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The Editor of Debates, Room 248, Parliament Buildings, Belfast BT4 3XX.
Tel: 028 9052 1135 · e-mail: simon.burrowes@niassembly.gov.uk

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Northern Ireland Assembly

Monday 3 March 2014

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

Members observed two minutes' silence.

Assembly Business

Public Petition: Ovarian Cancer Awareness Campaign

Mr Speaker: Mr Lyttle has sought leave to present a public petition in accordance with Standing Order 22. The Member will have up to three minutes to speak on the subject matter.

Mr Lyttle: Mr Speaker, I thank you for permitting me to present this petition today, which gives the Assembly an opportunity to mark the start of Ovarian Cancer Awareness Month 2014. It also gives us an opportunity to renew our cross-party support for the call for a dedicated ovarian cancer public awareness campaign, which was first made in the Assembly over a year ago this month. As I said, it has the support of all parties.

There are a number of organisations that work to raise awareness of ovarian cancer and, indeed, to respond to this disease. One of those is Target Ovarian Cancer, and we are delighted that the CEO, Frances Reid, joins us in the Assembly today. We know that Angels of Hope, another inspirational organisation in Northern Ireland, works on these issues. Indeed, the Northern Ireland Cancer Registry and the Northern Ireland Cancer Network do great work as well.

This petition and call for a dedicated ovarian cancer awareness campaign is inspired and driven by the tour de force that is Una Crudden. Una has achieved the no-small feat, which few others manage to achieve, of uniting the Assembly and all parties around this just cause. She is a tireless campaigner and a courageous lady, given her own battle against this disease. I must congratulate her now on her new title of 'Belfast Telegraph' Woman of the Year for 2014.

It is not acceptable that, in a recent survey, only 3% of women felt confident of identifying the symptoms of ovarian cancer, which are frequent and persistent abdominal pain,

frequent and persistent bloating, difficulty with eating and feeling full quickly. With early detection, the survival rate can be as high as 90%; however, in Northern Ireland, that survival rate is around 36% at the moment. That is simply unacceptable. We renew our call, and the call of the petition, on the Minister to implement a dedicated campaign to empower women in Northern Ireland to know the symptoms and to access the treatment that they deserve.

Mr Lyttle moved forward and laid the petition on the Table.

Mr Speaker: I will forward the petition to the Minister of Health and send a copy to the Chair of the Health Committee, Maeve McLaughlin.

Executive Committee Business

Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014

Mrs Foster (The Minister of Enterprise, Trade and Investment): I beg to move

That this Assembly consents to the Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014 in the form of the draft laid before the UK Parliament on 5 December 2013.

It may be helpful for Members if I give some background leading to the tabling of the motion and how the order affects Northern Ireland. In 2011, the UK Government launched a consultation document entitled 'Empowering and Protecting Consumers', in which it proposed a number of reforms to the current institutional arrangements to ensure that consumer advice, representation and enforcement were delivered effectively and efficiently. This draft order, laid in Westminster on 5 December 2013, is the second such order flowing from that consultation, and it will finalise the remaining changes proposed in the consultation.

The order will abolish the National Consumer Council (NCC) and transfer almost all of its functions, apart from its responsibilities for postal services in Northern Ireland, to Citizens Advice and Citizens Advice Scotland. The NCC's functions relating to postal services in Northern Ireland will be transferred to the General Consumer Council for Northern Ireland (GCCNI). Members will be aware that postal services are reserved to Westminster. Although responsibility for representing consumers in Northern Ireland has lain with the National Consumer Council, the staff employed by it in that area of work have been located in the General Consumer Council for Northern Ireland premises on the Hollywood Road in Belfast. Therefore, the transfer should not result in any disruption in the effectiveness of consumer representation in that area, even in the transition period.

As postal services are a reserved matter, funding for the new role will be provided by the GB Department with responsibility for consumer

affairs, namely the Department for Business, Innovation and Skills (BIS). Given the funding stream for that role, the order will make provision that the General Consumer Council for Northern Ireland annual reports and accounts, which are laid with the Assembly, will also be laid at Westminster.

The order will also transfer the Office of Fair Trading's (OFT) responsibilities for the regulation of the estate agency market and for money laundering by estate agents to the lead trading standards authority, Powys County Council in Wales and Her Majesty's Revenue and Customs (HMRC) respectively. The OFT's responsibility for the estate agency market comes under the Estate Agents Act 1979. Essentially that involves ensuring that unfit persons are not allowed to operate estate agency businesses.

Trading standards departments across the UK already have some enforcement responsibilities under the Estate Agents Act. Those responsibilities concern the handling of clients' money by agents, the passing on of offers, and declaring any interest that the agent may have in the property or in offering services to potential purchasers.

Transferring the OFT's responsibilities under the Estate Agents Act to a single trading standards department will ensure that all the responsibilities under the Act are carried out more effectively. The Trading Standards Service of my Department will work closely with Powys County Council when necessary.

The transfer of the OFT's responsibility to prevent money laundering by estate agents to HMRC will sit well with HMRC's existing responsibilities to prevent money laundering in a number of other sectors. HMRC has both the experience and capacity to ensure effective compliance with the money laundering regulations by estate agents across the UK.

It is intended that the draft order will come into force in April 2014. Under section 9 of the Public Bodies Act 2011, the consent of the Assembly to the order is required because it will modify the functions of the General Consumer Council for Northern Ireland, and the subject matter of the Estate Agents Act 1979 will be transferred and therefore within the legislative competence of the Assembly.

The General Consumer Council for Northern Ireland is content to take on the functions transferred from the NCC relating to postal services in Northern Ireland.

Members will be aware that my Department recently consulted on the review of consumer representation in Northern Ireland, and the proposed role for GCCNI was outlined in that consultation. When final decisions are taken on the review, whatever they are, I will ensure that the postal services functions transferred to GCCNI by the draft order continue to be discharged under any new arrangements that may be made.

I support the draft order as GCCNI already undertakes similar consumer advocacy functions in a number of other areas in Northern Ireland. The existing staff employed by NCC to deal with the function in Northern Ireland are already located in the GCCNI premises. Moreover, as postal services are reserved to Westminster, the UK Government will fund the council's consumer advocacy work on postal services matters in Northern Ireland.

I am content that the functions of the Office of Fair Trading relating to estate agents will be transferred to Powys County Council, as the lead trading standards authority, and HM Revenue and Customs.

It is important for Northern Ireland that the Assembly pass the consent motion, as consumers in Northern Ireland will benefit from the integration of the new postal services role with GCCNI's existing consumer advocacy function. The Northern Ireland consumer will benefit, in the same way as consumers in the rest of the UK, from the transfer of the estate agent functions of the Office of Fair Trading to Powys County Council and HM Revenue and Customs. My Department will work closely with Powys County Council when it takes on functions relating to the regulation of the estate agency market.

I commend the motion to the Assembly.

Mr Flanagan (The Deputy Chairperson of the Committee for Enterprise, Trade and Investment): Go raibh maith agat, a Cheann Comhairle.

At its meeting on 30 January, the Committee for Enterprise, Trade and Investment considered the Assembly consent motion during an oral briefing from the Consumer Council. Consumer Council representatives informed the Committee that, for postal services, the Consumer Council will have the power to acquire information from a range of regulators, businesses and any person that supplies goods or services in the course of business for the post and mail markets. In its response to the Department's consultation, the Consumer

Council asked for the same power to be extended across all its remit. The Committee sought clarification from the Department regarding the planned remit of the Consumer Council and whether the Consumer Council remit would be the same as other consumer bodies in Britain. The Committee considered the Department's response at its meeting on 13 February. The Department stated that, under the Public Bodies Act 2011, there is no scope to amend the Consumer Council's existing functions. Therefore, other than for postal services, the Consumer Council's functions will remain unchanged. The Department further informed the Committee that, as part of the review of consumer representation arrangements, the Department will consider whether any amendments to the powers associated with such representation are required and which body or bodies should exercise them. Having considered the evidence, the Committee was content for the Department to proceed in seeking the Assembly's consent to the order.

I will speak now as a Member representing my party. At the Enterprise, Trade and Investment Committee, we heard that the abolition of the National Consumer Council is not so much an abolition as a transfer of its powers and functions to Citizens Advice in England and Wales and Citizens Advice Scotland. Here in the North, the role of postal and mail markets will transfer to the General Consumer Council. From my point of view, that makes sense. The Consumer Council is ideally placed to take on that role. The two experienced staff who will transfer to the organisation will help with that transition. It makes sense that local mail customers are represented by the Consumer Council. The above-inflation stamp price increase announced by Royal Mail is bad enough, but it is outrageous and ridiculous that Royal Mail expects people posting letters from Garrison to Ballyshannon to pay 88p for an international airmail rate when they can pay a second-class rate of 50p to post the same item to Glasgow. Differential postal rates exist in other parts of the EU, between the Czech Republic and Slovakia, but Royal Mail has not used that common-sense approach here in Ireland. We know from Consumer Futures research that customers here buying goods online from Britain often face additional delivery surcharges, which, in some cases, exclude the cost of the item itself. It makes sense to allow the Consumer Council to take on those challenges. I look forward to working with it to address that unique local problem.

Post offices are a vital part of the fabric of our towns and villages. In many rural contexts, the

post office is the last shop in the village, providing much more than access to postal services. Post offices provide a valued and trusted route to banking and other financial services, similar to credit unions, which we debated last week. The Assembly all-party group on postal services was formed in part because of the concern about the potential impact of the post office transformation programme. Further changes to post office delivery models or locations can have a significant impact on rural or vulnerable urban customers. It makes sense that local customers' needs be represented by the Consumer Council in that regard.

12.15 pm

Although the transfer of postal services to the Consumer Council makes sense to us, the order also raises some concerns. In Committee, we heard that the Scottish Government, although they have approved the transfer order, have published 'Consumer Protection and Representation in an Independent Scotland: Options'. It seems that they have designs on a much more robust system of consumer representation than that which is planned for England and Wales. The Scottish Parliament has sought to explore what the very best consumer protection should look like and has in mind a less fragmented design based on our very own Consumer Council. That contrasts with the situation in England and Wales, where energy and postal consumer advocacy is transferring to Citizens Advice, rail transport will stay with Passenger Focus and water will remain with the Consumer Council for Water. That approach is a bit piecemeal, and the Scottish Parliament has acknowledged that our approach is a much more sensible one.

Some of the written evidence that we received in Committee, including that from Larry Whitty, the Labour peer and former chair of the National Consumer Council, and Mike O'Connor of Consumer Futures, reveals that the model of consumer protection that we have in the North is regarded as being best practice. Although the order supports the abolition of the legal entity that is the National Consumer Council, we will not support any reduction in consumer protection here. It is important to state that for customers who want protection and members of staff in the Consumer Council who are concerned about their future employment prospects.

The transfer of postal services to the Consumer Council adds further protections for local customers to the remit of that devolved body. We want to see the information-gathering

powers that the Consumer Council will get in post and mail markets extended right across all the areas in which it operates. Although the transfer order cannot achieve that, the Assembly can look at bringing forward legislation that will deal with that.

In conclusion, a Cheann Comhairle, I want to make it very clear that what is on the table is not going to reduce consumer protection in any way, and that is not a proposition that we will support in the future. We want to see greater powers for the Consumer Council to allow it to continue to do the excellent work that it does to protect customers' needs and to provide customers with a voice.

Mr Dunne: I, too, welcome the Assembly consent motion before the House. The Committee looked at the issue and held a useful evidence session with the Consumer Council in January 2014. The motion will give greater powers to the Consumer Council in the post and mail markets. It is positive news for consumer protection in Northern Ireland.

As postage costs continue to increase, the public and businesses are looking to alternative suppliers for postage services. The Consumer Council, with its local representatives, will do a firm job to ensure fair play for customers. The Committee is content with the motion, and I am happy to commend it to the House.

Mrs Foster: I thank the Committee for considering the matter in a very timely fashion. I know that it has wider issues that it will want to address with me about the General Consumer Council for Northern Ireland, but this particular order is very specific, dealing just with representation on postal matters.

I am pleased that the Committee had a quick but detailed look at the matter and is happy to support the motion. I ask the House to support it as well.

Question put and agreed to.

Resolved:

That this Assembly consents to the Public Bodies (Abolition of the National Consumer Council and Transfer of the Office of Fair Trading's Functions in relation to Estate Agents etc) Order 2014 in the form of the draft laid before the UK Parliament on 5 December 2013.

Rates (Regional Rates) Order (Northern Ireland) 2014

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

That the Rates (Regional Rates) Order (Northern Ireland) 2014 be affirmed.

As Members will be aware, the order is brought forward annually and stems from the Executive's agreed Budget, which was originally brought to the Assembly back in March 2011 and covers the four-year period from 2011 to 2015.

The regional rate helps to supplement Northern Ireland's share of relevant public expenditure. It helps to provide additional revenue over and above the block grant, helping to fund departmental expenditure on hospitals, roads, schools and other essential public services and investment. To underline the significance of the rating system, over £1 billion is now collected in regional and district, domestic and non-domestic, rates. Taken together, the domestic and commercial regional rate is around £640 million in the next rating year.

I will turn to the breakdown of rate bills. The regional rate represents just over half of a typical bill, with the other half being made up of district rates, which are set independently by local councils.

When the four-year Budget was agreed, the Executive pledged that the regional rate would be frozen in real terms until 2014-15 — the next rating year — to provide certainty and stability for businesses and households in order to allow them to plan and manage their finances. Thankfully, economic conditions are improving, but there are still many challenges ahead. My Executive colleagues and I want to do whatever we can to make sure that the conditions for economic growth are in place in Northern Ireland.

The real terms freeze is adjusted for the effect of inflation. By way of inflationary measure, we are using what is called the GDP deflator, as determined at the outset of a Budget period. The legislation before you today for approval is the simple outworking of that important Budget decision. It will fix two regional rates in the pound for 2014-15: one for households; and one for business ratepayers. The new rates in the pound represent a small increase of 2.7% in the regional rate for the 2014-15 rating year for households and businesses.

The Executive wish to continue the commitment of ensuring that household and commercial budgets are protected, given the continuing economic difficulties being faced across the board. The order represents the best that we can do to balance the interests of ratepayers and the demands of public expenditure.

Some may argue that the regional rate should be reduced to alleviate the pressures of the current economic backdrop that continues to affect domestic and non-domestic sectors. The economic pressures of recent years have been unprecedented, but I firmly believe that the Executive have taken a sensible and measured approach. Any cut in the regional rate would mean a reduction in resources for other areas such as healthcare, education, roads and investment in other essential public services. The regional rate increases were agreed at the start of the Budget period in line with the Executive's projected expenditure. Holding the regional rate constant in real terms also complements the commercial rating measures introduced since April 2012.

One of the measures included at that time was a levy on large retail premises designed to rebalance the burden of rates on the business sector. The order also serves to fix the additional regional rate in the pound to be levied on large retail premises, otherwise known as the large retail levy. The large retail levy is set at an additional 15% on average to a large retail premises' rates liability, and it also increases in accordance with the non-domestic and domestic regional rate increases. The levy helps to fund the small business rate relief scheme, which now assists around 24,000 small businesses.

Mr Speaker, allow me to move on to more technical matters covered in the draft order. Its main purpose is to give effect to the decisions made during the Budget process by specifying the regional rate poundages for 2014-15.

Article 1 sets out the title of the order and gives the operational date as the day after it is affirmed by the Assembly. Article 2 provides that the order will apply for the 2014-15 rating year through to 31 March 2015. Article 3 specifies 33.91p in the pound as the commercial regional poundage and 0.3986p in the pound as the domestic regional rate poundage. Article 4 specifies 8.98p in the pound as the additional regional rate in respect of large retail hereditaments.

I look forward to hearing Members' comments, and I commend the order to the Assembly.

Mr McKay (The Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a Cheann Comhairle. I will make my comments brief and less technical than the Minister's.

The 2011-15 Budget, which was agreed by the previous Assembly in 2011, proposed that domestic and non-domestic regional rates increases should only be uplifted in line with inflation. As we heard, the purpose of today's rule is to set the rate of uplift for 2014-15. It also provides for the continuation of the levy on large retailers, which was introduced in April 2012 as a measure to rebalance the rating system by funding an extension of the small business rate relief scheme.

The policy proposals contained in the statutory rule were considered by the Committee in January, and we raised no issues with them. In February, we formally considered the statutory rule that is before the Assembly today, along with the accompanying report from the Examiner of Statutory Rules, who raised no points in the technical scrutiny of the rule.

I agree with the Minister that the Executive have taken a common-sense approach to this issue in recent years by only uplifting rates in line with inflation. In my view, that is the proper course of action, given the pressures that households and businesses, particularly small businesses, are under. That said, the Committee agreed to recommend that the order be affirmed by the Assembly. Therefore, we support the motion.

Mr McCallister: I want to express some concerns about this. I recognise where the Minister is coming from in following a policy of setting the rates. I welcome the large retail levy, and maybe we should look at whether we can increase that margin. No Member looking at town centres in their constituency and across Northern Ireland will be in any doubt about the difficulties that many face. Particularly for small rural towns such as Rathfriland and Kilkeel, which are under real pressure, the level of rates is a major issue. I want an assurance from the Minister that he is doing all that he can to recognise that pressure and that he is looking at whether we have the right balance between town centres and large retail units. Do we need to see whether we can do more to alleviate the pressure on those town centres?

In places, we are building a town-centre economy based almost solely on charity shops. The loss to such town centres of their bigger customers, for example, when a bank branch closes, has a profound impact, not only on the

district and regional rate take but on the town itself. We certainly need to see more joined-up government, whether on car parking or the managing of our town centres, to address those pressures. Those are my concerns about the motion. I would welcome the Minister's comments on whether he feels that the balance is right or whether he would like us to do more not just to stabilise our town centres but to start the rejuvenation and regeneration that we all desperately want to see across Northern Ireland.

Mr B McCrea: I will just follow up a few points that my colleague Mr McCallister made. The real challenge is that our high streets are full of empty properties and charity shops. Everybody says to us that commercial rents have fallen but not rates. A revaluation does not change the total tax take; it just spreads it out in a different way. Notwithstanding the fact that this has been to the Executive as part of the Budget, I have a question for the Minister: is there no opportunity here to reduce rates dramatically? I know that people will say that we would have to take money from somewhere else. I am not oblivious to the fact that there is only so much money in the pot, but I am sure that every Member has wandered through their town and seen the empty properties and the charity shops. Perhaps the Minister could explain the options, including those that he has considered with his Executive colleagues, for trying to take the burden off ratepayers, particularly the owners of a small commercial property.

In my constituency, I am aware of a coffee shop in Lisburn that has to pay rates of £25,000 per annum, which is quite a lot of money. You would have to sell a lot of cups of coffee to make that amount. There is pressure, and I think that we should be looking at it. I realise, Minister, that you cannot do it in an unplanned way and that rates make a contribution, but surely we should be looking at ways of aligning the rates take with the rental income. People do not really understand that we need to reduce rates to align them with the reduction in rent. Then, of course, we have to work out how to make up the shortfall from other areas.

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

12.30 pm

Mr Hamilton: I thank all of the Members who have contributed to this important debate, albeit there were few. I am sure that it was a case of quality over quantity. As always, it has been a useful debate, with a range of views expressed. I have already stated that the Rates (Regional

Rates) Order (Northern Ireland) 2014 gives effect to decisions made as part of the 2011-15 Budget. The Executive have aimed to strike a balance between the needs of ratepayers during what remain challenging economic times and ensuring that public finances are sufficient to cover the priorities that we set ourselves.

If I may, I will turn to points raised in the debate. I begin by thanking the Committee Chair, Mr McKay, for his brief contribution. He was right and kept to his word; it was less technical than my contribution, but I think it was only marginally less dull. Nonetheless, I thank him and the Committee for scrutinising this important legislation. He is right to comment, and I agree with him fully, in respect of the Executive and the Assembly having struck a balance over this Budget period. I think that that balance is one that stands the Assembly and, more importantly, this place in good stead.

I turn to Mr McCallister's comments. He mentioned the large retail levy and seemed to express some support for its continuation. I remind the Member that the legislation was passed with a sunset clause, so its natural life will run out at the end of next year. This will be the last year that it will operate. That was the case, in part, because of the revaluation that is ongoing. We will see the result of the revaluation before we make final judgements on various aspects of our rating legislation.

He mentioned the need to have a balance between town centres and big out-of-town retailers. I would point out, and am sure that the Member appreciates — indeed, he referred to DRD and the issue of car parking — that it is not an area that is entirely my responsibility. However, as I stand here, I am responsible for the Rates Order and for the issue of rating in town centres. I know that that has an impact on many retailers. It is an issue of great concern, and there is not a town that I travel to in Northern Ireland in my capacity as Finance Minister where the issue of rates is not raised.

I am proud, however, of the rating regime that we have put in place. I accept that nobody, no matter who they are, likes to pay rates. I do not like paying my rates bill, so I do not expect retailers to like paying theirs, which are more sizeable than mine for my house. We have tried to strike that balance that the Chairman and I referred to earlier, between giving some support through various reliefs and allowances that have assisted greatly in keeping a large number of businesses in place in Northern Ireland that, I think, would otherwise not have been there.

I accept that probably there is little we can do to arrest the decline of many of those big household and brand names of retailers that we have seen removed from our high streets, and while there is nothing that we can do, as a Government, to substitute for the lack of revenue that many businesses have faced because of changes in technology or the impact of large retailers on towns, we have done quite a lot. I remind the Member of the extensive support that we have given through the small business rate relief scheme, which is, in part, funded by the large retail levy. If you take Down District Council area, where he and I have a shared interest, 1,137 properties are currently getting small business rate relief, and that has seen £1.9 million of relief awarded to such businesses in that area to date.

I turn to Mr McCrea's comments. I am glad that he was here, obviously, to add value to the comments made by his colleague, who has party responsibility for finance. Mr McCrea obviously wanted to just top that up a little bit and add a bit of value. Unfortunately, he is no longer in the Chamber. He mentioned, in his incisive contribution, the revaluation. To clarify for the Enterprise Minister, a touch of sarcasm was added there. He mentioned the revaluation and the need to get rates more closely aligned with rent, and I agree. That is why the revaluation is being done. Obviously that revaluation was postponed — put back a few years — because of the lack of activity in the market and the inability to get a good, firm foundation. It is still an incredibly challenging enterprise to engage in the revaluation at this time, but to have put it off even further, as England has done by a further two years, would have added to the groundswell of opposition, and the annoyance that we are hearing would have reached a crescendo and forced us to do something. So, I am glad that we are proceeding.

He called for a massive reduction in the rate. I reiterate that nobody likes to pay their rates, but a massive reduction in rates would have resulted in a cut in services somewhere, which, to be fair, he identified. However, the one thing that he did not point out was that we might have to move the burden elsewhere, perhaps on to householders or to different types of business. We have, in totality, given some £44 million of relief through the small business rate relief scheme, and I think that what we have before us represents a useful and helpful balance that gives certainty. It has given certainty in this Budget period to households and businesses.

In conclusion, I trust that Members will show the necessary support for the order. I believe that

households and businesses alike will welcome the minimal increase in the regional rates. It clearly demonstrates that all ratepayers have benefited from the decisions that the Executive have taken. I commend the order to the Assembly and ask Members to affirm it.

Mr Deputy Speaker: Before we proceed to the Question, Members, I remind everyone that the motion requires cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

That the Rates (Regional Rates) Order (Northern Ireland) 2014 be affirmed.

Mr Deputy Speaker: As there are no dissenting voices, I am satisfied that the necessary cross-community support has been demonstrated.

Committee Business

Electricity Policy: Pricing

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 to propose the motion and 15 minutes to make winding-up speech. All other Members will have five minutes.

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

That this Assembly approves the second report of the Committee for Enterprise, Trade and Investment on its review into electricity policy: part II — electricity pricing (NIA 14/11-15); and calls on the Minister of Enterprise, Trade and Investment, in conjunction with her Executive colleagues, the Northern Ireland Authority for Utility Regulation, the System Operator for Northern Ireland, the Single Electricity Market Operator and the Consumer Council to implement, as applicable, the recommendations contained therein.

Go raibh maith agat, a LeasCheann Comhairle. The structure of the electricity market is highly complex and highly convoluted. There is a wide range of stakeholders with a variety of views and experiences of the electricity market. There are a number of distinct elements to the electricity market, and each has its own complexities. So, Members will understand that the review of electricity policy has been, and continues to be, a marathon journey for the Committee for Enterprise, Trade and Investment.

I thank all Committee members, past and present, who have been involved in the review for the time and effort that they have put into getting it to this stage. Unfortunately, this is not the end of the journey. I also thank the Committee staff for their Trojan work in delivering such a well thought out and considered report that has secured the whole Committee's agreement. I also thank them for putting up with last-minute amendments and additions. I thank everyone who came before the Committee and presented written or oral evidence. Without their expertise, the report would have been much the lesser. I also take this opportunity to apologise on behalf of the Chairperson of the Committee, Patsy McGlone, who, as a result of attending a funeral, is unable to move the motion.

The electricity tariff for any consumer is made up of generation costs, network costs and supply costs, and the Committee has worked to unravel the complexities in each part. The Committee has found that there is a considerable lack of transparency in generation costs and network costs. Both the Confederation of British Industry (CBI) and the Consumer Council supported that view. Invest NI has also failed in its attempts to get some visibility on charges.

So, when the Committee on behalf of the Assembly, the CBI on behalf of businesses, the Consumer Council on behalf of the public and Invest NI on behalf of the Department of Enterprise, Trade and Investment cannot get visibility on charges, what chance is there for anybody else? For that reason, the Committee has recommended that the Single Electricity Market Operator (SEMO) undertake a review to see how generation costs can be made more transparent and that the Utility Regulator undertake further work to improve transparency in network charges.

Renewable generators are appropriately rewarded through renewable obligation certificates, so we must ensure that those generators are not overly rewarded on the generation side of the market for the electricity that they generate. There are three elements to the way in which renewable generators are rewarded that raised concerns in the Committee.

First, there is the system marginal price, which is the price bid by the highest cost generator in each half-hour period and the price paid in that half-hour period to all generators bidding into the system, regardless of the cost of generation. That is the key point: all generators receive the same system marginal price (SMP), regardless of how much it costs them to generate the electricity that they sell. The profit they get is the difference between their marginal cost and the system marginal price. So, a wind generator, generating at zero cost, receives the same price for their electricity as a high-cost gas generator. As gas is the dominant fuel in the market, that is the price they get virtually all the time. There are very few occasions when wind or other renewables set the price. When the price of gas increases, the price paid to wind generators increases and, therefore, their profit increases.

Every generator deserves a reasonable rate of return for the electricity that they generate, but we must ensure that the profits made are not excessive and are commensurate with the risks involved. The Committee, therefore, believes

that the best way to reduce generation costs is for the Single Electricity Market Operator, which operates on an all-island basis, to decouple the price that is paid to renewable generators from the price of electricity from fossil fuels.

The Committee was told that the system marginal price is a commonly accepted economic model, and perhaps it is. However, in an open market economy, one type of supplier does not get incentivised at one end through a mechanism such as renewable obligation certificates and then get to charge the same price for its product as its competitors that have much higher overheads. The phrase "having your cake and eating it" springs to mind.

Secondly, an element of the system marginal price includes the cost of carbon produced by fossil fuel generators to generate electricity. However, as that is built into the system marginal price, renewable generators, which do not produce carbon, also receive the cost of carbon. The cost of carbon must be separated from the system marginal price to ensure that all generators receive a return on the cost of carbon that is directly linked to the carbon that they produce.

Thirdly, any generator that is available and open to operate on the system receives a capacity payment. Capacity payments constitute around 17% of generator revenue. The Committee questions the need for capacity payments for any form of generation, but especially for wind generation. As wind generation is the least expensive form of generation, it is always put onto the system first. Therefore, wind generators are not waiting around to be called into action. Also, wind is intermittent. If the wind is not blowing, wind generators still receive a capacity payment, even though they do not meet the requirement of a capacity payment to be available.

The Committee has decided that the Single Electricity Market Operator must review the capacity payment mechanism with a view to removing capacity payments from forms of generation such as wind, which neither meet the requirement nor require the payment. The review should also consider the requirement for a capacity payment to be in place for any form of generation.

Another element of generation that adds to charges for consumers are imperfection costs. Those are mostly made up of constraint payments to large-scale renewable generators when the electricity that they produce cannot be used on the system. It cannot be used because

the electricity grid needs to be strengthened and because there is not enough interconnection between here and the South and here and Britain.

The Committee agrees that the Planning Appeals Commission must set an early date to reconvene the inquiry into the planning application for the North/South interconnector and that Mutual Energy must work to ensure that a permanent solution to the faults on the Moyle interconnector is put in place at the earliest opportunity. It is a ridiculous situation; we have generation in place and are charging consumers for it, but we cannot use it because we do not have the infrastructure in place, whether that relates to interconnection or to the inadequacy of the grid. That brings me on to the area of the electricity grid and network costs.

There is considerable cause for concern about network costs and the way in which they are apportioned between consumer groups. Network charges constitute around 22% of the domestic electricity tariff. Representatives of the large industrial and commercial sector argue that network charges here are apportioned in favour of domestic consumers and small businesses at the expense of large industrial and commercial consumers. Manufacturing NI has argued that electricity costs for large businesses here are the second highest in Europe; a position that has been confirmed by the Utility Regulator. Manufacturing NI believes that there is a risk that some large companies could leave the North if energy costs continue to be prohibitive. Such a move would have a huge impact on jobs and the economy, both directly and indirectly. It would also have a very significant impact on all electricity consumers, as the network charges that they have been paying would have to be apportioned across all other consumers, thereby increasing electricity costs for everyone.

12.45 pm

There is continuous pressure on businesses to reduce costs. Large industrial and commercial users are no exception, especially if they find that they are paying two or three times as much for their electricity as their sister companies in other parts of the world, as the Committee was told throughout the review. Members will have seen reports recently of Bombardier planning to generate large amounts of its own electricity. Although that is to be welcomed on one front, it raises concerns on another in that if many more large industrial and commercial users took a similar approach and reduced their reliance on

the grid, that would cause grid costs to be apportioned across fewer consumers, resulting in increased electricity bills for everyone.

It is essential that network costs be apportioned appropriately and that charges reflect the costs incurred by each consumer group. That is a European directive. We have evidence that in the Oireachtas, a former Minister for Communications, Energy and Natural Resources stated that they were going to transfer some of the costs from large energy users across to domestic customers. So, that is what is happening in the South and is one reason for the large differential between the price that large users pay in the South and the North. There is a problem of a greater difficulty in competitiveness for our businesses here.

The Committee welcomes the work being done by the Utility Regulator in the effective apportionment of costs. However, network costs have to be paid, and reducing costs for one group will result in increased costs for others. About 42% of our population is in fuel poverty, and the reapportionment of network charges could drive even more vulnerable customers into fuel poverty. For that reason, before there is any consideration of a move to reapportion network charges in favour of large industrial and commercial users, work should be undertaken to reduce costs through generation and other means to ensure that no consumer suffers detriment as a result. That can be achieved by accepting and implementing the Committee's earlier recommendations on generation costs.

