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# Northern Ireland Assembly

Tuesday 31 January 2012

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

*Members observed two minutes' silence.*

## Assembly Business

**Mr Speaker:** I have been notified by the nominating officer of the Ulster Unionist Party, Mr Tom Elliott, that Mr David McNarry has been replaced as Deputy Chairperson of the Committee for Education. Mr Elliott has nominated Mr Mike Nesbitt to be Deputy Chairperson of the Committee for Education, and Mr Nesbitt has accepted the appointment. I am satisfied that the correspondence that I received meets the requirements of Standing Orders, and, therefore, I confirm Mr Mike Nesbitt as Deputy Chairperson of the Committee for Education with effect from 31 January 2012.

## Ministerial Statement

### **Royal Jubilee Maternity Service, Belfast: Neonatal Unit**

**Mr Poots (The Minister of Health, Social Services and Public Safety):** I apologise to you, Mr Speaker, and the House, that the statement was not in Members' pigeonholes one hour beforehand. We were still working on it, to be honest, because things continue to move on this subject.

I welcome the opportunity to update the Assembly on pseudomonas in neonatal units and the actions that are being taken to protect babies and to address the problem. No one could fail to be distressed by the deaths of the three babies in the Royal Jubilee Maternity Service in Belfast and the death of the baby in Altnagelvin Area Hospital. I cannot even begin to imagine, let alone put into words, the heartache that the parents of those babies have suffered and will continue to suffer. I have written to the parents of each of the babies who died to express my deepest condolences. I have also spoken to those parents whom it has been possible to contact. The trusts have facilitated me in sending those letters, and I will respect each family's choice as to whether they wish to meet me. I know that all Members will wish to be respectful and mindful of the families at this time of loss.

The safety of babies is my first priority, so that is where I will begin. Last week, I reported that there were a total of seven babies associated with the outbreak in the Royal Jubilee Maternity Service in Belfast. This week, I can report that that number is unchanged. Sadly, three of the babies died in the Royal's neonatal unit. One baby recovered from pseudomonas but died later from unrelated causes. The remaining three babies are progressing well.

There have been no new cases of pseudomonas infection in the Royal or, indeed, in any of our other neonatal units in the past week. Last week, I reported that six babies who had been associated with the Royal had been colonised but had no signs of infection. A further baby tested positive a few days later, but the number has remained at seven since then. Six babies who have no association with the Royal have been colonised with pseudomonas: two in Altnagelvin, three in Craigavon and one in Antrim.

It is too early to say that the outbreak in the Royal Jubilee Maternity Service is over. However, I can assure you that every possible action is being taken to protect those vulnerable babies. I want to emphasise again that the pseudomonas infections in the Royal and Altnagelvin were

different strains. Those are two separate incidents, and there is absolutely no evidence to suggest that a baby from Altnagelvin could have introduced pseudomonas infection to the Royal.

Members will also be aware that pseudomonas has been found in a small number of water outlets in the neonatal intensive care unit of the Ulster Hospital. It is important to stress that all babies in the unit have been tested, indeed twice. The results indicate that no baby has tested positive for pseudomonas; no babies have been colonised or have active pseudomonas infection in the Ulster Hospital. Last week, I explained to Members that pseudomonas is a micro-organism that is found in many natural environments, including soil and water. There are many different types and strains of pseudomonas, and specialist tests are required to distinguish those. Pseudomonas can be found in sinks, taps and water systems, and it is difficult to eradicate it completely and permanently. Because pseudomonas is in the environment, if we start to look for it, we will find it. That is what is happening at present. As each of the units has tested water coming from taps, a small number of those samples has returned positive results. This is not a simple, straightforward situation, and there is no quick fix.

My first priority is to ensure the safety of all babies in our neonatal units, and I must be absolutely certain that whatever we do is the right thing to do; it must be based on the best available science. Yes, we can test babies for pseudomonas, and we can test water and replace taps, but we are in relatively unknown territory with pseudomonas. There is no national guidance sitting on a shelf waiting to be used. For that reason, right from the start, we have been learning from the experience in Altnagelvin. We have been learning from the Royal, and we have been in constant dialogue with the national experts in the Health Protection Agency to ensure that whatever steps we take are the right steps and that we do not create greater risks for the babies by doing the wrong thing.

You will see that Northern Ireland is breaking new ground in the context of the UK, and Ireland, in responding systematically to the situation. We are providing ongoing care for the babies and support for the parents. At the same time, we are investigating the outbreaks and developing and implementing control measures while ensuring that babies continue to have access to the full range of highly specialist medical and nursing care that they require. All that work has resulted in the publication of interim guidance for trusts in Northern Ireland, drawing on the best scientific evidence and expert advice that is available to us at this time.

Let me remind the Assembly what we are doing. As a precautionary measure, there will be no contact between tap water and babies while the taps and water systems are being checked; only sterile water will come into contact with babies. That means that even if pseudomonas bacteria are in the tap water, they cannot reach the babies. As a further protection, staff will use a special hand rub after they have washed and dried their hands, before they touch the babies. Parents who visit the babies will also need to take those steps. That approach has already been adopted in Altnagelvin and implemented in the unit in the Royal, and it has now been extended to all other units caring for those very vulnerable babies.

Those crucial steps are protecting the babies in those units, and that gives time for estate staff, infection control experts, microbiologists and public health experts to continue the painstaking task of piecing together all the evidence and information to track down the pseudomonas bacteria, wherever it is, and seek to eradicate it. Obviously, units must remain open to care for babies, so that approach protects the babies while ensuring that they continue to have access to all the specialist care that they need.

As I informed you last week, pseudomonas has been found in samples from taps. As a precautionary measure, we are changing every tap on every clinical hand washing basin in every neonatal unit in Northern Ireland. Water samples from those taps will also be tested as part of the investigation. Once the new taps are in place, water from them will be tested for seven days and then at regular intervals. Advice has also been issued on the correct process for cleaning taps to avoid contamination, based on the advice of the Health Protection Agency (HPA).

There is no single, simple, quick fix for this situation. Although we need to move swiftly and decisively, we must be sure to do the right things. I am leaving no stone unturned in my quest to reduce the risk of pseudomonas infection in neonatal units. That is what parents and the public expect, and I have directed that that will continue to be our approach.

I want to elaborate on the interim guidance that has been developed in Northern Ireland. My Chief Medical Officer (CMO) has already shared that guidance with all Chief Medical Officers across the UK and, indeed, in the Republic of Ireland. They are showing considerable interest in learning from our recent experience in Northern Ireland, as it may have implications for their health services. Outbreaks of pseudomonas have occurred in some intensive care facilities around the world, as patients in such facilities are frequently immunocompromised. The causes of those outbreaks have not all been the same. They have included various medical devices and environmental reservoirs, such as antiseptic solutions, ventilator apparatus, artificial fingernails and water.

There were a number of outbreaks in English and Welsh hospitals in the summer of 2010. In response, all Departments of Health in the UK issued guidance on best practice on the management of infection risks associated with water sources in general. At that time, an expert group was tasked with developing detailed national guidance specifically on pseudomonas. That work is nearing completion, and I have asked my Chief Medical Officer to take action on this. He has already written to the CMO in England to stress the need to expedite the publication of the national guidance, and I am told that that is expected in the near future. All four CMOs will hold a teleconference later today to discuss the issue.

In addition, the chair of the advisory group on antimicrobial resistance and healthcare-acquired infection has been asked to take this forward at UK level. The question of pseudomonas is on the agenda for the next meeting of the group, which will take place on Thursday of this week. My Department will be represented at that meeting to contribute to the discussion, share our experience and bring back the expert views. There is significant scientific interest in what has happened in our neonatal units and in the solutions that

we are developing to deal with the problem. We also have a responsibility to inform approaches elsewhere.

I make it absolutely clear that there was no delay on the part of my Department and the wider service in responding and managing the situation appropriately. The Department of Health received notification from the Western Health and Social Care Trust of a suspected incident of pseudomonas infection on 13 December 2011. A tap was also identified as positive for pseudomonas the following day. At that stage, no information was available to establish definitively whether any of the strains were the same. Despite that, the Department decided to proactively issue a further letter as a precautionary step, rather than await any results confirming a link. Additional specialised test results, which identified that the samples from the taps and from some of the babies were of the same strain, were not available until after that letter was issued. Given the possible implications, the Department judged it to be important to reinforce and reiterate previous advice, which it did.

Although it is important to act quickly, the Department must ensure that it has sufficient and accurate information to give the correct advice on the appropriate actions to take. It is not always apparent what has caused the problem in infectious disease incidents such as these. Detailed investigative work is required to piece together all the information about the incident. We cannot assume. We cannot afford to jump to the wrong conclusion, leaving the underlying cause unaddressed and babies still exposed to risk. Our responsibility is to strike the correct balance by acting quickly yet doing the right thing. The incident was an evolving situation, with the Department working closely with the trust, the Public Health Agency (PHA) and the Health and Social Care Board (HSCB).

The important message from the guidance for all the trusts was to highlight the risk of pseudomonas infection and the consequences for any clinical area in which there are immunocompromised or debilitated patients. Professional medical and environmental health advice and guidance is regularly issued to the health service for its awareness and action. I expect such guidance issued from my Department to be treated with the utmost seriousness. Such guidance must be authoritative, because we need the HSCB to respond to it properly. I believe that the Assembly can rely on the professional team in the Department to make expert judgements on the guidance that it issues, because, as with this case, it is often managing a number of complex risks where any action can have unintended and undesired consequences. However, I am not content to just assume that action was taken. I have asked each of the trusts to give an account of the action taken in response to the CMO's guidance.

#### **10.45 am**

In summary, all five trusts took a range of actions following the initial letter issued in September 2010 and the subsequent letter from health estates in July 2011. The letter issued by the CMO on 22 December reinforced the advice and guidance in the previous letters. I will return to that matter later in my statement. Let me assure Members that although my immediate priority is to keep the current outbreak under control and to take all necessary precautionary steps to keep those babies safe, a second vital strand of work must now begin.

I am very conscious of the grief of parents who have lost babies but I also know that they want answers. I know that Members of the Assembly are also seeking answers and that everyone who works in the health service needs answers. I am also only too aware of the distress of staff and the sense of responsibility that they must be feeling when tragic events such as this happen. So, although I recognise that it is a complex situation, I need to know what happened, why it happened and what we need to do to minimise the risk of it happening again.

We have a responsibility to learn from this tragedy and to share that learning across the UK and beyond. We owe it to the parents and to the memory of the babies who died. I have given that undertaking to the parents. Members, I give this undertaking to you: be in no doubt that I am absolutely determined to inquire into all the circumstances of the tragedy. I resolve to investigate and understand what happened and I will not be deflected from achieving that, because it is only by doing so that we can prevent it happening again.

