention research. That programme will entail trapping the live badgers and testing them. If the test is negative, they will be vaccinated and released, but they will be removed if the test is positive. The £4 million set aside in the Programme for Government for TB in wildlife research —

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

Mr McMullan: Research is ongoing. A model will be designed, which will be tested in a pilot area before it is successfully rolled out.

Mr Beggs: I declare an interest as my parents run a suckling cow family enterprise.

I notice that the Northern Ireland Audit Office has updated the Agriculture and Rural Development Committee on public expenditure on bovine TB over the past 15 years. It is some £317 million, which is a huge sum of public money. Some £132 million was spent on compensation to farmers, some £86 million was spent on payments to private vets for herd testing, £71 million was spent on DARD staff costs and other costs beyond that. However, the cost to the industry is even more. A further £200 million per year is the estimated cost to farmers of the disruption involved in testing. For example, a farmer may have to transport cattle to a central test point, and there could be a cost for the labour involved, etc.

Farmers caught up in the disease with "doubtful" or "positive" reactors can face significant additional costs to their businesses. They cannot sell their animals at market, which can result in them being forced to purchase expensive additional forage. This year, winter forage is at uneconomical prices because of a scarcity. The alternative is to sell breeding stock to abattoirs. Later, after a herd has been

tested as "clear", the farmer will face the cost of rearing replacement stock.

Stress on the family farm must be one of the greatest costs omitted from the published figures. It is simply impossible to quantify the cost to personal health. A farmer's livelihood and years of selective breeding are at huge risk until two successive "clear" tests are achieved. During that period of uncertainty, farmers do not know if one more of their precious animals will be removed from the herd or whether the entire herd will be condemned. So, there is huge pressure on the family.

DARD maintains that the purpose of the programme is to eradicate TB. It spent some £23 million in 2011-12, but the absence of a strategy to achieve that purpose is evident. Thankfully, DARD has finally utilised European Commission funding of some €5 million a year to try to improve the situation and develop an eradication plan. However, what must be of particular concern is that, despite all this investment to date, the incidence of TB in Northern Ireland has increased by some 40% over the past 12 to 18 months. The general consensus is that, to date, the programme has failed, especially given that in some areas of Northern Ireland bovine TB is rife and that the overall rates remain far higher than they were in 1996, despite hundreds of millions of pounds being spent.

The Minister and, indeed, her predecessor have spent much time campaigning for reduced compensation fees, and I recall a figure of 75% being mentioned. That figure will potentially put many farmers out of business. Not only that, but many farmers may be doing everything right and the problems may be outside their control, yet such a proposal would have innocent farmers penalised because the problem may be in the local environment and local wildlife population.

The Department's data indicate that 70% of compensation claims were for two or more claims, but I note that the Committee report questions the usefulness of the data without further contextual information. What exactly does the 70% represent? Is it ongoing claims as a herd develops other infections, or is it that the herd has gone clear and, a year later, there has been a second infection? It is important that there is a clear understanding of what the figures are and whether it represents a problem in the area or not. I certainly have no clarity on that issue.

The RSPCA indicates that 12% of badgers are infected with TB and that it can cause them

wheeziness, loss of weight and even skin alterations but that others display no symptoms. It is important that all aspects are examined and progressed, but it is of great concern that the epidemiology on farms — what is the cause? — has not been pursued.

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

Mr Beggs: I understand that a report into farm biosecurity has been delayed. There appears to be a lack of urgency and a lack of action, and it is important that we take action to address the disease.

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

Mr McCarthy: I support the motion. As has been said, this is a very serious issue, and, as a member of the Committee for Agriculture and Rural Development, I fully concur with the comments of our Chair and other members who have spoken.

Bovine TB is a highly infectious disease that simply has to be tackled and eradicated as soon as possible. Unfortunately, that is easier said than done. Throughout these islands, the problems are the same, and everyone is working for a solution. We have, in Northern Ireland, an export trade in livestock and livestock products to the value of £1,000 million per annum, and it is imperative that we work to eradicate the disease sooner rather than later.

It is disappointing that, in the past 18 months, incidences of bovine TB in Northern Ireland have shown a sharp and unexplained rise after a number of years of a real downward trend in infection rates. The scourge of TB over the past 15 years has cost us nearly £320 million, and the money has gone on testing for the disease and compensation for the slaughter of infected animals. I express regret that, in my constituency of Strangford, compensation was paid for 224 herds to the value of over £2.25 million, which is extremely high, for 2011-12. We must also have sympathy for the farmers who find the disease among their herd. The stress, worry and anxiety must be enormous and have a devastating effect on the quality of family farming.

I want to put on record my appreciation of all the groups and individuals who submitted written and oral responses to our review. That information was vital to our Committee and certainly assisted us in making our conclusions and recommendations. We also had good

responses from the Department and our own research officers.

Other members of the Committee for Agriculture and Rural Development have spoken on this very complicated and baffling disease and the difficulties in putting an end to it once and for all. Our Committee has come up with 17 recommendations that we feel, when implemented, would go some way to ending, or at least to vastly reducing, cases of bovine TB throughout Northern Ireland.

I fully support the contents of the review document and encourage everyone interested to read and study its comments. As the Committee motion states, let the Minister, who I welcome in the Chamber this afternoon, and her Department study and implement our recommendations and, hopefully, announce a time frame for the work to be done. I also thank our Committee staff for the valuable work that they all put in to helping the Committee to produce our report and, more importantly, its recommendations.