The large industrial and commercial sector raised concerns about public service obligation (PSO) charges being applied to large businesses. A substantial proportion of the PSO charge results from the sustainable energy programme NISEP, which is due to come to an end in the next two years. Although the Committee considers it essential that such support is provided to vulnerable customers, members question the appropriateness of funding an energy efficiency scheme through the electricity tariff. The Committee believes that a further programme should be put in place to follow on from NISEP to promote and improve energy efficiency for vulnerable consumers but that the Executive should explore how such a scheme could be funded through other means.

As I stated, generators are appropriately rewarded through renewable obligation certificates for the electricity that they generate. However, there is increased need for grid strengthening to enable the renewable

electricity generated to get onto the system. The Utility Regulator cautioned the Committee on the need to be careful about adding to network charges. There has to be a balance between strengthening the network and increasing costs to consumers.

The Committee is looking forward to the outcomes of exploratory work being undertaken by the Utility Regulator and NIE to explore the potential use of European regional development fund (ERDF) funding under the 2014-2020 programme for grid strengthening. Although the €50 million being sought would be recovered from consumers, ERDF funding would reduce the overall cost to the Executive by about half. Perhaps the Minister can update the Assembly on progress in that area.

The Committee heard convincing evidence from the MATRIX Sustainable Energy Horizon Panel on its report into intelligent energy systems. This is an area in which the panel believes the North can become a market leader with the appropriate support. As well as providing opportunities for the economy, intelligent energy systems, or "smart grids", have the potential to reduce the need for grid strengthening by maximising the use of the existing network infrastructure. This must be considered for reducing costs to consumers and for its wider economic benefits. The Department is due to review its strategic energy framework in the very near future. The Committee feels that the review must consider how intelligent energy systems can be fully utilised to reduce the need for grid strengthening and costs to consumers.

A key driver and motivator for the review into electricity prices was last year's announcement of a 17.8% increase in electricity prices for domestic consumers. However, it is not about price increases only. Do we simply accept the narrative that prices have to continue to rise? We are living with high rates of fuel poverty, and, year on year, electricity prices seem to fluctuate widely with huge increases and considerable decreases. Can we expect a considerable decrease later this year or another huge hike in prices? We do not know. It is highly unpredictable. That means that people cannot plan and that hard-pressed families cannot budget properly.

We cannot expect people to live like that from one year to the next. Consideration must be given to putting mechanisms in place to insulate domestic and small-business consumers from wide fluctuations in electricity prices from one year to the next. The regulator must keep a watchful eye on Power NI's hedging strategy.

As electricity prices increase — regardless of fluctuations, the trend is undoubtedly upwards — one way for consumers to reduce their costs is to shop around for the best deal. However, consumers must be made aware of how easy it is to switch. All barriers to switching have been removed. People can save up to 10% in their electricity bills by making a simple phone call or going online to switch supplier. To help people to get the best deal for their electricity, there should be an extensive awareness campaign to inform consumers of the ease of switching suppliers. This can serve only to stimulate competition further in the electricity market.

This debate is taking place at a very opportune time. Electricity markets across the EU are required to comply with rules to increase integration. The single electricity market between North and South must comply by 2016. So the opportunity now exists for the two regulators to reconfigure the single electricity market to match EU requirements and, in doing so, provide the most efficient and effective electricity market to meet the long-term needs of all consumers on this island. For this to be successful, it will require robust oversight by both Governments and both energy Ministers in Ireland. For that reason, the Committee has recommended that energy issues in general, and electricity issues in particular, must be assigned a high priority at meetings of the North/South Ministerial Council. This may require energy to become one of the areas of cooperation under the auspices of the North/South Ministerial Council.

The electricity market is a complex and ever-changing field. The Committee will continue to keep a close watch on developments during the mandate to ensure that the policies being developed provide the best balance to meet the needs of business and domestic consumers. We do not want to be simply reactive to problems. We want to come up with policies and deal with problems before they exist.

Mr Dunne: I also welcome the opportunity to speak on this important issue as a member of the Enterprise, Trade and Investment Committee.

Unfortunately, electricity costs in Northern Ireland are amongst the highest in Europe. Real challenges continue to exist for domestic and commercial customers here. Energy costs are one of the major overheads for any business here, particularly our large manufacturing companies, some of which would be keen to expand but are restricted because of having to offset the costs of energy,

which are high in comparison with those in other countries throughout Europe.

In today's 'Belfast Telegraph', it is mentioned that we are competing for business with the United States, where energy costs have fallen following fracking for oil and gas. Electricity prices in the EU are double those in the United States and 20% higher than in China. Michelin highlighted a stark example during a visit to the Enterprise, Trade and Investment Committee. We learned that Michelin's monthly energy bills for manufacture are in the region of £1 million, which shows the challenging environment in which it has to work to try to be competitive.

Fuel poverty continues to be a problem for many domestic customers across Northern Ireland. The cost of electricity is subject to regular price fluctuations ranging from a reduction of up to 16% to increases of up to 19% within a four-year period, which, we understand, relates largely to the wholesale cost of generation.

One of the report's recommendations highlights the need for greater transparency in the make-up of transmission costs and network charges, which should involve the work of the Utility Regulator. Generation costs are the main component of the domestic electricity tariff, which makes up around 44% of the domestic electricity bill and is determined through the system marginal price. The Committee recommends that all generators, including renewable generators, should receive a reasonable price for energy output. There is clear evidence that some renewable generators receive higher rates of return at less risk.

There should be a clear distinction between the price paid to renewable generators and the price paid to electricity generated from fossil fuels. That would result in a significant saving to the SMP. The section of the SMP that includes the cost of producing carbon by the generators should be reviewed as it is unfair that renewable generators receive the cost of carbon without producing it during production.

Constraint payment is another issue that needs to be addressed. It occurs when renewable generators cannot offload the energy produced as the grid is not fit for purpose and results in unnecessary costs of generation. That again highlights the real need for the North/South interconnector to be established between the Republic of Ireland and Northern Ireland, which will allow interconnection between GB and the Republic of Ireland. The ongoing delay of a number of years is costing consumers here £7 million a year. Progress on the project is

urgently required, and perhaps the idea of local community buy-in for the farmers affected could go a long way to providing a solution. The Fermanagh Trust is an example of how communities can benefit from working together on energy projects. We saw that recently during its visit to Stormont.

There is clear evidence that our electricity network, which was largely constructed in the 1950s and 1960s, needs to be upgraded. It is in need of considerable investment to improve consumer protection during extreme weather such as last year's heavy snow. Improvement is also needed to support connection to renewable electricity generators. The network charges issue needs to be reviewed to ensure that establishing the cost of network upgrades is carried out in a fair and balanced way for domestic and large commercial users.

Mr Allister: Will the Member give way?

Mr Dunne: Yes.

Mr Allister: On recommendation 15, which advocates that energy should now come:

"under the auspices of the North South Ministerial Council",

as a subject for cooperation, will the Member, before he finishes, tell the House when it became the policy of his party to expand the influence and subject matters of "North/Southery"? When did that particular U-turn take place?

Mr Deputy Speaker: The Member has an extra minute.

Mr Dunne: This is a Committee report, as the Member well recognises, and it does not clearly state that in the report.

The network charges need to be reviewed to ensure that the cost of network upgrades are carried out in a fair and balanced way. I welcome the report. A lot of constructive work has been carried out, and I express my thanks —

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

Mr Dunne: — to Committee members, the Committee Clerk and staff for their work on the report. I encourage the Minister of Enterprise, Trade and Investment to work with all the various agencies and Departments in the

interests of getting a value-for-money electricity supply across Northern Ireland.

Mr McKinney: I welcome the opportunity to speak in the debate and support the Committee motion. The Committee took substantial evidence on the matter, and its recommendations are important and timely.

In considering electricity prices, one key issue, which I suppose is self-evident, is the fuel price itself. The system marginal price is influenced by the price of fuel, and that largely determines the amount that each generator bids into the market. Plainly speaking, if fuel prices increase, generators will increase their prices in order to reflect the rise.

The Committee considered the reasons for increased prices and tariff charges here. We heard that the main descriptor over the past number of years is "instability". In an evidence session, Power NI outlined that that volatility does not produce a good outcome for the consumer, large or small. The Utility Regulator told the Committee that the tariff charges were the result of the situation that Northern Ireland is in with fuel prices. We are challenged by our size, location and dependency on imported fossil fuels.

As we have been hearing, another key issue that the Committee dealt with is transparency. There was some disagreement. The Utility Regulator felt that the electricity market is very transparent, but others, including the Consumer Council, have grave doubts about whether competition is working to the benefit of the consumer and point to a lack of information and transparency as the main reason for that. Let me point out that the contributions from the Consumer Council underscore the important role that that body plays, not just on this issue but on others.

One of the significant focuses of the Committee's discussion was around the system marginal price, as we have been hearing. That is because it exists to strike a balance between making sure that investors get a reasonable but not unreasonable return and, importantly, that consumers get a fair deal. As the Deputy Chair explained, there were many issues around the SMP for wind generators and the amount of revenue that they receive.

1.00 pm

The competitiveness of Northern Ireland regarding large energy users was again raised in this section of the Committee's work on

electricity. This is of real concern. We heard from the CBI and Manufacturing NI that high electricity charges were having a substantial effect on jobs in the private sector. Furthermore, the worrying statement was made that current policy is resulting in jobs being traded for fuel bills.

Mrs D Kelly: Will the Member give way?

Mr McKinney: I will.

Mrs D Kelly: Does the Member accept that the very point that he makes about the high cost of energy and the impact that that has on economic activity puts a greater onus on the Minister to ensure that, regardless of whether it is north, south, east or west, she must get the best price for consumers, whether domestic or business?

Mr Deputy Speaker: The Member has an extra minute.

Mr McKinney: I welcome the Member's contribution. It is imperative that we act in this regard. The fact is that the electricity prices that we experience in Northern Ireland have the potential to dissuade large investors from locating here as our costs are among the highest in Europe. In fact, the CBI contends that Northern Ireland has lost several major inward investment projects to the Republic because of these factors.

It is doubly important that we attract large energy users to Northern Ireland as having more large energy users on the grid reduces costs for others. If we continue to harbour large network charges, more and more large energy users may come off the grid and self-sustain. That, then, will increase prices for all others who remain.

In answer to the Consumer Council's concerns that there is no transparency in electricity pricing, one of the Committee's key recommendations is that the single electricity market operator and the Utility Regulator should undertake work to improve the transparency of network charges. The Committee rightly acknowledged that high network charges pose a significant risk to consumers and the economy, and welcomed the work being undertaken by the Utility Regulator in this regard.

We must do all that we can to achieve the best price for the consumer and large energy users on the grid. It is for that reason that I commend the recommendations made by the Committee.

It is vital that we retain our large energy users and that we do not do anything, either by commission or omission, that would put the economy here at risk due to those high network charges.

Mrs Overend: I appreciate the opportunity to participate in the debate on this important motion brought by the Committee for Enterprise, Trade and Development, of which I am a member.

Much has been made in recent months of the high energy prices paid by domestic customers, and rightly so, especially on the back of a number of years where energy prices have risen steadily and where household incomes have remained stubbornly static. It has been shown that large industrial and commercial customers here pay some of the highest energy costs in Europe. This has a debilitating effect on their ability to be competitive in a world market, which ultimately sees the end user, the consumer, paying high costs. Manufacturing NI successfully highlighted the issue to the Committee some time ago, and I was particularly pleased that everyone agreed about the importance of further examining the high energy costs that our manufacturing base faces, especially in these difficult, austere times.

As politicians, we are often told that we should listen more to those in the business sector in order to properly understand their concerns so that, as policymakers, we can create a better environment to enable our local economy to grow and prosper. In listening to businesses and the various business organisations that presented to the Committee, we recognise that one of the huge costs they bear is electricity, especially considering the 17.8 % increase that came into effect from July last year, which caused us great concern.

Government need to consider the effect of those large energy users who are faced with increasing bills and who then have to consider their options: either to turn away from the grid altogether through generating their own electricity or to leave Northern Ireland and set up and expand elsewhere. Both would have a knock-on effect of adding costs to the rest of the users on the grid.

Manufacturing NI stated that the 22 largest users in Northern Ireland account for 15% of the volume of electricity used. If they were to leave the grid, the cost of that 15% would be passed on to the remaining grid users. Furthermore, it has been said that our high energy prices have been a real deterrent to

potential foreign direct investment. Many other European countries, including the Republic of Ireland, have structured their energy policies to ensure that the energy costs paid by large industrial and commercial users are more competitive, especially when compared with Northern Ireland.

The Committee report is lengthy, with a number of recommendations, and although I would like to mention them all, time limits me to a few. I agree with the report that we need increased transparency in the electricity market and in network charges, as was so clearly explained earlier by the Deputy Chair. The report recommends that, as a result of work being undertaken, the Utility Regulator must be in a position to demonstrate how the current apportionment of network charges reflects the costs incurred by each consumer group, including large and small industrial and commercial concerns and domestic consumers. Indeed, further work should be undertaken to reduce costs through generation and other means. The benefits of effecting positive change will filter through to all users in the medium to long term, ensuring a more competitive and fair energy pricing environment in future.

The public service obligation charge is currently levied across all electricity users, but not everyone benefits from the service. The Committee report recommends further consideration for energy efficiency schemes but requests that the Executive consider how it could be funded through means other than the electricity tariff.

As stated in recommendation 14, more needs to be done by the Department, the Utility Regulator and bodies such as the Consumer Council to ensure that people are given information about switching energy supplier in order to get the best possible prices and that consistent rises in energy prices are reduced.

The Committee found that although it is right to incentivise the renewables sector, it should not be to such a degree that it creates unfair costs for customers, which, it seems, is currently the case. Capacity payments and carbon costs are paid to producers of wind energy, despite the fact that the service is comparatively unreliable and does not produce carbon. This needs to be examined by the Department and the Utility Regulator. The cost of carbon must be decoupled from the system marginal price to ensure that generators receive a return on the cost of carbon that is directly linked to the carbon they produce.

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

Mrs Overend: I commend the report to the House.

Mr Lunn: I support the report. I sometimes wish that we had a seat on the Committee for Enterprise, Trade and Investment. This is a very complicated and long report, and it would have been helpful to be privy to the various discussions. There has been a lot of input from the Consumer Council and other organisations and particularly, from what I hear, from large businesses.

Mr Flanagan: Will the Member give way?

Mr Lunn: Yes.

Mr Flanagan: I am sure that, if you approached some of the other parties, they would be happy to swap an Executive seat for a seat on the Committee for Enterprise, Trade and Investment.

Mr Deputy Speaker: The Member has an extra minute.

Mr Lunn: Mr Flanagan said that so quickly that I did not pick it up. I am sorry. Not to worry; our time will come. *[Interruption.]*

Mr Deputy Speaker: Order.

Mr Lunn: I said that because the report runs to 570 pages, and I have not had an opportunity to study it all.

I want to touch on some particular recommendations. Recommendation 10 seems to be the big one. It centres on the complaint from large businesses here that they pay substantially more than the European or UK average and smaller businesses. I have a lot of sympathy for them because that is absolutely correct. However, I wonder what the answer is. The recommendation is that work be undertaken to reduce costs through generation. That is fair enough, but it is also the conundrum: how do you reduce costs through generation, given the state of the market and the fact that we rely primarily on oil for that generation? When I first heard about Bombardier's proposal to generate its own power, I thought, "Hallelujah, this is a great idea", but, in fact, as others including Mr Flanagan said, if too many companies go down that route, it will have an effect on the grid costs, which will have to be reapportioned.

That may not be of long-term benefit to anybody.

Recommendation 14 is about informing customers about the ease of switching supplier and the need to shop around. I am not against that at all. I am certainly not going to say anything critical about the Consumer Council, because I think that it does a terrific job. We have seen this issue in various areas in terms of oil prices, gas prices and telephone charges. Everybody is urged to shop around, but if you look at the way the electricity market is structured, if somebody puts their price up this week and people change to another supplier, such as Airtricity or Energia, a few weeks later that company will have to do the same thing. So, I wonder about the overall benefit of shopping around, but there we are. If there are savings to be made, fair enough.

Recommendation 15 is about the European market. I see the European directive that we have to have a single electricity market between North and South by 2016. I heard Mr Allister's comment about the fact that there is a recommendation that it might become one of the areas of cooperation under the auspices of the North/South Ministerial Council. Frankly, I am surprised that it is not already, because this is such an important area, and it ties in to recommendations 7 and, probably, 8, which are about the North/South interconnector. It is plain common sense, this sort of cooperation. It is not just between North and South; this kind of thing is happening across Europe. It is nothing but common sense that if there are savings to be made, we should embrace them and welcome them. So, I really do not understand Mr Allister's reticence about that.

Mr Allister: Will the Member give way?

Mr Lunn: Yes, certainly.

Mr Allister: If the Member had listened, he would have realised that I was drawing attention to the fact that a party in this House has long publicly protested any expansion of "North/Southery" through the North/South Ministerial Council, yet its four members on the Committee voted for a recommendation that would do exactly that. That is the point that I am drawing attention to. It is another U-turn on behalf of that party. *[Interruption.]*

Mr McCarthy: They know where their bread is buttered.

Mr Deputy Speaker: Order, order.

Mr McCarthy: They know what side their bread is buttered on.

Mr Lunn: You do wonder sometimes why you ask for it. *[Laughter.]* The point that I am making is to commend DUP Members. If they can see the sense of making a commercial decision, and if that involves a bit of North/South cooperation, which, perhaps, instinctively, they are not necessarily in favour of, then why not? It is good sense. We are talking about commercial industrial issues. We are not talking about politics, or we should not be. I think that I had better leave it at that, Mr Deputy Speaker.

Mr Frew: I thank the Member for giving way. The wording of that recommendation, which is in a Committee report, not a DUP report, states that:

"This may require Energy to become one of the areas of co-operation"

It does not say that it should or it must. There is great communication and collaboration between the two jurisdictions, not only North/South but east-west.

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

Mr Lunn: I was going to mention the east-west Mutual Energy recommendation as well. This thing seems to have been dragging on since time began. It is time that something was done about both issues — North/South and east-west.

Mr D Bradley: The Member's time is up.

Mr Lunn: I support the motion.

Mr Frew: This is an important issue that I have been very keen to speak on, to debate and to do work on in the Committee. I am glad that the Committee has taken up the mantle of energy and, in particular, electricity prices.

Like a lot of Members in this Chamber, I know that this is one of the biggest issues that our companies and manufacturers in particular face on a daily and weekly basis. It is critical that we try whatever we can, albeit limited, in this Assembly, in the Department of Enterprise, Trade and Investment and anywhere else in the sphere of business to reduce the burden and cost on the manufacturers who create wealth and the businesses that create wealth and employment in our communities.

It is very clear that this is as big an issue and as big a debate as the one around corporation tax. The last thing that I want in my constituency of North Antrim is to lose one of the large manufacturing plants that employ up to 1,000 people. That is not just 1,000 people; that is 1,000 families. Furthermore, hundreds of subcontractors are employed indirectly throughout that company.

1.15 pm

It is incumbent on us in the Assembly, and of the most significant importance, to debate the issue and come up with recommendations that will then go forward to the Department for it to look on and to make changes so that we can get electricity prices down in this country. It is also the case that, if one of those large plants were to disappear from the skyline of our towns and cities, 1,000 families would be plunged into poverty practically overnight. That is not something that I would look forward to, and it is certainly something that I think is extremely important to bear in mind.

I spend a lot of my time not only trying to promote my area to bring in foreign investment or to create jobs, wealth and employment but helping to retain the jobs that we already have. I must say this: it is shameful that another North Antrim MLA would pluck out one recommendation from a Committee report and try to clobber a party that is doing its best to retain employment.

Mr Allister: Will the Member give way?

Mr Frew: Yes I will; I will give way to the Member.

Mr Allister: I can understand the Member's embarrassment. I think that there is much good in this report, and I think that, for the first time, it exposes the renewable energy industry in a way that I greatly welcome. However, all the recommendations are worthy of scrutiny.

The fact is this: although the DUP has a manifesto commitment against expanding North/South bodies and interests, recommendation 15 gives, appropriately enough, a green light to expanding one of the areas of interest under the North/South Ministerial Council to include energy. The Member might try to hide behind the language and say, "It only says 'may'". It is anticipating, and it is a direction of travel that conflicts with the manifesto upon which the Member was

elected to the House. However, that does not surprise me at all.

Mr Deputy Speaker: The Member has an extra minute. May I remind Members that all remarks should be made through the Chair?

Mr Frew: Yes. I am sure, Mr Deputy Speaker, that the Member will be so gracious as to allow me the same time as I have afforded him when he speaks. I remind the Member that it says, "This may" and of course we have not heard from the DUP Minister of the Department, so let us wait and see —

Mr Allister: What about the DUP Committee members?

Mr Deputy Speaker: Order.

Mr Frew: Although I represent North Antrim to the best of my ability, is it little wonder that the Member cannot even reach quota in the Assembly elections, as he lets his people down so badly when he cherry-picks for a headline — *[Interruption.]*

Mr Deputy Speaker: Order. Can all remarks be made through the Chair, please? Will you return to the debate?

Mr Frew: OK, Mr Deputy Speaker, I will take your direction. It is very important that we get this balance right and that we take the burden off our industry and our employers and spread it out evenly. Look at some of the costs and the breakdowns of the costs. Generation costs make up 44% of our costs, and all generators receive the system marginal price in each half-hour period, regardless of the cost of generation. That means that wind receives the same price in every half hour. That is totally unfair and should be reviewed. So, it is more to do with the spectrum of generation and the most costly generator, but wind energy and companies that generate such energy get an abundance of costs or money that way. The cost-of-carbon element is the same. It is unreasonable that wind generators receive the cost-of-carbon element. Then there are the capacity payments. Wind is intermittent and is not always available; therefore, there is not a reliance on a capacity payment to maintain availability when not needed.

It is incumbent on us, and very important, that we have the North/South interconnector in place as soon as possible, because that will reduce the cost.

An element of the electricity tariff is known as imperfection costs. Those are made up mostly of constraint payments. Some renewable generators receive constraint payments when the electricity that they generate cannot be used in the system.

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

Mr Frew: That usually results in the grid needing to be strengthened. It is vital that the North/South interconnector is connected as soon as possible so that the burden can be taken off our industry and off our grid.

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

Mr Frew: Thank you very much, Mr Deputy Speaker.

Ms Fearon: Go raibh maith agat, a LeasCheann Comhairle. I welcome, as other Members have, the opportunity to speak in this important debate. It is apt to thank the Committee staff for their hard work and all those who gave evidence to the inquiry.

Electricity prices are a huge issue for domestic customers and our business community. Large energy users here face the second highest prices in all of Europe, and that is a serious problem for their competitiveness and for our ability to attract and retain large employers, including manufacturing companies. If this issue is not resolved, we could see some large users taking their business elsewhere or taking themselves off the grid, which would result in the network charges they pay being spread among every other electricity customer.

A piece of work needs to be carried out to determine whether the allocation of costs between large energy users and domestic customers is cost reflective and sits within the directive of the European Commission. Any efforts to reapportion costs from domestic customers to large energy users without reciprocal support from the Executive could have a devastating impact on domestic customers.

Domestic customers also face uncertainty in the prices they pay as a result of hedging strategies, and we have seen prices go up by 17.8% recently. We cannot accept the narrative that the price we pay for electricity will continue to rise and not challenge the policy decisions that cause prices to increase.

The way in which generators are rewarded needs to be looked at in great detail. The fact that generators of renewable electricity will continue to receive increased rates of payment through the single electricity market and the system marginal price while the price of fossil fuels continues to rise is wholly unacceptable.

Information that we have been provided with, and some have already alluded to this, has shown that some firms had a profit margin of 79%. That is an absurd figure, given that over 40% of our homes are in fuel poverty. In proposing a feed-in tariff with contracts for difference from 2017, the Department has acknowledged the potential for over-rewarding renewable generators, but that does not apply to connections that are on the grid before 2017. So, there has to be a way to ensure that customers are protected from over-rewarding.

One of the most galling factors about the recent price hikes for domestic customers was the manner in which other suppliers followed the lead of Power NI and introduced a 17.8% increase. That was despite the fact that a significant proportion of their electricity came from renewable sources, the cost of which had not increased, but the price that they were paid for generating it did. So, they ended up making more profit out of the arrangement than should have been the case.

The Committee has therefore recommended that a campaign be undertaken to encourage customers to shop around and change supplier if appropriate. Competition is not the solution to the problems we face with electricity prices, and it is probably one of the areas that has the least possible savings for customers. However, it is the only area that is directly within the control of the customer. There are no barriers to switching suppliers, and people need to be made aware of the potential savings that can be made.

As regards the workings of the single electricity market, there appears to be a lack of ministerial oversight in the SEM committee. There is no regular or dedicated forum for energy Ministers, North and South, to discuss issues of mutual concern, and having one would be a useful and welcome step.

Mr Anderson: I speak in support of the motion as a member of the Enterprise, Trade and Investment Committee. I also thank the Committee Clerk and the Committee Staff for their assistance with this report.

In our last report, which was presented to the House last December, we considered security

of supply. However, as I made clear in my speech on that occasion, security of supply impacts on pricing. Around the time of that debate, the then recently appointed Utility Regulator, Jenny Pyper, said that high prices were here to stay. So, it is imperative that we explore every avenue to reduce costs.

Historically, we have had higher prices in Northern Ireland than the rest of the United Kingdom. The 17.8% increase for most domestic customers from July last year was certainly alarming, and it will have the effect of driving more people into fuel poverty. Following the announcement of the increase, we took evidence from key players such as the Utility Regulator, Power NI and Airtricity.

On the business side, figures released by the Utility Regulator show that, in the first six months of 2013, Northern Ireland's commercial and industrial users were paying the second highest price in Europe for their electricity. It is unacceptable that our hard-pressed manufacturing and business sector, which has been trying its hardest to emerge from the economic downturn for the last few years, is being charged such high prices. Representatives of Manufacturing NI, from whom we heard in the Committee, summed it up well when they said that the recovery of the local economy could be derailed by those sky-high electricity costs. They told us that large companies would not be able to expand and that some might fold, which would result in more jobs being lost. It is as stark as that. The Committee also examined a range of aspects of the issue, and these are summed up in the recommendations of the report.

Recommendations 13 and 14 relate to supply costs. They urge DETI, the Utility Regulator and the Consumer Council to work together to make the public more aware of the availability of options from electricity suppliers. There is a pressing need for a high-profile publicity drive so that consumers can obtain best value and secure the best deals. Many consumers shift suppliers. However, they are not really sure whether they are doing the best thing because, some time later, they find hikes in prices again, and they are left maybe where they were before or worse off. Continuing variations in electricity prices year on year are also a cause for concern, and we want work to be done in that area as well.

There is also evidence of lack of transparency in relation to competition in electricity generation and network charges. As a Committee, we would like the single electricity market operator to undertake a review to see

how generation costs can be made more transparent, and we want the Utility Regulator to do more work on improving transparency in network charges. I know that the Minister and her Department are committed to the development of sustainable energy. The renewable energy sector is part of the broader sustainable energy initiative, and there is little doubt that renewable energy has a beneficial impact, but there is a cost impact as well. Costs flow from the need to encourage and promote renewable energy, which is done via the Northern Ireland renewables obligation and paid for through the electricity tariff.

Costs also flow from the need to reinforce the grid. We were informed that the need to strengthen the grid could be reduced by investment in what are known as smart grids; these are state-of-the-art, digital grids that can save energy and cut costs. All of this is highly technical, but we feel that DETI's review of the strategic energy framework should consider the possibilities offered by intelligent energy systems. If these can reduce costs to consumers, they need to be seriously considered.

The Committee has given much consideration to this important area of electricity pricing, and I hope that our report will focus minds on those issues and, ultimately, lead to reduced costs. I commend the Committee's report to the House.

Mr Wilson: It is a welcome change of heart to hear a Sinn Féin Deputy Chairman talk about the high cost of energy and the impact that it has on people in Northern Ireland, given that his party has singularly tried to do all that it can to ensure that energy prices are kept high in Northern Ireland. The interconnector is held back as a result of the attitude of Sinn Féin. When it comes to preventing the exploitation of our resources in the form of shale gas, he proudly leads the way. Of course, it has been the exponent of what the report has shown to be the cause of high energy costs: renewable energy. So it is good to see that there is now a conversion, or maybe this is just Sinn Féin's ability to face both ways on the energy issue as it does on everything else.

Let me come to a number of points about the report. It highlights the fact that energy costs are a huge issue, not only for industrial and commercial users but for ordinary domestic users, with the highest level of fuel poverty in the United Kingdom existing in Northern Ireland. The report highlights the fact that, as a result of how the market works, one of the parts of the energy industry that has added to the costs is the renewable energy industry, with its

special treatment of renewables obligations. Special subsidies are made available, and the grid is forced to purchase at a high price from the renewable sector. On top of that —

Mr Agnew: Will the Member give way?

Mr Wilson: Yes. I will give way, because this is another man who believes that we should impose a burden on industry and on consumers because of some daft ideology that he supports.

1.30 pm

Mr Agnew: I thank the Member for giving way, because it is important that we introduce some facts to the discussion. If the Member has read the minutes of evidence of the Committee briefings, he will know that, in the main, gas sets the single marginal price. In fact, when wind energy sets the price, because it has a zero unit cost, it brings the price of electricity down. It is only because of our over-reliance on gas that we have such prices. Gas prices are going up, so gas is driving the price up.

Mr Deputy Speaker: The Member has an extra minute.

Mr Wilson: I know that I taught this man his economics, but he has still not learned the difference between marginal cost and average cost. Average cost includes the huge fixed capital costs that are required for wind energy. Indeed, those fixed energy costs are well highlighted in the report, not only the costs of erecting the turbines but the huge costs of strengthening the grid. If it is the cheapest form, why do we have to give the subsidy in the form of renewables obligation certificates?

Other Members highlighted additional subsidies and the fact that the highest marginal cost — not the average cost — sets the baseline, so that gives an extra profit and a windfall to the renewables industry. There are also constraints payments for not producing on certain occasions. In addition, there are capacity payments, even though the capacity of the industry is quite dubious because it varies from one day to the next depending on the wind, but it gets a fixed capacity payment. It also gets the benefit of carbon tax not applying to it. Had it not been for the efforts of the Enterprise, Trade and Investment Minister, who succeeded in preventing carbon tax from being applied in Northern Ireland, it would be far higher. It would have put electricity prices up by 15%, but, of course, the Member supports that because he wants to save polar bears from

drowning, so he would like our electricity prices to go up by 15%.

Let us not run away with the idea that, because the report states that renewable energy, in marginal cost terms, is the cheapest form of energy, that means that it is the cheapest form of energy. The emphasis of the report is that, when you take into consideration the subsidies, the strengthening of the grid and the special treatment that is given to the renewables industry, that adds considerably to the cost of energy and impacts in the way that we spoke about.

The only defence that was made was that it increases security — it does not because we do not have security if the wind does not blow — and would reduce costs in the long run. As you well know, as J M Keynes said:

"In the long run we are all dead."

In this case, in the long run, we are all bankrupt while we pay the high prices as a result of going for the highest-cost form of energy.