I have also written to the chief executive of the Regulation and Quality Improvement Authority (RQIA) requesting that the organisation assists me to develop and facilitate a full, rigorous and independent investigation and review into those incidents and their tragic consequences. The investigation will be chaired by Professor Patricia Ann Troop CBE, former chief executive of the Health Protection Agency. Professor Troop has a breadth of experience across the health service, including health protection, at both national and international levels. Professor Troop will be assisted by a team to include the full range of relevant expertise required. The terms of reference, which I will determine, will include a thorough investigation into the role of my Department and each of the HSC organisations. Given the gravity of what happened, my priority is to ensure that the review is thorough and rigorous but also makes recommendations on any immediate actions that we need to take. I want an interim report by the end of March so that urgent actions can be taken.

However, I am not content to leave it there. I have asked that the RQIA also investigates the experiences of the families of the babies who died and those who have been affected in other ways. That is, understandably, a difficult and sensitive undertaking, which cannot be rushed. That is why I have separated the investigation into two parts. It must not only provide me with urgent answers but be extensive and encompass all relevant aspects of the incident. I assure Members that we are determined to be thorough, challenging and robust. I have asked for the final report no more than eight weeks after the interim report.

We know that pseudomonas is a very difficult organism to eradicate completely and permanently. We know that it is not the only potential threat to those vulnerable babies in neonatal units. Therefore, I have directed the RQIA to develop, with expert public health input from the PHA, a range of specialised audit tools. Those will provide independent assurance to the public and to me, as Minister, of the standards of infection prevention control within neonatal units and other augmented care settings. That audit tool will provide self-assessment standards for trusts. The RQIA will provide the necessary independent assurance that those are being fully followed and implemented.

I must be assured that all our neonatal units are operating to the very highest standards. I want to acknowledge the excellent work that saves the lives of hundreds of babies each year. Thankfully, incidents such as the pseudomonas outbreaks are uncommon. Nevertheless, I need the assurance that everything that can be done is being done to ensure that those units are functioning to the highest possible standard. The RQIA will provide that independent assurance.

That leads me to my next point, and it is an important one. Many pregnant women and their families are understandably concerned and anxious at this time, and I want to assure them that our maternity hospitals and neonatal units continue to provide a safe and effective service, despite the practical challenges that they face. The quality and safety of the care that women and their babies will receive remain the overriding priority.

The neonatal network continues to provide safe high-quality neonatal services for all babies who require it, with additional precautions in place at the moment to deal with any risks from pseudomonas. All trusts continue to work together to ensure that the neonatal unit capacity in Northern Ireland is maintained.

Well-established arrangements are in place to ensure that babies have access to the level of neonatal care that they require. As would be routine in Northern Ireland and across the UK, babies may have to be transferred between units from time to time. Indications are that we have sufficient cots in Northern Ireland to cope with demand. Last week in the Assembly, I stated that we have 105 cots. However, on the basis of more up-to-date information, I can confirm that the number is actually 106. Very occasionally, babies may have to be transferred to units outside Northern Ireland. No babies requiring neonatal care have had to leave the Province over the past two weeks since the outbreak in the Royal Jubilee Maternity Service.

I also want to reassure women that the delivery wards and all other services at the Royal Jubilee Maternity Service are operating as normal. Expectant mothers should attend their appointments as scheduled, and that applies to all our maternity hospitals in Northern Ireland.

I acknowledge that this is also a difficult time for staff in the health sector. I pay tribute to all staff, not just medical and nursing staff, but estates staff, laboratory staff, cleaners and others for their continued dedication and commitment in caring for babies and for working tirelessly to investigate the problem and to take the proper action. In addition, I recognise the work of the Public Health Agency to date in providing expert health protection advice and professional service delivery advice working closely with the Health and Social Care Board as they ensure that neonatal services remain available for babies.

I thank the chief executive of the Health Protection Agency in England for establishing an incident team and for providing us with access to all the necessary expert advice required in this difficult situation. This is highly specialised expertise that we could not hope to replicate in Northern Ireland, and my Department and Public Health Agency colleagues are indebted to them for their support.

Continuation of this response is essential, and my Department, the Public Health Agency, the trusts, the HSC Board and the Ambulance Service have been working and

continue to work very closely to ensure safe continuity of care for babies, support for their parents and families, ongoing management of this outbreak and that the public are kept fully informed.

This remains a complex and dynamic situation. I can assure you that everything that needs to be done is being done, and I am determined to make sure that our neonatal units are the safest they can be and that the babies are protected. I reiterate that safeguards are in place to protect babies. As a precautionary step, any potential risk as a result of contamination of taps and water outlets is being addressed.

Mr Speaker, I commend the statement to you. It reflects the situation as it is today, and further updates will be issued as and when there is any change.

**Mr Wells (The Deputy Chairperson of the Committee for Health, Social Services and Public Safety):** I thank the Minister for his statement and note that this is the third time within a week that he has come before the Assembly to keep Members up to date with developments on this very serious issue. I also note that he has been invited to come before the Health Committee to give a more detailed update to members on the issue.

I welcome the Minister's confirmation that the precautionary steps that are being taken at the Royal will extend to all neonatal units in Northern Ireland so there will be equality of treatment and precautions will be equally strenuous throughout the Province. However, he will be aware that there have been calls for a public inquiry, particularly from the parents of one of the babies who very sadly died. The Minister has opted for an independent investigation. Will he tell the House why he has opted for that rather than a full-blown public inquiry?

**Mr Poots:** I thank the Member for his question. There have been calls for a public inquiry from at least one of the families, some Members and some people in the press. I realise that there is huge public concern at this time and that people want answers. I believe that an independent investigation and review will provide me with the urgent answers that I require. As I stated, I have asked the chief executive of the RQIA to assist me in developing and facilitating a full, rigorous and independent investigation of and review into the incidents. However, a public inquiry in and of itself under the Inquiries Act 2005 would not be the quickest or most effective way of getting the answers.

We are engaged in a public inquiry into hyponatraemia, which was requested in 2005. The hearings will start this year, and the report will come back next year. We will get the answers eight years after the inquiry was first requested and 18 years after the first child died as a result of hyponatraemia. I believe that we will get the answers, and I do not believe that it will be a whitewash in any shape or form.

I cannot afford to wait for years to get answers in this instance: I need to get answers in months, at the most. Therefore, bringing forward people who are truly independent of the process here and who have absolutely nothing whatsoever to do with the trusts, HSC or anything else and who also have the specialist expertise is the best way of drilling down to get to those answers. The proof of the pudding will be in the eating. This is not about covering up anything: it is about getting quick answers and solutions to the problems that we face.

**Ms S Ramsey:** Go raibh maith agat, a Cheann Comhairle. I pass on the apologies of the Chair of the Health Committee, who has broken her leg and is getting tests. I know that she has a keen interest in the matter.

Along with the Deputy Chair, I thank the Minister for his statement. It is important that we are kept up to date with the ongoing incidents and changes in this very important and emotional issue and that we get the timeline. There was the incident in Altnagelvin, which was followed by the Department's letter. How does the Minister believe that, collectively, the trusts were proactive following the letter from the Department, given some of the statements that were made yesterday about the Ulster Hospital? I agree with the Minister that it is important to find out what happened and to learn from the tragic deaths that we witnessed. The Minister said in his statement that he is not content to just assume that action was taken.

**Mr Speaker:** I encourage the Member to come to her question.

**Ms S Ramsey:** Does he understand that parents feel, rightly or wrongly, that there is a need for a public inquiry, given the recent incidents we had with the Western Trust and the Belfast Trust?

**Mr Poots:** To be perfectly honest, Mr Speaker, at this stage, I am not convinced that the trusts responded quickly enough. That is why I am going down this route and why I will have an independent investigation. It will be an independent investigation. Irrespective of how we get them, we will get the answers, and we will make them public.

**Mrs Overend:** I thank the Minister for his ongoing statements. Will he clarify how the neonatal units across Northern Ireland are coping with the demand placed upon them? Importantly, will he detail his relationships with the Departments of Health in other parts of the UK and the Republic of Ireland in helping to meet those demands? It has been brought to my attention that one of a set of twins was sent to Dublin recently. Perhaps he could detail whether the crucial steps that he has outlined in his statement will be taken for all babies from Northern Ireland across all the units in the UK and the Republic of Ireland?

**11.00 am**

**Mr Poots:** Neonatal units in Northern Ireland operate as a network; therefore, transfers within it take place regularly. When it comes to the use of facilities outside Northern Ireland, we have protocols and relationships that allow that to happen and which allow us to receive babies when other people are in crisis or difficulties. At this stage, the system is coping well with the demands on it. However, some of the things that some people suggest we do would lead inevitably to neonatal units being closed; that would put babies lives at risk in a way that we have not seen heretofore. It is important that our response provides the widest possible care to those vulnerable babies who are in very difficult situations.

**Mr Durkan:** I thank the Minister for his statement. There have been very public calls for a public inquiry, although the Minister has chosen not to go down that road. I fully accept the explanation that he gave to Mr Wells. Can he assure the House that Professor Troop, who is chairing the independent inquiry, will have the same authority, access and powers of investigation that somebody carrying out a full public inquiry would have?

**Mr Poots:** Professor Troop will report directly to me; she will be supported by the independent team, and I will determine her terms of reference. She will have full access to all trust records, and if there is any indication that anything is being held back, I will personally intervene. Nothing can be withheld from Professor Troop that would allow her to collect and analyse the relevant information and draw her conclusions about what happened, whether the response was quick enough and whether it was the right response. If we identify flaws, failings or problems, let us get them out on the table and make them public at the earliest possible date: I am not interested in hiding the truth from the public.

**Mr McCarthy:** I thank the Minister for his detailed statement. I am very grateful for his last comment, because I had hoped that the inquiry would be a searching, in-depth investigation with no stone left unturned to get to the truth. That is what we are after: the truth.

The Minister said that the Department of Health received notification from the Western Health and Social Care Trust of a suspected incident of pseudomonas infection on 13 December 2011 and that:

*"A tap was also identified as positive".*

Why on earth, when the tap had been identified as positive, was there such a delay? Why could the taps not have been changed in all the neonatal units from that very date? I would have thought that that would have prevented the tragedy that has unfolded in the hospitals.

**Mr Poots:** You mention the timing of the testing of taps. There are challenges. Members are asking, as am I, why the taps were not tested or changed. I understand that the Ulster Hospital tested recently, and, fortunately, no babies in that unit have pseudomonas or are carrying it on their skin. Nonetheless, the taps were not tested as early as possible. We are now on top of the situation, but that is a question that will be investigated very closely by the investigative team. That is one issue on which we want very clear answers.