Finally, a variety of reasons have been given for the origins of the disease, including creatures from the wildlife fraternity, particularly badgers. Some people are convinced that, if the badger were wiped out, we would see an end to this scourge. Others are not so sure, and others are totally opposed to that theory. I am far from convinced that the badger is solely to blame. I am relieved that no one in authority has ordered a wholesale cull of the badger at this time. Vaccination is perhaps the solution. More work needs to be done on the issue, and I note the U-turn by the authorities in England and Wales. Until we prove conclusively that the badger or other wildlife —

Mr Clarke: Will the Member give way?

Mr McCarthy: Yes.

Mr Clarke: I note the Member's caution about an outright cull of the animals, but it is interesting that, a few minutes ago, you referred to the amount of money that has been spent on TB, which is almost £320 million. Will you not accept that it is because of the Department's inaction that we have spent £320 million and that the very line that you are now taking is encouraging the Department to continue with that inaction?

Mr McCarthy: Perhaps you have misunderstood or were not listening attentively. I understand the enormous value of the money that has been spent in trying to eradicate TB, but I still say that we are not convinced that the

badger is 100% and solely to blame for the scourge that we are talking about.

I said that the authorities in England and Wales had intended to have a wholesale cull and that, for some reason, they performed a U-turn so that cull will not happen now. I welcome that. I could not support a wholesale cull in Northern Ireland, and I appeal to the Minister to implement our recommendations as soon as possible.

Mr Irwin: I declare an interest as a farmer who has cattle tested annually.

This issue never seems to leave the headlines of our local papers and is regularly on the agenda of the Agriculture Committee in Parliament Buildings. That shows just how important the eradication of TB is to farmers in Northern Ireland. As an MLA who serves a largely rural constituency, I get scores of calls from farmers who have deep concerns about how bovine TB is being tackled in Northern Ireland. Indeed, I have relayed those concerns to the Agriculture Committee in Stormont and directly to the Minister. TB testing is a stressful and worrying time for farmers, and a closed herd places a huge financial and physical strain on farmers and their families. It is a farmer's worst nightmare.

The disease has a significant impact on taxpayers, and figures compiled by the Northern Ireland Audit Office show that TB has cost the public purse well in excess of £317 million since 1997. That is a staggering amount of money, and it is more concerning when you consider that incidences of the disease have risen sharply by some 40% this year alone. That is concerning, considering Northern Ireland recorded its lowest-ever incidence rate last August. This large spike in detections that has been reported right across the Province is alarming, and all the more so when, in the Republic of Ireland, a newspaper headline on 17 November stated:

"TB reactor levels lowest since 1950s".

Therefore, we need to take a leaf out of the Republic's book in regard to TB.

As I said, the disease has a significant impact on taxpayers. Farmers have told me that the Department, by its perceived inaction on new control measures, is not really interested in a total eradication policy and appears to be more content to try to contain the disease through the current testing and removal programme. In my opinion and the opinion of the Committee, that is an unsustainable position, and I share

farmers' concerns. The testing programme is an important element of disease control in the sector, and such programmes are vital to ensure that we can continue to export our produce, which is a significant contributor to the local economy. However, the fact that disease incidences appear to be escalating rather than remaining level or, ultimately, reducing gives serious cause for concern.

5.45 pm

I have spoken many times about the plans, currently on hold in England, for a controlled badger cull in response to the evidence of significant disease transfer from wildlife to cattle, and I remain of the opinion that the Department should be moving much faster on the wildlife issue.

Although the current wildlife intervention study is welcome, I do not believe that it will yield findings within an acceptable time frame that would allow it to have any significant effect on disease incidence in the shorter term. Cattle vaccination is an interesting area and one that is beginning to look like a possible additional tool in the fight against TB. However, much more work is required to get this to a deliverable stage. Vaccinations will, no doubt, also carry an additional cost. Given the evidence that the Committee heard and the fact that vaccination will not prevent infection, I feel that it cannot be relied on as a one-dose answer to the TB problem, especially in the short term.

The Minister has much more to do. She needs to get a firmer grip on the issue and seek to move forward with a number of approaches. This work should include effective wildlife control, vaccination development and, importantly, thorough evaluation of the available data on the strains of TB present in infected herds.

Eradication must be the main aim of the Department and industry as we go forward. We cannot afford simply to contain the disease at some acceptable level. That would be detrimental in the longer term. As the statistics show, containment comes at a very high price to the farmer and the taxpayer.

For the industry to see any significant reduction in the incidence of TB, the Minister must come forward with a solid time frame for the implementation of the recommendations made in the report. We cannot sustain a situation in which the incidence keeps increasing and herds continue to be closed down. That is bad for farmers and bad for farming.

I support the Committee's report and the recommendations contained therein.

Mr McAleer: I would like to take the opportunity to speak on the motion tabled by the Committee for Agriculture and Rural Development. I appreciate that the work that went into compiling this report preceded my time on the Committee, so I commend members and officials on their work thus far.

I support the comments made by my colleague Oliver McMullan and those of other Members around the House. I share their concerns about the cost of the disease. Until March 2011, the disease had cost us approximately £317 million, with compensation in the region of £13 million per annum. I accept that this has enabled us to maintain an export trade valued at £1,000 million per year, which counterbalances that slightly.

The report is comprehensive and wide-ranging, and I wish to draw on a few parts of it that require additional consideration. The Committee noted that biosecurity methods vary from country to country and that, in combating bovine TB, good biosecurity:

"has an important role to play alongside other measures".