In closing, let me make one point about recommendation 15, which Mr Allister drew attention to. I think that the answer will come when the Minister speaks.

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

Mr Wilson: Despite what the Committee report states, it will ultimately be a decision for the Minister. I believe, as with all such things, that it is best done on a Minister-to-Minister basis rather than through a structure that is moribund and does not deliver anything anyway.

Mr Douglas: I rise as a member of the Enterprise Committee to take part in this debate, which, in my view, is on one of the most important issues that the Assembly will debate, because it affects all members of our society, including consumers and ordinary people in the street. It affects small and medium-sized enterprises and larger business, and, as one of my colleagues said, it impacts on farmers.

My colleague mentioned that Jenny Pyper, the chief executive of the Northern Ireland Utility Regulator, said that high energy prices are here to stay and that bills need to be good value for customers. That is what we are about today: debating how we can get good value for customers as well as allowing energy companies to turn a profit. We have no problem with that. Jenny Pyper went on to say:

"I am afraid that the era of high energy prices is going to be with us for a considerable time, and there isn't any silver bullet".

We all agree that it is a major issue, for which there is no silver bullet. The Minister, in responding today, will talk about some positive outcomes. She is well aware of the concerns across Northern Ireland.

A synopsis of energy prices in the Northern Ireland energy market in the past decade shows that the regulated electricity price is at its highest since the Northern Ireland Consumer Council began its records in 2002. Power Northern Ireland has increased its regulated tariff by 61% since November 2007, and the average annual bill has increased by £210 in the same period. Since 2009, the average annual price of home heating oil has increased by 62%. Those are the issues that people on the street are talking about. Those are the issues that people want us to raise and deal with. In many ways, they want us to come up with the answers.

Northern Ireland is in a deepening energy and fuel-poverty crisis for consumers. As was mentioned earlier, some 42% of households in Northern Ireland spend more than one tenth of their income on energy, compared with 15% in England. We have the highest level of fuel poverty in western Europe. I was at an Age Northern Ireland conference recently. One of the major issues for senior citizens is deciding whether to eat or heat. That is a big issue, affecting not just senior citizens but many people in our society. We need to address fuel poverty, but we also need to deal with the affordability of heat and light for consumers and businesses.

Figures from the Utility Regulator show that, in the first six months of 2013, Northern Ireland's commercial and industrial users paid the second highest price in Europe for their electricity. We all know that some of those companies spend millions of pounds every year. Electricity in Northern Ireland comes from a single electricity market in conjunction with the Republic of Ireland, yet prices for industrial and commercial customers remain consistently high. They are higher here by some 20%.

Look at the likes of Bombardier, which I visited last week. It is looking at generating its own system, called gasification, and that would mean Bombardier coming out of the grid. The biggest danger from that is that other companies will look at whether they can afford

to build their own generating system or, as is happening in the harbour estate, look to —

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

Mr Douglas: — jump on board with Bombardier. That would take them out of the grid as well and mean higher electricity costs for us all. I commend the report to the Assembly.

Mrs Foster (The Minister of Enterprise, Trade and Investment): I have listened with interest to the debate. It comes at a time when we should all be concerned about the instability in the Crimea region of Ukraine. That could, of course, have a very particular impact on energy costs, in not just Northern Ireland but the whole of the United Kingdom. For me, as energy Minister, I continue to watch that region with concern and interest.

I share Members' views and concerns about the importance of the affordability of electricity prices for consumers, both businesses and households. I have repeated many times in the Chamber that modern economies and communities cannot function without reliable, sustainable and affordable energy. The phrase "reliable, sustainable and affordable" is the key to all our energy policies. It is the balance between those competing priorities that we need to get right. We can focus on one issue, such as prices, and make various recommendations, but, without balance, we are not going to get it right. Our aim must be to deliver measures that work for today's consumers and future consumers. The balance is currently provided in the Executive's strategic energy framework, from which I quoted. To be fair, I think the Committee has acknowledged that the Executive have got that right.

The Committee has published its views on security of supply. We debated that just a few weeks ago. That, of course, is the reliability part of the balance. Now, we are debating pricing, which covers affordability. The Committee has now decided to look at renewables, which is the sustainability part of the balance. I am reassured that we are all starting from the same place. It should not, therefore, be surprising —

Mr Agnew: I thank the Minister for giving way. What does she believe would be the long-term impact on consumers if we followed Mr Wilson's line of argument and did not bring renewables onto the system?

Mrs Foster: If you can wait a little longer, I hope to address that in my comments.

As I said, I am reassured that everybody is starting from the same place and that we are looking into those particular parts of the energy mix. We have reached similar conclusions on all the main issues. The Committee has taken evidence from across the energy sector, including the Utility Regulator, the Systems Operator, generators, suppliers and, of course, businesses, as well as their representative organisations. The range and nature of stakeholders clearly shows the competing tensions that energy policy must address. It is a range of stakeholders with which I am familiar, of course, because I, too, frequently meet the same parties to discuss energy issues and take their views.

There is another important point to bear in mind about the range of interests that are involved in energy policy. The Committee will be aware from its research that not all the suggestions fall solely to me or, indeed, to my Department. I also noted that the Committee specifically acknowledges in its report:

"Electricity policy is an extremely complex and dynamic area of government policy."

I am particularly minded to note that the Committee agreed the terms of reference for its pricing inquiry on 27 June last year. On initiating the review, the Committee indicated that it would report to the Assembly with findings, conclusions and recommendations by 25 October 2013. In fact, the Department and I have only recently received the body of the report. It has not been published and we do not have the supporting papers that are referred to, which include Minutes of Evidence, written submissions and research papers.

So, when Mr McKinney says that he received evidence from Manufacturing Northern Ireland that jobs have been lost — not "may" or "will" but "have" been lost — I find it very difficult to counter because I have not seen the evidence that has been given to the Committee by that organisation. I can take only what Invest Northern Ireland tells me about that issue, which is that it has not lost any new projects as a result of energy pricing and that, although energy costs may be higher, it can still offer generous support in other areas to help to balance the effects of energy pricing. I am not underplaying the cost, particularly for large energy users, but I have not got the evidence as yet, so I cannot counter that in the debate today.

The requirement to devote considerable resource over a prolonged period emphasises how complex an area this policy is. So, I am surprised that a motion for debate should be tabled at such short notice. I am not sure what value this will add or whether I can promise to deal with the report in any detail due to the fact that I do not have all the information before me or, indeed, in the Department. However, I can assure the Assembly that I will continue to work with regulators, system operators, owners and generators, businesses, the renewables industry, the European Union and authorities in other jurisdictions to deal with some of the important issues that are touched upon in the report.

The Assembly will be aware that there is only one overarching energy policy for Northern Ireland, which, of course, is the strategic energy framework (SEF). It has four goals: building competitive markets; ensuring security of supply; enhancing sustainability; and delivering the energy infrastructure.

In signing up to the SEF, the Executive acknowledged the challenges of developing our market and that there would be cost implications. It is a 10-year strategy. At an appropriate point, it should be reviewed. It will be, but I must caution that we still face similar challenges. We will still have an obligation to deliver that all-important sustainable energy mix that Mr Agnew and Mr Wilson love to debate in the House. We must ensure that we continue to have security of supply and we must support the requirement for appropriate investment in the grid to ensure that it continues to meet our need.

We have had a successful track record in the implementation of European Union directives. Through appropriate regulation, we have transparency in the setting of gas and electricity prices. However, I take the point that has been made about transparency, particularly with regard to the single electricity market mechanism. We need more transparency. It is a point that I made in private discussions.

1.45 pm

Our small market presents challenges when it comes to competition. Nonetheless, we now have five suppliers of electricity to domestic consumers and eight suppliers to industrial and commercial customers. Competition in the supply of gas is well established in the greater Belfast area, and the gas market in 10 towns outside greater Belfast will be fully open to competition by next year.

We are making excellent progress on the extension of the gas network, with the launch on 6 February of the competitive licence application process for towns in the west. Following delivery of the Enduring Solution project in 2012, which allows unlimited switching, there are no restrictions on the number of customers who can switch electricity supplier.

Work is under way with the regulator to look at cost-effective smart metering solutions, in which I take a particular interest. Working with the regulator and our counterpart Departments and regulatory authorities in London and Dublin, we are progressing arrangements for the redesign of the single electricity market to achieve full market integration. I understand that the regulator has offered to brief the Committee on the consultation paper options for the new market design.

We are starting to see the contribution that renewables can make to the energy mix. In the 12-month period to the end of January this year, for example, renewables accounted for approximately 18% of all electricity consumed. On 17 December — that date is fixed in my mind now — the amount of wind energy on the electricity system surpassed 500 megawatts for the first time, contributing almost 40% of the electricity provided.

I hear the arguments made against wind, such as its cost, and I will look at those very closely when I get the full papers, but I am very conscious that we should not lose sight of the wider economic benefits when we debate the pros and cons of renewables. It is not just all about wind. Look at Evermore's new £80 million biomass power plant in Londonderry — the first of its kind. We are also starting to see increasing interest in Northern Ireland as a location for solar farms, and I look forward to hearing the Committee's deliberations on that in particular.

All of this takes place against the backdrop of further regulation and direction from Europe. Interestingly, this debate is one that is being played out elsewhere as well. Within the past few weeks, the Commission published a comprehensive analysis of prices across member states. Some of its findings are relevant to the work in which my Department is involved.

Let us look at some very specific issues. I welcome the Committee's call for an early date to be set to reconvene the inquiry into the planning application for the North/South interconnector. I have made that point many

times. The application submitted by Northern Ireland Electricity proposes a specific route for the interconnector and a particular solution based on the overheading of lines.

As the Committee recognised the importance of the interconnector from a pricing, security of supply and renewables integration perspective, I assume that it will support its delivery without further delay. I would welcome confirmation of that from the Deputy Chair of the Committee in his closing comments.

Completion of the interconnector would offer savings of £7 million a year to Northern Ireland consumers. That cost is incurred because we pay more than we should as a result of inefficiency in dispatch arrangements and associated constraint payments. So I again call for support in giving this issue the absolute priority that it needs at this time.

I welcome the Committee's support for prioritising work to deliver a permanent solution to faults on the Moyle interconnector. As the Committee rightly identified, current constraints on capacities mean that revenues are being lost, and that, in turn, leads to costs that pass through to consumer bills. We are being proactive in that area, as we are in promoting new technologies to improve the performance of energy systems and give us more options for developing renewable energy.

The MATRIX panel is doing a lot of work on, for example, smart/intelligent energy systems, and we hope that we can push ahead with smart metering in the future.

We have commented on proposals for energy storage solutions put forward under projects of common interest arrangements. I am aware that one similar proposal has been designated such a project, so we hope that we are successful in that.

My Department works closely with the Utility Regulator in a lot of areas, but particularly on smart metering. So I invite Members to consider that we are already progressing that issue, and I hope that they recognise that.

In June last year, I launched the Consumer Council's report, 'Power to Switch', which outlined the extent to which consumers are aware of switching opportunities. The Assembly will be interested to hear that one of the key findings was that 96% of electricity customers knew that they could switch. The report also found that after implementation of the Enduring Solution project, the average increase in consumer switches rose from 6,000

a month in the period January-May 2012 to 10,000 in June-December 2012. By the end of September 2012, the Consumer Council reported that 135,000 domestic electricity customers had switched supplier, and I take good comfort from that.

The development of the strategic energy framework involved comprehensive consultation, and its delivery very much requires collaboration. One of the principal aspects of collaboration is the single electricity market (SEM), which, as the House knows, has been in place since 2007. The Committee seems to be recommending decoupling aspects of price arrangements in the SEM. That will have implications for generators, not just in Northern Ireland but in the Republic of Ireland. Policy has been developed in that jurisdiction, as it has in Northern Ireland, around SEM, and commercial investments are being made within the structures that are in place.

If we decouple price arrangements for generators participating in Northern Ireland, that will send a very negative message from an investment point of view to investors and, in all likelihood, drive investment out of this jurisdiction. For any Northern Ireland generators continuing to bid into the single electricity market, it would also mean disadvantage in revenues. In fact, work is already under way on the next stage of the single electricity market. When we look at issues like capacity payments, which the Committee raised, we need to recognise this context.

Markets are being redesigned across Europe to meet the European Union target model, and a number of member states are either looking to continue to incorporate capacity mechanisms in their markets or to make the case to the Commission that they should be accommodated. In all of this, we have to look at the European context because of the state aid regime and the need for state aid approval. So, whilst I recognise the calls that have been made in and around decoupling, we have to look at it in the wider context.

We do, of course, engage on a North/South and east-west basis. I recently had a very informal meeting with Pat Rabbitte to talk about the North/South interconnector and other related matters. We have extensive engagement with counterpart Departments, official to official. The inclusion of energy under the auspices of the North/South Ministerial Council is a matter that is neither within my gift, nor one that I will support. Where any specific requests for

briefings are made, my Department responds accordingly.

Mr Allister: Will the Minister give way?

Mrs Foster: No, I am not going to give way. We have heard enough of you today.

Mr Deputy Speaker: Will the Minister draw her remarks to a close, please?

Mrs Foster: Before concluding, I want to mention two further pieces of work in which my Department is involved. The first is an examination of network charges and how they are allocated across consumer groups. In its report, the Committee supports the work that we have already begun, and I very much welcome that. I have noted that the Committee wants to see something brought forward to the benefit of large industrial and commercial consumers in particular, but that has to be put in the context of all other consumers.

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

Mrs Foster: I think that they need to take that into consideration when they call on us to do something for the large energy users. However, this is an ongoing issue, and I am happy to have further discussions with the Committee when we get the full amount of papers.

Mr Deputy Speaker: As Question Time is due to commence at 2.00 pm and some 15 minutes has been allocated to conclude and wind up the debate, I propose, by leave of the Assembly, to suspend at this time. The debate will return after Question Time, when Phil Flanagan will conclude and wind up the debate.

The debate stood suspended.

The sitting was suspended at 1.54 pm.

On resuming (Mr Speaker in the Chair) —

2.00 pm

Oral Answers to Questions

Office of the First Minister and deputy First Minister

St Patrick's Day: Washington

1. **Mr McGlone** asked the First Minister and deputy First Minister whether they will be attending any events in Washington as part of this year's St Patrick's Day celebrations. (AQO 5657/11-15)

Mr P Robinson (The First Minister): We will begin our upcoming trip to the United States on the west coast with a number of investment engagements including meetings with existing investors such as HBO and Seagate. We will also meet a range of potential investors, as well as attending the closing of the Cinemagic festival. As part of the programme, we will officiate at the opening of Invest Northern Ireland's new office in San Francisco, which is further evidence of our sustained success in engaging positively with US business.

Our visit to Washington DC continues to be an important part of the calendar of overseas events that we undertake each year. I can think of no other devolved Administration that enjoys the access that we get to the White House or the Speaker of the House of Representatives. This will be the seventh year that Northern Ireland's First Minister and deputy First Minister have represented the Executive in Washington.

On Friday 14 March, we will host the Northern Ireland Bureau breakfast for 250 contacts from the greater Washington area. That audience will include Members of Congress, members of the Obama Administration and business executives. Later that morning, we will have a private meeting at the White House. Of course, that will be before travelling, as we have in previous years, to Capitol Hill for the Speaker's St Patrick's Day lunch.

As with all our overseas visits, the deputy First Minister and I will ensure that our time outside Northern Ireland is used to maximum benefit.

Mr McGlone: Gabhaim buíochas leis an Chéad-Aire as an fhreagra sin. I thank the First Minister for his response. I ask the Office of the First Minister and deputy First Minister whether

there will be dialogue concerning the Haass process with political representatives in America or, indeed, the American Administration, given the added impetus and focus on it in recent times, particularly in respect of victims.

Mr P Robinson: When we speak to political representatives in the United States, I would be very surprised if they did not have an interest in the current circumstances in Northern Ireland. We will be ready to share with them our views of what progress has been made to date and the difficulties that we now face. We have always had a good relationship with those in the Republican and Democratic parties in the United States, and we have always been very happy to meet and talk with them. I do not think that either of us will be reluctant to give an update, because there is a genuine interest in the United States that Northern Ireland should continue to make progress.

Mr Spratt: Given that the new Invest Northern Ireland office is opening in San Francisco, is the west coast now a key target area for increased investment in Northern Ireland?

Mr P Robinson: Yes. Obviously, we feel that there is much more that can be done on the west coast of the United States. We have always been pushing our case and have had a presence on the west coast, but we now see that there would be real value in upping our game there. We already have a relationship there with one of our major employers, Seagate. We have built up a very considerable relationship with HBO and, indeed, a number of film companies on the west coast of the United States. One of the agreed pushes in our Programme for Government concerns the creative industries, the heart of which is on the west coast of the United States. That vindicates the decision of Invest Northern Ireland and the Executive of pushing for more investment on the west coast. Literally hundreds — we hope, before long, thousands — of jobs in Northern Ireland will be created through that process.

Mr Allister: The First Minister's partner, the deputy First Minister, set 17 March as the deadline for agreeing to his demands on Haass. The Minister's colleague Mrs Foster has, rightly, said that Haass was built on deceit. If it has been built upon deceit, what future has that process and what, now, is the point of it?

Mr P Robinson: I think that we have already superseded the Haass process; we are into a set of leaders' meetings. I do not think that

anybody in the House will be satisfied with the status quo on the three issues that were discussed during the Haass process: the past, parades and flags. I am certainly not satisfied that the status quo is satisfactory in any of those three areas, and I agree with many Members who indicated during Friday's debate that, no matter what happens, those issues have to be addressed. If we do not address them now, they will have to be addressed at some stage. Whether or not you do it under the aegis of the Haass talks, which, in my view, are completed, the issues will not away and are being taken up in the leaders' process. I believe that the outcome of that process must be satisfactory to the overwhelming majority of people in Northern Ireland and not just to one political party in the House.

Mr Speaker: Question 2 has been withdrawn.

Social Investment Fund

3. **Mr Cree** asked the First Minister and deputy First Minister how many of the 89 social investment fund projects submitted by the steering groups were located in the North Down constituency. (AQO 5659/11-15)

7. **Mr Gardiner** asked the First Minister and deputy First Minister when the new directions project in the southern zone of the social investment fund will commence. (AQO 5663/11-15)

Mr P Robinson: Mr Speaker, with your permission, I will answers 3 and 7 together.

On 10 February, we announced that £33 million will be invested in 23 projects aimed at tackling poverty and deprivation through improved community-based services and facilities. Those first 23 projects had been identified as priorities by steering groups in each local area covered by the nine social investment zones. Draft letters of offer have issued to the successful projects, including the New Directions project in the southern zone. Those offers will be finalised following completion of verification and governance checks that are now taking place in agreement with lead partners on the conditions of offer. Lead partners will then take forward the procurement to deliver the outcomes described in the project proposals that had been approved. At this point, it is not possible to estimate precisely how long the process will take and, therefore, it is not possible to give a commencement date for any project. We are keen to ensure that projects are fully established and under way as soon as possible, and our officials will provide support to the lead

partners to ensure that that is the case. To that end, a conference for all lead partners has been arranged for 10 March. We anticipate significant progress towards delivery after that event.

Five of the projects under consideration will be based in or serve the North Down constituency. In the south-eastern social investment zone, the early intervention project, the youth intervention project and the community-led employability project will operate on a zone-wide basis and therefore take in the North Down constituency area. Two of the capital projects — the community sports cluster and the community housing cluster — will include capital works in the constituency. Funding of all projects is subject to all necessary approvals being made.

Mr Cree: I thank the First Minister for his response. Can he clarify when all the projects will be approved? Is there a date by which the money must be spent?

Mr P Robinson: I will take those questions in reverse. No, we have ring-fenced the funding, so the overall £80 million will be available when the projects come forward to deal with it. The zones know the quantum within which they will work. In the case of North Down, an indicative fund of about £8 million is available. The zone itself has put forward the projects that it wants to move forward with in that area.

That takes me to the first question. The Department has to go through the economic appraisals. It has been the view of many in the Chamber that consideration of those matters has to be robust. We have to make sure that we are getting value for money and that the business cases stand up to scrutiny. It is proper that we make sure that we get those issues right. The answer has to be, "As soon as is practical and possible".

Mr Gardiner: Is the Minister aware of the local concerns about the consequential impact on the Kilcluney community hub and Lurgan YMCA should the Youth Justice Agency not lease accommodation from Lurgan YMCA?

Mr P Robinson: I am not sure that everybody in the House will be aware of the precise details to which the Member refers, but I understand that there is wide support for the scheme. There is some concern locally about the arrangements, and there may be some delay locally because of questions arising from it. We are keen to make progress on the scheme, and if my Department can give any assistance, we would be happy to do so. Indeed, we would be

very happy to talk to the Member if he thinks that there is some way we could usefully help.

Mr Speaker: Question 4 has been withdrawn.

Victims and Survivors Service

5. **Mr Douglas** asked the First Minister and deputy First Minister for an update on the independent assessment of the Victims and Survivors Service. (AQO 5661/11-15)

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

Mr Bell (Junior Minister, Office of the First Minister and deputy First Minister): Following our request for an independent assessment of the Victims and Survivors Service, the Commissioner for Victims and Survivors appointed a multidisciplinary team of independent experts to progress that work. The independent assessment focused on the individual needs review process along with the policy framework and any wider issues around service delivery, such as communication, including interactions with clients and groups.

On 14 February, Commissioner Stone presented us with the full assessment reports along with her advice on the four main areas of work of the Victims and Survivors Service. We welcomed that advice and the 55 recommendations in the reports, which will help to shape what we do and how we do it. We remain committed to progressing work on the implementation of the recommendations over the coming months. The reports have been published on the OFMDFM website.

Mr Douglas: I thank the junior Minister for his response. I am sure that he will agree that last week was a particularly traumatic time for victims and survivors. Will he inform us of the timescale for the implementation of the 55 recommendations?

Mr Bell: I certainly do agree, and our thoughts and prayers are with the victims and survivors, particularly as many were re-traumatised by the information that we received last week.

We moved very swiftly to put the review in place and asked for a short turnaround time for the report. In other words, we got the report in a couple of months and intend to turn it around in a couple of months. We want action to be taken swiftly and urgently to address the concerns of victims and survivors.

The 55-plus recommendations are very welcome, and I believe that they will significantly improve the service that we give to victims and survivors. Some of the issues had already been identified to us, and those have been addressed through the programme board that we set up immediately on hearing the concerns that had been raised.

We obtained the report in a matter of months and are working closely with the Victims and Survivors Service board and our team in OFMDFM. We want the recommendations to be implemented as quickly as possible over the next couple of months.

Magdalene Laundries

6. **Mr Maskey** asked the First Minister and deputy First Minister when they will bring forward their plans to assist people who were in Magdalene laundry-type institutions. (AQO 5662/11-15)

Mr P Robinson: In light of the McAleese report into Magdalene laundries and representations that were made to us, we appointed a senior civil servant to research and draft a scoping paper on Magdalene laundry-type institutions that operated in Northern Ireland to inform us of the potential actions that we might be able to take. We continue to consider the options that the paper set out.

Under the terms of reference for the inquiry into historical institutional abuse, any woman who entered a laundry before she was 18 years of age may contribute to the inquiry, including recounting her childhood experiences to the inquiry's acknowledgement forum and having those experiences acknowledged. However, we recognise that there were women who were over 18 years of age when they entered Magdalene laundry-type institutions and that there is a need to provide them with a forum at which those issues can be addressed and their experiences acknowledged.

Mr Maskey: Go raibh maith agat, a Cheann Comhairle. I thank the First Minister for his response. I also want to acknowledge the good work on those matters and the fact that the issues are complex and difficult for many victims and survivors.

Is the First Minister in a position to elaborate further on the type of forum that may be envisaged?

2.15 pm

Mr P Robinson: To the best of my knowledge, some women who were under the age of 18 at the time have already made contact with the historical institutional abuse inquiry (HIAI), because it was institutional abuse. No doubt, they will be able to have acknowledgement and recognition as part of that process.

We have not as a Department, as best I understand it, had anyone over the age of 18 at the time come to us to give details that we might pursue, although I think that we were informed that Amnesty International has had at least two cases come before it. We are trying to make some assessment of the extent to which it is an issue that needs to have an inquiry. Even if there is not to be an inquiry, a strong argument can be made for some kind of acknowledgement so that people can come forward. That might require us to be more proactive in making a call for people to come forward, because it may not be until that call is publicly put out there that people will come forward to give us the details, which, to date, we have not been given.

Mr A Maginness: I note what the First Minister said and the progress that is being made, but has he had discussions with the Southern Government on the Magdalene laundries to see whether there are any schemes there that may be helpful for us in managing the process?

Mr P Robinson: When we were setting up the HIAI, we had contact with Administrations that had gone through the same kind of process. If we reach the stage at which there is a justification for having an inquiry — this fits into matters that we have dealt with over the past number of days — there are many types of judicial inquiry. They take very different forms depending on the outcome that you want. It depends on whether you want one done quickly or not. In the case of the HIAI, it will be several years down the road. In the case of inquiries set up under the Inquiries Act, it could be many years down the road. If the necessity is to get a quick result, you may have one type of inquiry. If we get to the stage of there being justification for having an inquiry, we can look at the type of inquiry that you would have.

Mr Kinahan: Will the First Minister clarify the Department's position regarding whether it will support an historical abuse inquiry for all the victims of abuse who do not have access to the current process chaired by Sir Anthony Hart?

Mr P Robinson: I do not believe that there are any cases in which there is no access, except those confined by date, which was agreed in

the legislation that we put through the Assembly.

The big issue in the terms of reference for the Magdalene laundries case is that, legally, anyone who was over the age of 18 was not forced to be in the laundries. Therefore, there is a different set of circumstances. If people were under the age of 18, they can go through the existing HIAI procedures. Again, I point out that, to the best of my knowledge, we have had no one from the over-18 category approach the Department, although Amnesty has indicated that it has two such cases.

Mr Speaker: Question 7 has already been answered.

Sexual Orientation Strategy

8. **Mr Brady** asked the First Minister and deputy First Minister when they will publish the sexual orientation strategy. (AQO 5664/11-15)

Mr P Robinson: Mr Speaker, with your permission I will ask junior Minister Jonathan Bell to answer this question.

Mr Bell: We have regularly stated our commitment to producing a sexual orientation strategy in the Assembly and in the text of the good relations strategy, *Together: Building a United Community*. To achieve that commitment, we have asked officials to commence public consultation. The strategy will be published once the consultation process is completed and will aim to promote an environment free from harassment and bullying, to tackle homophobia in all forms, including violence and abuse, and to promote equality of opportunity for lesbian, gay and bisexual people.

Mr Brady: I thank the junior Minister for his answer. As you are aware, there was a debate and a motion passed in the Assembly in December. Can the Minister assure us that the consultation will be wide-ranging and inclusive of all the relevant stakeholders?

Mr Bell: Yes, I can. I can do so on the basis that I have had a number of discussions with our officials in OFMDFM, who have communicated with all the groups right across the board. I am very pleased that the information that I have is that all the groups are responding. I like the fact that our officials have done this with sensitivity, tailored questions and provided means for groups to answer over the web in order to get the full amount of

consultation and feedback to inform the strategy.

Mrs D Kelly: Mr Speaker, you will be well aware that this matter has been on the agenda since you entered office in 2007. There have been repeated questions with the same answers that it will be shortly, next year or in a few months. Yet, there is still no sexual orientation strategy. Will the junior Minister confirm or deny that the hold-up in publishing the strategy is because of religious beliefs among some of his own party members?

Mr Bell: The important thing is that we have a strategy that addresses the needs that I outlined. It should ensure that people — whatever their background, sexual orientation, ethnic minority, political belief or religious belief — all have equality of opportunity. I have spoken out a number of times against anybody being subjected to violence, intimidation or bullying, not only in this job but in previous jobs on the Policing Board.

I am getting a lot of very positive feedback from the groups responsible, which is important. OFMDFM has responded to those groups and, as I said in my previous answer, tailored the consultation to get the maximum input from them. When we have that, we will publish. As I said, it is important that everyone — regardless of their skin colour, their status in respect of religious belief or sexual orientation — has equality of opportunity and that no one is subjected in any way to abuse, violence or bullying.

OFMDFM Committee Liaison

9. **Mr Nesbitt** asked the First Minister and deputy First Minister for an update on the liaison arrangements between their Department and its statutory committee. (AQO 5665/11-15)

Mr P Robinson: I am a little surprised that the Member, as Chair of the OFMDFM Committee, felt it either necessary or appropriate to use a question for oral answer to ask us about liaison arrangements between his Committee and our Department. Liaison between the Committee Clerk and our Assembly liaison officer takes place on an almost daily basis to schedule business in a way that reflects the Committee's requirements and our need to ensure that the information that we provide is accurate, relevant and reflects a shared view on the subject.

We are aware, through publicity that the Committee has given to the matter, that the Member, in his role as Chairperson, has

concerns about the effectiveness of the arrangements. The Member will be aware that the head of the Northern Ireland Civil Service, in his position as permanent secretary of OFMDFM, will be meeting him and his Committee colleagues on Wednesday this week to discuss these matters further.

Mr Nesbitt: I thank the First Minister. He will be aware that I am trying every avenue to try to resolve issues that are highlighted by the fact that, since the summer recess, there have been 38 occasions, across 20 minutes, of either cancelled briefings or late papers and that, over a longer period, the Department's average response rate to queries is 58.8 days —

Mr Speaker: I encourage the Member to come to his question.

Mr Nesbitt: — with the record standing at 299 working days. Is the Minister satisfied? If not, what actions is he taking?

Mr P Robinson: First, I think that the Committee is doing the right thing by meeting the head of the Civil Service, who is the permanent secretary of OFMDFM, to look at these issues and how they might be resolved more efficiently and effectively. There needs to be some understanding that there is a requirement on departmental officials to ensure that, when they give answers, those answers are full and accurate. On many occasions, it takes them time to establish that.

Let us be absolutely honest about it: there is always a further difficulty in a Department that has two Ministers who are required to give approval. Any request for information goes through two sieves as opposed to one. Clearly, if OFMDFM was a one-Minister Department, there could be quicker answers. We need to look at those issues to see whether they can be resolved more speedily. Let me say to the Member, who is the Chairman of the Committee, that I am happy to meet him about those issues. I am pretty sure that the deputy First Minister would also be happy to meet him to see whether, in particular cases, we can resolve them more expeditiously.

Mr Moutray: I welcome the fact that Ministers regularly attend the Committee and that junior Ministers have attended on a number of occasions recently. Will the First Minister confirm that he and the junior Ministers will continue to make themselves available to the Committee?

Mr P Robinson: Of course we will. Although there are formal processes, which, in many cases, would be the most satisfactory way of dealing with issues, I am sure that we can also talk informally about those that may be of concern. However, I think that the thrust of the Chairman's question was about information being supplied to the Committee. The flow of that information is his concern, and we want to look at ways in which that can be dealt with more expeditiously.

Attorney General: Appointment

10. **Mr Milne** asked the First Minister and deputy First Minister for an update on the appointment of an Attorney General. (AQO 5666/11-15)

Mr P Robinson: I think that it is something of a record to get this far down the list of questions. I confirm that, as the deputy First Minister informed the Assembly on 27 January, consideration is under way of the options for filling the position of Attorney General after the current term ends in May 2014.