**Ms P Bradley:** I thank the Minister for his update today. In your statement you said that:

*"The neonatal network continues to provide safe ... quality ... services ... with additional precautions in place".*

Can the Minister tell me what is being done by the trust to alleviate the fears of expectant mothers?

**Mr Poots:** The trusts have been talking to the parents throughout the process. What has been done in the facilities themselves? The taps have been changed in all the facilities. No tap water is being used in direct contact with the babies, only sterile water. Different sanitising equipment has been introduced for hand-washing by staff that is, apparently, even more effective in reducing the possibility of cross-infection. All those steps have been taken in conjunction with talking to parents and explaining to them what the best outcomes might be in their babies' care.

**Mr Brady:** Go raibh maith agat, a Cheann Comhairle.

I, too, thank the Minister for his statement. In it, you state:

*"we are changing every tap on every clinical hand washing basin in every neonatal unit"*

here in the North. In a question on the statement that you made last week, I asked whether you would consider checking and changing the taps in high-dependency intensive care units where patients may be immunocompromised. Has that still to be considered?

**Mr Poots:** I thank the Member for his question.

The guidance, released by the Department in September 2010 and reinforced in July and December 2011, applies to all such units. Any further steps will be taken on an individual risk-based approach, as advised by the PHA, based on expert advice from the Health Protection Agency in England. A trust would be very foolish not to take that advice and not to respond to a risk that it identifies in association with people who are immunocompromised. It must ensure that such people are not put at further risk.

**Mr Dunne:** I thank the Minister for his statement, and we commend him for his actions to date on this critical issue. What evidence is there that the Department's estates management has an effective quality-management system in place to show ongoing monitoring and replenishment of internal water systems?

**Mr Poots:** We have asked the RQIA to do a specific piece of work on the audit tool that has been developed for the purposes of hygiene inspection. It was not designed for units that provide augmented care. I have asked the RQIA to develop a range of specialist audit tools to assess standards of hygiene and infection control in augmented care settings. The original infection-prevention hygiene inspections of the Royal Jubilee Maternity Services were conducted as part of the RQIA of intra-partem care in 2009, which examined care and delivery units across all five trusts and the 10 maternity delivery units in Northern Ireland. In areas where we identified specific concerns in relation to infection-prevention hygiene, we carried out a re-audit in 2010. The RQIA considers that clinical areas such as neonatal units and theatres require a specialist, specific audit tool and approach to inspection.

At present, the RQIA is considering how best to develop a specific audit tool for use in intensive care settings, such as neonatal units. The audit tool will be used by trusts for self-assessment against the standard sets. The RQIA will provide the necessary independent assurance that those are being fully followed and implemented. The trusts' estates departments also monitor their water distribution systems on a regular basis, in accordance with water quality-control protocols, and that is based on current legislative requirements.

**Mr Kinahan:** I thank the Minister for his thorough statement. I am slightly concerned by what seems to be a lack of urgency in this, if I follow Mr Brady's question. Are we really looking properly at all the areas outside neonatal care where the same risks may appear to those who have weak immune systems? We should be dealing with them on a much quicker basis.

**Mr Poots:** It is important that action is taken quickly. It is also important that we have sufficient and accurate information in order that we can give correct advice on appropriate actions. In infectious disease incidents, what has caused the problem is not always immediately apparent. Investigations into pseudomonas outbreaks in intensive care facilities across the world have revealed a range of causes,

including various medical devices and environmental reservoirs, in addition to water. In any outbreak, detailed investigative work is required to piece together information about the circumstances and nature of the incident.

We must not jump to the wrong conclusion. However, given the receipt of three notifications and a letter from the Chief Medical Officer advising the trusts of a particular area of concern and that responses and actions need to be taken on that, it is not to be taken lightly. It is very serious. The trusts know full well the situation that we are encountering as a result of the pseudomonas outbreak in the Royal Jubilee Maternity Service. It would be very foolish to ignore that in relation to other units where people are immunocompromised.

**Mr McCartney:** Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as a ráiteas ar maidin agus as na freagraí a thug sé dúinn go dtí seo. I acknowledge the Minister's statement and his subsequent answers. Last Tuesday, I acknowledged the Minister's role in what he has described as a very complex and dynamic situation. I welcome his stance this morning in acting as a guarantor that this will be a proper and thorough investigation and that all the flaws and everything else that have to be brought to the surface will be.

It is difficult to make any observation about the clinical aspect; you have to allow experts to review that. However, I hope that, at the end of this review, the Minister will be in a position to inform the House and the wider public of what administrative steps that should have been taken were not taken. I have in mind the gap between pseudomonas being found responsible for the death of the child in Altnagelvin Area Hospital and the issuing of the letter on 22 December and the contents of that letter. Are those the types of issues that the Minister would like to see coming to the surface?

**Mr Poots:** All the issues need to be dealt with, including the issue that the Member raised. I should say that, while the letter itself did not mention that a baby had died in Altnagelvin, it was well known within the trusts that that was the case. The other trusts were not acting in the dark. When they received the letter from the Chief Medical Officer, they were well aware that a baby had died from pseudomonas in Altnagelvin Area Hospital. It should not have been the case that trusts did not respond or made a slack response on the basis of the letter from the Chief Medical Officer. It was the third letter on the issue in less than two years. Clearly, there should have been a degree of urgency in how trusts responded to such a letter.

**Ms Ritchie:** I thank the Minister for his statement. There is absolutely no doubt that the families who have been so sadly bereaved as a result of the deaths of the little babies have the support and solidarity of the entire Chamber and the wider community.

In your statement, Minister, you said that you have asked each of the trusts to give an account of the action taken in response to the Chief Medical Officer's guidance. In summary, all trusts took a range of actions following the initial letter issued in September 2010 and the subsequent letter from the health estates in July 2011. Minister, can you confirm to the House that you or the Department have in your possession any reports from each of the five trusts

in relation to the actions that they took as far back as 2010 and the middle of last year?

**Mr Poots:** Key advice was given to the trusts at the time, and we have asked the trusts for their response to that. They have been liaising with the Chief Medical Officer and his team on the actions that have been taken. That will all be part of the report. Identifying what exactly the trusts' responses were and whether those actions were appropriate, prompt, timely and went as far as they should have are all things that will be tested. How quickly did the trusts test the water? How quickly, for example, were taps replaced where a problem was identified? Did tap water continue to be used on babies after it was identified that there was a problem with it, and so forth?

**11.15 am**

The trusts will be questioned about all those matters, which will be fully investigated in our efforts to ensure that we get to and identify the truth, because the parents of the children in particular deserve the truth. If we do not get to the point where we know, as far as possible, what happened that led to the pseudomonas outbreak, we are failing babies and other immunocompromised people in the future.

**Mr Givan:** The Minister will be well aware that a significant number of mothers from my constituency use the Ulster Hospital because of the removal of the obstetrics unit from Lagan Valley Hospital. I welcome the all-clear that has been given to the neonatal unit there. Can the Minister assure those mothers who are expecting children that the Ulster Hospital is able to provide full services and that there is sufficient capacity there? Can he further elaborate on how challenging dealing with this issue has been, given the absence of UK guidelines?

**Mr Poots:** In response to the latter part of the question, dealing with the issue has been very difficult. Obviously, the UK has been working on developing guidelines for just over a year. Experts tend to take their time, because whenever they give advice, they want it to be absolutely bulletproof. That is understandable. I expect that advice to come forward shortly. Nonetheless, its absence has made it more difficult for us, but I acknowledged in my statement the support that was received from the Health Protection Agency, which has a pool of expertise that we do not have, or could not expect to have, in Northern Ireland. The agency has been particularly helpful in assisting us with this difficult issue.

Pseudomonas microorganisms were identified in some taps in the Ulster Hospital more recently. The children in that unit have been swabbed not once but twice, and no babies have either the infection or any pseudomonas on their skin. So, no babies in that unit are colonised. As a precaution, only sterile water will be used in the unit until the report is concluded and makes recommendations. There will also be extra hand sanitisation to ensure that any potential for infection to be passed is eliminated.

**Mr Allister:** We now know that, on 13 December, the Department knew about the suspected outbreak in Londonderry and about the infected tap the next day. However, it took until 22 December for a letter to issue. Why was there that eight- or nine-day delay? When that letter got to the Royal, when was it first acted upon in any respect? When was the Minister himself first acquainted with the issues touching on this evolving situation?

**Mr Poots:** I thank the Member for the question. With regard to the incident in Londonderry and what was done to alert others to the risk, the Department of Health received a notification from the Western Health and Social Care Trust of a suspected incident of pseudomonas infection on 13 November. A tap was also identified as positive for pseudomonas the following day. No information was available at that stage to establish definitively whether any of the strains were the same. So, some time was taken in between to identify that.

On 22 November, the Chief Medical Officer and the chief estates officer wrote a further joint letter to all the trusts' chief executives, medical directors and directors of nursing, infection, prevention and control, as well as to chief executives of the Health and Social Care Board and the Public Health Agency, to highlight water sources and potential infection risk to parents and to reinforce earlier important messages about infection control.

The additional specialised tests, which identified that the strain in the samples taken from the tap in Altnagelvin was the same as the one in the samples taken from some of the babies, were not available until after the letter was issued. Given the possible implications, the Departments and the Chief Medical Officer judged that it was important to reinforce and reiterate the previous advice in advance of receiving the definitive results from the laboratory. So, a clear and specific letter could not be issued until the Department was clear about what had happened. It is important to act correctly, with the appropriate accurate information, rather than act hastily.

Again, those things will be tested in the investigation. However, the Chief Medical Officer was in a difficult situation. He had to inform other trusts without the full and adequate information, because on 14 December the contamination was only suspected and had not been proven. The Member comes from a background in which things need to be proven and people need to have their doubts removed before they arrive at conclusions.

**Ms Lewis:** I welcome the Minister's statement, which updated the House on the issue. Is the outbreak a result of cuts in health spending?

**Mr Poots:** I thank the Member for the question.

All trusts are aware that their first statutory duty is to provide a high-quality and safe service. No financial challenge would excuse a lapse in good practice on health protection. Clear standards of cleaning are required in units, such as neonatal units. Those standards have not been compromised. The cause of the outbreak will be investigated further, but our understanding is as I set out in my statement.

**Mrs D Kelly:** I thank the Minister for his statement, in which he dealt with a very difficult subject very sensitively. I send my condolences to the bereaved families. I congratulate the Minister for referring to the staff, who I am sure have been very distressed by the whole incident; it was the right and proper thing to do.

Is there any research or evidence that other groups that are at risk from such outbreaks? Will he reassure us that each of the affected hospitals will be conducting an infection control audit as a matter of course?