The Committee recognised that working in partnership with the farming community, while drawing on the expertise of local veterinary practice, is necessary to achieve that.

I share the view that biosecurity training and advice must be tailored to an individual farmer and given at a pace that suits him or her. I also recognise that farming here is dominated by the conacre system, meaning that a farmer may have several neighbours, which increases the risk of cattle-to-cattle spread of the disease across fences and other boundaries.

The importance of good biosecurity was raised at the Committee by the Ulster Farmers' Union (UFU) and NIAPA, and it is accepted that getting the message through to the farming community is crucial. To that end, I was surprised to note that, between 2004 and 2012, only 1,394 of 26,000 herd keepers had taken up the biosecurity training provided by DARD. In fact, in oral evidence, VetNI noted that most cattle farmers here take few precautions when introducing purchased animals to their herd or at farm boundaries. The low uptake was also noted by the Ulster Wildlife Trust.

I was interested to note in evidence from the Agri-Food and Biosciences Institute (AFBI) in

May that the disease exhibits clustering, with 80% of reactors coming from 20% of herds. In September, however, DARD officials told us that 70% of reactors come from 30% of herds. In addition, it is worth noting that, although the disease is prevalent throughout the North, the incidence is substantially higher in some divisional veterinary office areas than others. It is crucial that we glean a better understanding of exactly why that is the case.

In conclusion, although I fully appreciate that biosecurity training alone will not eliminate the very complex issue of bovine tuberculosis, I strongly believe that it can play a central role. In supporting the motion, I call on the Department to look carefully at farmers' attitudes and at their understanding of the steps that are necessary to prevent and/or deal with bovine TB, and to ensure that consideration of them is written into any future eradication programme.

Mr Clarke: I support and welcome the report. There are probably 317 million reasons why anyone could support it, given the amount of money that the Department has spent over the past 15 years. I am not going to rehearse what Members said, but it is interesting to note that the Department has, at long last, considered some form of badger testing. Although one Member said that that did not necessarily mean that there would be a cull, which the report is not necessarily suggesting, some form of testing was one of the things that we talked about with the Department.

Consideration was given to looking at the compensation that is given to farmers, and the suggestion was almost made that farmers were deliberately infecting, which was an awful indictment on the farming community, as it would mean that the Department would be in some way saying that we had to get away from 100% compensation. I believe that if the Department had done more, we would not have paid out so much in compensation.

A few months ago, the Chairperson and I had the opportunity to visit a large farm that has been continually down on testing. To say that the farmer was emotional in the way that he approached the subject would be an understatement. We went to his farm to see the process and to see how those premium cattle were valued. The farmer was upset. He had suggested to the Department on many occasions that, as his whole farm is bounded by the county road, he obviously has some problem with wildlife in the area. At no time did the Department take him up on his offer to look at his farm and to use it as a sample. I think

that that is awful, because that farmer worked with pedigree cattle and was visibly upset by seeing most of his herd go to slaughter, yet he offered the Department the opportunity to look at his farm to see whether it could be used as a test case. It is disappointing to hear the language that other Members sometimes use about compensation and wildlife. At the end of the day, that farm is a family business, and it has given the farmer a livelihood for many years.

I welcome the report, and I will not rehearse what others said. However, I would like to pull up on a remark that the Member who spoke previously made when he talked about biosecurity training. It is interesting that departmental officials will go out and teach farmers how to do biosecurity. Most of our farmers are responsible, and there is the possibility that some of them could teach the Department something. It is interesting that the Department has strayed away from what many of us believe about wildlife, which is that it has been a problem for many years. That is certainly what those of us on this side of the Chamber believe about it. There have been years of inaction by the Department. However, I welcome the direction that it is taking in considering a pilot.

Mr Swann: As a member of the Committee for Agriculture and Rural Development, I commend and thank the Committee staff for the sterling work that they did in compiling the report. It was hard to bring not only all the evidence holders together but all the Committee members. To get all the information into one report was quite a task on its own. It was also difficult to get the same agreement between all the parties, because there is a wide difference of opinion in the House about how to tackle TB.

We have already rehearsed the problems with TB and the findings of the report. I ask you to take time to look not just at the reflections in the report but at a solution that could help farmers with herds that are restricted or infected by TB at this time and who are finding it difficult to move on and finish calves. I know that a call has been made for improved finishing units, where farmers can put their young calves, even if they are under restricted herds, so that they can finally get them to a processor or a retailer. That call has been made by unions, finishers, farmers, producers and retailers, and it follows on from something that my colleague Roy Beggs said about the price of feed at this time. We have farms out there, used to rearing 20 or 30 calves, that cannot get them off-farm at the minute. They are limited to restricted herds, with neither the facilities, the food nor the

finance to make those calves into finished beef products.

Something needs to be done. I have had representation from all stakeholders in that area. They seem to be implying that the impasse at the minute is in the Department, because there are similar approved finishing units in GB and the Republic of Ireland. I know that the Minister is keen on making sure that we have an all-Ireland approach. The Republic of Ireland is there, and, from what I have heard, there are Fine Gael cheerleaders and Minister Coveney supporters on this side of the House as well who would be keen to make sure that we replicate what happens in the Republic of Ireland.