Mr Milne: Go raibh maith agat, a Cheann Comhairle. The First Minister has answered my question and my supplementary.

Mr Speaker: Mr Attwood, you caught my eye this time.

Mr Attwood: Thank you, Mr Speaker, and I apologise that I did not get on my feet as quickly as I should have done earlier. Will the First Minister explain why his answer today is, essentially, the answer that the deputy First Minister gave in January and that he gave in October 2013? The Attorney General is the chief legal adviser to the Executive. We were told in October that a decision would be taken within a few weeks. Can you reconcile all of that?

Mr P Robinson: I take it as a compliment that the Member indicates the Department's consistency in the answers that he gets from the deputy First Minister and me. Of course, there comes a time when the issue has to be resolved, but that has to be done on foot of our consideration of a report on the role of the Attorney General for Northern Ireland — not the person, the office — and what changes, if any, we will make to it. We have had discussions in the Executive on what changes there should be in the role of the office, and anyone likely to hold the role of Attorney General needs to know

the conditions that might apply to the post. I think that only fair.

Mr Campbell: Will the First Minister confirm that, in establishing who the next Attorney General will be, consideration will be given to ensuring that the person and their office will examine the legality of any administrative scheme, such as the one we discussed on Friday, and whether it should be established and run through the NIO or the Justice Department of the Assembly?

Mr P Robinson: The office of the Attorney General is independent. It is not for us to determine how the Attorney General approaches those issues. However, the Executive have the role of drawing to the attention of the Attorney General issues on which they may need his advice. Indeed, I assume that any Minister of the Executive can do that, and some may already have been asking those questions.

Mr Speaker: That concludes the period of listed questions to the First Minister. We move to topical questions.

On-the-runs: Administrative Scheme

1. **Mr Buchanan** asked the First Minister and deputy First Minister whether they accept that, at no point, was the Policing Board made aware that letters were being issued to those who were on-the-run or that subsequent use could be made of them, given that, over the past few days, there have been allegations that the Policing Board was made aware of the on-the-runs administrative scheme. (AQT 801/11-15)

2.30 pm

Mr P Robinson: As he is a member of the Policing Board, I think the Member is probably in the best position. I assume from his question that he is making it very clear that the Policing Board was not made aware of the details of the administrative scheme. The accusation essentially came from Mr Denis Bradley, and it soon became known that Mr Bradley himself had not been made aware of the exercise of the royal prerogative of mercy in some of those cases and therefore had to publicly acknowledge that he had been kept in the dark about some aspects of on-the-runs and how they were being dealt with.

The bottom line in this matter is that everyone in the community was aware that there were on-the-runs; everybody was aware of the fact

that Sinn Féin was pushing for something to be done on the issue; and everyone was aware of the fact that the Government had acknowledged that there was an anomaly. However, the documentation available includes the minutes of the Policing Board meetings and the comment in Jonathan Powell's book where he indicated, wrongly but only technically wrongly, that there were references made in the joint declaration — in fact, there was no reference in the joint declaration, but there was in a separate paper on on-the-runs. The reference in the separate paper was to legislative proposals coming forward. Indeed, I have a copy of a letter from the Prime Minister to the leader of the party, Dr Paisley, at that time — I am happy to place it in the Library of the House — that makes it clear that the references in the Jonathan Powell book, which he was right to make and which are accurate, relate to legislation being brought forward that we indicated we would oppose. In fact, in the House of Commons, we tabled something like 50 amendments, and we opposed that legislation at every stage.

Mr Speaker: The Minister's time is gone.

Mr Buchanan: I thank the First Minister for his response. How does he respond to Peter Hain who, over the weekend, suggested that senior politicians in Northern Ireland should have been aware that the scheme existed, on the basis that everyone knew that the on-the-runs issue needed to be resolved?

Mr P Robinson: He is right, of course. Everyone knew that the Government had indicated that the issue had to be resolved. Of greater concern is the fact that, if one looks through Hansard, one finds that on 11 October 2006 I asked Mr Hain:

"Is the Secretary of State aware... Although we welcome the earlier answer from the Minister of State that no legislation is to be brought before the House, will the Secretary of State reassure the House ... that no other procedure will be used to allow on-the-run terrorists to return?"

Mr Hain replied: "There is no other procedure". That is a clear indicator.

Later, in March 2007, Lady Hermon asked almost precisely the same question about whether there was any other consideration, and Mr Hain says, "None." Those are, in my view, are contrary to the facts laid down in the Downey judgement, where it shows that, even back in September 2002, some four or five

years before the two questions were asked, 174 such applications under the scheme had been brought forward and that, in 2002, at least 61 people had been told that they could return. The process was clearly under way in 2002, never mind 2006 or 2007, and therefore the answers given in the House of Commons were inaccurate.

On-the-runs: Administrative Scheme

2. Mr I McCrea asked the First Minister and deputy First Minister whether they believe that there was any authority for the Northern Ireland Office to continue to operate the administrative scheme for on-the-runs after the devolution of policing and justice in April 2010. (AQT 802/11-15)

Mr P Robinson: This touches on the issue raised by my friend the Member for East Londonderry. I do not claim to be a lawyer, but, even with the fact that I have been a lawmaker for probably the best part of 35 years, when I look at the negotiations that were held on policing and justice it seems clear to me that matters relating to the PSNI, to prosecutions and to other matters suggest that responsibility for this issue should have been transferred in 2010. If that is the case, there is no legal authority for the PSNI to respond in the way that it did and certainly no authority for the NIO to issue letters. I think that that is a matter that the inquiry judge will want to look at, and it may well be that the Attorney General will want to look at it. We will certainly take the matter up with the PSNI, and arrangements have been made to have meetings with the PSNI and with the Secretary of State on these issues. The authority to take up an issue does not lie somewhere out there to float around between the NIO and the devolved Administration as to who wants to take it out; authority is laid down in law on whose responsibility it is.

Mr I McCrea: If, in fact, the powers were devolved, will the First Minister detail what he believes the implications could be for any letters issued by the Northern Ireland Office at that time?

Mr P Robinson: I very much understand the view expressed by the Justice Minister — it is a healthy position for him to take — that he certainly would not want to be dealing with these matters and would not give any approval. Of course, it would not be up to the Justice Minister whether his Department had responsibility for those matters. If it had that responsibility, the Justice Minister would certainly have my support and that of my

colleagues and, I believe, of the Ulster Unionists and the SDLP, in that he would not continue with such a scheme. That would call into question the immediate invalidation of the 38 letters that were dealt with in the post-devolution issues, although they may well be dealt with anyway under the new arrangements as set out in the Secretary of State's statement.

One way or the other, however, it is the purpose of the inquiry and of the undertaking given by the Secretary of State to ensure three things about the on-the-runs letters: that they do not stop anyone being prosecuted; that they cannot be regarded as a means to avoid questioning; and — this has not been given a lot of attention, but it is of massive importance to victims — that the letters do not constitute to the PSNI any reason why the people who have received them should not be pursued, why there should not be active consideration of their cases and why those cases cannot in future be examined to push for new information so that, if there are any further facts, the PSNI can question people and, where they have evidence, prosecute.

Organ Donation: Soft Opt-out System

3. Mrs Dobson asked the First Minister and deputy First Minister whether the Health Minister's recent one-year consultative delay has made it impossible for the Executive to introduce a soft opt-out organ donation system before the end of this mandate, given that organ donation is an issue that unites the First Minister and deputy First Minister and commands overwhelming public support. (AQT 803/11-15)

Mr P Robinson: As someone who carries a donor card and, having spoken to the professionals, recognises that it is enormously valuable for them to have the maximum number of organs available and that it saves lives, I will support any effort to increase the number of people who might come forward and volunteer to make organs available under the scheme. So, although I have enormous sympathy for her proposal, I do not recognise it to be the only way that we can increase the number of organ donations.

The Minister has a responsibility on the basis of medical advice to inform himself and to have available to him the most up-to-date and best information about the impact of any particular set of proposals. Of course, the Member has a Bill coming before the House that can circumvent any other proposal by the Minister

or in any other Bill to get the view of the Assembly. I think that there is wide support for her Bill. I do not know when it will come to the House or whether she has ironed out all the issues relating to it. However, if it comes to the House, I and some of my colleagues will support it, and others will have a view that there is a different and better way of doing it. I, for my part, will support either the alternative Bill or her Bill. I will do anything that I can to increase the numbers.

Mrs Dobson: I thank the First Minister for his answer and welcome his support for soft opt-out. I wrote to the First Minister and deputy First Minister on 20 November last year asking for a meeting with them, given their personal support, but I have not received a response. Will the Minister prioritise a meeting with me on an issue that has so much potential to save lives and, for once, deliver a good news story from the Assembly to the transplant charities and all the members of the public out there who back it?

Mr P Robinson: I see no reason why such a meeting should not be set up and set up quickly. If the Member wants to walk round to my office, I will join her in getting a date set in the diary for such a meeting.

The Past: Amnesty for Offences

4. **Mr Hilditch** asked the First Minister and deputy First Minister how they view the position of the Member for Lagan Valley Mr Basil McCrea who has indicated that he believes that a line should be drawn under the past and there should effectively be an amnesty for offences committed before 1998. (AQT 804/11-15)

Mr P Robinson: I have already made my views known on the issue. I think that anyone who is a victim of terrorism-related criminality would feel outraged that somehow there should be a line drawn under the execution and hope of justice in their case. It is all right for those of us who have not faced losing a member of our family, though, in Northern Ireland, there are few who have not been touched in some way by terrorist activity. To suggest that people should have closed off the option of justice is abhorrent to me.

The Member argues it on the basis of what is in the public interest. I agree with one of the Attorneys General, who, in the course of the judgement on the Downey case, indicated that, in his view, it would always be in the public interest that those who, it is believed, have

been responsible for terrorist crimes should be prosecuted.

Mr Hilditch: I thank the First Minister for his answer. Further to that, the Member for Lagan Valley has also argued that victims will not be able to get justice in the future and, essentially, it would be better if they realised that. How does the First Minister regard that argument?

Mr P Robinson: I have never regarded the Member for Lagan Valley as a seer or someone who had some ability to look into the future with any degree of accuracy. The fact is that some people have been brought to the courts on information that has been gathered subsequently. The issue here is whether there always remains the hope for justice on the part of the victims and the fear of justice on the part of the perpetrators.

On-the-runs: Sinn Féin Response

5. **Mr Wilson** asked the First Minister and deputy First Minister, given the smug and insensitive response from Sinn Féin to the on-the-runs issue, with anger from the general public and victims of terrorism in particular at the dirty deal that was struck between Sinn Féin and successive UK Governments on runaway terrorists, what implications this will have on the leaders' talks about flags, the past and parades. (AQT 805/11-15)

Mr P Robinson: First, I will say to my friend that anybody who suggests that the reaction from unionist political leaders was in some way manufactured or synthetic does not understand the feelings in the unionist community. I have to say that I have not had more letters on any other subject over the last number of years than I have had on this issue. People are outraged on a number of levels. They are outraged at the implications of one-sided justice. It damages the whole justice system that particular circumstances are available for one set of those who have been responsible for crimes and not for another. That was drawn into the most bold relief by the fact that the removal by the then Government of the legislation dealing with on-the-runs was on the basis that Sinn Féin had withdrawn its support because it did not want soldiers to enjoy the same privileges as terrorists would have. That is an outrage in any society.

In respect of the second part of the Member's question on the Haass talks, I have indicated that I believe that the issues that are ranged by the Haass talks are issues that have to be dealt with. I do not believe that it is possible to reach

conclusions on the issues relating to the past until we have the inquiry outcome, although that does nothing to stop us looking at the issues relating to parades or the commission to deal with flags and identity. The purpose of the matters relating to the past, for us, was to ensure that there was access to justice for those who had not received justice for the loss of their family members. That indicates that we need to be sure that everyone is susceptible to investigation, inquiry and prosecution.

2.45 pm

Education

Mr Speaker: Lord Morrow is not in his place for question 1.

St Louis Grammar School

2. **Mr McKay** asked the Minister of Education what work his Department has planned for St Louis Grammar School, Ballymena. (AQO 5673/11-15)

Mr O'Dowd (The Minister of Education): During the 2014-15 financial year, the following minor capital works schemes are planned and have been given approval, in principle, to proceed for St Louis Grammar School, Ballymena: the replacement of four mobile classrooms with two double modular classrooms and a basic refurbishment of the canteen to include improvements to ventilation and the application of biocide paint and other health and safety matters. In addition, the following scheme is under consideration: a new canteen, fire-risk and emergency lighting works and home economics accommodation. Under the school enhancement programme, St Louis Grammar School, Ballymena, has applied for the refurbishment and extension of the existing convent building to provide a creative and expressive arts facility, including music, drama, art and moving image and media studies. The scheme is at economic appraisal stage, and no decision has been taken regarding funding.

Mr Speaker: Question 15 has been withdrawn as well.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. I start by thanking the Minister for recently accompanying me to St Louis Grammar School in Ballymena. Further to the Minister's answer, can he indicate when an announcement on the school enhancement programme will take place? Will St Louis Grammar School in Ballymena be included?

Mr O'Dowd: I hope, in the next number of weeks, to make a public announcement about all the schemes under the school enhancement programme. I think that there were 51 in total, and I hope to make an announcement on them in the very near future. I cannot be specific about Ballymena, but I assure the Member that we are progressing matters as quickly as possible.

Mr Allister: In view of the fact that what the Minister has had to refer to manifests a growth demand for that grammar school, does he acknowledge that his assault on grammar schools, his attempt to put down such schools and the attempt to destroy such an offering of education fly in the face of parental demand, which manifests itself, ultimately, in the need for more buildings at such grammar schools?

Mr O'Dowd: Perhaps the Member should do a bit more research before picking a question off the top of his head. I approved an additional grammar school this morning. It is a new, non-selective voluntary grammar school in Lurgan. The title "grammar" has nothing to do with selective education. A grammar school is a management type of school that can charge fees to its pupils and parents, although there is no legal obligation on the pupils or parents to pay the fees.

The accommodation at St Louis is replacement accommodation. The accommodation that is being replaced is not fit for purpose, and I do not believe that any child should be taught in it. That is the programme of work at play. I also understand that, in the Ballymena area, proposals are being discussed on how we move forward, particularly in the Catholic sector, to a system that meets the needs of all the pupils in it. I await the outcome of those discussions.

Mr Storey: Following on from the Minister's comment on those discussions, what implication will any proposals that he makes in future announcements have on the proposals regarding the amalgamation of St Louis, St Benedict's and St Paul's? What discussions have those three schools had to ensure that there is maximum benefit, given the fact that there are concerns about the long-term future of grammar school provision in the maintained sector in Ballymena?

Mr O'Dowd: It depends on what the Member defines as grammar school provision. I will not repeat my comments to Mr Allister, but you know fine well what "grammar school provision" means.

I am not privy to all the discussions between the three schools, but I assure the Member that any expenditure plan by my Department will take into account future plans on the way forward and will ensure that whatever investment we make, particularly in capital infrastructure, will be there to serve the community going into the future.

Mr Speaker: This is a constituency issue, which is why I am keen to call Members from that constituency.

Mr Swann: As we are talking about the planned development of schools in Ballymena, can I ask the Minister for an update on Castle Tower?

Mr O'Dowd: I do not have the full details in front of me — this is turning into topical questions — on Castle Tower, but, in my last discussions with officials, it was clear that it was progressing well and that discussions on moving towards building programmes for the school were going in the right direction.

Irish-medium Education

3. **Mr Milne** asked the Minister of Education for an update on the work of the advisory group on the strategic development of Irish-medium post-primary education. (AQO 5674/11-15)

Mr O'Dowd: Gabhaim buíochas leis an Chomhalta as a cheist. I set up an Irish-medium post-primary advisory group to look in detail at how to deliver viable and sustainable Irish-medium post-primary education that is high-quality, meets the needs of pupils and commands the confidence of parents.

I understand that work is progressing well and that the advisory group has met on 14 occasions since last August. It has met key stakeholders from the sector, including school governors, principals, teachers, other educationalists and Irish-medium cultural and linguistic specialists. I am also pleased to report that it has sought the views of parents in preschools and primary schools through a questionnaire. It has also gathered evidence from the neighbouring jurisdictions of Scotland, Wales and the South of Ireland. I expect the advisory group to submit its final report and recommendations to me in the coming weeks.

Mr Milne: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire go dtí seo. I thank the Minister for his answer. Will he comment on the requirements that the

statutory duty to facilitate Irish-medium education places on his Department?

Mr O'Dowd: My Department takes its statutory duties to encourage and facilitate the development of Irish-medium education very seriously and will continue to do so. One of the main ways in which the Department discharges its statutory duty is through the Irish-medium education review. The ongoing implementation of the recommendations of the review continues to contribute greatly to the vibrancy and success of the Irish-medium sector. Although significant progress has been made, I am keen to identify where more needs to be done to develop this important area further and to ensure that the education in the sector is of the highest quality.

Mr Campbell: Given the relatively small number of pupils who attend post-primary Irish-medium schools, will the Minister be mindful of relativity, proportionality and equity when he looks at capital investment in controlled schools compared with that in Irish-medium schools?

Mr O'Dowd: I am confident that I can stand over my previous two announcements on capital build. I have ensured that every sector has been treated on the basis of equality and that every sector has been given the resources that I have to deliver. I have significantly reduced capital resources from Westminster, but I assure the Member that I will continue to deliver my functions on the basis of the legislation that governs them, including equality and my legal duty to encourage and facilitate Irish-medium education.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire chomh maith. Iarraidh ar an Aire cur síos a dhéanamh ar an dóigh a bhfuil forbairt Gaelscolaíochta á déanamh trí ionaid agus sruthanna i scoltacha iarbhunscolaíochta. Will the Minister tell us the extent to which the development of Irish-medium education is being encouraged through the establishment of units and streams in our post-primary schools?

Mr O'Dowd: Gabhaim buíochas leis an Chomhalta as a cheist. We have a significant number of post-primary Irish-medium units throughout the North. At the end of the day, it is up to schools and the sectors to develop those. It is not the Department's role to establish any school in any sector, but we have a significant number of units in primary and post-primary education. They are very successful and provide good education through the medium of Irish to the young people

involved. It is hoped that, in some of those places, numbers will grow to the point at which there will be a stand-alone full-immersion Irish-medium sector. It is one way of growing the Irish-medium sector, and it is a way that I will continue to support.

Mr McCarthy: Can the Minister tell the Assembly why he has a special advisory group on Irish-medium schools — there is nothing wrong with that — when he does not have a similar one for integrated education?

Mr O'Dowd: The group looks at a specific area of Irish-medium education, which is its provision in post-primary education. There has been a failure over a number of years to develop post-primary provision, particularly in Derry city and south Derry. I have asked the group to look at that area specifically.

The Member will be aware that we have a significant number of post-primary integrated schools scattered across the North, and, as we do in the Irish-medium sector, we support groups to facilitate and promote integrated education. This group was set up specifically to look at the challenges of teaching through a second language. I await the outcome of the report. If the Member believes that I should set up another body to look at the challenges faced by the integrated sector in establishing more post-primary schools or if there is a lobby that believes that, I am more than happy to look at that.

Dromore Central Primary School

4. **Mr Hazzard** asked the Minister of Education for an update on the newbuild for Dromore Primary School. (AQO 5675/11-15)

Mr O'Dowd: I announced a newbuild for Dromore Central Primary School in June 2012, and an economic appraisal for a new school at a cost of £10.8m was approved on 23 May 2013. The new school is to be sited at Mossvale Road, and it is for a 20-classbase school to accommodate a projected long-term enrolment of 730 pupils. The new school will also have a further two special needs rooms. The design and construction procurement have advanced, and, on 11 December 2013, an invitation to tender was issued. Unfortunately, following the tender evaluation, the preferred bidder withdrew. The tender assessment for Dromore PS has been rerun, and a new contractor, Tracey Brothers, has been appointed. All parties are working towards the project being on site by the end of March or early April this year.

Mr Hazzard: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for confirming that construction will start in the near future. Will he outline whether there has been a successful conclusion to other site issues attached to the project?

Mr O'Dowd: This particular build programme has proven to be quite challenging. I note that Mr Campbell's interest in the controlled sector is so much that he is leaving the room as we discuss a controlled sector school. That suggests that his interest is maybe not that keen.

The site of the new school has presented difficulties and challenges, including contaminated ground at the front of the site, underlying peat, the need to culvert an existing stream and the need for a pumping station owing to the site's topography. That has resulted in above-normal costs for external works associated with the site, including playing fields, flood alleviation works and remedial treatment for the contaminated land. All those issues have been taken into account and now form part of the design work. As I said, I hope that the contractors will be on site by the end of this month and certainly in April.

Mr Craig: I welcome the fact that the Minister is continuing with the project of a new primary school in Dromore. As he well knows, it has been an ongoing issue for almost 15 years now, and the existing school is bursting at the seams. Can the Minister comment on the fact that the Southern Board underestimated the difficulties with the proposed site, and can he assure the House that the new contractors will continue with the project despite the difficulties with the site?

Mr O'Dowd: I cannot make specific comments about the challenges faced by the site. I understand that the initial tender had underestimated some of the construction required at the site, and that is why it withdrew. I am glad to say that that resulted in only a small delay to the project going on site.

Building programmes can prove to be very difficult; for example, you come across issues in site examinations that you may not have estimated in your initial appraisal of the area. The site has proved to be quite challenging, but I am glad to say that we have now overcome all the hurdles. We just need to get the contractors on site and start the school being built. Whatever lessons have to be learned from the project should be learned to ensure

that the next project that we move to is put on site even more quickly.

Education: Parental Involvement

5. **Mr D Bradley** asked the Minister of Education, in addition to his Department's advertising programme, what plans he has to involve parents more actively in all aspects of their children's education. (AQO 5676/11-15)

3.00 pm

Mr O'Dowd: I fully recognise that parental involvement in children's learning is a key factor in improving children's academic attainment and achievements as well as their overall behaviour and attendance. That is reflected in the Department's guide for boards of governors, which highlights the important role that governors have in ensuring that schools engage parents in their children's education and in the work of the school.

My Department has in place and will continue to implement various interventions to support parents to be actively involved in all aspects of their children's education. Those include £2 million this year and in 2014-15 for a community education initiatives programme, which supports parents in communities with high levels of educational deprivation to get their children ready for school and supports them through all phases of their education; additional annual funding of £1.2 million through the extended-schools initiative for programmes to involve parents in their children's learning and in school life; and an expansion of the Sure Start programme from the top 20% to the top 25% most disadvantaged wards to enable many more parents to become actively involved in their children's educational, health and social development. I have also allocated £24.8 million in 2013-14 and £25.7 million in 2014-15 for the programme.

Regarding the nurture units that were recently launched, there is £420,000 this year and £490,000 next year for 10 units. Proposals in the special educational needs (SEN) framework also examine that matter, and the range of programmes and initiatives outlined will directly support parents in becoming and remaining actively involved in their child's education.

Mr D Bradley: Go raibh míle maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as ucht a fhreagra. Ba mhaith liom ceist a chur air i dtaobh páistí nach bhfuil sé ar a gcumas freastal ar scoil agus ar mhaith leo ceachtanna a fháil tríd an chóras físe.

I thank the Minister for his answer. What progress is being made in respect of the demands of some parents whose children are confined to home and are unable to attend school? What progress is being made with regard to negotiations with the trade unions to ensure that distance learning can be engaged in by those children in their homes?

Mr O'Dowd: Gabhaim buíochas leis an Chomhalta as a cheist. I have established a working group consisting of the unions and the management side to overcome whatever difficulties or perceived difficulties there may be with some of the unions, particularly regarding Elluminate.

I believe that Elluminate is a very good resource. It is there to meet the needs of the children who, for whatever reason, cannot attend school and wish to be kept up to date with their education and, indeed, have a legal entitlement to be kept up to date with their education. I do not want to go into the detail of the discussions, because I believe that they are at a sensitive juncture at this time and that we are close to agreement on the matter. I wish everyone well in those discussions and hope that they come to a speedy resolution to ensure that the young people who require those services receive them in the future.

Mr Newton: Involving parents in children's education is obviously vital. When will the Minister allow the parents of the Newtownbreda and Knockbreda pupils to become involved in their children's education via the South Eastern Education and Library Board through the appointment of public representatives and political representatives to the board?

Mr O'Dowd: That falls into the old equation of when or if the Education and Skills Authority (ESA) ever happens. I was set a Programme for Government target by the Executive to establish ESA. I have done everything within my power to establish it, yet ESA remains as elusive as ever. *[Interruption.]* There are some comments coming from Mr Storey, which I cannot make out, but I assume that they are not supportive of ESA.

Mr Speaker: Order. Members should not debate across the Chamber. The Minister has the Floor.

Mr O'Dowd: Does the Member want to be a member of, or appoint councillors to, the South Eastern Education and Library Board? What shape will the South Eastern Education and Library Board be in after the review of public

administration (RPA) and the change to councils? That is another large chunk of work in the absence of ESA that the Department has to take on.

Before I decide to reconstitute the South Eastern Education and Library Board, I am going to have to work out what boundaries it will have, along with all the other boards. Then, if we move towards the appointment of councillors, we will appoint the councillors, but the councillors who will be appointed in those circumstances will be there to be leaders, not followers.

Mrs Overend: Parents and guardians are the single biggest influencing factor on a child's life. Does the Minister accept that many parents who do not place a high value on schooling had such a poor experience of education themselves that they simply cannot bring themselves to engage with the educational establishment again? What is the Department going to do to reach out to that group in particular?

Mr O'Dowd: Much of the work that I read out in response to the original question from Mr Bradley targets hard-to-reach parents and communities. The Member is correct in many ways: most difficulties come from parents who had a poor educational experience themselves and therefore do not value education.

I have launched a public advertisement campaign to encourage all parents to become involved in their children's education and to make broader society realise that education does not begin and end at the school gates. Despite our highly qualified and highly motivated teachers and school staff, unless parents and communities are involved in their children's education, it will not succeed. I have been issuing that important message over the past two years and hope to expand on it. Also, the programmes that I read out to Mr Bradley involve direct contact with parents and families who, for whatever reason, do not understand the need for and benefits of a good education for their child.

Teachers: Health and Well-being

6. **Mrs McKeivitt** asked the Minister of Education what action is being taken to address the health and well-being of teachers to ensure that they can manage the stress and pressures associated with their profession. (AQO 5677/11-15)

Mr O'Dowd: I am aware of the health and well-being issues faced by teachers in our schools today and the importance of addressing them if we are to retain a committed, motivated and healthy teaching workforce.

In 2011, a strategy for teacher health and well-being was agreed between management and teacher sides of the teachers' negotiating committee. The strategy aims to create throughout the education sector a culture that openly values teachers, promotes their health and well-being, and reduces, where practicable, the potential for work-related stress.

A number of initiatives, agreements and services have been introduced to support the strategy, including a range of schemes to improve the flexibility of teachers' working patterns, a 24-hour confidential telephone counselling service and new policy statements on measures to combat the bullying and harassment of and violence and abusive behaviour against teachers, as well as a revised workload agreement. My Department, together with the employing authorities and the teacher unions, continues to consider health and well-being issues through the teachers' negotiating committee joint working parties.

Most recently, my Department, in conjunction with the employing authorities, developed a regional strategy for the management and promotion of teacher attendance. The purpose of the strategy is to bring consistency of approach to how teacher attendance is managed by employers across the education sector. It is intended to help employers to monitor, control and improve attendance levels by complementing existing policies and procedures. I intend to publish the strategy later this month.

Mrs McKeivitt: I am delighted that the Minister has acknowledged the bullying that can go on in some schools. Does the Minister have any plans to introduce a mentor system for all newly appointed principals?

Mr O'Dowd: Part of the qualification for headship involves the networking of trainee heads and training with appointed heads in schools, particularly schools outside your normal sector. I understand that a system currently operates whereby a board of governors or managing authority can appoint a mentor to a newly appointed head if they believe that it would be beneficial. A mentor can be of great benefit. Taking on a headship or a leadership role can be quite challenging for the first time, so it is very useful to be able to

contact someone whom you trust and ask them for advice.

Education and Skills Authority

7. Mr Lunn asked the Minister of Education, in light of the Governing Bodies Association's withdrawal of its opposition, for an update on the implementation of the Education and Skills Authority. (AQO 5678/11-15)

Mr O'Dowd: The Education Bill cannot advance to Consideration Stage without the agreement of the Executive. That remains outstanding. In seeking to reach an accommodation, I have proposed a number of amendments, in particular, measures to retain and develop school autonomy in employment matters. Without agreement, however, I must soon commit to, and invest in, an alternative future. Local government reform may force the issue, as I must have in place by April 2015 new legislation supporting a reconfiguration of education and library board territory to align with that reform.

Mr Lunn: I thank the Minister for his answer. He will be aware that the Governing Bodies Association's decision has come as something of a surprise after its years of opposition. Can he assure us that it has not come about as a result of a deal that we are yet to be made aware of between the major parties, which may or may not be to the detriment of our children?

Mr O'Dowd: I can assure the Member from the outset that I would not enter into any deal that would be to the detriment of our children. The only agreements that I will enter into are ones that I believe will help to improve the education outcomes of young people or do not act in a way that is to children's detriment.

I welcome the fact that the Governing Bodies Association has stepped forward and said that it can move forward with ESA. That followed discussions with the association and its outlining its concerns to me. I have made a significant compromise on the matter. I had to think long and hard about it. However, I believe that I have not compromised the principles of the Bill, nor the principle to which the Member refers. As we are often told, in a coalition Government or Executive, you have to compromise to reach agreement. I have compromised and I have not reached any agreement.

Mr Storey: The comments in the House today are at variance with what the Minister, through his permanent secretary, conveyed to the Irish

National Teachers' Organisation (INTO) at its conference on Friday. Delegates at that conference were told basically that he was drawing a line under ESA and that they would have to move on. What can the Minister tell this House today? Despite, yet again, letters appearing in the public domain from one element of the education sector — the controlled sector — and despite the fact that it has lost its funding —

Mr Speaker: I insist that the Member should finish.

Mr Storey: It has lost its funding as of 31 December. It has no representation on the area planning steering group. The controlled sector remains unsatisfied. How will the Minister meet its needs?

Mr O'Dowd: You see, this is where we come into political debate and discussion. I resolve one issue — a long-outstanding issue — which I am told is "the issue" that has to be resolved. I resolve it, and the ink is hardly dry on the paper when the door opens and another issue is set on my desk. To me, that is a party or individuals acting in very bad faith. I cannot negotiate that way. I will not negotiate that way. *[Interruption.]*

Mr Speaker: Order.

Mr O'Dowd: As is necessary, I have made significant changes to ESA over a period of time. I agreed to the heads of agreement published in November 2011. The issue to which the Member refers was not in that heads of agreement. Therefore, when did it become an issue? When did it become a sticking point in ESA? It became a sticking point in ESA after I removed the previous obstacle. After I removed the Governing Bodies Association's concerns, all of a sudden, individuals, parties or a collection of both came forward with another issue. That tells me one thing: they do not want to bring forward legislation that is entitled "ESA" to this House under any circumstances.