**Mr Poots:** I informed the House last week that pseudomonas is something that is carried quite widely; as many as 10% of us could be carrying it on our skin. Therefore, it is very common in our environment and atmosphere.

There is a whole series of at-risk groups made up of people who are immunocompromised, which can include people in burns units, intensive care units, paediatric intensive care units and those who have received substantial amounts of treatment for cancer. All those whose immune systems have been compromised are much more likely to be subject to infection from pseudomonas. Between 80 and 90 people per annum are infected by pseudomonas each year.

It is quite unusual for the infection to happen in our younger children; in most previous years, the number of cases has been in single figures. However, there are many other areas in which pseudomonas can infect people.

The letters have been sent out, and all of the trusts are aware of the risks posed by the infection to many people in the community.

**Mr Speaker:** That ends the questions on the Health Minister's statement. I ask the House to take its ease before we move on to the next item of business.

## Executive Committee Business

### Pensions Bill: Second Stage

**Mr McCausland (The Minister for Social Development):** I beg to move

*That the Second Stage of the Pensions Bill [NIA 3/11-15] be agreed.*

Members are aware that the Secretary of State for Work and Pensions and I are required under section 87 of the Northern Ireland Act 1998 to seek to secure single systems of social security across the United Kingdom. Members are also aware that sound economic imperatives underpin the policy of parity, not least the special funding arrangements that allow us to run our social security system in Northern Ireland. Those are predicated on the maintenance of parity. The Pensions Bill is, therefore, a parity measure.

The Pensions Act 2011 introduced a number of changes to state and private pension provision in Great Britain. This Bill makes corresponding provision for Northern Ireland. A number of provisions in the 2011 Act will not be replicated, as they extend directly to Northern Ireland. They relate to the financial assistance scheme and judicial pensions. The Executive and the Committee endorsed a proposal for a legislative consent motion on those measures at meetings on 10 March 2011, and the Assembly approved the motion on 21 March 2011. The Northern Ireland Bill contains measures relating to the state pension, automatic enrolment into workplace pensions, indexation and revaluation of occupational pension schemes, pension compensation and the operation of the pension protection fund.

Under existing legislation, the state pension age for women is to equalise with men's at 65 by April 2020 and then increase for men and women to 66 by April 2026. Official projections of average life expectancy have been revised upwards since those changes were legislated for. Projections that were made in 2008 by the Office for National Statistics (ONS) indicate that men and women who reach the age of 66 in 2026 are expected to live, on average, one and a half years longer than was projected when the current timetable was set. The Westminster Government announced a review and, in June 2010, issued in Britain the paper, 'When should the pension age increase to 66?: A Call for Evidence'. My Department issued it here, and we received two responses, including one from the previous Committee.

The Government's response was published in November 2010 in the command paper, 'A sustainable State Pension: when the State Pension age will increase to 66'. In the light of increasing life expectancies and an ageing population, the Government concluded that the current timetable is unsustainable. The Pensions Bill implements a revised timetable that provides for the increase to 66 to be brought forward to October 2020. As a consequence, the pace of equalising pension ages for women and men at 65 will accelerate from 2016 so that women will have the same state pension age as men by November 2018 instead of April 2020. From December 2018, the pension age for men and women will start to increase so that pension age will be 66 by October 2020. To ensure compatibility with directive 79/7/EEC, which concerns equal treatment for men and women in social security, the increase in state pension age to 66 must be applied to men and women at the same time.

The increase in state pension age will mean corresponding increases in the qualifying age for state pension credit and the winter fuel payment. The upper age limit for receipt of working-age benefits, such as jobseeker's allowance (JSA) and employment and support allowance (ESA), will also increase. The effects of those proposals were addressed in the equality impact assessment, which was issued for consultation between 3 August 2011 and 30 September 2011.

The Bill will abolish the requirement to award payable uprated contracted-out deduction increments for those who have not started to receive their deferred contracted-out pension and their state pension before the specified date.

Those are small top-up additions to the state pension, payable in certain circumstances in which a person has deferred taking their occupational pension. In Northern Ireland, just over 1% of state pension recipients receive the payments. The average payment is £1.17 a week. Existing awards will not be affected. Removing that intricate payment in respect of new awards will assist the state pension simplification process. Existing legislation provides for the consolidation of the various elements of additional state pension to provide a single value, enabling easier prediction of entitlement in retirement. The Bill provides a power to set the start date for consolidation by order.

### 11.30 am

An independent review set out to examine the scope of automatic enrolment in workplace pensions, which are being introduced in Northern Ireland by the Pensions (No. 2) Act (Northern Ireland) 2008. The review team made a number of recommendations which included the introduction of an earnings trigger; the introduction of an optional waiting period of up to three months before the automatic enrolment duty commences; and changes to the way that employers can certify that their pension schemes meet the necessary quality test. The proposed Bill will implement those changes in line with corresponding changes in Great Britain.

A number of changes to existing legislation are needed as a result of the Westminster Government's decision to use the consumer price index, rather than the retail price index, as the general measure of inflation for uprating social security benefits and pensions. The Bill also contains measures to amend the definition of money purchase benefits following a Supreme Court judgement. That is primarily to ensure that members of schemes affected by the judgement do not lose access to various safeguards, such as access to the pension protection fund. Technical amendments are being made to legislation governing the operation of the pension protection fund to reflect experience gained in operating the fund since April 2005.

Members will realise that many of the Bill's proposals are minor and technical. I believe that the most contentious matter is the increase to the state pension age and the implications for the state pension and other benefits. The Committee for Social Development and other groups that responded to the consultation on the equality impact assessment expressed concerns about that measure. I share those concerns. Indeed, I raised them with Iain Duncan Smith. I believe that there is general acceptance that changes to the pension age are inevitable. Members are aware that the Westminster Government firmly believe that the current timetable for changes to the pension age

is unsustainable in light of increasing life expectancy and an ageing population. In stark terms, the issue is about ensuring the financial sustainability of the state pension system. Expenditure on state retirement pensions in Northern Ireland in 2010-11 was more than £1.6 billion, which is more than £32 million a week. The Westminster Government estimate that bringing forward the increase in the state pension age to 66 years in October 2020 will result in a net reduced expenditure of around £30.6 billion between 2016-17 and 2025-26. In Northern Ireland, the net reduction is estimated to be around £700 million for the same period.

In an ideal world, no one would want to increase the state pension age. However — in many ways, it is a good news story — people are living longer and healthier lives than ever before. The number of people of pensionable age to be supported by people of working age will continue to rise. The proposed changes will keep the state pension sustainable by ensuring that those who benefit from increased life expectancy share in the additional costs. Although the changes to the state pension age are very important, they are but one clause in a wide-ranging Bill. I trust that Members are content with the broad thrust of the Bill.

**Mr A Maskey (The Chairperson of the Committee for Social Development):** Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his comments and for his introduction to the Second Stage of the Pensions Bill.

First, the Committee for Social Development does not yet have a formal position on the legislation. We have taken briefings from departmental officials, and we commend and thank them for giving of their time and expertise in presenting their case to the Committee.

In anticipation of the Bill's progress through the House, subject to what happens today, the Committee has made preparations to increase the number of meetings that it will conduct over the next number of weeks to facilitate the 30-day Committee Stage. We have also started the work of approaching people and organisations who may wish to contribute to the Committee's consideration of the Bill. As I say, departmental officials are on standby to service the Bill's Committee Stage over the next number of weeks, and again I thank them for that.

The Minister has made some of these points already. However, I want to point out that, at an earlier stage, the Committee's primary consideration was the equalisation of the age at which men and women retire. The primary concern of most Committee members was that a number of women would be adversely affected by that, a point to which the Minister referred. I know that some different transition arrangements have been brought to bear that have reduced what appeared to be an anomaly. The figures presented to us suggest that the number of women adversely affected would be considerably reduced, and that, of course, is to be welcomed. I do not think that the Committee really took issue at any stage with the principle of equalisation and, therefore, with the requirement that men and women retire at the same age.

During our deliberations, a variety of questions and concerns were raised about the subjectivity of the age and health profile of people as the population ages. The Committee obviously has not taken a position on that

yet, so I am not able to say on behalf of members what our definitive position is. It is even difficult to gauge what parties' views on it might be because they have not formally expressed those views. I again beg the House's indulgence because I cannot give a definitive position on behalf of the Committee. Suffice it to say that the Committee raised a number of issues, not least that raising the retirement age would obviously impact on winter fuel allowances and other passport-related benefits. Therefore, a number of concerns have been expressed.

I want to put it on record that the Committee has not dealt with a number of the technical matters referred to in the Bill. There are five parts to the Bill, and the Committee has not discussed a number of those. I also wish to put it on record that the Committee will deal with other matters, such as the earnings threshold at which individuals have to contribute to pensions. As I said, I assure the House that, if the Bill's Second Stage is agreed, the Committee is well prepared to carry out the 30-day Committee Stage with due diligence. We have already put plans in place to facilitate that.

With your indulgence, a Cheann Comhairle, I will move from speaking on behalf of the Committee to speaking on behalf of my party for a moment or two. I want to point out that our party is not convinced by the arguments around, for example, the age profile. We do not take issue with the principle of the equalisation of the age at which men and women retire, but we take issue with the notion of arbitrarily picking an age by which all people have to retire. We think that people should be able to retire voluntarily at an older age. We do not think that, on the basis of parity or the subjective notion around the age profile of the population, it is necessary for people to retire at an earlier age. There would be considerable distrust in my party and, I presume, a wide range of society and a feeling that, once the principle was agreed, the current British Government would have no hesitation in bringing forward even sooner the higher age at which people would have to retire. They say that by 2046 people will have to work until they are 68. I do not think that anyone believes that that would be held to, so we could be forcing people to retire at an older age much sooner than the Bill says. That is in no way a slight on the integrity of the Minister. As far as we are concerned, it would be down to the British Government alone. Our party has concerns around the notion that people would be forced to retire at an older age, so we are not satisfied that that is the right way to go.

We also have concerns about the age threshold at which people would have to make a contribution. The lower that threshold might be, the greater the chance that you might force very low earners to contribute to pension schemes. There would be an economic cost to that. However, I imagine that that concern could be dealt with by way of an amendment.

If the Bill passes its Second Stage, the Committee will look forward to consulting and deliberating on it, with due diligence, within the 30-day period that would be due to it. My party colleagues will address in more detail some of the more technical elements. Sinn Féin will oppose the Bill on the narrower basis that I have referred to.

**Mr Easton:** The Pensions Bill has been necessary because of decisions made at Westminster by the coalition Government. The Assembly is charged with ensuring that

there is parity in the social security system across the UK. We are forced, at times, to accept and to work with that. The Bill will mean that the equalisation of pension age for men and women will occur as demanded by a European directive that requires the implementation of equality of treatment for men and women.