Minister, let me point out one thing: paragraph 69 is about research on the testing of badger faeces and whether they are actually TB positive. That has been done in our own university, Queen's in Belfast, and is funded by DEFRA across the water rather than by us. The Committee has recommended that the Department keep an eye on what that research produces and how it progresses. It would provide another tool to identify TB in infected badgers. I understand that the research project is due to complete late next year. In comparing that timeline with those of the pilot programme and the wildlife intervention programme, I think that that might be a more viable option. It would enable full setts to be tested for TB infection, rather than have to go through the process of trapping, testing, vaccinating and releasing. It would mean that, if there were an infected sett, the entire sett of badgers could be culled at that stage, rather than go through a process of killing off one or two and possibly leaving infected ones.

I am sure that the Minister is fully aware of my critique of the wildlife intervention programme in the past. That is something that the Committee Chair referred to. Look at the Brock TB Stat-Pak test, with a 49.2% accuracy. I know that she will get into the 93% specificity and all the rest of it, but when I asked the Minister about the research going on in Queen's, her written response was:

"I have asked my officials to monitor all relevant research so that we may benefit from appropriate application of new tests and methods. While there is no need to duplicate expensive TB research commissioned by other government funders, we must ensure that we draw on the results of such research where appropriate."

As I pointed out to the Minister before, the wildlife intervention programme was trialled and looked at by the Welsh Government using the same process that the Department is going through at the minute. In March 2012, in paragraph 5.4.2 of their report, under "Veterinary Opinion", they stated:

"In conclusion, there is no evidence to suggest that this is a suitable or viable approach to deal with a reservoir of infection in badgers in endemic areas such as the IAA."

In July 2012, you, Minister, came to the Committee to announce the wildlife intervention programme. I am now asking that we focus that £4 million on an approach that is far better targeted so that we get action to tackle the TB that is in the wildlife population. I am interested to hear, when the Minister does respond, how she intends spending the £4 million that has been earmarked in the Programme for Government. I know that it is not there as a specific target, but it was detailed as to how that £4 million was going to be used. I am keen to know whether she has —

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

Mr Swann: — a programme for how that will be spent.

Mr Hazzard: Go raibh maith agat, a LeasCheann Comhairle. I welcome the review and would like to put on record my appreciation to the Committee Clerk and all the staff, who have been very professional and studious in their support to the Committee throughout the review.

Although in recent years we have enjoyed a downward trend in infection rates, the recent increase in herd incidence of bovine TB is a pertinent reminder of the somewhat intractable nature of eradicating that infectious disease. It is fair to say that the review does not identify any unexpected problems or isolate any unfamiliar nuances in the current TB debate. That is, in itself, reflective of the very complex nature of the disease and the difficulties in establishing a programme of effective and total eradication. There can be little doubt that bovine TB remains one of the most impregnable animal health issues facing not just the Assembly but various jurisdictions across the world.

I am keen not to repeat the various arguments that have been heard this evening. I want to

make what are, I hope, a few salient points and suggestions.

Recommendation 8 argues on behalf of setting a specific target date for eradication. I believe that there is a danger that that would be little more than a futile exercise. I do not think that it would aid those involved in the eradication process.

Instead, I think we should continue to increase our knowledge of the disease and move forward with timely strategies for eradication.

6.00 pm

The complex nature of the disease and the absence of a silver bullet lead me to believe that the Minister's approach to the issue remains the best way forward, and the continued Programme for Government commitment to TB and wildlife research is reflective of a common-sense approach by the Minister and her Department. This is not to suggest that we do not have to seriously work towards eradicating the disease, and I am confident that the Department will continue to build upon the good work that has taken place to date. Indeed, any disease that costs this Assembly the best part of £300 million to tackle deserves every bit of departmental focus. Moreover, bearing in mind that we have an export trade in livestock and livestock products valued at around £1 billion a year, it is vital that we continue to protect this industry and do all in our power to nurture the incredible success of our local farmers within EU guidelines for tackling bovine TB.

Some Members outlined their views on current compensation arrangements, and I would like to touch upon what I consider to be a very important facet of this discussion. Key finding 9 of the review states:

"the Committee agreed that it was opposed to a proposal for a system of table valuations for compensation as it was unconvinced about the effectiveness of this as an eradication tool."

While I recognise that there may be some issues with the system of table valuations, surely it is imperative that we look again at our compensation arrangements as we go forward from here today. We currently pay out compensation for slaughtered animals at 100% of market value. Going forward, I think we seriously have to examine ways in which compensation arrangements can be balanced between the need to compensate a farmer's

loss with the need to incentivise reducing herd incidence.

This is a debate taking place in various forums; indeed, the failure of the English Government to establish an effective strategy to deal with the disease has led to a move by the Animal Health and Welfare Board for England and the new Bovine TB Eradication Advisory Group to launch what they term a conversation with farmers to find new ways of working to tackle bovine TB. The changes, which are designed to make the system more effective and efficient, could see farmers organising and paying for their own routine TB tests, and, by giving farmers more responsibility, it is thought that a workable balance can be established that will see farmers and the various agencies working in tandem to eradicate bovine TB.

Focusing on TB service delivery rather than policies like badger culling or TB vaccination, the conversation will broadly cover four areas: TB testing; reactor removal; compensation; and advice and insurance.

It is thought that there will be a move for farmers to take responsibility for organising routine TB tests themselves, possibly with government support in the form of money and administration. This concept of supportive responsibility — a balance between the industry and the Government — has proven to be quite effective in the South of Ireland, where producers pay for routine TB testing and contribute to TB compensation via a levy. Some Members touched upon that. As she takes stock of this review in the weeks ahead, I call on the Minister to examine ways in which this notion of supportive responsibility could help move our TB eradication programme forward.