Ms McGahan: Go raibh maith agat. *[Interruption.]*

Mr Speaker: Order.

Ms McGahan: Can the Minister remind the Chamber of the importance of securing agreement on ESA, with regard both to savings to the public purse and to the educational well-being of young people?

Mr O'Dowd: ESA was initially brought forward as a method to improve the educational outcomes of young people. Second to that, it was to modernise the management layers in our society, and therefore to make savings as well. It is estimated that we could have saved around £20 million per annum if we had had the political will to move forward. That political will apparently does not exist.

We now face the scenario that, with the review of public administration and councils moving to their new numbers and reconfigurations, education and library boards have to be reconfigured to meet those boundaries. That is a significant piece of work that my Department will have to undertake. There will have to be consultation. Legislation will have to be drawn up as well.

There may well be financial consequences for the Department of Education. If there are those financial consequences for the Department of Education as a result of ESA's not going through, and I have to bring forward legislation and redraft and redraw the boundaries around the education and library boards, I will go to the Executive and point out that it is not me who has incurred that cost, but the political failure of certain parties in the Executive. I will expect the Executive to cough up for it.

3.15 pm

Mr P Ramsey: I thank the Minister for his responses to date. Does he accept that, certainly in the Western Education and Library Board area, there is low morale and uncertainty surrounding the introduction of ESA? Does he agree with me that the delay in bringing ESA to the Floor has meant that education boards across Northern Ireland have not been able to deliver development programme training for teachers?

Mr O'Dowd: I accept that. In a recent meeting with the Association of Education and Library Boards, I accepted its point that morale in our education and library boards is low and that staff have been messed about for far too long. I have agreed to deal with vacancy control. I have received a paper from the association, and we will have discussions with it on the best way forward.

One of the reasons that I came to the conclusion that a compromise is required is that I know that our current structures cannot deliver education in the manner in which we want it to be delivered. I know that personnel working in the education and library boards are not happy

about how services are being delivered on the ground. That is why I came forward and said that this can no longer continue. I was prepared to remove the obstacle that everyone told me was "the" issue that needed to be dealt with and that it could not go anywhere else. As I said, the ink was not dry on the document when a new issue was put on my desk, and I was then told that we could not move until that was dealt with.

Mr Speaker: Order. That concludes questions for oral answer to the Minister of Education. We will now move to topical questions.

Shankill Manifesto for Education

1. **Mr Humphrey** asked the Minister of Education for an update on the Shankill manifesto for education, which colleague Nigel Dodds, the Member of Parliament for North Belfast, presented to him along with the Greater Shankill Partnership. (AQT 811/11-15)

Mr O'Dowd: The most specific element of the Shankill manifesto for education that relates to my Department and to where to go next is whether to call the Shankill an education action zone. I am close to making a final decision on that.

However, regardless of the decision that I make, the Education Minister declaring Shankill an education action zone will be meaningless unless certain schools, boards of governors and senior management teams in the area recognise that they have a responsibility for the educational well-being of young people in that area. Indeed, schools in the area are showing how it should be done. They are showing the way in which education can be delivered, despite, at times, very difficult circumstances and challenges etc.

So, as I say, I am bringing my deliberations on the Shankill action zone to an end, but regardless of my decision, responsibility has to be taken locally. It has to be recognised that there is no excuse for children failing in education. Every opportunity has to be taken in schools, classrooms and the community to ensure that — this goes back to earlier questions about supporting families — young people are given opportunities at the earliest stages of their education.

Mr Humphrey: I thank the Minister for his answer. As someone who is a governor on the boards of two primary schools in the greater Shankill area, I agree entirely with him that there is tremendous onus on governors,

principals and management teams to show leadership. I think that many of the schools, if not all of them, have been doing that. I certainly think that there has been a vast improvement in many of them. I appreciate the willingness to establish an action zone, which the Minister talked about here today.

Mr Speaker: I encourage the Member to come to his question.

Mr Humphrey: Does he have a timescale in mind for when his announcement might come?

Mr O'Dowd: I do not have an exact timescale in front of me, but we are talking about weeks rather than months.

Schools: Capital Spending Plans

2. **Mr Ó hOisín** asked the Minister of Education to detail his capital plans, including for newbuilds and the school enhancement programme. (AQT 812/11-15)

Mr O'Dowd: I have made a number of statements about capital in recent times. On 25 June 2012, I announced that 18 schools were to receive facilities as part of a £173 million investment in the schools estate. Of the 18 projects, construction has started on site for three, with a further five expected to be on site by the end of April 2014.

In my capital announcement on 22 January 2013, I said that 22 school projects were to be advanced in planning, representing a further investment of £220 million. The majority of those projects are at an early stage in planning, and development proposals are principally at economic appraisal stage.

Mr Ó hOisín: Go raibh maith agat, a Cheann Comhairle, agus gabhaim buíochas leis an Aire. Given the recent job losses, including those in my own constituency, does the Minister realise the boost that that investment will give to the entire economy across the board?

Mr O'Dowd: Gabhaim buíochas leis an Chomhalta as a cheist. Yes, without doubt. Although my primary responsibility is obviously to provide good educational facilities for our young people, I am conscious that any announcement that I make about capital will also benefit our wider economy.

An emergency Executive meeting was called after Wilson's in Larne — I think that it was Wilson's in Larne — lost a significant number of

staff. The First Minister and the deputy First Minister tasked all Ministers to go away and look at their budgets to see how they could support the economy. Through the investment that we have made and are making through the school building programme and also through programmes such as the minor works programme and the school enhancement programme, which, when finalised, will inject tens of millions of pounds into building programmes, I hope that we are investing in our economy.

Common Funding Formula

3. **Mr G Robinson** asked the Minister of Education when he will make an announcement on the common funding formula. (AQT 813/11-15)

Mr O'Dowd: The Member will appreciate that the deliberation on around 15,000 consultation responses has taken longer than I expected. I hope to be in a position in the next week or so to inform the education and library boards of the outcome of the common funding formula and then to inform the schools of their budgets for the year ahead. As I stated previously, while there will be significant changes to the common funding formula and the principle of targeting social need will be enshrined within it, no school will lose funding as a result of my changes.

Mr G Robinson: In light of the rejection of the Department's consultation on the formula, how will it be confident that the new proposals will have the support of schools and parents?

Mr O'Dowd: As I have said in the House on several occasions, the purpose of a consultation is not a ballot. We are elected to make decisions. We have a duty to consult, and I take my duties very seriously in relation to the consultation. Indeed, I have taken considerable time to study the consultation responses. Although there are differing views in the consultation responses, the principle of targeting social need was accepted by many, and I intend to move forward on that basis.

Common Funding Formula

4. **Mrs D Kelly** asked the Minister of Education whether it is a fact that — to tease out some of his thinking on the changes — schools that, as he will appreciate, have to plan more than one year ahead have been told that they have to operate within 5% of their budget, with any school that holds any excess losing that funding in subsequent years. (AQT 814/11-15)

Mr O'Dowd: It is a fact, but it is not a fact as the result of my changes to the common funding formula. That has been in place for several years — perhaps a decade or so — since changes to local management of schools were introduced. Schools do have to plan within 5% either way of their budget. I think that that is good financial planning.

The Member will be interested to know that somewhere in the region of £40 million of surpluses are out there in the education sector. I believe that that money would be best spent in schools at this time. Of course, each school is monitored as to why it is holding a surplus, and it has to provide explanations to its managing authority. Where those explanations tally, it is perfectly reasonable for the school to be holding a surplus.

Mrs D Kelly: Given the change in demographics, how is the Department marrying the information that is available to schools about the number of anticipated entrants over the next two to five years with the funding available to those schools?

Mr O'Dowd: One of the issues that has been causing us some thinking in the Department as to how we move forward with the common funding formula is this: next year we will have 3,500 more pupils in primary schools than we had the previous year. There is a significant number of newcomer children among that number and a significant number of children claiming free school meals entitlement. In our post-primary sector, we will be losing 1,700 pupils next year; therefore, there will be 1,700 fewer pupils next year than in the previous year. Those figures do not come as a shock to us; they have been monitored over time, and we expect to see a continuing rise in school numbers as we go towards 2017. That has to be taken into account when I deliberate on the common funding formula and how best to use the resources available to me.

Irish-medium Post-primary Provision: Derry

5. **Mr Hazzard** asked the Minister of Education to comment on the current potential for establishing Irish-medium post-primary provision in the city of Derry. (AQT 815/11-15)

Mr O'Dowd: As I said earlier, I have established a review group to establish how we provide Irish-medium post-primary provision in Derry and south Derry. It is not simply the case of establishing a school; we need to establish a school that has the confidence of parents, that

is sustainable moving forward and that provides high-quality education through the medium of Irish, and that is the challenge that I have set the review group.

Mr Hazzard: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his answer. Will he outline the potential time frames once the need for Irish-medium provision has been established?

Mr O'Dowd: I hope that the final draft of the report will be with me in the next number of weeks. I want to take time to consider it and the options on the way forward. I will then share the report with the managing authorities to see how they can action it to bring forward development proposals, if need be, in relation to the provision of a standalone school, a unit or whatever it may be, going into the future. I do not want to reach conclusions ahead of reading the report. However, I want to ensure that whatever decision we come to, parents will have confidence in it and that young people will receive high-quality education through the medium of Irish.

Youth Clubs: Children with Special Needs

6. **Mr Easton** asked the Minister of Education what directions or guidelines his Department provides to the boards for youth club provision for children with special needs. (AQT 816/11-15)

Mr O'Dowd: I do not have the full details in front of me, but I am happy to share them with the Member. We, the Department and I, have equality obligations and, therefore, through the boards, so have the service providers. Any provision has to be accessible and equitable to all our young people.

Mr Easton: The Minister may not be aware, but the South Eastern Education and Library board has denied children with special needs access to Ballymagee Primary School in my constituency because there has been a change in the age criterion. Does the Minister agree that it is unacceptable to change the age criterion without first consulting parents?

Mr O'Dowd: The Member will understand that I do not have the full specifics in front of me. However, if he wishes to correspond with me on that matter or further discuss it with me, I will be happy to follow it up with him.

School Absenteeism

7. **Mr McMullan** asked the Minister of Education to detail the steps his Department has taken to address issues around school absenteeism, which was referred to in a recent Audit Office report. (AQT 817/11-15)

Mr O'Dowd: In relation to the Audit Office report, I have to give the Public Accounts Committee its place and allow it to study the report in detail. It would be improper of me to respond ahead of that. As a former Chair of the Public Accounts Committee, I do not want to do that either.

The Department has measures in place to ensure that children can and should attend school. In relation to earlier conversations and questions, if a child is to reach their educational potential, it is vital that, first and foremost, they attend school. So, under article 45(1) of the Education and Libraries Board Order 1986, there is a legal responsibility on parents and guardians to ensure that their children attend school. It is also important that we encourage parents to do so and acknowledge why it is important. My Department has a Valuing Education campaign and an 'Attendance Matters' policy document on how, why and in which circumstances support and actions can be taken. There is also the work of the Education and Welfare Service.

Mr McMullan: I thank the Minister for his answers. Will he tell me whether the establishment of a single Education and Skills Authority would help to address those issues?

Mr O'Dowd: It would certainly ensure that there was no postcode lottery, as all areas would be tackling the problem in the same way and have centralised support for doing so, and learning would be across the board. The truth is that, despite heroic efforts over many years, our education and library boards are no longer fit for purpose. That is the bottom line. Those who fail to recognise that need to come forward with an alternative. They need to say, "We reject the ESA, but it has taken us 10 years to tell you that. We have agreed to put it into two Programmes for Government before finally realising that we reject it. Here is an alternative".

St Joseph's High School, Crossmaglen

8. **Mr D Bradley** asked the Minister of Education whether he can report any progress

on St Joseph's High School, Crossmaglen, following his kind acceptance of my invitation to visit, I think it was last year, when he saw the need for a new capital project. (AQT 818/11-15)

Mr O'Dowd: I am examining proposals from all managing authorities in relation to newbuilds. I am not at this time in a position to announce what those newbuilds will be, but all the managing authorities, including the Council for Catholic Maintained Schools (CCMS), were asked for their priority build programme.

One of the matters to be finalised in south Armagh and Newry is area planning. I encourage the Member to ensure that the allure of the bright lights of the grammar schools in Newry is dimmed somewhat. That will ensure that everyone is operating on a level playing field and that St Joseph's High School, which is a fine educational establishment, is allowed to attract the number of pupils required to move forward and to ensure that there is a newbuild, with future generations taking part in education at that school.

3.30 pm

Mr D Bradley: I thank the Minister for his answer. He will be aware that area planning in south Armagh is all but finalised, if not complete. After visiting the school, does he agree that there is a pressing need for a new capital project at St Joseph's, Crossmaglen?

Mr O'Dowd: Many schools across the board require a newbuild. I am not arguing that St Joseph's or, indeed, many other schools do not require a newbuild. The question that I have to ask is this: when and how do I replace buildings? Replacing buildings with newbuilds and new schools is a matter of priorities. Those are the challenges that I face with a very limited capital budget. However, schools should be conscious that, if I make an announcement in the near future about a capital build programme and they are not included, that is not the end of the story. We are involved in a rolling programme of capital builds, and there will be a number of announcements in the years ahead, as long as we can ensure that the budgets allow it. If, as the Member said, area planning in south Armagh is nearly finalised, it has to include Newry. Again, I ask the Member to take up the challenge of standing up to the grammar schools in Newry and stating that there is a fine educational establishment in Crossmaglen that can provide excellent education for the young people of the area.

Mr Speaker: That concludes Question Time.

Question for Urgent Oral Answer

Justice

On-the-run Scheme: Legal Status

Mr Speaker: Mr Paul Givan has given notice of a question for urgent oral answer to the Minister of Justice. I remind Members that, if they wish to ask a supplementary question, they should rise continually in their place. The key word is "continually". The Member who tabled the question will be called automatically to ask a supplementary question.

Mr Givan asked the Minister of Justice, given that the devolution of justice powers transferred to the Northern Ireland Assembly in 2010, what steps are being taken to identify the legal status of the administrative scheme operated by the Northern Ireland Office, which continued to provide letters of comfort to on-the-runs after this date.

Mr Ford (The Minister of Justice): I am obtaining legal advice on the continued operation of the scheme by the Northern Ireland Office after the date of the devolution of justice powers to this Assembly.

Mr Givan: The on-the-runs scheme had no statutory basis and, at the point of justice powers being devolved to the Northern Ireland Assembly, there was no provision placed in law for the Northern Ireland Office to continue its operation. Therefore, will the Minister advise the House whether the NIO has usurped responsibility for a matter devolved to this Assembly and whether the criminal justice agencies, including the Police Service and the Public Prosecution Service, have been complicit in aiding and abetting the Northern Ireland Office's unlawful actions by taking the scheme forward?

Mr Speaker: The Member should finish his question.

Mr Givan: Furthermore, will he seek a declaration from the High Court to determine who has responsibility for the issue?

Mr Ford: I am afraid that Mr Givan is being a little premature. As I said, I am seeking advice on, frankly, a range of issues. He correctly highlighted the fact that there was no statutory basis for the scheme. There would, therefore,

be no statutory basis for stopping it or for determining who should continue it. That is the difficulty. I certainly welcome the fact that, after some effort, I obtained an apology from the Secretary of State for the fact that the scheme was originally presented as if it was merely administered in the past by her Labour predecessors, not continued by her and her immediate predecessor since the devolution of justice. Clearly, there are many questions, and it may be that it will not be possible to obtain some answers until the judge-led inquiry reports towards the end of May.

Mr A Maginness: I think that it is very prudent to seek advice. Does the Minister agree, in light of remarks made today or perhaps last night by Peter Hain about the soldiers on Bloody Sunday, that he, one of the midwives of the scheme, viewed it as an immunity scheme rather than simply a matter of exchanging information?

Mr Ford: I fear that Mr Maginness is tempting me to go beyond my ministerial responsibilities. When I was asked about that by the BBC yesterday, I made quite clear exactly what I think of the ongoing work by Mr Hain. As far as I am concerned, the agencies of the justice system have a responsibility and duty to investigate crimes and, where possible, bring a satisfactory prosecution. In many cases, 30 or 40 years on, it will not be possible to do that, but the key issue is that there should be no question of the agencies failing to carry out the duty that they are obliged to by the law of this region, the law of the United Kingdom and international conventions.

Mr McCartney: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as na freagraí go dtí seo. I thank the Minister for his answers to date. The British Attorney General gave an opinion to the British Parliament on the legality of the scheme, and I heard the Minister say over the weekend that he is seeking legal advice. Will he share what legal advice he has got on the matter?

Mr Ford: I am afraid that the answer is no on two grounds. First, I have not got the legal advice yet, and, secondly, it is a long-standing convention that legal advice is not shared where it is specific to an individual request by a Minister.

Mr Elliott: Media reports last Friday indicated that a senior Department of Justice official was aware of the scheme. That has been confirmed by the Minister. If the Department of Justice official was under Civil Service protocol that he

could not discuss the matter, how has it now come out that he can discuss it? When did he discuss it with the Minister and when did the Minister become aware of it?

Mr Ford: Let us be absolutely clear. A senior official in the Department of Justice today was aware of the issue as an official in the Northern Ireland Office then. That emerged because of mention of a particular document, which, I believe, was a memo from Downing Street to the Northern Ireland Office long before devolution. It was mentioned in the trial that created all the public interest in the issue. The matter therefore became public because it was mentioned in court.

I became aware of it when it was subsequently mentioned to me after the whole issue became public, because I was not closely following the court case in London. However, as has been well acknowledged, it is a matter of the Civil Service code and, indeed, the ministerial code that there should be no follow-across from one Department to another by civil servants. Indeed, on the subject of access to papers from a previous Administration, paragraph 2.29 of the ministerial code states:

"nor should a Minister seek to ascertain — whether directly from officials or by access to departmental paper which would provide the information — the views of previous Ministers".

Therefore, it is absolutely clear that the officials concerned acted properly while they were serving the Northern Ireland Office and that they act properly today as they serve the DOJ. Those were two different interests.

Mr B McCrea: In 2010, the Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order amended the Northern Ireland Act 1998 by introducing a new subsection — section 23(2A) — which provided for the royal prerogative of mercy (RPM) to be exercised by the:

"Minister in charge of the Department of Justice."

However, the order also made an exemption, stating that matters relating to terrorism would stay with the Secretary of State.

Mr Speaker: The Member must come to his question.

Mr B McCrea: Is the 2010 order relevant to the matter at hand?

Mr Ford: I simply do not know, however interesting the question may be, whether it is relevant, because we do not know whether or how the RPM was used in any of the cases currently being discussed. However, Mr McCrea correctly highlights the fact that, for terrorism, the exercise of the royal prerogative of mercy remains solely a reserved matter for the Secretary of State. My responsibilities and those of the Department of Justice are related to non-terrorist cases.

Mr Allister: If the Minister obtains legal advice that indicates that his functions were usurped, will he give an assurance to the House that he will make an application to the High Court for a motion of certiorari to quash the 38 letters issued on an ultra vires and unlawful basis?

Mr Ford: I appreciate Mr Allister's point, but, of course, there might well be a difference between the advice that I would obtain and the decisions of any courts. Receiving advice on something would not necessarily guarantee that something could be quashed.

He should, of course, also be slightly careful. We have all tended to refer to 38 cases. The figure of 38 relates to those cases that have been relevant during the time of the current Conservative Minister and her Conservative predecessor as Secretary of State for Northern Ireland. We do not know whether any other cases were dealt with post-devolution by the last Labour Secretary of State.

Mr Craig: Is the Minister aware that, since 2013, no case in this administrative process has been continued by the PSNI because there was "no legislative basis" for carrying it out. Will the Minister make the Chief Constable account for what he has carried out despite there being no legislative basis for it? Will he also seek the Attorney General's advice —

Mr Speaker: I urge the Member to finish.

Mr Craig: — on those matters?

Mr Ford: I would need to be very careful before suggesting that I could hold the Chief Constable to account for anything, and certainly not in answer to a question from a member of the Policing Board. Fundamentally, that is one of many issues that we will seek information on from the inquiry that was announced by the Prime Minister last week and, potentially, from the subsequent inquiry that may be conducted by the Northern Ireland Affairs Committee of the House of Commons. I will have to see exactly what emerges from those processes.

Mrs D Kelly: Minister, given that republican terrorism was deemed to be a threat to national security, will you assure the House that all matters in relation to those on-the-runs who received letters will not be something that is only investigated by the Select Committee? Will there be openness and transparency around those who have received letters, and who may well be the prime suspects in a number of bombings, particularly those in Birmingham and Guildford in Britain?

Mr Ford: I am not sure that I am in a position to guarantee openness and transparency over a process for which I have no control. I certainly believe that there needs to be openness and transparency, whether from the first inquiry or any subsequent potential inquiry. However, it is also clear that, in the Assembly and my Department, we are as yet unaware of what the details are. I suspect that we will have to see what emerges, but it is absolutely clear that there are major questions about the way in which the scheme was established, carried on and misrepresented, leading to the current confusion arising out of the Downey trial.

Mr Humphrey: Following on from the Chair of the Committee's earlier question, if the NIO has acted unlawfully, what will the consequences be for the police, the Public Prosecution Service and, indeed, any official in the Minister's Department or across the Civil Service in Northern Ireland?

Mr Ford: The Member's question was predicated on "if" the Northern Ireland Office has behaved unlawfully. The only guarantee that I give is that officials in the Department of Justice have not been acting unlawfully, as they played no part in the scheme since devolution. I am not accountable in any way for the PPS, and the Policing Board holds the PSNI to account.

Mr Speaker: Order. That concludes the item of business.

Committee Business

Electricity Policy: Pricing

Debate resumed on motion:

That this Assembly approves the second report of the Committee for Enterprise, Trade and Investment on its review into electricity policy: part II — electricity pricing (NIA 14/11-15); and calls on the Minister of Enterprise, Trade and Investment, in conjunction with her Executive colleagues, the Northern Ireland Authority for Utility Regulation, the System Operator for Northern Ireland, the Single Electricity Market Operator and the Consumer Council to implement, as applicable, the recommendations contained therein. — [Mr Flanagan.]

Mr Flanagan: Go raibh maith agat, a Cheann Comhairle. Go raibh maith agat as an deis labhairt ar an rún tábhachtach seo. I thank Members for their contribution to the debate. As an Assembly, it is essential that we do all that we can to keep electricity prices from increasing above the rate of inflation year-on-year. That point was made very well by Sydney Anderson. Of course, the Committee's report outlines a very reasonable approach, which, if accepted, should go some way to achieving that.

(Mr Principal Deputy Speaker [Mr Mitchel McLaughlin] in the Chair)

Regarding network costs, NIE has a very clear monopoly. Sydney Anderson mentioned that there is evidence of a lack of information and transparency on how NIE runs and plans its business. Electricity is an essential part of everyday life, with many aspects lacking competition. It is essential that we have as much transparency in the market as possible so as to ensure that generators, developers, network operators and suppliers all receive an adequate return but are not overly rewarded. The Single Electricity Market Operator, the Committee and the Utility Regulator have key responsibilities in that area.

Although there is some clarity about the price taken by each generator, there is not the same level of clarity about the profit that generators are making, especially low-cost renewable generators. As Gordon Dunne mentioned, wind generators have very low generation costs —

3.45 pm

Mr McGlone: Will the Member give way?

Mr Flanagan: I will surely, Patsy.

Mr McGlone: Go raibh maith agat. Thanks very much, Phil. A key issue, and we all sat through evidence on this, was the considerable lack of transparency. That was highlighted by the Committee, the CBI, the Consumer Council and Invest NI. I presume that you take the view, a Leas-Chathaoirleach, that, in the interest of consumers, commercial and domestic, it is imperative that the Single Electricity Market Operator undertake a review as soon as possible and that the Utility Regulator undertake further work.

Mr Flanagan: Go raibh maith agat. Gabhaim buíochas leis an Chathaoirleach as a cheist. I thank the Chairman of the Committee for his intervention and his question. I agree that much more work needs to be done, particularly on transparency and allowing consumers to have a better understanding of what they are paying for in their electricity bills. We have seen improvements in recent months, but there is still some way to go. I think that the recommendations in the report will deal with the remaining issues.

I go back to Gordon Dunne's point about the difference between low-cost renewable energy generators and high-cost fossil fuel generators. Although renewable generators have high capital start-up costs, they are supported through renewable incentives. Gas prices increase year-on-year at a much greater rate than the rate of inflation and are predicted to increase above inflation year-on-year. So the system marginal price will result in renewable generators receiving an increase in income well above the rate of inflation, without incurring costs above those that they had projected. All generators should receive a reasonable rate of return that is based on their individual investment and risks. However, where there is evidence of potentially unreasonable profits in the future, action must be taken now to prevent that by decoupling the price paid for renewable generation from the price of fossil fuel-generated electricity. I welcome the Department's move to a feed-in tariff with contracts for the difference to deal with issues post-2017, but, as Megan Fearon said, those that come on to the system between now and 2017 still need to be dealt with.

As highlighted by Paul Frew, wind generators do not produce carbon or meet the requirement for capacity payments. These areas need to be looked at as well. The Committee questions the need for a capacity payment for any generator.

The system marginal price is the primary responsibility of the SEM committee. Therefore, the Committee recommends that the Single Electricity Market Operator decouple the price paid for renewable generation from the price of electricity generated from fossil fuels, while ensuring that a "reasonable rate of return" — a phrase that members of the Committee frequently used — is provided to all generators. Nobody is suggesting that electricity generators be forced to operate at a loss. We understand that all businesses are entitled to earn a profit, but they should not earn huge profits on the backs of hard-pressed consumers or businesses that are struggling to remain competitive.

Sammy Wilson, in his usual colourful contribution, stated that renewable energy was adding to costs. Although that may be the case, it is important that renewable energy is being deployed in the long-term interests of consumers. In the first part of this review, the Committee explicitly supported the strategic energy framework target to have 40% of electricity consumed from renewable sources by 2020. What the report says is, "not at any price". The rewards to generators must be reasonable and commensurate with the risks.

Mr Wilson talked about the difference between marginal and average costs. There is also a huge difference between costs and the price paid. That is the problem with renewable generators. It is not that it costs an awful lot more to get them on to the system; the price paid to generators is the problem, and that is what the Committee is looking to get resolved.

Sandra Overend and Fearghal McKinney outlined the impact of high electricity prices on large energy users and the difficulties created in attracting large energy businesses. That was one of the main reasons why the Committee undertook this important work.

As I mentioned earlier, the South took steps to apportion network charges in favour of large industrial and commercial consumers at the expense of domestic consumers. Large industrial and commercial users here believe that a similar approach should be taken in the North, where domestic and smaller industrial and commercial consumers pay around the EU average for electricity.

Paul Frew said that high electricity prices were a major issue for large energy users and that tackling it was as important or even more important than reducing the rate of corporation tax. High energy prices could result in some businesses not being able to expand to create

jobs; some businesses coming off the grid and generating their own electricity, resulting in network charges being increased for all other users, who must pick up the tab; or even some large users leaving the North, with the resulting direct and indirect loss of jobs and employment and consequential economic detriment.

Gordon Dunne gave the specific example of Michelin, which is one of the organisations that presented at the Committee. It suffers electricity costs of £1 million per month and then has to compete with other sister organisations around the world.

However, any attempt to reapportion network charges in favour of large energy users could result in hard-pressed domestic consumers having to pay more for electricity. As Sammy Douglas said, this region, at 42%, has among the highest rates of fuel poverty on these islands. The Committee will not support any changes that could result in an increase in that level.

Mr Elliott: I thank the Member for giving way. Is there anything on the increase in the amount of renewable energy in the grid? We are told that, if renewable energy increases, the consumer price of electricity should go down. However, it is going up as well. I am wondering why that is. While the renewable energy source is going up, should the price of electricity not be going down?

Mr Flanagan: I thank the Member for his intervention. One of the main problems is with the make-up of the system marginal price, whereby all generators, regardless of how they generate their electricity, are paid the same price. That is an unfair advantage that some renewable companies have. They get paid the same price as is paid for fossil fuels but also benefit from constraint charges, incentives and things like that. That is an issue that the Committee wants to see resolved.

On the grid infrastructure, that is a piece of work that the Committee will now undertake as part three of the continuing inquiry into electricity policy.

Mr Wilson: Will the Member give way?

Mr Flanagan: It is particularly affecting businesses in places like Fermanagh and Tyrone.

Mr Wilson: Does the Member accept that the renewable energy sector argues that, if those incentives were removed from the renewable

energy sector, it could not possibly operate? All those incentives were deliberately built into the system and passed onto the consumer simply because you had a sector that could not stand on its own two feet unless it received those kinds of subsidies.

Mr Flanagan: I thank the Member for his intervention. I fundamentally disagree with him on this issue. I always wanted to say that I fundamentally disagree with Sammy Wilson. Renewable electricity companies can make money, but a return of 79% is far too high. No company generating electricity should get a profit margin of 79% when it is consumers who pay the bill. We as an Assembly have to look for something to be done to address that issue.

Mr McGlone: I will pick up on that very briefly, Leas Chathaoirleach. One of the unusual things about this is that wind companies get paid capacity payments even when they do not have capacity. In other words, the payments continue when the wind is not blowing. Do you not feel that that needs to be rectified or addressed? It is not an incentive. It is rather unusual that a payment is made for something that is not happening, because the wind is not blowing.

Mr Flanagan: I thank the Member for his intervention. The Committee has called for a review of capacity payments and whether they are needed in the system in any form. As Paul Frew will happily tell you, if you brought in the North/South interconnector, you would not have that problem. Whether it is appropriate that renewable generators receive capacity payments is one of the things that the Committee wants looked at.

Mr Agnew: I thank the Member for giving way; he is being very generous. Can the Member confirm that, at some point or other, every energy industry has received subsidies for energy production? The renewables industry is no different in that regard. In fact, the gas industry is going to receive a £32.5 million subsidy for a gas pipeline to the west.

Mr Flanagan: I thank the Member for his intervention. He is well versed in comparing the £32.5 million subvention that the extension of the gas pipeline is getting from the Executive to the £25 million that the renewable heat incentive got from the British Government. That is a point that the Member often makes.

Returning to the reapportionment of charges: when people have to make a choice between feeding their families and heating their homes, it

is all the more urgent that we do whatever we reasonably can to slow the ever-increasing price of electricity. However, that is not something that we need to accept. Electricity prices can be brought down if these recommendations are accepted and if we move away from chasing fossil fuels and invest in renewable forms of electricity generation that are actually effective. If a reapportionment of costs is to take place, it needs to be balanced. If you are going to move costs from large energy users to domestic customers, I think that funding will need to be provided to reduce the overall bill that domestic customers pay so that they do not pay a disproportionately high price. So, I think that the Committee wants to see that explored.

A balance has to be struck to protect domestic consumers and small businesses. However, it must at the same time help our vital large energy users to decrease costs. The Committee heard that there are difficulties in attracting data-server centres here because of the high price of energy. So, that is something that we need to address.