The revised proposal has meant that equalisation will occur earlier than expected in the Pensions Act (Northern Ireland) 2008. The phasing in of equalisation to 66 will be brought in by December 2018 and 2020 instead of 2024 and 2026. That acceleration of changes has been necessary to ensure that the Assembly complies with the European directive. Furthermore, a review in Westminster examined the existing timetable for equalisation and found it to be unsustainable when faced with the increasing life expectancies and ageing of our population. I believe that the Minister has worked hard to ensure that the Bill is the best situation that we can get for Northern Ireland.

The Pensions Act (Northern Ireland) 2008 initiated changes to the state pension age for men and women. I am sure that Members are fully aware of the details, so I will not go into them. Suffice it to say that this Bill will mean that those changes will come into being a lot sooner. The early change in the state pension age will mean that working benefits, such as jobseeker's allowance and employment and support allowance, will have to be increased alongside those changes, and there will have to be other benefits to ensure that the most vulnerable people are not burdened by financial hardship caused by the change.

We as an Assembly must do everything in our power to ensure that financial hardship caused by the proposal is kept to a minimum. The Bill will end the requirement to award payable uprated contracted-out deduction increments. However, as those are paid to just over 1% of state pension recipients at an average rate of £1.17 a week and as it applies only to new awards, the effect on state pension recipients will be kept to a minimum, and that will assist our work in simplifying the process for claimants.

The Bill will impact on women born between 6 April 1953 and 5 April 1960 and men born between 6 December 1953 and 5 April 1960. In real terms, that means that equalising the state pension age by November 2018 will have an overall effect on approximately 70,000 women and 69,000 men who were born between 6 December 1953 and 5 April 1960. An additional 7,000 women who were born between 6 April 1953 and 5 December 1953 will be affected. Although that significant number of people will be affected, it does not change the fact that we have little control over who is affected and have to abide by the decision made in Westminster that made the change necessary.

#### **11.45 am**

Through the changes to the original proposal, the Assembly can be slightly happier that the new proposal will mean that approximately 1,600 people born between 6 February 1954 and 5 April 1954 are expected to qualify for the winter fuel payment one year earlier. However, for households where one part of a couple has reached their qualifying age, the households will receive a full reward. That is because of how winter fuel payments are paid.

In an attempt to ease the financial impact that the changes will have on people in that age range, the Minister has been

proactive. Over recent months, Members will have been aware of the campaigns in the media encouraging older people to come forward to ensure that they are in receipt of all benefits entitled to them. Over the coming months, there will be more work to ensure that each person is helped to access the financial help that is in place and that people are aware of the upcoming changes that will affect them and their family. Added to that information sharing are schemes through other Departments to aid people aged over 50 or people who have medical issues to return to the workforce or to carry on working. I hope that programmes like those and the media campaign will keep the impact of the demographic changes to a minimum.

**Mr Copeland:** I begin by echoing the remarks of the Chair of the Committee for Social Development. I fully believe, understand and accept that the matter will receive due and proper consideration. I welcome the opportunity to speak on the issue. It is the first piece of substantive legislation to go through the Social Development Committee, and, unfortunately, it is only the second piece of legislation to go through the House since we were returned eight months ago. That is a slightly different matter.

Before I start discussing the detail of the Bill, I would like to make a few comments regarding the timing of it because it is important for me, as a relative newcomer to this non-transitional Assembly. The UK Pensions Bill received Royal Assent on 3 November 2011. We heard from the Minister that the Bill that we are discussing today is a parity measure. He also previously stated that it was desirable for provisions in Westminster and Northern Ireland legislation to come into effect concurrently. To a degree, that is self-explanatory. However, that will not be the case in this situation. There will be a lag in enacting our equivalent legislation, and, therefore, a breach of parity has been inevitable. We did not need to pay close attention to the 3 November deadline. In my view, it was the fact that it was two months after gaining Royal Assent before the biggest issues, such as changes to state pension age, actually came into effect. Therefore, on this Bill, which is one of the biggest tests of maintaining parity with the United Kingdom, the Department has failed thus far to live up to expectations. I know that there will be an explanation for that, and I look forward to hearing it.

I appreciate that it is normal practice for a Northern Ireland parity Bill to be introduced after the corresponding Westminster Bill receives Royal Assent. Despite that delay, we still feel that it was not enough to merit the passage of the Bill via accelerated passage, which is something that we were asked to consider and declined on that occasion. We fully recognise that the changes will start to affect women within years, which, when talking about pensions, is not a long time, but we still wanted to see the Bill brought to the Floor for debate, and, subsequently, going through all the proper channels in Committee. I hope that it will be a swift process, but, given its nature and my experience thus far in the Social Development Committee, which can be approaching forensic on occasions, I hope that that will be the case.

We wish only to approach the Bill with broad brushstrokes at this stage. Unsurprisingly, its provisions correspond largely to those of the Westminster Pensions Act 2011, which was mentioned earlier. Nevertheless, its proposals will be as important here in Northern Ireland as they are anywhere else in the United Kingdom.

As we heard, the timeline for increasing the pension age to 66 will be brought forward from April 2024-26 to December 2018 to October 2020. While that will be slightly unexpected for some, the rationale is considered, and we believe that it could be considered justified. We also believe that the Westminster Government were wise to amend the original Bill in order to minimise the effects and cap the extra time that anyone will have to wait for their state pension, which they have contributed to.

Northern Ireland has one of the youngest populations in the UK. We also have the fastest growing population of any region of the United Kingdom. However, that population growth has not been evenly spread, and, when combined with the decline in mortality rates, our population has actually got older. The sharp increase in the number of older people in Northern Ireland will, whether we like it or not, place increased pressure on pension provision. Therefore, the logic behind the changes is self-evident, particularly when we consider that many 66-year-olds — I am closer to that age than I care to be — still want to work. It also means that the state is adjusting its expenditure on pensions.

It is estimated that the changes to the state pension age will affect 77,000 women and 69,000 men in Northern Ireland. Approximately £1.6 billion was spent on state pensions in Northern Ireland last year. Like many welfare payments — pensions cannot be seen as welfare payments as people put money into them — the money is usually spent directly in the local economy. Therefore, any changes that we make will have big consequences, potentially, for Northern Ireland. We need to accept that we need to look 10 to 20 years down the pipeline and ensure that the United Kingdom's spending in that area becomes sustainable, notwithstanding the fact that it will cost the United Kingdom nearly £50 billion this year to service the Budget deficit. The Westminster Government have stated that bringing forward the increase in the pension age between 2016 and 2026 will save British taxpayers — we all are British taxpayers — in the region of £700 million. Those are the expected savings in Northern Ireland, so we can imagine the potential savings that are possible across the entire United Kingdom.

Another important aspect of the Bill is the change to the timetable for equalising the pension ages of men and women. This will mean that women will have the same state pension age as men by November 2018 rather than by April 2020. In the long run, that may prove to be more controversial than the increase to the state pension age. The speeding up of equalisation gives women less than the 15 years of preparation time that was recommended by the Turner commission before the changes are due to be made. If we are to be completely honest, we must all accept that the previous schedule for raising the state pension age was incredibly slow, given the improvements in life expectancy. The Department estimates that the equalising of the state pension age by 2018 could affect 7,000 women in Northern Ireland.

I know that I speak for my party and others in the House when I say that what we are faced with is inevitable. The status quo of a growing pension-age population that is dependent on money from a retracting public purse cannot continue fiscally. For the sake of the long-term sustainability of the state pension, something needed to be done, and the logic behind proposals that were always going to happen is,

to a degree, self-evident. I look forward to the Bill being fully discussed in Committee before it comes back to the House.

**Mr Durkan:** Mr Copeland used broad brushstrokes to go over the Bill, but I will use a roller.

The logic behind the Bill is clear and understandable: the qualifying age for pension should be raised because life expectancy is increasing. People are living longer, and it is assumed that they will be willing and able to work longer. It is also assumed that there will be jobs for people to stay in for longer. The Bill is being pushed as reformist and progressive legislation that is based on the developing and changing needs of society. Therefore, it is remarkable that it contains such blatant inequalities.

The SDLP, as a party that has a core and fundamental principle of equality, sees merit in the equalisation of the pension age for men and women. However, forcing an expectant group of women of a certain age to change their lives, plans and futures at the drop of a hat and without giving consideration to the challenges that that will pose for them is a far cry from equality. The time frame within which the pension expectations of those 7,000-odd women will be disrupted is purely a money-saving exercise by the Westminster Government. It is designed to get more money in from people while putting less out, and it is certainly not based on the needs of the individual. It is also particularly unfair to force women to face two accelerations when men will face only one. The Bill will throw the retirement plans of many into disarray. Previously stated timescales had indicated that there would be no changes until 2020. Therefore, women who have left their job in the belief that they could rely on receiving their pension on their sixty-fifth birthday may not, for a period of a year to 16 months, have enough savings or resources to live on. Mr Maskey made the point that we have no guarantees that the goalposts will not move again and move often. We have serious concerns about that as we go forward.

Although changes were made in Westminster that mitigated some of the burden facing women, they do not go far enough, specifically for the women who will be affected by the changes come 2018. The upper age limit for benefits has been extended to assist older people who cannot get work, but we must consider the wider impact that that has and the wider impression that it creates. Many older people who have worked their entire life and saved into pension schemes simply do not want to go on benefits. They want what they are entitled to, and to force them to accept these changes without sufficient time to make adequate provision is unfair and illogical.

Using the extended benefit qualification as an option flies in the face of what the Government are professing to do; that is, cut down on welfare dependency. It would be contradictory of the Assembly to accept such a move, which would leave us going backwards, offering benefits as a lifestyle choice rather than a short-term lifesaver.

Keeping older people trapped in a job when they may wish to retire also will have serious ramifications. It will certainly exacerbate the ever-growing problem of youth unemployment, on which there were further media reports this morning. Furthermore, there are implications for sectors in which people are working longer reluctantly. They could well become disenchanted, and that may impact on the

service or skill that they provide. Instead of stabilising the economy, the measures could create a stagnant and disenfranchised workforce who will feel aggrieved by a Government who have once again put the working-class person at the bottom of their mandate.

It is accepted — it should not be accepted by us — that we have a lower standard of living in the North. We have higher rates of poverty and disability. The Bill would automatically impact on a person's eligibility for the winter fuel payment and, therefore, increase our struggle in the battle against fuel poverty. People are being told to save for their retirement to supplement their pension, but the sad reality is that so many people here live on the breadline, and saving is beyond them. Although there can be no argument but that people are living longer, we need to ensure that they have a quality of life as well as a quantity of years.