Bearing in mind that few believe in a quick-fix solution to the ongoing problem, there can be little doubt that a focus on improving biosecurity practices must also be at the heart of any suite of preventative measures. Limiting opportunities for infection to be transmitted between cattle and between wildlife and cattle is essential in protecting cattle herds against bovine TB.

I know that, in Wales recently, a biosecurity scheme that involved engagements between farmers and their vets had a 100% take-up on the offer of visits, with cattle farmers keen to consider the practical steps they can take to protect their herd and business. I am not suggesting that biosecurity on its own is a guarantee of keeping TB out of the herd, but enhancing measures to keep the —

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

Mr Hazzard: — disease out does improve the farmers' chances of becoming and remaining disease free.

I welcome the review and look forward to hearing from the Minister in due course.

Mr Allister: When you consider that for 63 years we have had cattle control measures relating to bovine TB in place in Northern Ireland, yet tonight, we still have the prevalent high levels of that disease costing huge amounts of money, it is hard to escape the conclusion that that has been six decades of failure in regard to tackling this matter. We seem to have reached a mindset whereby, within the Department, it almost appears as if there is an acceptable level of bovine TB in our herds. It is almost as if there is an onset of complacency in regard to tackling it, and that, I think, has been manifest in the approach, most particularly to the wildlife issue.

As this report points out — I think that it is at paragraph 62 — there has not been a single country in the world that has managed to tackle bovine TB without first tackling the reservoir of the disease in wildlife. Yet, I do have to ask the question: in our 60-plus years of attempting to deal with this, how, if at all, have we seriously addressed the issue of wildlife carrying TB? It seems that the attempt has been pretty pathetic at every turn throughout those years.

I empathise with what the Ulster Farmers' Union said in its evidence to the Committee:

"The farmers have done a lot on the cattle side, but we feel that there has been no, or very little movement, on trying to address the problem in wildlife. We feel that the Department...should recognise that attacking the reservoir of TB disease in wildlife is an essential part of the disease eradication programme."

I must say that I came to this report hoping and expecting that it would have been more robust. I think that the report is at its weakest as regards addressing the wildlife issue. Recommendations 9 and 10 are pretty limp with respect to that, and I think that they could, and should, have been a lot tougher in that regard.

As we read into the report, we find a lot of lip service being paid to dealing with this issue. However, we find that very often it is no more than that. From 2004, there has been a badger

stakeholder group, which, frankly, has not taken us anywhere. Then, in this report, when we come to paragraph 72, it says that we are now going to move to specific wildlife intervention research. So, after six decades, we are going to have some research. In the next paragraph, it says that one of the first things that we have to do is design a model for the research. Then, we will have to test it in a pilot area. In paragraph 75, it says that we will then have to design the study itself. Where is the urgency? Where is the compulsion to get on and do something about this issue? Where is the desire to really face down the problem of bovine TB?

Mr Elliott: I thank the Member for giving way. I apologise as I did not hear the Chairman's introductory remarks. Maybe he dealt with this point, however, I have not heard anybody else dealing with it. I do not disagree with the Member's issue regarding wildlife, but I cannot understand why, for those 60 years during which we have been using the skin test, we cannot get a positive means of testing for bovine TB. Even this report states:

"Other witnesses put its sensitivity at around 50 - 60%."

The point I am trying to make is this: what good is that? Mr Hazzard tried to impress that farmers would have to pay for it. If they are going to pay for it, they will want something that is positive and accurate.

Mr Allister: I agree. The whole testing regime seems to be in the context of mere containment. When you have a test that is as inefficient as the one you describe — the skin test is patently inefficient — and we have not moved beyond that, I think that that speaks to the lack of urgency in the Department to address this issue.

I say to the Committee and the Department that, fine as it is, this report needs to move forward with great expedition to address an issue on which the Department has dragged its heels for far too long. We cannot go on like this or we will be back here in another 10 years still discussing the processes; still talking about designing models to do this and that —

Mr Deputy Speaker: I am afraid the Member's time is up.

Mr Allister: — and still paying out huge amounts of compensation for something that could, and should, have been tackled. One of

the ways it should have been tackled, I believe, is in a proper, focused cull of badgers.

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

Mrs O'Neill (The Minister of Agriculture and Rural Development): Go raibh maith agat, a LeasCheann Comhairle. I welcome the Committee's report on the review of bovine TB. I am grateful for today's comments by the Chair of the Committee and others, and I assure you that the report will be considered thoroughly. In due course, I will provide a formal response.

Like other Members, I congratulate the Committee on the work that it has done to produce the report. I am sure that it was no mean feat to distil some 700 pages of evidence in all the submissions into a succinct 25-page report. As I said, you will appreciate that I need to take time to consider in detail all the report's content and recommendations, but I shall take the opportunity today to respond to some of the issues that have been raised in the debate as well as making some general comments.

I share the widely held aspiration to achieve a progressive reduction towards the ultimate eradication of bovine TB, and by as early a date as possible. It is important to take stock regularly of the current position and refocus our efforts so that we can make further progress towards eradication. The Committee's review, therefore, is timely and appropriate. It secured the engagement of, and input from, a wide range of organisations and individuals with an interest in TB, and it has encouraged what I believe to be a mature discussion of TB eradication, which is very welcome.