Mr Wilson: I thank the Member for giving way again. He said that, if we are going to redistribute the costs from the large users to the domestic users, we have to find a way of ensuring that domestic users are not disadvantaged. Is that not the whole point, however? If the charges are lowered for one set of users, they have to go up for the other. So, how does he expect to move charges from one group to another so that no one loses?

Mr Flanagan: I thank the Member for his intervention. It brings me to the next part of my speech; you must have got an advance copy of it, Sammy.

The Committee was told at the start of the review that network costs is a zero-sum game, and so it is. However, overall electricity costs are not. It is important that the Committee's recommendations on transparency and generation costs are implemented so that costs can be reduced in other areas before network charges are considered.

Where the reapportionment of charges is concerned, there is an issue with the amount of funding that the Executive can give to large energy users through EU state aid rules. However, no such rule applies to how we help domestic consumers. So, there is no reason why the Executive cannot fill in that funding. Funding is coming out of electricity bills, so if you take that money off bills, there is an argument that the Executive should step in and

fill the gap. That is a decision that the Committee has not taken. It is something that we have looked at, and we have called for greater information to allow us as a Committee to take those decisions. As Gordon Dunne said, if it is done sensibly, renewable energy can bring additional benefits to local communities. He highlighted the good work that the Fermanagh Trust is doing to increase the level of community energy that is generated and to bring community benefits from commercial renewable energy development.

Mr Dunne: Will the Member give way?

Mr Flanagan: I will happily, Gordon.

Mr Dunne: Thanks, Philip, for giving way. *[Laughter.]* Will the Member indicate his support, and perhaps that of his party, for the North/South interconnector? Does he think that community buy-in, such as the initiatives of the Fermanagh Trust, are worth looking at for farmers in the line of the interconnector?

Mr Flanagan: I thank the Member for his intervention. Until this point, I have been trying to speak on behalf of the Committee. However, if the Member wants, I will digress from that position for my final minute. We are talking about building a North/South interconnector and about building a road from Derry to Dublin. Why can the two projects not be merged? Why can the North/South interconnector not be built as a part of the A5/N2 project using an underground duct? The duct will already be there. It is completely feasible, and there is no reason why it cannot happen. That is the way that it should happen, and, instead of EirGrid ploughing hundreds of millions of pounds into overhead cables and pylons, why do they not build the interconnector along with the A5, which will be being done anyway?

I will now, hopefully, return to my role as the representative of the Chair of the Committee. Where EU market integration is concerned, I am disappointed that the debate has largely focused on greater North/South cooperation, which is badly needed on energy. I am pleased to see that the Minister has regular engagements with her colleague in the South, but those need to be formalised because there needs to be political oversight of energy systems across the island of Ireland.

Mr Principal Deputy Speaker: Thank you, Philip, your time is up. *[Laughter.]*

Question put and agreed to.

Resolved:

That this Assembly approves the second report of the Committee for Enterprise, Trade and Investment on its review into electricity policy: part II — electricity pricing (NIA 14/11-15); and calls on the Minister of Enterprise, Trade and Investment, in conjunction with her Executive colleagues, the Northern Ireland Authority for Utility Regulation, the System Operator for Northern Ireland, the Single Electricity Market Operator and the Consumer Council to implement, as applicable, the recommendations contained therein.

Private Members' Business

Pulse Oximetry

Mr Principal Deputy Speaker: This is a cross-party motion, and the Business Committee has agreed to allow up to one hour for the debate. The proposer of the motion will have 10 minutes to propose and 10 minutes to make a winding-up speech. All other Members who wish to speak will have five minutes.

Mr Swann: I beg to move

That this Assembly recognises that pulse oximetry offers a straightforward, cost-effective and non-invasive screening test to detect levels of oxygen saturation in newborns; notes that recording oxygen saturation levels can be an early indicator for a range of medical problems, such as heart and respiratory defects; and calls on the Minister of Health, Social Services and Public Safety to introduce pulse oximetry to screen all newborns for early detection of life-threatening congenital heart defects.

Thank you very much, Mr Principal Deputy Speaker, and let me declare an interest as chair of the all-party group on congenital heart disease.

4.00 pm

The debate came about because, on 7 February, the all-party group hosted an information session for all MLAs and their staff on what pulse oximetry was, as part of Congenital Heart Defect Awareness Week, which ran from 7 to 14 February. I take this opportunity to thank all the MLAs and their staff who called in to speak with Dr Andrew Sands, who is a cardiac paediatrician from the Royal Victoria Hospital, and the family who were there that day and presented their case on how pulse oximetry could have caused them a lot less heartache than what they experienced. It was also an opportunity for the all-party group to show that we have a wider remit than solely focusing on the future of paediatric cardiac surgery in Belfast.

I am glad that the Minister is here. On behalf of the all-party group, I take the opportunity to pay tribute to Sister Alison Kearney from the Clark Clinic, who is retiring today. Sister Kearney has been a stalwart of Clark Clinic for many a year and has supported families affected over those years. I am sure that we would all like to wish her well in her retirement and to thank her for her work.

This motion is very similar to one that is tabled in another place, and I am glad to see that six Northern Ireland MPs have signed their name to that. It shows the importance of pulse oximetry, the standing that this research has, and what it can achieve across the health services. In very simple terms, pulse oximetry is a measure of oxygen in a child's blood. It is a quick, cheap and non-invasive procedure and something that, if adopted, could help to diagnose congenital heart defects in children who missed being diagnosed through prenatal screening or ultrasound.

As I have said before in other debates on paediatric cardiac surgery, my wife Jenny and I were fortunate that our son Evan was diagnosed with his heart condition prenatally. One in 180 babies is born with a congenital heart defect, and the earlier that detection is possible, the better. Pulse oximetry is one of the things that can be done.

The case now is that mothers and babies can be discharged from hospital six hours after birth. It is important, therefore, that we have a test here that can be put in place in the community and could be carried out by midwives rather than it having to be done in hospital. There would be no need for a mother and baby to be retained in hospital for any longer than necessary.

I am sure that the Minister is aware of the research. Costs of pulse oximetry have been put at around £6 a head. Field tests and cost comparisons have been done in other places that show that there is a cost saving or a neutral cost to the introduction of pulse oximetry. It was trialled in six maternity units across the UK in 2011, when over 20,000 babies were tested using pulse oximetry. Of the 20,000-plus babies that were tested, 53 additional cases were diagnosed. That is 53 cases that would have been missed, either through prenatal ultrasounds or any postnatal physical checks. As I have often said before, it is easy to talk about numbers and statistics, but that is an extra 53 babies — and their families — who had a life-threatening heart condition diagnosed through the simple introduction of this pulse oximetry test.

This is something that I feel passionately about. Pulse oximetry and the measuring of oxygen levels in blood has the ability not only to test for and detect congenital heart disease but to pick up on other conditions, such as transient tachypnea of the newborn (TTN). We see a large number of cot deaths that often go undiagnosed or do not go through full post-

mortem. What if pulse oximetry had been introduced to those cases? There might be an argument there that if pulse oximetry were detecting conditions and defects and that prevented even one cot death, it would definitely be worthwhile.

As with every test method, there are drawbacks, and I think that the main one is that of a false positive, where a midwife could carry out a test that could show that a baby does not have enough oxygen in its heart. However, it has been estimated that false positives occur in only 0.8% of cases. Follow-ups have been done with the parents of those children, who were asked whether, having said in the initial panic that they were concerned about what happened, would rather have had their child tested and proved a false positive than not have the child tested at all. In all cases, the parents agreed that they would rather have the test in place to see whether there was any congenital heart defect or anything that pulse oximetry could pick up on.

That is a brief outline of why we in Northern Ireland and our Health Minister should introduce pulse oximetry as part of the postnatal checks that can be done in the community by a midwife. It does not involve stays in hospital that are any longer than necessary. As the parents who attended the information day pointed out, they were sent home needing feeding kits and all sorts of back-up equipment. If the children who were not diagnosed had been diagnosed earlier, a lot of surgical and medical procedures could have been avoided. The earlier the diagnosis, the less the cost to Northern Ireland's health service will be. That is also something that we should look favourably at.

Pulse oximetry has been trialled in six maternity units across the UK, and the research findings and recommendations are there from voluntary and community groups, parents and clinicians alike. As we look to the future of paediatric cardiac surgery provision in Northern Ireland, whatever that may bring after June this year or whatever the decision may be, pulse oximetry can be added to whatever solution is brought forward at that time because it will save lives and an awful lot of heartache, and it will benefit every family and every newborn across Northern Ireland.

I ask for the support of the House in encouraging the Minister to introduce pulse oximetry as a screening method for all newborns in Northern Ireland.

Mr Wells: As Mr Swann eloquently informed the Assembly, this is a simple, cheap and non-invasive test that could have significant results for children born with congenital heart disease. It is not revolutionary. Indeed, I understand that "pulse ox", for short, is already used in Northern Ireland as part of the resuscitation process for babies in Daisy Hill Hospital, which covers my area. However, it is not routinely applied to all babies to check for potential defects.

I understand that Heartbeat-Ni has been campaigning for several years for the introduction of this procedure. Irwin McKibbin told me that his group purchased a pulse ox machine in October 2013 and presented it to the cardiac liaison unit in the Royal Victoria Hospital. It is even more significant that almost every week in the United States of America individual states are adopting this technology in order to screen babies for congenital heart defects. It is telling that a society as advanced as the USA is introducing this procedure; it indicates that it sees the enormous benefits that accrue from it.

The process can detect 75% of congenital heart defects in newborn babies. It is not a fix-all, and there will still be those who are missed. As Mr Swann rightly pointed out, there will be those who will see false positives. However, the benefits so far outweigh any defects in the procedure that it should be considered for all our maternity hospitals in Northern Ireland. It prevents a situation in which a baby is born with a congenital heart defect that is not detected, is taken home and then has to be rushed back to hospital for an emergency procedure. We know that the quicker the problem of congenital heart defects is identified and dealt with, the better the outcome for the child.

I empathise with Mr Swann; there can be nothing more difficult for parents than to have their child diagnosed with this very complicated condition. At least, however, they will have some reassurance that if it is caught early, the outcomes are much better.

The technique measures oxygen saturation levels in a baby, and, as was said, it costs only £6. Any procedure that is so reasonable must be considered for implementation in our health service. Although it may cost £6, the savings that could accrue as a result of an earlier intervention are very significant, and it may be worthwhile for the Department to do a cost-benefit analysis to see whether it is cheaper to carry out the procedure on young babies rather than run the risk of problems down the line. We know that one in 180 babies in Northern Ireland suffers from some form of heart defect.

This is a separate issue from the long-running debate about the future of congenital heart surgery in Northern Ireland or, indeed, on the island of Ireland. We wait with great interest the review initiated by the Minister to see whether we go for a "one service on two site" model, an all-island model entirely based in Dublin, or whether there is some way to maintain a high level of care and treatment in the Clark clinic in Belfast. The proposal that Mr Swann and others are making can be introduced immediately without waiting for the results of that review and could, therefore, lead to better outcomes for children. My honest view is that, if the procedure saves the life of one vulnerable, ill baby, it is money very well spent.

I have had the privilege — it is a privilege — of becoming a grandfather. My daughter recently gave birth to my first grandson. Every grandfather thinks that his grandson is a mixture of Brad Pitt and Albert Einstein, and I am no different. I am extremely proud of him and am delighted that he was born without any problems of this nature. However, other babies were born in the same hospital who had complications and had to be rushed down to the Clark clinic.

I understand, from first-hand experience, how difficult the issue is for parents. We should lead the way, therefore, as various parts of America are doing, and introduce the scheme. It is very cheap and could save lives.

Mr McKinney: I welcome the opportunity to take part in the debate, and I support the motion. I thank the Minister for attending the debate this afternoon. The thrust of the motion is that pulse oximetry screening should be carried out on all newborns so that congenital heart defects (CHD) can be spotted early. That, in turn, will improve the potential outcomes for any baby affected.

The issue becomes more important when we consider the potential dangers if congenital heart defects are not spotted early. CHDs are among the most common types of malformations that may be present in newborn babies, and they are responsible for 3% to 7.5% of all infant deaths.

Often, the first indication that doctors will get that a baby may have a congenital heart problem is when the infant starts to demonstrate the symptoms of cardiovascular collapse. At that point, sadly, it is often too late as the infant may have already gone home and the need for surgery is immediate, as was outlined.

Screening or not, we are told that congenital heart defects will almost always require surgery to correct the initial fault. However, if the CHDs can be detected early, an anticipatory course of action can be taken that greatly increases the outcomes of the infant involved. With that in mind, it becomes imperative that we do all that we can to detect CHDs early. It simply makes sense.

In an external review of screening for congenital heart defects, University College London states that the current screening programmes for CHDs are complex, and sequential strategies are not integrated or particularly successful. The current strategy involves an antenatal ultrasound and physical examination. Unfortunately, both those methods have low detection rates. There is a need for change in this area, and pulse oximetry screening can provide a proven and cost-effective way to improve the outcomes of infants who have congenital heart disease.

As for cost-effectiveness, in a 2012 health technology assessment of pulse oximetry, it was concluded, as was outlined, that the test takes a very short time and costs on average just over £6. I also would welcome the cost-benefit analysis that has been proposed. I am sure that it would greatly inform any future decision-making.

In the meantime, although the price is double the cost of existing tests, pulse oximetry would pick up an additional 30 diagnoses per 100,000 live births. Those 30 diagnoses are significant for cost, as previously they would have gone undetected, which would have led to costly late treatment and, more importantly, a reduced outcome for the infants.

4.15 pm

Therefore, we know that pulse oximetry is a much more effective method of diagnosis for congenital heart disease than the current system of ultrasound and physical examination. We also know that, although pulse oximetry costs more than the current methods of screening in the first instance, it saves substantial future medical costs by diagnosing more effectively, as I described, and avoiding costly late treatment. Furthermore, most of today's discussion has centred on congenital heart problems, but pulse oximetry can also detect respiratory problems, as it measures the amount of oxygen in the blood. That is an additional benefit to this method of screening. It

seems logical and prudent that we introduce this screening method across the board.

The equipment for pulse oximetry screening is not new. The system was first developed in 1935, and it began to be commercialised in the late 1970s and early 1980s. It is almost 2015, and we still have not adopted its routine use. Let us not wait any longer.

The SDLP supports the motion and calls on the Minister of Health, Social Services and Public Safety to introduce pulse oximetry to screen all newborns, as it will diagnose better, cost less overall and may increase the quality of life for any infant who possesses congenital heart disease.

Mr McCarthy: I support the cross-party motion, and I am pleased to be a co-sponsor of it. I thank our assistant librarian Lynda Conlon for the information contained in her research paper. It is noted on, I think, the first page that Jim Wells, the Deputy Chair of the Health Committee, put down a question for written answer on the subject. As of 13 February, he was awaiting an answer. I am not sure whether he has got that answer.

Mr Wells: Will the Member give way?

Mr McCarthy: Surely.

Mr Wells: The answer for the question has come in. The Minister has, as usual, been very diligent in that respect.

Mr McCarthy: I am grateful for that answer. The paper also shows that a number of MPs from across the water have asked questions on the issue and that, as I understand it, a consultation took place last autumn, with a recommendation expected early this year. I do not know whether the recommendation has come along yet.

It is the UK National Screening Committee that will advise the Health Minister at Westminster whether pulse oximetry can be added to the routine clinical examination of new infants. Every Member will be in support of the phrase, "Prevention is better than cure" and will agree that the early detection of a problem is half the battle to seeing an improvement. The motion is calling for the early detection of life-threatening congenital heart defects in our newborn babies using pulse oximetry. We know that early investment can reduce cost at a later date.

It is unfortunate that, for whatever reasons, congenital heart defects occur in our newborns.

We are aware of the concerns and heartaches experienced by parents and guardians of those babies. If we can analyse the problem early, the chances of survival are so much greater. That is exactly what we must strive to achieve.

As a devolved Administration, our Health Department and its Minister, as I understand it, have the power to introduce pulse oximetry so that every newborn has the benefit of early detection and early remedial action, if required. I am delighted to see that an early day motion tabled late last year at Westminster was supported by our local MPs. The end of that motion is extremely important. It states that getting more conditions diagnosed early could help save money, distress and, most importantly, lives. It further notes —

Mr Byrne: Will the Member give way?

Mr McCarthy: — that pulse oximetry tests are:

"cheap, easy to administer and painless."

I will give way if you are brief, Joe.

Mr Byrne: I thank the Member for giving way. Does the Member agree that for people such as Cormac McAnallen and, indeed, a young rugby player from Armagh, both of whom died from heart-related disease when they were enjoying their sporting careers, if a diagnosis had been made earlier, there would have been an inkling of the disaster that happened to them?

Mr McCarthy: I absolutely agree. That is why it is so important that the Minister listens, takes heed of what we are saying and gives us the lead on doing something.

Given the advantages of the introduction of this simple test for every newborn, what is preventing our Minister from taking the lead and seeing this measure introduced here without delay?

The July 2013 work carried out by Dr R L Knowles and Ms R M Hunter is pretty comprehensive. They concluded that further studies on the clinical effectiveness and cost-effectiveness of using pulse oximetry for CHD have continued to identify it as a viable and cost-effective option for making a timely diagnosis of life-threatening CHD compared with using clinical examination. Given that analysis, what is keeping our Department back?

The health technology assessment of 2012 states that pulse oximetry is a safe, simple, non-invasive, feasible and reasonably accurate

test that is acceptable to parents and clinical staff, and has a sensitivity that appears to be superior to that of antenatal screening and clinical examination. Pulse oximetry adds value to existing screening procedures and is likely to identify cases of critical CHD that would otherwise go undetected.

Given the high acknowledgement of the pulse oximetry test by such highly eminent people, it is not unreasonable to ask the Northern Ireland Health Department to support the motion and see early detection of, and early remedies for, CHD in our newborn children.

I fully endorse the Children's Heartbeat Trust and other similar groups that are supportive of any safe procedure that can help identify congenital heart defects as early as possible, as that will allow the most appropriate intervention and will reduce the emergency incidence in patients. The Children's Heartbeat Trust has vast experience on congenital heart defects in Northern Ireland, and I hope that the Minister and the Department acknowledge that and introduce pulse oximetry at a very early date to save the lives of our babies and infants, and prevent unnecessary worry, concern and anxiety for our parents and families.

Mrs Cameron: As a member of the Health Committee and a parent, I support the motion.

The diagnosis of congenital heart disease is very scary for any parent of a newborn baby to receive. It is responsible for 3% of all infant mortality and 46% of deaths that occur in the first year of life. CHD is a broad spectrum term, however, that encompasses conditions from those that are of no function or clinical consequence that may resolve themselves to serious conditions, the treatment for which almost always leads to surgical or catheter intervention.

Sadly, most cases of CHD in infants are only recognised when the infants develop life-threatening symptoms of cardiovascular collapse. Early diagnosis is unlikely to change the treatment plan, but it could be essential to providing anticipatory care at delivery or soon after birth. That could have an impact on the mobility numbers caused by that condition.

We have to be mindful that, as with any screening, false positives are a risk. We must, therefore, continue the other methods of screening that are in place in the antenatal and postnatal periods to ensure that we detect as early as possible those infants who are affected. That includes ultrasound screening and clinical examination. One of the major

benefits that this screening offers is that it is completely non-invasive; it can be done at the bedside with the mother present, and the results are available there and then with no need for a period of waiting.

From reading reports in the UK and wider afield, it appears that the medical community are convinced, based on a number of studies, that pulse oximetry is a cost-effective method with real clinical benefits that outweigh any negatives such as false positives. An important observation to note, however, is that in at least one study it was observed that mothers who got a false positive were more anxious after taking part in the screening process than those who received a true negative result; the former were less satisfied with the test and gave slightly higher depression scores. This indicates to me that we also need to put in place a robust support system, not only for people who get a true positive result but for the small numbers who receive a false positive, to support their emotional resilience,

In conclusion, I believe that pulse oximetry is a vital tool in screening for a range of conditions, and I support the motion.

Mr Poots (The Minister of Health, Social Services and Public Safety): Pulse oximetry is a simple and non-invasive technique that monitors the oxygen saturation of the haemoglobin — the percentage of blood loaded with oxygen. Pulse oximetry has many uses and is now routinely used in critical care anaesthesia in accident and emergency departments. It is also used in neonatal intensive care units, and there has been research into its potential role in screening for congenital heart defects, which are among the most common congenital anomalies. They affect between 4% and 10% of 1,000 live births and are responsible for up to 40% of deaths from congenital malformations. Congenital heart defects comprise a wide range of different structural cardiac malformations, which vary in clinical presentation, prevalence and prognosis.

Many congenital heart defects are identified before the baby is born. Some may present immediately at birth, others within a few days or weeks and others after 12 months or more. Whatever the nature of the defect, it is essential that we diagnose babies who have a critical congenital heart defect as early as possible. We need to be able to do this so that we can provide anticipatory care at delivery or soon after birth so that we prevent deaths occurring before definitive management can be initiated and prevent the morbidity that results from cardiovascular collapse.

In Northern Ireland, screening for congenital heart defects is offered antenatally and neonatally. Cardiac defects are looked for as part of the 18-to 20-week fetal anomaly ultrasound scan that is offered to all pregnant women. The scan has variable success in detecting heart defects.

Detection rates vary by defect type, and, indeed, some are not detectable at all in early pregnancy because of their natural history of development. Rates are also influenced by the expertise of the person doing the scan, the standard of the equipment used and maternal body mass index. After birth, all babies are screened for congenital heart defects as part of the newborn physical examination, which is usually done within 72 hours of birth and, ideally, within 24 hours. They are also screened at six to eight weeks of age. Clinical examination involves looking for cyanosis, which is a blue colouring of the lips; listening for abnormal heart sounds with a stethoscope; and feeling the pulses in the groin for decreased or delayed blood flow. Detection rates vary by congenital heart disease subgroup. Defects such as coarctation and aortic stenosis are less likely to be detected before the baby is discharged from hospital.

No single screening test will detect all congenital heart defects equally well. This is because of the natural history of their development and their variable clinical presentation. Antenatal screening appears to detect between 30% and 50% of congenital heart defects, newborn clinical examination may detect between 30% and 60%, and around 25% of defects are not diagnosed before discharge.

Pulse oximetry is now considered as an adjunct to clinical examination. Screening using pulse oximetry involves attaching the probe of the oximeter to the infant's hand or foot. The oxygen saturation is displayed as a percentage, and the examination can be performed or by a junior doctor, a midwife or other health professionals, and the equipment is portable.

A number of studies have used pulse oximetry to screen for congenital heart defects, and their findings are encouraging. Pulse oximetry may identify babies with congenital heart defects that result in cyanosis, but it will not identify defects that are associated only with murmurs or with delayed or absent pulses. It will also identify babies who are cyanotic for reasons other than heart defects, such as lung disease or infection.

4.30 pm

In 2013, the UK National Screening Committee issued for consultation a review of the evidence on adding pulse oximetry to the screening pathway to detect congenital heart disease in newborns. The consultation closed in December 2013. It is expected that the outcome of the consultation will be discussed at the next meeting of the National Screening Committee (NSC), which is due to be held on Wednesday 12 March.

The NSC review of the evidence raised some important questions that require further consideration. One is that a significant number of babies who have a positive screening result will not have a heart defect. In other words, those babies will be false positives. Although some of them may have a serious illness that is causing their low oxygen levels, clear pathways for investigating non-cardiac causes have not yet been established or evaluated. Another issue to resolve is the timing of the screening test. If it is done at less than 24 hours old, the false positive rate will be higher, but if it is done after 24 hours, some babies may already present with symptoms of a heart problem.

Another question that needs to be resolved is whether the test should be repeated if the result is abnormal, and, if so, after how many hours. The site of the test also needs to be considered. Should it be the foot, the right hand, or, indeed, both? There is also a limitation, which I have already mentioned, in that the screening test will not identify defects that are associated only with murmurs or with delayed or absent pulses.

On the positive side, the National Screening Committee review has found that pulse oximetry is a clinically effective and cost-effective screening modality for detecting critical or life-threatening congenital heart defects. It has the potential to reduce the number of babies leaving hospital before certain types of congenital heart defects are recognised, and so increase the likelihood that those babies will be treated before they become more seriously ill. The NSC review has concluded that, as there are still significant uncertainties about its use in a routine screening context, a pilot or staged introduction may be the best way forward.

A pilot could address a number of key issues. One is the question of who to screen. Some babies will be excluded, including premature babies, those already diagnosed with congenital heart defects and babies with significant malformations. Optimal test procedures need to be defined for oxygen

saturation measurement and newborn clinical examination. Those include the timing, the positioning of the oximeter probes, the number of repeat tests that should be undertaken and the relationship between pulse oximetry and clinical examination.

It will be necessary to clarify and test pathways for referral for further investigations after a screen positive result for cardiac causes and non-cardiac causes. Information needs to be developed for parents and health professionals across the antenatal and newborn continuum. A training curriculum will need to be instituted for midwives and others involved in newborn screening using pulse oximetry. A pilot could also help to establish routine data systems for audit, quality assurance and monitoring longer-term outcomes.

In conclusion, the National Screening Committee has done a significant amount of work to assess the potential of pulse oximetry for screening newborn babies for congenital heart defects. The research evidence indicates that pulse oximetry, used as an adjunct to clinical examination, may increase the detection rate for critical or life-threatening congenital heart defects as a newborn screening opportunity.

At this point in time there remain a number of uncertainties with regard to optimising the screening and referral pathways, and work is in hand to address those uncertainties. So, I am awaiting with great interest the recommendations of the National Screening Committee, and I will consider its recommendations before I make a policy decision on the matter. Given that that should happen in the course of this month, I hope to be able to come back to the Assembly in the not-too-distant future with a position on the matter.

Mr Ó hOisín: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leat as an seans an t-ábhar seo a phlé.

I thank the chair of the all-party group on congenital heart disease, Robin Swann, for tabling the motion. I declare an interest as vice-chair of the group. I know that we do not always agree on many things, but I assure him that we are united on this issue. I also thank Sarah and the Children's Heartbeat Trust for their presentation on pulse oximetry to the all-party group three weeks ago. I am sure that, at that time, many in the House would not have been aware exactly what pulse oximetry was; however, we are very much clearer on the issue now.

If ever there was a no-brainer for the introduction of pulse oximetry to screen newborn babies in maternity hospitals for the early detection of life-threatening congenital heart defects, this is it. It is a straightforward, cost-effective and non-invasive screening test that detects oxygen saturation levels in newborns. Indeed, it costs as little as £6 for each baby, with an equipment cost of some £100. Those oxygen saturation levels can be an early indicator of heart and respiratory defects.

The test normally detects 75% of all critical cases and almost half of cases with congenital heart defects. That could amount to over 130 babies with major congenital heart defects out of every 100,000 newborn babies. Combining the test with ultrasound and physical examination would identify some 92% of CHDs. Unfortunately, as is now, problems are not being spotted until babies get ill at home, by which time it may be too late to save the child. The test is routine in the United States, but other countries are considering the testing process. The medical director of the British Heart Foundation, Professor Peter Weissburg, said that:

"This analysis provides a compelling case for the wider use of pulse oximetry to screen for congenital heart defects in newborn babies."

I and the all-party group think likewise. Like Professor Weissburg, we think that there should be no further delays in the introduction of the testing, and today's debate has illustrated that.

The chair of the all-party group on congenital heart disease, Robin Swann, thanked members of the group for attending the session on pulse oximetry, which the Children's Heartbeat Trust hosted recently. He outlined the simplicity and effectiveness of the test but cautioned against false readings in a small number of cases.

Jim Wells informed the House that pulse ox is already in use for resuscitation in some hospitals here, but he said that pulse oximetry is not necessarily a fix-all for congenital heart defects. He told us that becoming a grandfather recently reinforced his concerns about the proper detection of childhood difficulties such as this.

Fearghal McKinney told us that the current strategies for detecting CHDs are complex and difficult to monitor. He said that he would welcome a cost-benefits analysis on pulse oximetry. He also said that the technology is not new but was first introduced in 1935.

Kieran McCarthy told the Assembly that the Minister has the power to introduce pulse oximetry, which the Minister clarified somewhat in his own speech.

Joe Byrne referred to several cases of sudden adult death syndrome and said that, if earlier diagnosis had been available, those deaths might have been prevented.

Pam Cameron outlined that 3% of all infant mortality is caused by heart disease and, likewise, 46% of deaths in the first year.

The Minister told us that respiratory and lung defects were detectable by pulse oximetry. He outlined and detailed the consultation process and said that further clarification was needed. He explained some of the limitations of the screening test but said that he might consider a pilot or some other way of introducing screening. I thank him for that.

I think that, altogether, this has been a fairly positive debate. I know that the all-party group will be keen to bring back the results of the debate to the various interested parties. I hope that the House will support the motion.

Question put and agreed to.

Resolved:

That this Assembly recognises that pulse oximetry offers a straightforward, cost-effective and non-invasive screening test to detect levels of oxygen saturation in newborns; notes that recording oxygen saturation levels can be an early indicator for a range of medical problems, such as heart and respiratory defects; and calls on the Minister of Health, Social Services and Public Safety to introduce pulse oximetry to screen all newborns for early detection of life-threatening congenital heart defects.

Fiscal Powers

Mr Principal Deputy Speaker: If the business on the Order Paper has not been disposed of by 6.00 pm, in accordance with Standing Order 10(3), I will allow business to continue until 7.00 pm or until the business is completed.

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

Mr McCallister: I beg to move

That this Assembly notes the ongoing debate concerning the nature of devolution in the United Kingdom; and calls upon the Northern Ireland Executive to approach the UK Government to request a joint commission to review the case for the devolution of fiscal powers to the Northern Ireland Assembly and also for this commission to make recommendations that would improve the financial accountability of the Northern Ireland Assembly and the performance of the local economy.

(Mr Speaker in the Chair)

Devolution is changing right across the UK. I certainly have huge concern that we, in this Assembly and Executive, are being left behind in those changes. There was the election of the Scottish National Party to Government in Edinburgh in 2007 and its re-election in 2011. There is the upcoming referendum in September 2014 on Scotland staying in the United Kingdom. There have been different commissions, such as the Calman and Silk commissions. All of that suggests that devolution is moving on. Dr Esmond Birnie, chief economist at PwC, has stated that:

"we are behind the curve, and we are likely to lose out."

That is something that should concern all in the Assembly.

Very often, Northern Ireland politics can be extremely insular and divisive. We probably do not have to look much further back than a couple of days ago to see that. Transfers from

the UK Government have largely protected us from some of the worst outworkings of that reality. However, the opportunity costs are incalculable. For NI21, to ignore the wider debate on devolution and to stick uncritically to the path of corporation tax alone is not in the best interests of Northern Ireland.

The Labour Party, Liberal Democrats and Conservatives are all vying with each other to out-promote "devo plus" after the Scottish referendum. We are ill-prepared to ask for anything over and above corporation tax. That is a mistake. To devolve corporation tax, one of the most volatile taxes, alone, without properly examining other options when we have the window of opportunity presented to us, I believe, would be a serious blunder.