**Mr F McCann:** I know that we have debated the Bill in Committee, but I do not think that its overall consequences have seeped into our minds. When you get Bills such as this from Westminster that have serious —

**Mr Speaker:** Will the Member turn to the microphone so that the whole House can hear his contribution?

**Mr F McCann:** Sorry about that. When you get a Bill such as this from Westminster and you listen to the Ulster Unionists, you hear that, by and large, there is support but there are serious consequences. Take the issue of age equalisation: 7,000 people may be affected by the changes right away, but, over time, 70,000 people could be £70 less well off. We need to use this period not only to inform ourselves of the consequences but to work out how we can best protect people of pension age and make them aware of the consequences.

**Mr Durkan:** I thank the Member for his intervention. It is vital that public awareness be heightened. That is one of the reasons that I agreed with the Member and his party that accelerated passage for the Bill should be opposed.

#### 12.00 noon

As the Chair of the Committee for Social Development, Mr Maskey, said, this is not an attack on the Minister's attempt to bring the legislation through, but I believe that the Assembly and the Executive should stand up to Westminster in the way that the Scots have done. By working with Scotland and Wales, we could develop a coalition of the regions to embarrass the coalition Government in London on some of their damaging policy initiatives. We might even gain support from the House of Lords to oppose welfare reform. We oppose the introduction of the Pensions Bill.

**Mr Speaker:** Before I call Anna Lo, I ask Members to check their mobile phones. A phone — or phones — is affecting the amplification system in the Chamber.

**Ms Lo:** On behalf of the Alliance Party, I welcome the opportunity to discuss the principles and provisions of the Pensions Bill. Following the Pensions Act 2011, which introduced systematic state and private pension reforms in Great Britain, the Pensions Bill has been designed with those predefined provisions in mind. Significantly, it will bring Northern Ireland up to where it needs to be with regard to parity with our counterparts. Furthermore, in the face of an ageing population and, subsequently, an

ageing working population, we need to adapt accordingly. While, on one hand, we can celebrate a healthier and more dynamic population, on the other, we still need to adjust our legislation to reflect those changes and, most importantly, to ensure that we can continue to provide an efficient and effective welfare system.

Members are aware that the Bill primarily provides for amendments to the state pension framework, with one of the key aspects of such changes being the equalisation and increase of the state pension age to 66. Existing legislation dictates that, by 2026, the state pension age for men and women will increase to 66, increasing one additional year for each decade that follows until 2046. The Bill, however, proposes to bring the increase to 66 forward to 2020, meaning that the state pension age for women will be set to reach 65 by 2018 so that the pension age for men and women may be equalised by 2020. Not only do those provisions better reflect our ageing population, as I said, but they serve to address any perceived disparity or inequality in the state pension age for men and women.

The state pension retirement age for women had been set at 60 for a long time. Over a very short period of about eight years, however, there has been a big jump to increase the pension age for women from 60 to 65 by 2018. We have to be very cautious about what is a rapid change for a lot of women. We talk a lot about older women facing fuel poverty; that is something about which we, as a group of politicians, need to be mindful.

In addition to the state pension framework amendments, additional measures in the Bill seek to adjust automatic enrolment provisions for workplace pension schemes, including a revision of qualifying earnings bands used to trigger scheme inclusion and to calculate contributions. The underlying principle behind those particular amendments serves to regulate employers in the area of qualifying pension schemes, given the unambiguous nature of current legislation. Ultimately, however, such changes will serve to further benefit and safeguard employees, ensuring a fair system and increased opportunities for scheme participation. The introduction of an earnings trigger also guarantees that those who earn more than £7,475 a year will be automatically enrolled into an employer's qualifying pension scheme; that, too, should be welcomed.

**Mr F McCann:** A trigger of £7,000 a year works out at about £140 a week. To ask someone who earns £140 a week to start paying into a scheme would surely have implications for a person who is already paid a very low wage.

**Ms Lo:** I accept that point. Unfortunately, there is nothing that we can do, but we need to be mindful of it.

Further detail found in the Bill and supporting documentation proposes amendments to indexation and revaluation requirements for occupational pensions as well as payments from the pension protection fund. Fundamentally, the changes give schemes the flexibility, dependent on their rules, to increase pensions in payment by RPI, CPI or a combination of the two. Furthermore, they remove requirements on assessment periods for potential schemes wishing to be covered by the pension protection fund.

Undoubtedly, work remains to be done when the Bill is brought before the Social Development Committee. I hope that the Department and the Minister will give careful

consideration to any issues that emerge from Committee Stage. Considering that, over the longer term, the changes will serve to enhance our welfare system and more accurately reflect our demography and life expectancy, I offer, in broad terms, my full support for the principles of the Bill.

**Ms Lewis:** I support the Pensions Bill as introduced to the House at Second Stage. In London, the previous Labour Government, in the latter part of their term, and the current Government raised the retirement age from 60 for women and 65 for men. The Bill ensures parity with the rest of the United Kingdom, which I support. Not supporting the Bill would result in additional costs being faced by the Northern Ireland Executive to pay for the difference between the state retirement age here and the rest of the United Kingdom. Therefore, it is imperative that Members support the Bill to ensure that the Programme for Government, the draft of which was laid before the House in 2011, and the budgetary allocations that it contains are adhered to.

In June 2010, the UK Government announced a review of the timetable to bring the retirement age of women in line with that of men. In addition, as decided by the previous Government, the state pension age would increase to 66. However, the current Government agreed that that would happen sooner rather than later, as had been previously decided. The Bill implements the rise in state retirement age to 66 by 2020, rather than 2028. By 2018, the state retirement age of women will be 65. Provision for the equalisation of the retirement age of men and women is made in schedules 1, 2 and 3 to Part 1 of the Bill and repeals previous legislation.

Part 2 amends the automatic enrolment for workplace pension schemes. It introduces an earnings trigger at which an employee must be automatically enrolled on a workplace pension scheme. An optional waiting period of three months forms part of that change to allow for employees hitting the band flexibility should their additional earnings be temporary because of, for example, overtime. Clause 5(1)(c) sets the threshold at £7,475.

Part 3 includes minor technical amendments to previous legislation. It includes the decision by the Westminster Government to use the consumer price index, rather than the retail price index, as the general measure of inflation in relation to state benefits. Part 4 amends existing legislation on money purchase benefits following a case in the Supreme Court. Part 5 contains miscellaneous and technical measures.

Her Majesty's Government have consulted widely on the changes, which have been enacted in the rest of the United Kingdom. It is, therefore, very important to support the Bill to ensure parity with the rest of the United Kingdom on the state retirement age. We are all living longer, and the costs of an ageing population, not only for pensions but for health and social care, are soaring and becoming unsustainable. Those costs are particularly unsustainable in the current economic climate, when budgets are being cut. Therefore, it is imperative that the House supports the Bill.

**Mr Brady:** Go raibh maith agat, a Cheann Comhairle. The Minister outlined the three main planks of the Bill, which are parity, the change in age profile and the financial unsustainability of the current pension scheme. He also talked about the measures in the Bill: automatic enrolment

on workplace pensions; the indexation and revaluation of occupational pension schemes and pension compensation; the operation of the pension protection fund, and so on. He also referred to the revised timetable for increasing the pension age to phase in the increase to 66 between December 2018 and October 2020. He said that the pace of equalizing pension ages for women and men at 65 will accelerate from 2016. By November 2018, women and men will have the same state pension age.

Increases in the qualifying age for state pension credit and the winter fuel payment upper age limit for receipt of working-age benefits, such as jobseeker's allowance and employment support allowance, will also increase. People will have to wait longer, but no obviously beneficial transitional arrangements have been made. Some women already lose out on state pension by up to two years. Other people lose out on their entitlement to pension credit. In some cases, they will lose up to £70 a week. The British Government estimate that bringing forward the increase in state pension age will result in a net reduced expenditure of approximately £30.6 billion between 2016-17 and 2025-26. The estimated net reduction in the North will be around £700 million.

Accelerated passage was sought, it seems, on the premise that it would give women in particular time to plan for their future retirement through savings, and so on. In most cases, surely a question must be asked: "Preparing with what, for what"? All of that is premised on personal responsibility and the fact that saving is wholly determined by individual choice. The fundamental problem is that it fails to recognise that saving for your pension is not necessarily determined by choice but by ability.

Many working people live in poverty and are referred to as the working poor. In the absence of a living wage and job security, working in itself does not necessarily secure the ability to save. The changes will benefit those already more advantaged individuals who can afford to exercise the right to save. The statistical analysis used to underpin the proposal is general rather than specific to the North. Conditions here differ significantly from parts of Britain and particularly from the south of England, the experience of which continues to dominate many of the proposals advanced as applicable everywhere. There is a glaring anomaly in life expectancy. In the south of England's wealthier boroughs, such as Kensington in London, it is much greater than the average. The North is among the areas suffering the worst average life expectancy. A recent 'Belfast Telegraph' report revealed that men living in Belfast city centre can expect to die 10 years earlier, and women six years earlier, than those living in south Belfast. The example quoted is that if you were to get on a bus at Donegall Square and travel to Finaghy, your life expectancy would go up by eight years. I have never been on the bus to Finaghy; it may well put years on you. To be perfectly honest, I cannot comment on that.

It is grossly unfair to disregard inequalities of health and wealth and, at the same time, promote the notion that those most able to save for their retirement are most likely to enjoy longer lives and be less prone to suffer the chronic ageing conditions associated with poverty. Once again, the rich will be rewarded for their advantages. The Bill needs to be properly scrutinised by the Committee, and we remain to be convinced of its merits.

**Mr McCausland:** I listened carefully to all the points made by Members during the debate, and I trust that I will be able to address their concerns. Quite a number of different points were raised in Members' contributions. Michael Copeland used the word "inevitable", and the general point that I want to make is that there is an inevitability about this. It is very well for folk to say that they are going to oppose it. It is possible to say that, but I suggest that if all of us in the Chamber were to avail ourselves of that luxury, the cost to Northern Ireland would be incredible, unsustainable and disastrous. People need to be honest and face up to that. There is an inevitability about it. However, if they wish, people can avail themselves of what, quite honestly, I regard as — I regret to have to say it — an irresponsible luxury of saying that they will bury their heads in the sand or, perhaps more appropriately, that they will be a bit like Pontius Pilate, wash their hands and pretend that, because they voted against it —

#### 12.15 pm

**Mr F McCann:** I understand some of what you are saying, but do you not agree that at any Committee meetings we have had, we as a party have raised the serious consequences of the introduction of the Bill and the fact that those most in need in society are the people who will be affected most by its introduction? We have a duty to try to protect those who are most in need in society.