The evidence presented during the review by DARD and AFBI staff, other research providers and the farming, veterinary and environmental stakeholders has shown, as Members are aware, that TB is a complex disease, with many factors known to influence its spread, and also with many unknowns. That is acknowledged in the report. TB continues to be our most challenging and costly animal health problem. I regret that there has been a general and as yet unexplained rise in TB levels here in the past 12 months. Our TB herd incidence was down to 4.99% at 31 August last year, the lowest since 1996-97. Since then, we have seen a steady increase to 7.26% at 30 September this year.

I reiterate that I am committed to the eradication of TB in cattle, and tackling the disease is a key priority for me. My Department will continue to strive to drive down the level of bovine TB. We

have a robust TB eradication programme in place that is based on testing to detect infected cattle, removing infected animals and reducing the risk of disease spread through movement controls and other biosecurity measures. We have secured European Commission approval for our TB eradication programme for 2010, 2011, 2012 and, just last week, 2013. EU approval is vital in safeguarding our annual £1 billion-plus export-dependent trade in livestock and livestock products. Protecting our export status is a fundamental priority for me.

EU approval enables DARD to draw down around £5 million of co-funding from Europe each year towards a proportion of the cost of the TB eradication programme, which amounted to just over £26 million last year. Some £12.9 million of that cost was animal compensation payments; £6.5 million was for tests by private vets; £5.8 million was DARD's Veterinary Service costs; and £1 million was for AFBI costs.

I want the imposed TB control measures to be reduced, for taxpayers and for farmers. However, we have to be realistic. TB eradication cannot be achieved in the immediate future, for all of the reasons presented to the Committee during its review. The recent unexplained rise in TB clearly demonstrates that there is still so much that is not known about the spread of TB and how it can be diagnosed more accurately, and what can be done to prevent its spread among cattle and between wildlife and cattle. Clearly, more needs to be done.

In May 2012, my Department hosted an international vaccination experts' scientific symposium on badger vaccination to consider all the relevant issues associated with vaccinating badgers to achieve a reduction in TB in cattle. As I advised the Agriculture and Rural Development Committee on 3 July, following that symposium, I have asked officials to start work on the design of a cost-specific test and vaccinate or remove wildlife intervention research. I note that the Committee's report recommends that we progress that work, and I can assure Members that that is still my objective. That approach will involve testing live badgers, vaccinating and releasing test-negative badgers and removing test-positive ones. That balanced approach would focus on the removal of diseased badgers and the protection of uninfected ones. It would avoid the removal of uninfected badgers and could lead, in time, to a reduction of TB in badgers and reduced transmission of TB from that source to cattle.

6.15 pm

I have been very encouraged by the wide spectrum of stakeholder support for, and engagement in, this wildlife intervention research. Farmer, environmental and private veterinary representative organisations are participating fully through the newly constituted TB stakeholder working group on the development of this research approach.

A number of other TB and wildlife studies have already been commissioned to help to establish local evidence, and we expect to have the results of the TB biosecurity study in the next few months. An evaluation is under way of the use that my Department currently makes of the gamma interferon blood test to detect TB in cattle. The results will better inform the way the test is used in the TB programme.

A badger-cattle proximity study, which aims to assess the interactions between cattle and badgers in farm buildings and at pasture, is being carried out in a TB high-incidence area. An assessment of farmers' attitudes to, and understanding of, biosecurity measures when dealing with diseases is also under way. AFBI has been requested to put forward further research proposals across a range of aspects of TB, including a literature review to establish the TB transmission risk from the spreading of slurry; an investigation of the reasons why greater numbers of reactor cattle come from chronic or repeat breakdown herds and what could be done to address that; and an assessment of how strain typing information could best be deployed to give maximum practical benefit to the TB programme.

In addition, earlier this month, DARD published a call to AFBI for proposals for the 2013-14 research work programme, including a further two TB research projects. The first of these is to evaluate the range of commercial and near application serological tests for bovine TB that could, ultimately, be undertaken as alternatives to, or in conjunction with, existing tests as part of the TB eradication programme. The second project is to investigate the role that endemic diseases, such as liver fluke and John's disease, as well as nutritional/ vitamin deficiencies, may have on TB occurrence and control.

Although we have identified an extensive programme of research and studies to build the evidence to inform our policy development, we will not have the outcomes of that research for some time. Therefore, my Department will also consider what else we need to do through the implementation of the TB eradication

programme to, first, halt this upward rise in TB herd and animal incidence, then reduce TB levels and then continue to bear down further on this disease.

The Chair asked for possible reasons for this unexplained rise in TB levels. I think that the possible reasons for the recent unexplained rise have been examined extensively by DARD and AFBI officials. The possible reasons for the increase in TB incidence and the potential remedial actions have been investigated, but, to date, no specific causes have been identified. Although it may not be possible to identify the specific causes of the rise, it is important that we deal effectively with the increased spread of the disease. Having investigated possible reasons for the recent rise in bovine TB and examined the recent changes made to the TB programme in the South and in Britain, my officials identified a number of additional measures that can now be considered further to strengthen our TB eradication programme. Indeed, the EU Commission may require us to tighten further our programme measures to facilitate our export-dependent trade and secure the continuation of current EU funding.

Although additional measures may not be welcomed by industry stakeholders, the rise in TB incidence, the Committee's report and anticipated pressure from the EU Commission require further consideration and, maybe, further tightening of our TB programme. Careful assessment of the merits, costs and likely impact of any additional measures will be required.