Let us look at some of the issues around the Barnett formula. There is growing debate around the mechanism by which the UK Government distribute money amongst the three devolved regions of the UK. The Barnett formula has actually had considerable longevity. Historically, it has been a benefit to those regions. However, thanks to the work of Holtham and others in Wales, it looks particularly as though the Welsh are losing out compared with Scotland and Northern Ireland.

If we consider a different calculation of relative need, with the growing population in Northern Ireland, the likelihood of further tightening of public spending and the warning that health and education funding may be no longer ring-fenced by London, the guarantee that Northern Ireland will always benefit from the Barnett formula in future is, at best, questionable. Alan Trench, a renowned devolution specialist, states that:

"The assumption that 'Barnett is good for Northern Ireland' therefore needs treating with a degree of scepticism."

Northern Ireland needs a commission to ensure that its needs are met and its voice is heard in the wider Barnett debate. Equally, if additional fiscal powers might help us to manage changes to the Barnett formula in the future, we would be ill-advised to miss an opportunity to properly examine them. To be forewarned is to be forearmed.

I spoke at length about accountability during the Budget debate. The Minister will know my concerns. Indeed, I think that he shares some of them. Northern Ireland severely lacks fiscal accountability. At present, over 90% of what the Government here spend is funded by the block grant, which is provided by the UK Government from UK wider revenues.

4.45 pm

The Executive regularly resemble an inefficient distribution centre as opposed to a Government accountable to local taxpayers and voters. That lack of accountability, coupled with our dysfunctional institutions, which see everyone, bar a few MLAs, in government, allows our politicians undeserved security. If there were more accountability for raising revenue and decision-making on spending local taxpayers' money, politicians would be forced to become responsible, mature and better decision-makers.

The number one reason why foreign companies —

Mr Allister: Will the Member give way?

Mr McCallister: Yes.

Mr Allister: The Member advocates a substantial gamble, because, having acknowledged the dysfunctionality of the House — we can all think of many examples of the logjam — he says that the answer is to give the House more powers. Surely, the House needs to walk before it can run. Given how the House has conducted itself in government, this is the last place that you should give tax-raising powers to, is it not?

Mr McCallister: I am grateful to Mr Allister for that. He will be aware that, at the inaugural NI21 party conference, we set out what we feel was a road map for how to start to normalise politics. Part of that is about having an opposition, moving tax-varying powers here or setting up a commission to look at the possibility of bringing tax-varying powers here. That is because it is time that the Assembly took responsibility and started to look as though it were fit for the 21st century. That is the big challenge facing the Assembly.

Devolving powers would bring economic benefits and opportunities to this region, which has historically underperformed compared with the rest of the UK; it would also help the Northern Ireland Executive to improve our economic performance. It is important that we examine this and get it right.

To date, our Executive have achieved the devolution of air passenger duty for long-haul flights, and they are to be commended for that. However, the pursuit of the power to vary corporation tax has, so far, been unproductive. During the recent Budget debate, the Minister said that affordability and economic benefit are

reasonable tests for whether to devolve taxes. Subtracting the fact that that ignores the accountability argument, if the Minister were to test corporation tax against those criteria, I am not convinced that it would score as highly as some of the other options.

With Northern Ireland being one of the most successful regions outside London in attracting foreign direct investment, and given that the UK national Government have cut the rate of corporation tax, it is becoming less clear whether the devolution of corporation tax would have the game-changing effect that many hope for. The big challenge for the Minister on corporation tax is its volatility, meaning that the Executive would be unsure of annual revenues. On top of that, — I warned of this in the Budget debate — Northern Ireland has weak regionalised data for corporation tax, which means that we would be starting from a difficult position. None of those issues alone is reason not to pursue corporation tax, but they certainly are reasons to examine all our options and to seek a devolution package for Northern Ireland.

Our small and medium-sized enterprises (SMEs) are the backbone of our economy. A key economic objective for Northern Ireland —

Mr Wilson: Will the Member give way?

Mr McCallister: You will have to be very brief.

Mr Wilson: I will be brief. Given that the Member has ruled out corporation tax for its volatility, and given that most other taxes are equally volatile, which taxes would he like to see devolved?

Mr McCallister: Of all the Members on the DUP Benches, the former Finance Minister, Mr Wilson, has been the leading sceptic on corporation tax. What I said is that we should have a commission to look at corporation tax, income tax and stamp duty — all those things in the mix — in a proper, structured way. This is not about taking a piecemeal approach, which is often how the Assembly does its business and approaches its policymaking. Rather, it is about making a proper fist of looking at this and how to manage it. There are other taxes. Income tax is significantly less volatile than corporation tax, and the Member knows that.

Mr Ross: Will the Member give way?

Mr McCallister: I am almost out of time.

The DUP amendment is an acknowledgement of the work that the Executive are already

involved in. However, neither I nor NI21 believe that it goes nearly far enough. It is not in the real interests of Northern Ireland to have such a narrowly focused debate. The issue of solely waiting for the autumn for a review to see what way the Scottish vote goes — I hope that it votes to stay within the UK — means that we are constantly kicking the decision on corporation tax further and further into the long grass.

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

Mr McCallister: I support the motion and oppose the amendment.

Mr Girvan: I beg to move the following amendment:

Leave out all after "notes" and insert

"the recent devolution of air passenger duty for direct long-haul flights, the recent derogation from the carbon price floor, and the Executive's continued pursuit of the devolution of corporation tax powers; further notes the commitment in the 'Building a Prosperous and United Community' document agreed between HM Government and the Executive to 'examine the potential for devolving specific additional fiscal powers'; and welcomes the commitment of the Minister of Finance and Personnel to report back to the Executive on this issue by autumn 2014."

We have heard NI21's comments on fiscal powers, none of which shows any solutions as to how we can or cannot raise some of the additional moneys that would be removed from us should we go down the route that it proposes. Scotland has had devolved tax-raising powers since 1999 and has never used them at any time.

Mr McCallister: Will the Member give way?

Mr Girvan: No, I have just started. I may let you in later.

I appreciate that we need to emphasise our private sector to ensure that it grows and becomes a key area in our economy. One of the tools that is vital to help with that is the movement that we made on the small business rate relief programme, which we had powers to deal with and to raise some of the moneys through the rates that were gathered from the large retail sector.

The work of the previous Minister of Finance and our current Minister of Finance, in conjunction with the Executive, in lobbying for air passenger duty (APD), which came about to protect one of our only long-haul links, had a modest impact on our block grant — somewhere in the region of £2.5 million to £3 million. As a consequence, we have been able to attract an additional long-haul flight to Egypt. Those are small areas where the Executive have been able to use some of their powers to ensure that we deliver.

The amendment mentions some of the positive gains, but some Members, who do not necessarily understand it, mentioned going down the route of "devo max". Although I appreciate that some Members might have some fiscal understanding of exactly where things come from, others are sadly lacking in being able to identify that we are heavily dependent on the United Kingdom —

Mr McCallister: I am grateful to the Member for giving way. I have two points. If he is talking about varying tax, where would he find the money to cut corporation tax in line with his party policy? Also, does he not accept that devolution is changing across the rest of the country and that we are behind the curve on this?

Mr Girvan: I appreciate that devolution might have changed in some areas. I do not want to predict how devolution will work out in the Scottish referendum.

I will go back to the Member's question on corporation tax. The Treasury's figures indicate £950 million. I have a table here somewhere that shows a reduction on our corporation tax revenue benefit in the past number of years, and it was quite a bit less than was presented. It was £950 million, but, from 2007-08 to the present, there has been a 37.6% reduction. If we had had that figure attributed as a reduction from our block grant, we would not have been in a position to go back to the Treasury to ask for additional moneys, because we are not getting the revenue generated. Everything in its measure, but we have the possibility of working on last year's figures, when somewhere in the region of £437 million of corporation tax was generated in Northern Ireland.

I appreciate that we think of the benefit of having corporation-tax varying powers as being to attract inward investment. The Member said that we have punched above our weight in getting foreign direct investment. That is one area in which we have to keep selling Northern Ireland and attracting in new business. After

all, doing so will create wealth in our communities. Taxes will be paid as well.

On state rules, I appreciate that some people want to go as far as getting rid of APD from every flight. The British Treasury should look at dealing with APD nationally to ensure that we are not putting the United Kingdom, which includes Northern Ireland, in a difficult position. Air passenger duty was brought in as a carbon tax, which is one reason that some of these additional moneys were brought forward. I have not seen investment in those areas to ensure that that happens.

If APD relief goes on short-haul flights, it could cost in excess of £90 million. As it stands, we have some figures that I want to have a wee look at. They are on our departmental spends per capita compared with other regions of the United Kingdom. Something that is glaringly obvious is that we are the highest receipt area per capita. Some people say that it is not a case of like for like. I will use just one example, which is health. The closest region to us in health spending is Wales, working out at £103 per capita, while we spend £111. I know that some people will want to take issue with that, but we still have a higher spend than any other region of the United Kingdom.

It would be wrong for us to grab and use all tax-raising powers. We have to assume that we are going to get some indication on the likes of corporation tax.

Mr B McCrea: Will the Member give way?

Mr Girvan: Yes.

Mr B McCrea: The Member states that he thinks it would be wrong to grab as many tax-varying powers as possible. What is he afraid of? His is the biggest party, and it has the Minister of Finance. Surely you are going to do something good with the powers.

Mr Girvan: As the Member is obviously aware, as soon as we start to break the link with the United Kingdom on that matter —

Mr Ross: Will the Member give way?

Mr Girvan: — we will lose a large section —

I will give way, yes.

Mr Ross: Does the Member agree that one of the most disturbing aspects of both contributions by NI21 thus far is that neither of the two men has outlined precisely which

powers they would seek to devolve and, more importantly, what they would do with them. It is not good enough to say that you can have all this great change from getting the powers without indicating whether you intend to lower taxes or raise them. To do either involves a cost. NI21 has not outlined to the public where they would pay for the devolution of fiscal powers.

Mr Girvan: I believe that there is no point in devolving some of the powers unless we are going to use them. In using them, we would have to make the difference up between what we receive from the block grant and what will be taken off us. As a consequence, people in Northern Ireland would pay a greater amount of tax. It will increase our tax, no matter what way you want to look at it.

Through negotiation, we got Northern Ireland identified as a unique region, and we do not have the carbon price floor that was being brought forward. I felt that that was of benefit to business and the economy in Northern Ireland. It would have had a major impact on trying to attract inward investment. It would also have had an impact on businesses that are currently here; their energy costs would have gone through the roof. That had no cost to our block grant.

5.00 pm

Some people want to go down the "devolution max" route. I can see how NI21 would definitely end up with a bankrupt country, never mind the companies in this country, by pursuing the route it is recommending. The wide majority of the general public pay 20% tax and start to pay tax on earnings over £10,000. I think that it would be looking to increase all those tax brackets. It would have to reduce the level where you start to pay tax, and the amount of tax that you have to pay would increase.

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

Mr Girvan: It probably would be very good from my point of view, with an election coming, if you say you want to increase taxes, but I support the amendment. As such, I look forward to hearing the rest of the debate.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. On behalf of Sinn Féin, I support the motion. I suppose that the motion tries to bring us onto some of the ground that Scotland and Wales have trod through the Calman and

Holtham commissions. While Sinn Féin would have gone much further, the motion seems relatively easy to support because all it talks about is exploring the area further. I do not think that there is any harm whatsoever in supporting that. The amendment notes what has been done in this area but does not support or propose any action. That is why we will support the motion.

In the past few years, Cardiff, Edinburgh and Belfast, to a lesser degree, have dipped their toe into the area of fiscal devolution. Of course, the Westminster Treasury will always use figures to discourage any investigation of that area, beneficial or not. We, as elected representatives, are here to represent our constituencies. Part of our job is to challenge and to act in the best interests of our constituents. The Treasury should be no exception to that. I find it extraordinary that many Members seem to defer to the Treasury regardless of what it says, especially given the fact that it has a political agenda as well.

Fiscal policy from Westminster does not act in our best interests. In many ways, it acts in the best interests of the south-east of England in particular. Policies do not come forward that are tailored to our needs in living on a separate island and the fact that there are different policies in place in the South.

Devolution is evolving. That is pretty obvious, and we need to evolve with it. Scotland has gained greater fiscal powers, such as the power to vary income tax and stamp duty. The proposer of the motion referred to Alan Trench, who has made a number of presentations locally. He proposes that we should go for the devolution of income tax here, rather than corporation tax. I disagree with him; I think we should go for both but, all in all, it is certainly an area we should explore further, and the motion covers that. Wales —

Mr Wilson: Will the member give way?

Mr McKay: Yes.

Mr Wilson: Maybe Sinn Féin will enlighten us. If income tax were devolved to Northern Ireland, what would its policy be? Would it wish people to pay more income tax or would it wish to reduce the income tax burden?

Mr Speaker: The Member has an added minute.

Mr McKay: The party opposite seems to be repeating itself. The fact is that it depends on

when income tax is devolved. There will be a different economic environment in two, three or four years, so it would not make sense to put in place a position now when we do not have the power to change it. Regardless of what the powers are, we have to tailor particular fiscal policies to the needs of the people we represent, at a particular time, and taking into consideration the economic circumstances of the time. In five or six years, hopefully, we will be in a better place economically and, therefore, would take a different approach to any fiscal policymaking.

Mr Ross: Will the Member give way?

Mr McKay: Briefly.

Mr Ross: Two years ago, Sinn Féin proposed that we should devolve fuel duty to Northern Ireland. Obviously, it wanted to do that to tackle high energy costs for consumers. At that time, Sinn Féin argued that it would reduce the rate of fuel duty. Does it still hold the position that it would seek those powers and reduce fuel duty in Northern Ireland, even though we know that, for every penny it would reduce it, it would cost between £17.5 million and £18 million?

Mr McKay: For every change in policy on taxation, there is a reaction in the market and in how consumers spend. If, for example, it reduced cross-border shopping for fuel, there would be more money in the economy in places such as Armagh and Derry. All that has to be considered fully. I am glad that the Member made an intervention because there is the issue of hauliers as well. A policy position is being put in place that will damage hauliers who travel across the border. That is not good for our economy, North or South, and, if we had powers locally to deal with that, we would deal with it differently from Westminster.

The naysayers will say that it will cost too much and that we should put the issue on the long finger. As mentioned, if we take that approach, one of the first tax streams to be shelved will be corporation tax. However, the Assembly collectively is prepared to take a calculated risk on corporation tax. The reluctance even to touch the smaller taxation stream of APD seems strange in comparison, especially given its effect on tourism and the advantage that it gives to Dublin Airport every single day. We need a more balanced approach to that.

The DUP position is, "Wait, and the British Government will do away with air passenger duty across the board." So we wait and wait and wait, and nothing happens. Then we go

back to the DUP, and it says, "Wait a while longer". We wait and wait and wait, and Westminster still does not do anything, because it is not acting in our best economic interests.

Mr Ross: Will the Member give way?

Mr McKay: If you are quick.

Mr Ross: Will the Member not agree that the position outlined in our amendment is consistent with the position of the deputy First Minister prior to the G8 summit last year?

Mr McKay: We might agree with the position that you are outlining, but it is just a position; it does not do anything. The Assembly should be about action, and that is why we prefer the original motion.

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

Mr McKay: We will support the motion. It is common sense politics, and we need more of that in the House, especially when it comes to our local economy.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. Éirím le tacaíocht a thabhairt don rún. I support the motion from NI21.

Having promoted this idea during many a Budget speech over the past couple of years, including the most recent one, I am glad of some further support for it. A commission of the nature outlined in the motion would provide for an evidence-based argument for the devolution of further fiscal powers. What is there to fear from that? It would offer an independent assessment of how further devolved powers would provide additional tools to encourage job creation, protect the most vulnerable and support first-class front line public services.

One tool in the economic toolbox that the DUP included in its amendment is, of course, corporation tax reform. The SDLP supports that and is keen for that reform to be implemented and the rate reduced to 12.5%. However, we believe that corporation tax is not the only useful tool and that it would work better if other measures were introduced to complement it. There are other sound, useful tools, many of which we have previously articulated, such as landfill tax, motor tax, enterprise zones, Crown Estate assets, new borrowing powers and the ability to issue bonds. Such devolved powers would enable us to stand on our own two feet and move away

from the current processes, which largely involve tinkering around the edges of spending.

Mr Wilson: Will the Member give way?

Mr D Bradley: Yes, of course.

Mr Wilson: His argument seems to be that devolving fiscal powers will enable us to protect front line services. How much would we have to put up landfill tax and motor vehicle tax to compensate for the loss of, say, £300 million for the devolution of corporation tax so that we had the money to replace that which was lost in the financing of public services?

Mr Speaker: The Member has a minute added to his time.

Mr D Bradley: If the Member asks the question, he obviously does not have the answer. The motion proposes that we set up a commission to review all possibilities and provide for an evidence-based approach upon which we can make judgements. That would provide an opportunity for us to use our finances in a way that, like corporation tax, could boost the local economy, improve the lives of people here and shape our own bespoke economic future.

I also welcome the recognition in the motion that the financial accountability of the Northern Ireland Assembly can be improved. I have highlighted that issue before, and, indeed, I raised it during the most recent Budget debate. In our economic paper, 'Partnership and Economic Recovery', we promoted the idea of a Westminster-style Public Accounts Committee permanently interrogating the cost of government here. Rather than creating an additional bureaucratic cost, I suggest that, in this case, we would be wise to spend a little money to make savings. As well as making savings, we should engender further openness and accountability about how we spend increasingly limited resources.

It is also worth noting that the Committee for Finance and Personnel produced a report in response to the Executive's review of the financial process in Northern Ireland. To the best of my knowledge, very few, if any, of the 15 key conclusions and recommendations of that report have been implemented. That inaction is unfortunate, given that the proposals included some very useful measures, such as a clearer analysis of overall cost implications; a simplification and harmonisation of budgets, estimates and resource accounts to increase transparency; a greater level of detail to provide

meaningful information on key areas of public spending; and clear and visible linkages between budget allocations and the Programme for Government. I believe that those are hugely worthwhile proposals if we wish to deepen democracy, strengthen the equality and character of government and make our structures of government fully accountable to our people.

Finally, I believe that the Assembly should support the motion, as making our region and this island more prosperous should be a primary objective of this and all future Governments in Northern Ireland. Ar an ábhar sin, tacaím go láidir leis an rún. Mr Speaker, I support fully the motion.

Mr Cree: The Ulster Unionist Party is totally committed to improving the performance of our local economy. We have a long track record of promoting policies that help to boost the economy. Indeed, it was the Ulster Unionist Party that pioneered the issue of the devolution of corporation tax-varying powers, because we were persuaded that it would bring about a clear financial benefit to Northern Ireland, as it has done in the Republic.

We are committed to growing the private sector locally and to tackling the local unemployment rate, which, historically, has been higher than in many other areas of the United Kingdom. We remain particularly concerned at the desperately high youth unemployment rate — 23·8% — and are conscious that we must do all in our power to facilitate economic recovery and prevent the creation of a lost generation.

The key question is just what other measures we could and should put in place to help the economy and to help generate economic growth and prosperity. Clearly, corporation tax is the first priority. Other taxes are being considered by the Executive, and they have undertaken to report back by the autumn of this year. The reports of the Calman and Silk commissions will have been studied as part of that exercise, and it is interesting to note that those commissions have not really produced any changes in their respective constituencies.

Income tax is perhaps the largest tax that we can consider, and it is estimated at some £3·5 billion. However, there would be a similar cost to the block grant if it were to be devolved. Lesser taxes could be considered, but the guiding principle must be that there is a direct net benefit to the Northern Ireland economy.

Mr Allister: Will the Member give way?

Mr Cree: Yes.

5.15 pm

Mr Allister: Apart from the sheer economics of it, would the Member not agree that there is an ideological and, indeed, constitutional issue at stake, which is that a common taxation policy lies at the heart of the equilibrium of the Union and in the benefits to its people on the very simple principle that you pay the same taxes and can, therefore, expect the same benefits? Once you start tinkering with the taxes, you equally have to forgo the equality of benefits. Is that not right?

Mr Speaker: The Member has an added minute.

Mr Cree: Thank you very much. The Member is right, and I will touch on that shortly. However, just to follow on from Mr Allister's point, there is a certain irony in the party that proposed the motion calling for more powers to be devolved to the Assembly, given that it has in the past stated — I know that its members know this — that the Assembly was something of a dysfunctional basket case. With that in mind, one must ask why it wants to give it more powers.

Our economy is paramount. We have had some 16 major economic reviews and strategies since the mid-1950s, but our economy still lags behind those of many regions in the United Kingdom. If we are being honest, tax-varying powers in Northern Ireland means tax-raising powers. Put simply, some parties here are economically illiterate and are ideologically wedded to the concept of tax and spend. There is simply no appreciation of spending what you earn. For them, economic policy is simply all about asking London for more money. If such a mentality was to be given the right to vary tax locally, I fear that there is only one way in which that would go: tax increases.

The fact is that we are a regional economy in the United Kingdom, and we receive a substantial net transfer of funding from the UK Exchequer of some £10·5 billion. Of public spending here of £23 billion per annum, regional taxes raise about £12 billion or £13 billion. As was the case with the devolution of corporation tax-varying powers, we must be mindful of the implications of the Azores judgement. I do not think that anyone has mentioned that yet, but it would have some influence on this. We must also be mindful that

a local variation in income tax could prompt the Westminster Government to break parity and impose a regional variation on public sector pay and, perhaps, on welfare benefits.

I am also wary of the notion that devolved fiscal powers will improve Assembly accountability, as the motion states. Our experience shows us otherwise. That would be of little use to someone whose benefit or pay had been cut as a result. Being told that the equality of their democracy had been improved would be cold comfort if they had less money in their pocket. I will say again that the Ulster Unionist Party is committed to improving the performance of the local economy and to benefiting all the citizens of Northern Ireland.

Where additional fiscal powers are concerned, I believe that the onus is on the Assembly and the Executive to demonstrate that they are capable of exercising the powers that they already have. We need corporation tax urgently. Other taxes may be devolved in the future, provided that there is a defined and economic benefit to Northern Ireland. In the meantime, we need to see progress on rebalancing the local economy and the take-up of R&D tax credits, training credits and national insurance breaks. I support the amendment.

Mrs Cochrane: I welcome the opportunity to speak on this important topic. At first sight, the motion has merit. There are few serious Parliaments across the world without significant tax-varying powers. Taking on further responsibility may provide the Executive with better flexibility in responding to the economic and social challenges that we face in Northern Ireland. Indeed, the Alliance Party has always been a supporter of greater fiscal devolution. That is because it has the potential to increase the efficiency and responsiveness of government. However, we are realistic in our approach and do not believe that full fiscal autonomy is an option.

Our motives for having fiscal devolution should be to make sure that we have the tools to deliver our policy aims. For example, housing policy is devolved, and stamp duty is a key part of the set of tools that are used to improve the availability of housing. It perhaps makes sense, therefore, that we should have control over that tool. The same is true for taxes such as landfill tax. Waste management is devolved, so perhaps the fees for it should be, too. However, fiscal devolution comes at a price, which is a reduction in the block grant. Although we would like to be more radical in the longer term, our priority should be to seek the devolution of tax powers where there is

expected to be a clear benefit to the people of Northern Ireland. For example, we supported the devolution of APD on direct long-haul flights as a means of lowering the tax on flights into Northern Ireland but are taking a slightly different approach to short-haul APD powers, as those costs could be in the region of £60 million to £90 million without the potential for sufficient benefits in return. There are also sometimes better options short of devolution of a power that would not result in a block grant reduction. The proposed amendment gives an example of the derogation of the carbon price floor.

I move to the proposal to set up a joint commission to review the case for devolution of fiscal powers. First, I want to point out that the Alliance Party supports the devolution of the power to vary the rate of corporation tax. I understand that these negotiations are well-advanced. No matter the outcome of today's debate, I want to ensure that discussions on corporation tax remain on a freestanding basis. We do not want this issue to be delayed by it being transferred to a commission.

Secondly, we need to consider whether there is a need for such a commission. Others have already highlighted the Calman and Silk commission reports. Those set out key issues in determining whether it would be appropriate to devolve specific taxes to a devolved Administration. Indeed, many of their conclusions were similar; for example, not devolving national insurance as it funds UK-wide welfare schemes.

Just to be clear, I am not saying that we should not have a joint commission and that we should just accept the findings of the Calman and Silk inquiries. Indeed, they concluded that the devolution of corporation tax powers was too complex, yet we are still supportive of pursuing this power. I am simply saying that, given that there is already a commitment for the Government and Executive to examine the potential for devolving specific additional powers, a joint commission may not be necessary at this stage.

The 'Building a Prosperous and United Community' document stated that work, including examining the potential for a corresponding and ongoing increase in the Executive's annual capital borrowing limit, proportionate to any additional revenue-raising powers and consideration of wider issues of affordability should be undertaken by this autumn. I would be interested to know how that work is progressing before supporting the setting up of another commission at this stage.

No doubt the Minister will be able to provide some detail on that in his response.

In conclusion, for most governments, a successful economic policy leads to more people in work and more trade, which leads to more tax receipts. This process ensures that successful economic policies are rewarded and the Government are held to account each year through the tax take.

Mr McCallister: Will the Member give way?

Mrs Cochrane: No, I just want to conclude; thank you.

This does not happen in Northern Ireland. The Executive's budget is unrelated to the success of its economic policy. Currently, we face no financial penalty for failing to stimulate our economy fully. If we are to take on greater tax-varying powers, we must ensure that we build the shared future required for our economic policy to be given the greatest chance of success. I support the amendment.

Mr McQuillan: I will speak on the motion, brought to the House by NI21, as a member of the Finance and Personnel Committee and a Member for the constituency of East Londonderry. I reject the motion in its current form and support the amendment.

The issues detailed in the original motion are of immense importance and should not be taken lightly. When devolution was rolled out across the United Kingdom in 1998, Scotland was the only region to be granted substantial fiscal powers. These powers, called the Scottish variable rate, offered a mechanism to vary the basic rate of UK income tax by up to 3p in the pound. It is important to point out that this power has never been used despite its being in force since the Scottish Parliament was opened in 1999. One has to question why the Scots are asking for more powers when the power has never been used.

In Northern Ireland, we were given the limited fiscal power of being able to set the regional rate. That power has been used to the benefit of domestic ratepayers across the Province and has resulted in Northern Ireland having the lowest regional rate in the UK.

Discussions regarding the devolution of corporation tax powers have been happening here, with many in the House in favour of it. Discussions have also occurred regarding devolving powers on air passenger duty from

London to our Executive in aid of competitiveness.

We must be mindful that the rate of taxation has a significant direct and indirect impact on the population at large, as it puts either more or less money in people's pockets and affects the standards of public service provision.

In Northern Ireland, we need to be cautious when asking for more powers as any variation we make to taxation would impact on the amount that we get from the block grant. If we used the powers to cut rates of any sort, that would have an immediate impact on publicly funded services from health to education, as funding for those services would have to be cut to take account of any reduction in our budget. We, therefore, need to be aware of the impact of taking on fiscal powers before committing to it.

There has been, and still is, a lot of focus on the benefits of having fiscal powers, which I do not dismiss. However, in relation to growing the economy, that ignores other options available to us over which we already have power: building the infrastructure by building better roads; educating our children and young people to a higher standard for the job market; and ensuring that a skills base exists in order to attract viable, sustainable investment.

The positive PR in granting further fiscal powers could be short-lived; perhaps as short-lived as the positive PR behind NI21 on its establishment last year. As ever, the devil is in the detail. Any additional powers will need to be carefully thought through before we proceed with them.

Mr McCallister: Will the Member give way on that?

Mr McQuillan: No, you are all right. *[Laughter.]* I welcome our Executive's commitment to the devolution of corporation tax powers and the support that exists for us to have air passenger duty — *[Interruption.]*

Mr Speaker: Order.

Mr McQuillan: — powers to aid competitiveness in our regional airports. I support the amendment. *[Interruption.]*

Mr Speaker: Order.

Ms Boyle: Go raibh maith agat, a Cheann Comhairle. I support the motion. A recent report by the Resolution Foundation highlighted

the fact that the North of Ireland suffered worst in the recession; incomes fell by 10%, compared to a fall of 3.3% in the south of England. Welfare reform could result in a projected loss of up to £750 million from the local economy; that is equivalent to £650 a year for every adult of working age. The financial loss to the North, per adult of working age, is substantially larger than anywhere in Britain. Derry, and indeed Strabane in my constituency, will be hit very hard, and generally across the North, the poorest people in the poorest areas will face the largest losses.

Last November, Mike Penning visited us with the sole intention of renewing pressure on the Assembly in respect of welfare reform. At present, the British Government use financial pressures to try to force through welfare reform, with no account taken of particular circumstances or the financial challenges that will be imposed on the North if those reforms are implemented as they stand. Penning made specific references to British taxpayers footing the bill for welfare reform, implying that taxpayers in the North make no contribution to the British economy. That is an ongoing position flaunted by political unionism and the British Government. It is an insult to our citizens.

Almost all political voices in the North want corporation tax transferred to the Assembly, but our united demands have been deflected by the London Government. The question must be asked whether this is the spirit in which the Good Friday Agreement was entered into. There is no doubt that much has changed in the 15 years since the Good Friday Agreement was signed. However, the prosperity promised in it has yet to be realised and, 15 years on, we must ask whether the full economic potential of the agreement has been unleashed. In other words, have people benefited economically from the dynamic of change that it set in place? The answer is an obvious no, and that needs to change.

That means empowering the Assembly to have its own levers to bring about change and to set an economic policy decided in Ireland for the benefit of people who live on this island. Our current funding model is not sustainable. The British Government have recognised that the same model, which applies to Wales and Scotland, requires change. The full transfer of fiscal powers to the Assembly is a necessary step in allowing us to deal with the realities of people living here. That is our job, and we should be fully empowered to do it. However, we need the necessary tools to grow and steer, and this makes more sense than leaving our

economic future in the hands of the British Government, who are not directly accountable to our local electorate for economic results and delivery. Our economy accounts for just 3% of that which is overseen by the British Government, and, let us face it, the Tory Government are more interested in serving the 97%. The price of their choices will be paid by struggling families with reduced incomes, increased costs and additional charges for years to come. We are still waiting for the British Government to provide us with the exact figures for all the revenue generated in the North. We will know the true economic picture here only by demanding full fiscal powers and taking control of our own economy. Only then will we be able to fashion policies and programmes tailored to our specific needs.

5.30 pm

Over 100,000 people have left the North in the past four years in search of a brighter future. Exports are central to any economic strategy, but when did we decide that that meant exporting our own people? We deserve a better future here. There is a better and fairer way. I believe that all of us, regardless of religion or politics, want a better, peaceful, stable and sustainable future, economically and politically, for our children and future generations.

Mr Speaker: Will the Member bring her remarks to a close?

Mr McKay: Will the Member give way?

Ms Boyle: I will.

Mr McKay: I thank the Member for giving way. One of the problems here is the fact that it is all about maturity. With a lot of issues, whether welfare reform or others, it is about crisis politics. It is the same with the Haass proposals. Does the Member agree that, in moving forward economically, we need mature politics and not the crisis politics that the unionist parties are trying to inject into the issue?

Mr Speaker: The Member has a minute added on to her time.