**Mr McCausland:** I accept the fact that people may indeed have been consistent in raising their concerns. There are concerns right across the Chamber. We know that there are concerns and that there are implications. We have not learned anything new in that regard. Every party has identified concerns. However, the fact is that if we do not go down the road of following parity with the rest of the United Kingdom, we will put ourselves in an impossible situation. I will come to the implications of that in a moment.

I want to pick up on a point that was made earlier by a number of people around the issue of age profile and the different demographics between here and the rest of the United Kingdom. There are areas of Northern Ireland that are healthier than others. Like others, I have not availed myself of the south Belfast bus. Nevertheless, if you look across the United Kingdom, you will see that in 2004, the projected lifespan for men — women do better in this game — in the United Kingdom was 85 years. By 2008, it was up to 86.3 years, an increase of 1.3 years. In England, it is slightly higher. It was at 85.1 years and jumped to 86.5 years, an increase of 1.4 years. In Scotland, it was 83.9 years in 2004, which jumped up to 84.8 years in 2008. It is probably even higher now. The lowest increase was in Scotland. In Wales, it was 84.8 years, which jumped to 86 years by 2008.

Right across the United Kingdom, there is an increase in the average lifespan. In Northern Ireland, it was 84.7 years, and it is now up to 85.8 years, so it is higher than in Scotland, broadly the same as in Wales and slightly lower than in England. However, essentially, you are getting roughly the same picture of age profile across the United Kingdom. I accept that there will be a disparity between the south east of England, where there are much more affluent communities, and working class communities in Liverpool, Manchester, Birmingham or wherever, just as there will be differences between some of the more rural areas of

Scotland and Glasgow and between one part of Northern Ireland and another. However, those disparities exist right across the United Kingdom. They are not unique to Northern Ireland. Such disparity happens in England, Scotland, Wales and Northern Ireland. Sometimes, an impression is given that the average age that people reach is much lower in Northern Ireland. It is actually very similar to the rest of the United Kingdom.

I picked up on Mark Durkan's use of the phrase:

*"at the drop of a hat".*

It is unfair to say that this is being done at the drop of a hat. The change in the United Kingdom to increase the age for pensions is not unique to the United Kingdom. If the Member was living in the Irish Republic, he would see that the figure there is currently 66, so it is actually higher in the Irish Republic. I am not trying to appeal to the Member from the SDLP but we are actually bringing ourselves into line with the Irish Republic. In due course, it will increase to 67 by 2021, and it will go up to 68 in the Irish Republic by 2028. These issues are not unique to Northern Ireland in any way.

Returning to the points that others made, the core point is the financial implications of a delay at this stage. If we do not change the pension age in line with Great Britain, if we oppose it, vote it down and throw it out, the cost to Northern Ireland's block grant will be £700 million. Are we going to take that out of the health service? We could do that; we could close a few hospitals. We could take it out of education and shut a lot more schools. Where do you want to take it from? It has to come from somewhere. No one has suggested a means by which we can conjure up £700 million out of thin air. It just does not happen.

In an intervention, Fra McCann said that the implications had not sunk in. There are individual implications, but the broad implication for Northern Ireland is that if you vote against this, you are, in effect, voting to take £700 million out of the block grant for Northern Ireland.

**Mr A Maskey:** Will the Minister give way?

**Mr McCausland:** I am more than happy to.

**Mr A Maskey:** I thank the Minister for his responses so far. The issue of parity is very important. This House has debated that in the past, and we know it is a very important and contentious issue not easily dismissed — nobody is suggesting that for one second — but, by the same token, while we are always told that parity cannot be broken, the social fund reform programme is a clear breach of parity agreed to by the British Government in advance. There is a view among many Members that we need to test this notion of parity to its extreme, in fact and in practice. I do not believe that we have adequately done that in this House.

**Mr McCausland:** With respect to those who take a contrary view, this is fantasy stuff. It is not reality. You can say as much as you want about testing the determination of those at Westminster to see this through as they have done in Great Britain; they are not going to allow us to break it. They have said that. Are they going to allow Northern Ireland to have some special privileged position where the pensionable age is going to be different from that in the rest of the United Kingdom? It is just not going to happen. I cannot see any possibility of politicians in the Westminster

Government allowing their constituents to have to work up to an increased pension age while people in Northern Ireland get away with a different figure. It is just not going to happen, and I think it is disingenuous for folk to suggest anything to the contrary.

The financial implications are absolutely clear; those who vote against this are actually voting to take £700 million out of the block grant. So, they can tell us today whether I take this to the Executive to decide whether to take that money out of the health budget and close a few hospitals or take it out of education. Where is the £700 million going to come from? People may look perplexed, but that is the question they have to answer.

A number of other points were raised. In response again to Alex Maskey, we all have reservations about changing the state pension age, and I have said that, but I am very much aware of and alive to the knock-on consequences for winter fuel payments and so on. We are aware of those issues, and we look forward to the Committee's scrutiny of the Bill. The officials will certainly continue to do all they can to assist the Committee in its consideration.

The other point about parity is that this situation is one on which we need to move as quickly as possible. In fact, excessive delay would constitute a breach of parity. There is an obligation on us not only to move on the issue but to move as quickly as possible.

Michael Copeland raised what he sees as the Department's delay in bringing forward the Bill to the Assembly. I should say that it is normal practice for Northern Ireland parity Bills to be introduced after the Westminster legislation has received Royal Assent. It would be inefficient use of Committee, Executive and Assembly time to consider proposals that are still subject to change at Westminster, as that would require the tabling of amendments and multiple referrals. In the present case, an equality impact assessment consultation was carried out between 3 August and 30 September last year. The results were in on 30 September, and the process was not complete until the Committee for Social Development's response had been received. That was not received until 24 November. We then responded to that in a matter of days; the reply went back by 5 December. The Bill was then submitted for Executive approval immediately after that. The Executive approved the Bill's introduction on 12 January, and it was therefore introduced on 23 January. So, everything has moved as quickly as possible. Perhaps there were some bits that we could tighten up where Committee consideration is concerned, but the process has moved as quickly as possible in the circumstances.

I am grateful to Alex Easton, Pam Lewis and Anna Lo for their obvious careful consideration of the Bill and for their broad support. That is the right and responsible way to take this forward.

**Mr McDevitt:** Tories.

**Mr McCausland:** Mr McDevitt is nodding over. In his case, I do not commend irresponsibility and financial and fiscal incompetence from people who cannot work things out. Maybe Mr McDevitt is going to tell me where he will get the £700 million —

**Mr Speaker:** Order.

**Mr McCausland:** I have two points to make. If he wanted to speak on the matter, he might have been in the House instead of being out. If he is so concerned about it, he would have been in the place. The man could not be bothered to be here to ask a question, make an intervention, speak or do anything. The key point is to ask from where he is going to conjure up the £700 million. I am happy to give him the opportunity to answer that. Does he want us to take it out of the Departments of Health or Education? A quick, one-word answer will do: Health or Education? Which are you going to cut?

**Mr Speaker:** Order. Let us not have a debate across the Chamber.

**Mr McDevitt:** I thank the Minister for giving way. The name is McDevitt, Minister. I say that for the record, Mr Speaker.

One thing apart from the DUP's willingness to embrace the Tory Government agenda strikes me as interesting. How many meetings has he had with the relevant Ministers in the United Kingdom on this matter? Has he presented an alternative case? How many meetings has he had with the relevant Ministers in Scotland and Wales on the matter? Has he listened to those from this jurisdiction who have taken the time to go to England to raise specific concerns about the matter? Those people include the Church leaders, the trade union leaders and the leaders of other civic groups who feel a duty to represent the people who will be impacted by the change. Does the Minister feel that he is the Minister for a Northern Ireland Government representing the interests of this region, or is he more interested in trying to keep himself in the British Government's good books today?

**Mr McCausland:** This is the key point. The man was asked a question. Mr McDevitt was asked whether he wanted the money taken out of the Departments of Health or Education, but he did not give a single word of answer. The reality is that he is scared to answer the question. He would prefer to bury it. He is a man who faces up to nothing. He has no recognition of the reality of the situation and prefers to bury his head in the sand. That is reflected in the fact that he did not come in to make a speech. Obviously, he does not really care about the issue at all.

I will move on and pick up on the final points. The Pensions Bill simply aims to create a pension system that is financially sustainable in the light of demographic, social and economic challenges. I spoke earlier about the increased age profile. The reality is that the cost to Northern Ireland of voting against the Bill is £700 million, and I am still waiting for an answer as to where that money will come from. Which Department are we going to take it from?

**Mr Durkan:** Will the Member give way?

**Mr McCausland:** I think that we have heard enough nonsense from over there.

It is widely recognised that the state pension age has not kept pace with demographic changes in society. People will be receiving their state pension for longer than was thought when the current state pension age increases were set. Subsequent gains in average life expectancy have outpaced the projections on which the current timetable is based.

## 12.30 pm

I do not believe that any of us welcomes the changes to state pension age, and we have all said that. However, it is widely acknowledged by all responsible people that increases to the state pension age are inevitable. Only those who are irresponsible will suggest otherwise.

I hope that I have addressed all the points that have been raised. I will certainly read Hansard carefully. If there are other issues that I have not addressed or need to be dealt with in more detail, I will write to the Member. I trust that the main point — the implications of the legislation — has been hammered home sufficiently for everyone in the Chamber to understand.

This is the reality that we face. It is a reality that we face in Northern Ireland as in the rest of the United Kingdom. As I pointed out earlier, changes in pension age are also happening in the Irish Republic. This is something that is happening widely. It is irresponsible — I have to use that word because I cannot think of any other word — for people to simply hope that it will all go away. Those people will go out to lobby groups and constituents to say that they did the real good thing and voted against it. However, the reality is that this is something that is coming and something over which we have no control. It is something that is coming down to this part of the United Kingdom. We are simply a devolved Administration. The sovereign power is still at Westminster, where the decision has been made. We have no alternative under parity but to follow suit. People talk about parity and say that they recognise it. This is the test of whether they really do. It is also the test of whether they recognise reality.