As I said, the Committee's report on the review of TB comes at an opportune time and has facilitated a discussion on the important issue. Further action must be taken, and my Department will consider the Committee's report in detail before providing substantive responses. We may not agree on every detail or on every recommendation, but I assure the House that this is an important subject for our agriculture industry, and I concur with many of the comments and aspirations expressed here today.

Bovine TB, like many other diseases, has proved to be an intractable and expensive problem, and, as I said earlier and say repeatedly, there is no simple solution or quick fix that will eradicate TB. We have to be realistic in that regard, but it is important that we seek to halt and reverse the rising trend and drive disease levels down. I am fully committed to reducing and, ultimately, eradicating TB in cattle here. I want to continue to work with the Committee and stakeholders as we develop

and enhance a long-term strategy for the eradication of TB in cattle and implement cost-effective disease control measures to reduce and eradicate the disease.

In conclusion, I repeat that I welcome the Committee's report. Its content will be considered in some detail, and a full response and action plan will be formulated. I look forward to working constructively with the Committee in the time ahead.

In the remaining few minutes, I will take the opportunity to address some of the issues that Members raised in the course of the debate. I very much welcome the interest of Paul Frew, the DUP's agriculture spokesperson, in all-Ireland working on TB. I think that it is obviously fair to say that what the South has achieved is good news for people there. We will continue to work very closely with the Department in the South. The officials regularly engage with their counterparts in Dublin, and they will continue to monitor closely any changes to the TB programme that they bring forward. However, we need to have a policy that is effective and that stands up to legal challenge. That is very important. If we are going to take forward any measures, we have to make sure that we do not get bogged down in the courts with them and that we actually move forward. So, we will continue to do that.

Where the Programme for Government commitment is concerned, the fact that we made the announcement earlier this year on the TVR approach shows that this matter is a priority for me and that I want the Department to tackle it. However, we have to be realistic. I think that the actions that we take in trying to drive out and eradicate this disease are the more important piece of work. That having been said, I will take note of the Committee's recommendation, and I will respond further in due course.

Roy Beggs discussed compensation, and he will be aware that I deferred the decision about any changes to TB compensation. I know that that is not something that the Committee got into in this review, but, on the back of the consultation and of the Committee's views, I will take a further look at the situation.

A Member discussed cattle vaccination. Currently, TB vaccination of cattle is prohibited in EU member states. It will not be allowed in the short to medium term, so we have to continue to keep in close contact with DEFRA and with Europe on that while driving forward with the TVR approach that we are taking.

I totally agree with Declan McAleer about the need for focus on biosecurity measures. Trevor Clarke referred to the fact that farmers already have good biosecurity measures. That may be the case in many instances, but it is good to keep up to date with changes and to refresh your mind about biosecurity. We will continue to work very closely with stakeholders, and we are going to produce a core TB message and biosecurity advice for farmers that will be disseminated right across the industry. So, it is important that we keep our focus on that.

Robin Swann discussed the Queen's University research into badger faeces. Publication of that research is probably still about a year away, but we will continue to watch it to see how it develops.

I will respond in more detail within the time frame that the Committee has asked for, but I hope that I have given a flavour of the type of work that we are involved in. This is a priority for me, and, regardless of whether it is a Programme for Government commitment, it is a priority piece of work. It is the last remaining major disease that we need to drive out, and I am committed to doing everything that we can to make sure that we can deliver on that. Go raibh maith agat, a Cheann Comhairle

Mr Byrne (The Deputy Chairperson of the Committee for Agriculture and Rural Development): I thank the Minister for being present for the debate, and I thank all those who took part in it.

Earlier this year, the Committee set out to try to tackle this issue in a comprehensive way and to seek as much advice and help and as many views as possible. This saga has been going on for over 50 years. As we heard, bovine TB incidents fell for a number of years, but, unfortunately, they have gone up again to a rate of over 7% in the past 18 months. It has been a very costly exercise, as £317 million has been spent in the past 15 years. Money has been spent on testing and compensation. Private vets, DARD vets and farmers are all involved, but no real control management has yet been exercised. There has been a lack of determination and co-ordination when it comes to tackling this problem. I greatly echo the sentiments of those Members who demonstrated their frustration about this exercise.

Leadership is required to tackle this problem. That leadership has to come from DARD. The Committee inquiry is helping to raise awareness of the issue, and that is why it is important and timely that we have embarked on this exercise.

A culture of tolerance has existed for too long. All concerned have maybe even tolerated an acceptable level of disease. Disease-free status has to be the priority for DARD, the Assembly and the agriculture industry. Farming unions and, certainly, farming families desire that. A defined plan of action is needed. There has to be a timetable and benchmarking to tackle the issue seriously. Private veterinary practices have to accept that the status quo cannot continue to be the order of the day. The EU Commission is querying our methods and approach to the problem. It is questioning the value-for-money exercise. The time has come for the issue to be tackled seriously. In July 2012, the Minister outlined a wildlife-research programme. As of yet, we have not had a clearly defined programme of work, parameters or objectives for how the outworkings will affect the farming industry.

In June, I said that I thought that there was an acceptable level of tolerance. Vets from all over the place started ringing me. Last week, I was at a dinner in Parliament Buildings, at which the previous president of the British Veterinary Association told me that he got phone calls from vets all over Northern Ireland who were asking what sort of madman was the Deputy Chairperson of the Committee. He told me that when he read my statement, he totally agreed with me, but he could not say so in public. Therefore, there has been, if you like, a shadow of suspicion surrounding the issue for a long time. I am glad, however, that the issue has now begun to be examined and tackled seriously.