Ms Boyle: Thank you, a Cheann Comhairle. I absolutely agree with the Member's intervention.

We owe it to the people of the North of all traditions and origins to explore every avenue

and idea to deliver the best possible future for all. I ask that every Member support the motion, to support democratising our economic future —

Mr Speaker: The Member should bring her remarks to a close.

Ms Boyle: — and to support the unleashing of the economic potential that has been kept down by old-school thinking and outdated politics.

Mr Ross: My position is not to oppose the further devolution of any fiscal powers. I think that it would be wrong to do so. Likewise, I find it absolutely bizarre that some Members say that they want all fiscal levers devolved to Northern Ireland without outlining what they are and what they would do with them. The last contributor talked about "mature politics": it is not mature politics to argue for something without outlining what the costs of doing so would be and what you would do with those powers if you got them.

What we need to do in the House —

Mr Wilson: Will the Member give way on that point?

Mr Ross: Certainly, yes.

Mr Wilson: Since half of the last speech was about justifying the bizarre stance that Sinn Féin has adopted on welfare reform, does the Member think that the most daft aspect of Sinn Féin's policy is that it wants fiscal powers so that it can hand money back to the Exchequer?

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

Mr Ross: Absolutely. Even in recent weeks, we heard about the cost to the public purse of its refusal to address welfare reform. Sinn Féin talks about prosperity, but removing that sort of money from our block grant is delivering anything but prosperity.

We need to apply a very simple test when we talk about the devolution of fiscal powers. We have to address which powers we are talking about when we talk about fiscal powers. Let us be more specific about what we are talking about. We need to outline exactly what we would do with those powers if we got control over them in the Assembly, and we need to outline clearly the benefits to Northern Ireland. I listened carefully to Mr McCallister's 10-minute opening speech, and in those 10 minutes, I did

not hear any mention of the specific powers that he would seek for Northern Ireland, what he would do with them and what the costs would be.

Mr B McCrea: Will the Member give way?

Mr Ross: I heard him ask my colleague how we would pay for corporation tax, but I did not hear him say which powers he would specifically seek for the Assembly and what he would do with them.

I will give way. Maybe the leader of the party will explain that.

Mr B McCrea: I want to check whether the Member, having listened to my colleague, has also read the motion. The motion calls for a commission to investigate what powers might be devolved and how they might be devolved. In fact, Mr Bradley said that we need an evidence base before we make a decision.

Mr Ross: I would have thought that, if you were declaring that it was a good idea to devolve additional powers, you would have some idea of what those powers might be. I thought that that would have been a fairly simple starting point. Likewise, I think that you would argue that you knew what to do with them.

Let us look at the specifics that we have dealt with —

Mr B McCrea: Will the Member give way for a second time?

Mr Ross: No, I will not give way, because time is moving on. The Member will be making a winding-up speech, and I am sure that he will enlighten us all.

My colleague Mr Girvan talked about some of the fiscal powers that are devolved to the Assembly, at a time when we are at an economic disadvantage compared with the Irish Republic, in particular, because we share a land border.

Specifically, we talked about air passenger duty for long-haul flights. There was a specific problem with losing the direct flight to New York. We identified the power that we would require, we identified that it would cost us in the region of £3 million per annum to do so, and we clearly identified the benefit to Northern Ireland. I heard a lot about sensible politics. That is an indication of sensible politics, where we are pragmatic about looking at specific fiscal powers.

I also listened to other Members talk about APD devolution for short-haul flights. That is less clear, and when it comes to connectivity, it is important that we examine all the issues and we have clearly identified that. However, if the cost is to be around £90 million a year, more careful consideration is needed of whether, in the end, it will be a benefit to Northern Ireland.

I listened to some of the contributions from Members, and I must say that I was confused by some who have assumed that, if we devolve powers, it will be a top-up to the block grant. That is deeply concerning. If anything, the system that we have at the moment is a top-up, because Northern Ireland raises less than it spends. Therefore, the Westminster Government top it up. That is why, as a unionist, I think that economically we are much better off staying in the United Kingdom. I am sure that even the signatories to the motion will agree with that, unless they have moved so far away from where they began their political careers.

Mr Wilson: Will the Member give way?

Mr Ross: I will, yes.

Mr Wilson: Does the Member also accept that there is a further top-up in so far as all the taxes that we have mentioned so far are so volatile that, if we had to bear that volatility year to year, it would cause chaos in the Budget? It is only because we have a block grant that ignores that volatility that we can have some certainty about public finances.

Mr Ross: Even Mr McCallister acknowledged that point when he talked about the volatility around corporation tax. If that is his view, why on earth would he want to devolve all the fiscal arrangements when he would have that uncertainty in the Budget? *[Interruption.]*

Mr Speaker: Order.

Mr Ross: We have listened to other Administrations around the United Kingdom. During the Budget, there was a debate on whether we should have an annual Budget rather than one that is set over a number of years. The Scottish Government and the Welsh Administration have both pointed out that Northern Ireland is in a better position because we have certainty over four or five years. They are envious of that. Why on earth would we want to give that up and bring more uncertainty into the system? That is not sensible politics, nor is it something that will bring prosperity to people in Northern Ireland.

As one Member said earlier, we do not always have to look to devolution to settle some issues. The carbon price floor is a prime example. That could have had, from a constituency perspective, a catastrophic impact on the power stations in East Antrim and, regionally, on energy costs across Northern Ireland. Again, the Executive took a pragmatic approach. We looked for a derogation from that, which was very successful.

In conclusion, why do we not need a commission?

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

Mr Ross: Just before the G8 conference, our national Government outlined the economic pact and about having an investigation.

Mr Speaker: The Member's time is up. I call Dr Alasdair McDonnell.

Mr Ross: That will report back on increased fiscal powers.

Mr Speaker: I know that Dr McDonnell is keen to make a contribution, but time has beaten us. The Member has two minutes. If he takes an intervention, he will have no more time added to his time.

Dr McDonnell: More time will be added?

Mr Speaker: No.

Dr McDonnell: Thank you for your concession, Mr Speaker. I deeply appreciate the opportunity to have even two minutes. I welcome this very useful debate, because we in the SDLP have long held the belief that the Assembly and the Executive must take more responsibility and pursue, through devolution, a significant deepening and widening of all the economic and fiscal powers at our disposal. We are happy to support the motion, as we agree that further devolution would be best achieved through consensus across the Chamber by agreeing with the London Government to the establishment of a commission in the style of Calman or Silk and allowing such a commission to map a better way forward.

It should be stated, however, that that proposal is not something new. It has been around, and we have supported it, for a long time. More recently, during the Budget debate of the past few weeks, we were criticised for demanding

greater ambition and for stating that things can and should be done a little bit better in some ways. I do not think that any of us should oppose the idea of looking at how things can be done better and how we might become more efficient and effective.

We published in 2009 a document called 'New Priorities in Difficult Times', which raised the prospect of greater tax-varying powers. Just think what we could have achieved if, then, we had sat down and lobbied London as a collective. I have heard the arguments across the House, but I worry that some parties, influenced by a conservative and cautious nature, are rejecting the argument for a fresh look at how we handle things. We know that we will work together on corporation tax. I would like to think that it is not too far away.

We have made the cohesive argument around corporation tax, and we appreciate that. I am very glad to be able to say that we feel that this would be a massively important step to set the local economy on a new upward trajectory and allow us to do many things that we want to do.

Mr Hamilton (The Minister of Finance and Personnel): Despite the lateness of the hour in the working day, I have enjoyed the debate, and, in some ways, I wish that it had gone on longer because I sense that there were a few contributions to come that might have enlivened things a little bit.

I speak in opposition to the motion and in support of the amendment. In doing so, I know that I risk the wrath of some Members who will dismiss me, as the Member who spoke previously did, as conservative and cautious. Perhaps Members who are less charitable than that Member might condemn me as being absolutely against the principle and thrust of the motion. So, for the record, I support examining the devolution of more fiscal power to the Assembly.

I have supported and do support the actual devolution of powers to the Assembly, but, as many Members pointed out, I do so on two key conditions. The first is important, and, in some cases, it is an overriding principle, which is that it is affordable. The second key condition, to support Mr Cree in what he said, is that it produces some defined economic benefit for Northern Ireland or, indeed, gives us an economic advantage.

To be fair to Mr Bradley, he gave a very long list of powers that he would like to have seen devolved, but he gave no argument about what he would do with them, and he gave no

argument for the economic benefit of a landfill tax, car tax or whatever it might be. However, I support the devolution of powers —

Mr D Bradley: Will the Minister give way?

Mr Hamilton: Yes, very briefly.

Mr D Bradley: I thank the Minister for giving way. I mentioned some possibilities of powers that might be transferred, but I also said that we should act on the basis of an evidence-based approach. Obviously, before we would agree to the transfer of any powers, there would have to be a net economic benefit, or, at least, a more than reasonable chance of that. We certainly would not contemplate transferring powers that would lead to a loss —

Mr Speaker: Order.

Mr Hamilton: That is at least a helpful contribution in that an acid test for the SDLP is that it must have a net economic benefit for Northern Ireland or an identifiable benefit over time.

I support the exploring and devolving of further fiscal powers to the Assembly where it has a clearly definable economic benefit because we can have one of those economic levers. We can manage and influence the performance of our economy, and we can affect social policy. As I think Mr Ross mentioned, we can do so in a way that helps us to compete with our neighbour, the Irish Republic. One of the reasons why we pursue the devolution of corporation tax is because they have a different rate and are able to have an advantage over us. That support is manifest in the economic pact agreed between the First Minister and deputy First Minister and the Prime Minister before the G8 in June of last year. A commitment was contained in that document, which I will read explicitly. It states:

"The Government and Executive will examine the potential for devolving specific additional fiscal powers."

Our clearest commitment is not just to consider further tax devolution but to seek the devolution of corporation tax. As Members will know, we expect a decision in respect of that by autumn this year. While I will never argue that the devolution of corporation tax will be a silver bullet for Northern Ireland's economy, it will mark a step change. It will allow us to attract further foreign direct investment, and Mr McCallister rightly and justifiably pointed out that Northern Ireland is doing very well in

attracting foreign direct investment. I hope that he will agree that it is not usually in respect of profit centres. Therefore, the wages that come with that and the spend in R&D and so forth is not where we would want to see it, or any economy like ours would want to be in. Of course, a reduced rate of corporation tax could encourage indigenous businesses to grow. It could also help to utilise the investment that the Executive have made in skills, infrastructure and telecoms, and it would, above all, hang a big sign over Northern Ireland that says that we are open for business.

5.45 pm

Mr McCallister: Will the Minister give way?

Mr Hamilton: No, I will not. Let me make some progress. So it is hugely important for Northern Ireland, and, because it is hugely important and in a different league in many regards, we should not be distracted by other taxes that, objectively, would have nowhere near the same transformative power for our economy.

It is worth pointing out that the Scots and Welsh are looking at other taxes, in many cases only because the Government in Westminster have explicitly ruled out corporation tax, so it is not on the table. I make no apology for being cautious when considering corporation tax. It is a major step for the Assembly. The question is this: should we take two or more leaps at the same time? I think that the answer is no.

Let me touch on a couple of other taxes that were mentioned. APD is another example of where we are prepared to pursue tax devolution. It came at a small cost, £2 million to £3 million, and had a defined economic benefit in that it allowed us to keep the direct New York flight.

I agree with many of the comments that Mr Ross made about short-haul APD, which, initially, would cost £60 million but rise to £90 million very, very quickly. It would have a serious impact on our Budget, and it is my belief that it would not lead to any reduction in prices for consumers in Northern Ireland. One might want to attract routes to key hubs such as Paris, Frankfurt or Amsterdam, but you would have to exempt flights to Fuerteventura, Lanzarote and Tenerife. I am not sure what the economic benefit for Northern Ireland would be.

The carbon price floor was mentioned by a couple of Members. At a cost of some £40 million, a derogation rather than devolution was secured on that, which was to the benefit of

Northern Ireland's electricity generators and, of course, kept electricity bills down in Northern Ireland. However, instead of that £40 million hitting our block grant, we got a derogation. The lesson there is that we should not always rush to devolution and that other options are available to us.

I agree with the proposer of the motion that the nature of devolution is definitely changing and that more powers are being sought by other jurisdictions. However, we have to examine critically the motivation of Scotland and Wales, which is somewhat different from ours in Northern Ireland. In Scotland, it is very much about independence and showing that it is independent. In Wales and, to an extent, Scotland, it is an attempt to show political maturity, even if it is not justified.

I do not agree that we are falling behind either devolved region. Wales's borrowing powers came only with developing a new revenue stream. It is very much in line with our old reinvestment and reform initiative (RRI) scheme, aspects of which we rejected and renegotiated before coming back to this place in 2007. So, in many respects, Wales got the deal that we turned down back in 2007.

Look at income tax in Wales, which has been given no flexibility whatsoever across rates. There is something called the lockstep, whereby, if you increase tax for those in the higher band, you have to increase it for those in the lower band; if you reduce it for people in the lower band, you have to reduce it for people in the higher band. So you do not have the sort of flexibility that you might want to have from having the power to vary income tax. That, as the news will show, is tearing the Welsh Tories apart. They have a dichotomy of views on whether they should pursue it.

Our affordability and economic benefit tests are, I think, a far more mature approach. Just because the Scots and the Welsh do something does not mean that we should. That, at its core, is the essence of devolution.

That leads me neatly on to the question of cost and affordability. Devolving tax powers is not a cost-free option. Some MLAs seem to think that the block would remain unaffected if further fiscal powers were devolved. In devolving further powers, you cast aside the certainty that comes with the block grant.

The situation in Northern Ireland is that we have almost Scandinavian levels of tax receipts without having Scandinavian levels of taxation. You would also, potentially, ditch the

favourableness of the block grant and the Barnett formula, a favourableness that led to our receiving a £10.5 billion subvention in 2010-11 and means that, according to Her Majesty's Treasury's figures, we have 21% more than the average of UK identifiable expenditure. You replace that with a volatility that is built upon a small and immature tax base.

Michaela Boyle quoted a report from the Resolution Foundation. She said that Northern Ireland was the region that was worst hit in the UK by the recession. But that same impact has not been had on our Budget, because of the protections that we receive because of the fiscal union that we have in the United Kingdom.

Some might say — indeed, some have already said — that the same arguments stand for corporation tax. Let me outline a few facts and figures. The 2012-13 HMRC figures, which in respect of corporation tax differ from some of the figures that we have been working off, show that £467 million was the figure attributable to Northern Ireland, some 4.6% of the total raised in Northern Ireland. Through devolution, we have the potential to increase that take over time. It is not as big a tax in revenue terms as some others. Devolving it would produce economic benefits, and, whilst it has a price, many of us would argue that that is a price worth paying.

Compare that to income tax. The receipts in 2012-13 from Northern Ireland were £2.649 billion, some 25.6% of the total tax take. So, that is much bigger, and devolving it would not have the same economic advantage. Volatility on 4.6% when it comes to corporation tax is a lot different to volatility on income tax of 25.6%. The volatility between 2007-08 and 2009-2010 meant that there was a fall in income tax receipts in Northern Ireland of some £419 million, which is the entire cost of devolving corporation tax. The same could be said for other taxes, including stamp duty and landfill tax, and it is unlikely that either would have a huge economic impact. If you were to devolve income tax on top of corporation tax and stamp duty and landfill tax, a third of our tax revenue would be subject to that sort of volatility.

That takes me to the question that was begged by many Members but not answered by any on the other side: what would you do? A clear course of action on corporation tax and APD has been outlined, so there is a very clear and defined objective. What would you do with income tax? Would you put it up and have Northern Ireland be less competitive? Would you take it down and have less revenue? If so,

what public services would you cut as a result? If you want it, you must want it for a reason, like corporation tax or long-haul APD.

Mr McCrea — Mr Basil McCrea, given that there is another McCrea in the House — is on record as saying:

"Initially we do not see wholesale change to the level of income tax".

That is the worst of all worlds, because you subject yourself to the volatility without any economic benefit per se, and you incur administration costs for the pleasure of having devolution, in the same way that we know was the case with corporation tax.

I turn in the final few moments that I have to the issue of a commission. In many respects that is a pointless pursuit for those who tabled the motion, because their minds are made up. Although they have been a little bit more coy today, they are on record as saying that they would pursue the devolution of more fiscal powers, including income tax and stamp duty. So, in many respects, their minds are made up on the issue.

The economic pact outlines a way forward. An initial assessment is being done of a range of taxes. That will conclude by the autumn and will consider things like the EU law, which may restrict devolving some powers. It will look at international comparisons; recent and proposed UK policy changes; various Northern Ireland options that might exist; and the work of the Calman, Holtham and Silk commissions. It will consider advantages and disadvantages, including issues around tax evasion and the scope for tax avoidance. It will look at those administrative costs and, critically, it will look at the cost to the block grant and, by extension, the impact on public services.

So, the question might be, "What value a commission?" In my view, the timing is wrong: we must not be seen to be losing sight, or actually lose sight, of our number one objective, which is the devolution of corporation tax. It would be costly and time-consuming, and work is already being done, albeit in a different way.

What, in terms of the fundamentals, is there different from Wales and Scotland? If they have done their work in their various commissions, there are lessons for us to learn without having to go down the same line ourselves. I suspect that a commission here would not conclude differently on many things to the commissions in Scotland and Wales. For example, things like the conclusions on land-

based taxes, with their limited scope for distortion, are the easiest devolved, and things like national insurance would not be appropriate for devolution.

So, in conclusion, there is no need for a commission: there is a commitment in the 'Building a Prosperous and United Community' document — a document signed and agreed by the First Minister and the deputy First Minister — to examine the potential. Further tax devolution to the Assembly should certainly be considered, but it should be considered carefully and cautiously only if it does not detract or distract from corporation tax, only if it is affordable and only if it gives us an economic advantage.

Mr Weir: At the start of this debate, I think that many of us wondered what was really behind NI21's proposal. It seemed that one argument that the proposer used was that devolution is changing across the UK so we should automatically follow it. That seems to be somewhat the logic of the lemming, in that, if you see a string of people throwing themselves off a cliff, you should do it because they are. So, from that point of view, there seems to be no particular rationale or reasoning behind it.

Similarly, the Minister, who was the previous Member to speak, showed the weakness of the argument that a commission is necessary. The key test for the devolution of fiscal powers should not necessarily be ideological but should be on the basis of a clear evidence base that shows that there should be particular, discrete changes that will be to the benefit of Northern Ireland. Consequently, for example, measures have been taken and are being taken on that front. Mention was made in the debate and in the amendment of the devolution of air passenger duty on long haul flights, which is specifically targeted. The issue did not require any particular change in fiscal powers but was a derogation on the carbon-price floor and, indeed, there was an evidence base and a structured focus on corporation tax. So, given that, this is already happening from a focused point of view.

That position was adopted in the economic pact, and I have to say that this calls into question the thinking of not only NI21 but the party opposite. It has opposed the amendment, yet the amendment is the essence of the economic pact that was agreed not simply by the Executive but directly by the deputy First Minister. So, it seems very strange that it is opposing this. I can understand —

Mr McKay: Will the Member give way?

Mr Weir: I have only five minutes, and I want to plough on.

I can understand NI21's excitement at its first opportunity to propose a motion. That is because it comes from that rarity for NI21 — a policy position. I appreciate that that is somewhat like the great auk or the dodo, in that some people might feel that it is extinct. To be fair, however, it has produced a policy position. The level of ignorance of that position may be highlighted by the fact that, in addition to corporation tax, it talks about capital allowances and R&D tax credits being devolved. Those are part of corporation tax devolution. That may be unknown to the boffins in NI21, but we should at least congratulate them on making a proposal.

So, if it is not needed — indeed, it is not necessary — the only reason that this could be put forward is as part of a wider agenda that says that fiscal powers should be devolved. With the best will in the world, there is no point setting up a commission unless you believe that it will lead to further devolution and to further transfers. I think that that is the essential weakness in the motion.

There is an economic illiteracy about the idea of a simple transfer of fiscal powers. That is perhaps not surprising, but it seems to be borne out by that party. Sadly, like the Trojans, it finds itself in the position of needing to be wary of gifts from Greeks. It seems that the party opposite has an almost ideological pursuit of bringing the Trojan Horse of economic illiteracy and, indeed, ideological Irish republicanism to the Assembly's door. It is knocking the door, saying, "Let us in". NI21's proposal seems to be based on the assumption that some in the party opposite outlined some sort of golden new dawn that will apply to Northern Ireland if only we could get our hands on fiscal powers.

One of the Members across the way rightly talked about struggling families, but let us actually face the reality. The fiscal deficit and subvention that is here in Northern Ireland is somewhere in the region of £10 billion. I know that the Members opposite have put a plethora of questions to try to chip away at that, but we are dependent on our relationship with the rest of the United Kingdom.

However much some Members opposite may want to close their eyes to that, that is the reality.

6.00 pm

If we go down the road of breaking up the fiscal union and having complete control over our fiscal powers, how soon will it be before, on any issue, the answer of the Westminster Government is simply, "Raise that additional money yourself. Raise income tax up to an unsustainable level"?

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

Mr Weir: "Cut social security benefits beyond the level that they are at present". That is the kind of economic despair that the Members opposite and the proposer of the motion propose for us.

Mr Speaker: The Member's time is gone.

Mr B McCrea: I like some of the people in the DUP — I like them — and it gives me something of a difficulty. Not all of them, but some of them, and I know that it is not necessarily reciprocated. *[Interruption.]*

Mr Speaker: Order.

Mr B McCrea: It is disappointing that we have not been able to have a discussion and debate, because I understand some of the points that the Minister made. We could explore those things. He is not going to thank me for this, but, of all the Members who spoke, the mover of the amendment, Mr Paul Givan, and I get on really well.

A Member: Girvan.

Mr B McCrea: Girvan, sorry. I even get his name wrong. There you go. But Paul and I know each other, so the problem that I have with Paul is that he is a nice guy. *[Interruption.]* He brings forward an argument that I just cannot bring myself to have a go at because he is such a nice person, but, when you listen to it, it is absolute tosh. *[Interruption.]*

Mr Speaker: Order.

Mr B McCrea: If anybody was going to bring forward an argument that we should see whether we can support corporation tax, he did not really do a very good job of it. That is the real problem. There is a massive contradiction in your position. All the time I heard you say, "Volatility, volatility, volatility" and then you say, "We are going to do corporation tax". When we were looking at the figures, we could not work out how much corporation tax we actually pay. Corporation tax is the most volatile tax there is,

yet we seem to be hell-bent on devolving it. For my part, I do not think that corporation tax as a stand-alone entity will be a good thing or will solve our problems. I would prefer to see, as my colleague brought forward, a wide-ranging review about the taxes that we might want to do.

I was asked by Mr Ross if I could name some of those things. Here it is from Esmond Birnie. The UUP may remember Esmond Birnie. He was an MLA here. He said that there are four taxes with high feasibility:

"landfill tax, stamp duty, air passenger duty (APD) and income tax, but only in the case of the latter two would there be high impact."

So, there are taxes that we could look at and should look at. We should find a way to go forward.

Here are some of the fundamentals. The person who made the most telling contribution to the debate is one of the people who was not able to speak. Mr Allister was the one who actually stood up and said, "Do you know what, this is really an ideological battle. This is about whether we are strengthening the union or weakening the union". The argument that we put forward is that the union is changing. No matter what result comes out from Scotland in September, there will be a massive transfer of fiscal powers to Scotland, and Wales will be right behind saying, "We want that, too". The only region that will not have some independent look at it to see whether we should not have something similar — the region that first started talking about the potential —

Mr Allister: Will the Member give way?

Mr B McCrea: If you are quick, Jim. Just let me finish and then I will bring you in.

The region that first started it was Northern Ireland. We will not have our own independent commission. What are we afraid of? What is so bad that you cannot get an independent voice to have a look at it?

I will give way to Mr Allister.

Mr Allister: As I am less of a nice guy than Mr Girvan, you might have less difficulty disagreeing with me. Surely, one of the points is that, when you are a region within a greater country, which requires a net contribution — in other words, you raise a lot less than you spend — you always need to be very careful what you

wish for in fiscal powers because you have to make it up out of your block grant.

Mr B McCrea: I agree, and I am glad that you got the opportunity to come in. The Westminster mood is supportive of fiscal devolution across the UK. The sting in the tail is an implicit commitment to reforming the Barnett formula. We do not know how that will affect us; we do not know what the reforms will be. However, we should look at it to find out what we can do in its stead and what will happen if that happens.

The question asked is this: do we need a plan B? Mr Cree talked about economic illiteracy. Mr Esmond Birnie, when talking to the Committee, said that we do and that, in fact, there has always been a plan B. He said:

"As far back as 2002, the Milford Group think tank, supported by the Business Alliance, political parties and the then first and deputy First Ministers, had begun to lobby Westminster for devolution of fiscal powers to boost productivity, international competitiveness and inward investment through aggressive tax breaks for investment in R&D, skills and export development."

Those are the things that we were looking at before we went down the route of corporation tax.

Mr Wilson is the great downer on corporation tax. He hates it when I agree with him, but I have to say this to him: you need to be really careful that you are doing the right thing.

When it comes to increasing foreign direct investment — we already have the second highest foreign direct investment after London — the way to get more of it is through skills. I really do not know why the Assembly would not take the opportunity to consider things. Dominic Bradley said that what we are looking for is an evidence base. Why not have a discussion? Why not open it up to the Assembly and others? Why not debate it? The truth will out. Let us do that.

I will move on to another issue. We were talking ideology, and Mr Allister came into it. I do not think that it threatens the link with the Union. We vary other taxes: prescription charges and tuition fees, among others. Somebody said that it is the very essence of devolution. We are a unique region, so we should have the powers to do it properly.

I have looked at the Calman and Silk commissions. The argument that comes back is this: "Why do we need our own; surely, they have already done all the work for us?" Why does this place always have to be tail-end Charlie? Why do we always have to wait and see what the others are doing? Why do we always have to be cautious? Why do we always have to be easy?

Mr Ross: Will the Member give way?

Mr B McCrea: I am sorry. I have already let somebody in, Alastair; I cannot give way.

People ask whether it is a dysfunctional basket case. Yes, we said that; we agree. The way to turn it around and change it — *[Interruption.]*

Mr Speaker: Order. All remarks should be made through the Chair.

Mr B McCrea: Thank you, Mr Speaker.

There is a very solid axiom: no taxation without representation. However, you can turn it round: no representation without taxation. We should have local taxes coming in. The more local taxes that we raise and the more control we have, the better and more honest this place will be — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor and is making a winding-up speech on the motion.

Mr B McCrea: Thank you, Mr Speaker.

There is a real reason why we want to do this.

I listened to the Alliance contribution and was surprised. Perhaps its Members mock us with faint praise. They looked at the motion and said initially that it had some merit; they said that they agreed with various things; that we could look at stamp duty and do this and the other. Having agreed with us on all those points, they said, "By the way, we are going to vote for the amendment". I do not understand that —

Mrs Cochrane: Will the Member give way?

Mr B McCrea: — particular position.

Mrs Cochrane: I will explain it to you.

Mr B McCrea: Mr Speaker, you know that I normally give way, but if other people will not

give way, we will not give way. *[Interruption.]*
So, we have here — *[Interruption.]*

Mr Speaker: Order.

Mr B McCrea: We have here some points. When we get to the issue of fiscal powers, the challenge that comes at us — I think that it was Mr Ross who came back with it — is this: "Please tell us what you would do". What we would do is have a commission. A commission — *[Interruption.]* A commission would outlast — *[Interruption.]*

Mr Speaker: Order.

Mr B McCrea: A commission would outlast this government. You need something that gives a long-term strategy to investigate the way that we —

Mr Hamilton: Will the Member give way?

Mr B McCrea: I cannot but give way to the Minister.

Mr Hamilton: I want to tease things out on that question. If, when house prices were rising and rising at the tail-end of the previous decade, the Assembly had had power over stamp duty, which you have advocated it should have, would you have advocated a sizeable increase in stamp duty, which would have increased house prices even further? Is that something that you would have supported?

Mr B McCrea: I will reiterate the point: our motion calls for a commission to look into all those issues and have a proper debate. We reject — *[Interruption.]*

Mr Speaker: Order.

Mr B McCrea: We reject the amendment because the people opposite have their eyes firmly closed and their heads stuck firmly in the sand. It is the blind leading the blind. They have no confidence. They cannot take it on. They are not able to give leadership on the issue. I do not know what you are afraid of.

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

Mr B McCrea: I do not know why you cannot take it on. *[Interruption.]*

Mr Speaker: Order.

Mr B McCrea: Let me tell you this: you will return to the issue of fiscal powers, and you will regret the stance that you have taken today.

Question put, That the amendment be made.

The Assembly divided:

Ayes 45; Noes 41.

AYES

Mr Anderson, Mr Beggs, Ms P Bradley, Mr Buchanan, Mrs Cameron, Mr Campbell, Mr Clarke, Mrs Cochrane, Mr Craig, Mr Cree, Mr Dickson, Mrs Dobson, Mr Douglas, Mr Dunne, Mr Elliott, Mr Ford, Mr Frew, Mr Gardiner, Mr Girvan, Mr Givan, Mr Hamilton, Mr Hilditch, Mr Humphrey, Mr Kennedy, Ms Lo, Mr Lyttle, Mr McCausland, Mr I McCrea, Mr D McIlveen, Miss M McIlveen, Mr McQuillan, Mr Moutray, Mr Nesbitt, Mr Newton, Mrs Overend, Mr Poots, Mr G Robinson, Mr P Robinson, Mr Ross, Mr Spratt, Mr Storey, Mr Swann, Mr Weir, Mr Wells, Mr Wilson.

Tellers for the Ayes: Mr McQuillan and Mr G Robinson

NOES

Mr Agnew, Mr Allister, Mr Attwood, Mr Boylan, Ms Boyle, Mr D Bradley, Mr Brady, Mr Byrne, Mr Dallat, Mr Durkan, Ms Fearon, Mr Flanagan, Mr Hazzard, Mrs D Kelly, Mr G Kelly, Mr Lynch, Mr McAleer, Mr McCallister, Mr McCartney, Ms McCorley, Mr B McCrea, Dr McDonnell, Mr McElduff, Ms McGahan, Mr McGlone, Mr McKay, Mrs McKevitt, Mr McKinney, Ms Maeve McLaughlin, Mr Mitchel McLaughlin, Mr McMullan, Mr A Maginness, Mr Maskey, Mr Milne, Ms Ní Chuilín, Mr Ó hOisín, Mr O'Dowd, Mrs O'Neill, Mr Rogers, Ms Ruane, Mr Sheehan.

Tellers for the Noes: Mr McCallister and Mr B McCrea

Question accordingly agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly notes the recent devolution of air passenger duty for direct long-haul flights, the recent derogation from the carbon price floor, and the Executive's continued pursuit of the devolution of corporation tax powers; further notes the commitment in the 'Building a Prosperous and United Community' document

agreed between HM Government and the Executive to "examine the potential for devolving specific additional fiscal powers"; and welcomes the commitment of the Minister of Finance and Personnel to report back to the Executive on this issue by autumn 2014.

Adjourned at 6.22 pm.



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