Throughout the debate, many issues were raised. Although some were repeated, new angles were developed by many contributors. The Chairman outlined the entire scenario that pertains to the subject of the debate. Towards the end of his speech, he referred to the Republic of Ireland's experience. We know that in the South, the Department of Agriculture, Food and the Marine has tackled the bovine tuberculosis in wildlife issue successfully in Donegal, Kildare and Wexford. We have to draw on the experience there.

Oliver McMullan emphasised the way in which the issue has to be tackled. He talked about the increase. He also talked about biosecurity and compensation. Compensation is a thorny issue. However, if you are a farmer, and your herd has become a reactor herd and has gone down, you need compensation. Recently, a vet whom I know came to me and said that he had had to put down a herd of pedigree cattle. The angst and pain of the family involved was

unbelievable. They dealt with it by saying that at least they might get some compensation.

Roy Beggs raised concerns about the impact on farmers. He spoke about the uncertainty and the pressure — the same issue. He said that the DARD programme is failing despite the millions of pounds that have been spent. He said that the Minister's campaign to reduce compensation will put farmers out of business. To be fair to the Minister, I do not think that that issue has been concluded yet.

Kieran McCarthy spoke about the role of the badger. He said that he is not convinced that the badger is widely to blame for the spread of bovine tuberculosis. I think, however, that there is fairly conclusive evidence that the wildlife issue is a major factor in the spread of bovine tuberculosis. It is a hot issue and one that we will have to face if we are to tackle the problem seriously. Do we want to tinker with the problem and allow it to grow or do we want to tackle it seriously?

William Irwin talked about a 40% increase in bovine TB, which he said was quite alarming. As a farmer himself, he is very aware of the pain that many farmers are experiencing. He talked about the Republic of Ireland's levels being at their lowest, now down to 3%. What lessons can we learn from there? He said that thorough evaluation of available data is required. There is a need to move faster with the wildlife programme. According to Mr Irwin, eradication, not containment, is the answer. I agree with him.

Declan McAleer concentrated on the biosecurity aspect. He noted his disappointment in the low number of farmers who are taking biosecurity training. I think biosecurity is an issue that has to be more highly appreciated by the farming community, more of whom have to partake in biosecurity training.

6.30 pm

Trevor Clarke welcomed the report. Again, he was concerned about the Department's efforts in tackling the issue. I do not think that he is convinced either that the research programme has all the answers or solutions.

Robin Swann asked what the Department must do to really tackle the issue. I think that, at the end of this debate, that is where we are really at. How will it face up to issues such as compensation and achieve disease-free status, which should be our objective? If we want to protect and preserve our beef export industry, worth £1 billion a year, we will have to move

towards the objective of having disease-free status. In the long term, tinkering with the problem will no longer be useful, as housewives across Europe become more discerning in their attitude to purchasing beef products.

Chris Hazzard talked about the disease being very technical, which, I think, we all appreciate and agree with. We know that, as yet, no country in the world has successfully tackled the problem. He said that we need a timely strategy for eradication. He also talked about the need for a balance between compensation and awareness. Farmers need to find ways of dealing with TB. He also talked about how the Republic of Ireland has tackled the issue. Again, he mentioned biosecurity.

Mr Jim Allister, as is his wont, was quite analytical and critical of the report, but he is right to be critical. We cannot be passive about the issue any more. Mr Allister posed questions subsequent to our report, and I think that we as a Committee are big enough to accept that the report is not the be all and end all in finding a solution to bovine TB, but I think that it greatly adds to the debate about how the issue could be tackled in the future. Again, he mentioned the high levels of compensation. He also said that the recommendations were a bit tame. Well, at least the Committee had the nerve to tackle the issue.

I pay tribute to the Committee officials who worked extremely hard, as quite a few Members mentioned. I pay tribute to the Chairman for the way he conducted the entire process, including the oral hearings and the written submissions.

The Minister very much addressed the issue. I think, however, that DARD has to be more radical and more determined to face the issue and tackle it head on. I think that we have to be careful, because if a research project takes more and more time, the worry is that the problem will grow. Will the incidence of disease increase? When does it get to a dangerous level for our beef exports? That is the challenge: how will we protect our beef export industry? How will we make sure that farmers accept that the Department, as the lead body, is seriously tackling the issue and dealing with it?

The Minister referred to biosecurity, and I think we all agree with her point. She also talked about AFBI. I think that it is very important that AFBI is given finance for research projects to try to find an overall, collective approach to tackling the problem. Earlier, Robin Swann, I think, referred to Queen's University and spoke about its good work in bringing forward a

badger faeces research project, which may prove beneficial in the long term.

In summary, the Committee is seeking support for the report. I am not saying that the report is absolutely sacrosanct, but it is a serious attempt to deal with the issue and to raise public awareness among all stakeholders. For too long, there has been a comfort zone between private vets, departmental vets and farmers who got compensation. DARD, as the responsible body, has to initiate a solution or at least a serious attempt to devise a solution. I commend the report to the Assembly.

Question put and agreed to.

Resolved:

That this Assembly approves the Committee for Agriculture and Rural Development's report on its review into bovine tuberculosis; and calls on the Minister of Agriculture and Rural Development to bring forward a timetable for implementing the recommendations contained in the report.

Adjourned at 6.35 pm.



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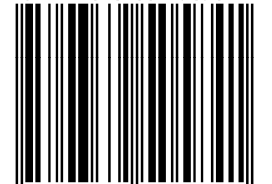
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