*Question put.*

*The Assembly divided: Ayes 50; Noes 33.*

## AYES

*Mr Allister, Mr S Anderson, Mr Beggs, Mr Bell, Ms P Bradley, Mr Buchanan, Mr Campbell, Mr T Clarke, Mr Copeland, Mr Craig, Mr Cree, Mr Dickson, Mrs Dobson, Mr Dunne, Mr Easton, Mr Elliott, Mr Ford, Mr Frew, Mr Girvan, Mr Givan, Mrs Hale, Mr Hamilton, Mr Humphrey, Mr Irwin, Mr Kennedy, Mr Kinahan, Ms Lewis, Ms Lo, Mr McCarthy, Mr McCausland, Mr McClarty, Mr B McCrea, Mr I McCrea, Mr McGimpsey, Mr D McIlveen, Miss M McIlveen, Lord Morrow, Mr Moutray, Mr Nesbitt, Mr Newton, Mrs Overend, 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 Easton and Ms Lewis.*

## NOES

*Mr Agnew, Mr Boylan, Ms Boyle, Mr D Bradley, Mr Brady, Mr Byrne, Mr W Clarke, Mr Dallat, Mr Doherty, Mr Durkan, Mr Eastwood, Mr Flanagan, Mrs D Kelly, Mr Lynch, Mr F McCann, Ms J McCann, Mr McCartney, Mr McDevitt, Dr McDonnell, Mr McGlone, Mr McLaughlin, Mr McMullan, Mr A Maginness, Mr A Maskey, Mr P Maskey, Mr Molloy, Mr Murphy, Mr Ó hOisín, Mr P Ramsey, Ms S Ramsey, Ms Ritchie, Ms Ruane, Mr Sheehan.*

*Tellers for the Noes: Mr Eastwood and Mr Lynch.*

*Question accordingly agreed to.*

Resolved:

*That the Second Stage of the Pensions Bill [NIA 3/11-15] be agreed.*

**Mr Speaker:** That concludes the Second Stage of the Pensions Bill. The Bill stands referred to the Committee for Social Development.

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

*The sitting was suspended at 12.44 pm.*

*On resuming (Mr Deputy Speaker [Mr Beggs] in the Chair) —*

**2.00 pm**

## Oral Answers to Questions

### Education

**Mr Deputy Speaker:** Lord Morrow is not in his place. I will move to question 2.

#### Teachers: Redundancies

2. **Mr Lynch** asked the Minister of Education to outline his Department's position in relation to the number of teaching redundancies that were predicted recently. (AQO 1182/11-15)

13. **Mr Hamilton** asked the Minister of Education how many teachers he anticipates will be made redundant as part of the compensation scheme announced on 17 January 2012. (AQO 1193/11-15)

**Mr O'Dowd (The Minister of Education):** With your permission, Mr Deputy Speaker, I will answer questions 2 and 13 together.

The Executive recently agreed to provide an additional £120 million, which will be allocated directly to schools over the Budget period. Those resources, in addition to the £40 million that I reallocated to the aggregated schools budget in November last year, will mitigate the impact of the budget cuts on schools.

I believe that, through my Department, the employing authorities and the trade unions working in collaboration, redundancies can be managed, as far as possible, on a voluntary basis. However, the final decision for schools on how to live within their budget rests with boards of governors under the arrangements for local management of schools (LMS). Therefore, it is not possible to anticipate the individual decisions to be made across 1,200 schools. However, the recent announcement of an additional £120 million has undoubtedly saved hundreds of front line jobs in our schools.

**Mr Lynch:** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as an fhreagra sin. I am conscious that the Minister stated that he cannot anticipate individual decisions in each school. However, is it fair to say that some of the figures mooted about the extent of potential redundancies are greatly overstated, particularly in the light of the additional resources secured by the Minister?

**Mr O'Dowd:** Undoubtedly. The minds of the First Minister and the deputy First Minister, and, indeed, those of the Finance Minister and I when we were discussing additional finances for education, were focused on the need to secure as many front line education jobs as possible. I believe that we have gone a great way to achieving that.

I have never got into the practice of bandying around numbers of potential redundancies, because each redundancy has its own story and background. It is only fair to those who work in our education system that our focus and attention be on securing jobs rather than on speculating relentlessly about how many jobs could be lost. The work

done by the First Minister, the deputy First Minister, the Finance Minister and me over the past number of weeks has paid dividends.

**Mr Hamilton:** I appreciate that the Education Minister cannot target a particular age group through any redundancy package. However, given that it is a redundancy package as opposed to a retirement package, is there a risk that some teachers who are not the intended target of the package could get caught up in this unintentionally?

**Mr O'Dowd:** We have sent out detailed guidance to the employing authorities and boards of governors. The guidance should be shared with the board of governors of each school that has to make those decisions.

Although I think that the current package is very attractive to those staff in their latter years of employment, it is certainly not directed at them. I made it clear that I am not seeking to remove older teachers from our service. However, there has been a clear indication from teachers' representatives, and this has also come up in discussions with the employing authorities, that a bracket of teachers would require an enhanced package for them to be able to leave the service with recognition and respect and without damage to their pension contributions. We have a duty to do that, but I am not targeting older teachers. All age groups play a valuable role in our education system. If older staff wish to stay on in a school, they should be treated the same as everyone else in that school. Redundancy should not be based on age profile.

**Mr McDevitt:** I am sure that the Minister will want to ensure that, where redundancies do occur, individuals who find themselves redundant do not re-enter the teaching profession through an indirect route immediately after redundancy. What specific assurances can he offer the House that this will not become a process that could be abused by some schools seeking to rehire very qualified teachers on the cheap?

**Mr O'Dowd:** Let us make it clear: this redundancy package is to remove staff from the system, because, and this is unfortunate, staff are the most expensive element in education, and rightly so. We are a personnel-driven service, and we need personnel on the ground delivering the education service. This is about removing that cost base from education; it is not about allowing older or more expensive teachers to retire so that cheaper teachers at another level can be brought in. This is about removing a post from a school; it is a true redundancy package.

The use of substitute teachers has been much debated in the Assembly. Once again, I appeal to boards of governors, which have the responsibility for the employment of all teachers, including substitute teachers, to use our newly qualified teaching cohort to allow them to gain experience in our schools. We have made it less favourable for schools to rehire retired teachers, because we pay them only at the lower rate. So, if a retired teacher comes back and is perfectly entitled to be paid at the higher rate on which they retired, we will not meet that cost, meaning that the school will have to make up the difference. We have also sent out guidance and guidelines to schools on how they can promote the use of newly qualified teachers.

I have no legislative power to stop retired teachers going back into the system, but I think that there is a moral

obligation on boards of governors and others to prevent it from happening. I will further interrogate the legislation and seek further legal advice, and if it comes to my attention — this is a very big “if” — that I have the legal powers to do something, that boards of governors are not acting on the guidance and that the practice is continuing, I will bring it to the Assembly's attention.

**Mr Craig:** With regard to working out the number of redundancies in any of our 1,200 schools, does the Minister not find it unacceptable that, given where we are with the new education budget, boards have not asked schools to readjust their three-year budget estimates around the new budget that has been given to the Minister? That in itself leads to an almost impossible situation where predicting redundancies is concerned. Does he not find it regrettable that there is no flexibility, which means that those who are volunteering to leave, normally the elder teachers, will not be part of the predicted number of redundancies under the curriculum criteria that the unions force him to use in a redundancy situation?

**Mr O'Dowd:** The employing authority should supply boards of governors with the most up-to-date information. I am disappointed to hear that that may not be the case. I will double-check that with my Department's officials to make sure that any information held by the Department that should be in the hands of the employing authorities is in their hands. After we have finished this Question Time session, I will check with my officials to make sure that that is the case. You are quite right: boards of governors cannot plan for the future if they do not have the most up-to-date information in front of them. That is why we were so keen to get the information out to them.

The redundancy criteria follow an agreed practice: we have an agreement with the trade unions on these matters. I am not minded to breach that agreement. We now seek a smooth process in which these redundancies will take place. At the end of the day, each school is best placed to decide which teaching posts they can make redundant at this time. I do not think that I can do that from this position.

I will check with my officials to ensure that all relevant information is in the hands of the employing authorities and that the employing authorities are making that information available to the boards of governors.

**Mr Deputy Speaker:** I have just been advised that question 3 has been withdrawn.

### Schools: North Down

4. **Mr Dunne** asked the Minister of Education how much capital expenditure for new school builds will be provided in the North Down area over the next four years.  
(AQO 1184/11-15)

### Schools: Upper Bann

7. **Mr S Anderson** asked the Minister of Education for an update on the plans for new school capital projects in the Upper Bann constituency over the next 12 months.  
(AQO 1187/11-15)

**Mr O'Dowd:** With your permission, Mr Deputy Speaker, I will answer questions 4 and 7 together.

As I set out in my statement to the Assembly on Monday 26 September 2011, I have commissioned the five education and library boards, working with the Council for Catholic Maintained Schools (CCMS) and other sectors, to co-ordinate a strategic planning process to shape the future pattern of education delivery.

All previously identified newbuild projects will be critically assessed alongside all other potential projects as part of the area planning process. That will determine how potential projects will contribute to the overall infrastructure needed, and, if identified as a priority in the area plan, they might be taken forward within the funding available.

Until the area planning process has been progressed, I am not in a position to give an update on plans for new school capital projects.

**Mr Dunne:** I thank the Minister for his answers so far. Will he give us an assurance that the Bangor Central Integrated Primary School project and the Hollywood multi-schools project, which includes a nursery unit, will be given funding, especially given the threatened closure of Redburn Primary School?

**Mr O'Dowd:** It would be irresponsible of me to give any assurances about any capital build programme at this time. I fully understand and respect the right of the Member to raise issues about schools in his constituency and to lobby on their behalf. However, he has to understand that the area planning process has to progress. We have to identify where schools are to be built not simply on the basis of the needs of a school but on the needs of education in an area. We are dealing with a very limited capital builds budget. Regardless of the budget, it is only right and proper that we build an infrastructure that assures us as far as possible that it will be there for at least our next generation of young people. Unfortunately, I cannot give assurances to the Member about his constituency or to any other Member for their constituency.

**Mr S Anderson:** I thank the Minister for his answers so far. I take this opportunity to thank the Minister for his announcement today about the nursery unit at Waringstown Primary School, which I, my colleague Stephen Moutray and the local MP, my colleague David Simpson —

**Mr Deputy Speaker:** Will the Member ask his question, please?

**Mr S Anderson:** I am just coming to that, Deputy Speaker. I am sure that the Minister will be pleased that we are thanking him for that.

**Mr Deputy Speaker:** Order. Please come to your question.

**Mr S Anderson:** OK. In what way, Minister, will you proceed with the build projects in that period? How do you prioritise them in respect of need and sector?

**Mr O'Dowd:** I assure the Member and the House that, for all recent development proposals, I have acted on the advice of my officials. Signing off on all development proposals is open to the same public scrutiny as any other decision that I make, so I do not want to be seen to be giving preference. To balance that, the Member asked about an update on the plans for new school capital projects in the Upper Bann constituency over the next 12 months. I have less good news in that regard. I refer to my answer to Mr

Dunne: I cannot state at this stage which school projects will go ahead. The Member asked about the criteria that I will use. My decision will be based on the outcomes of area planning and on need. It will be cross-sectoral. I will not build schools on the basis of creed; I will build them on the basis of need. The area planning process and the decisions on development proposals will be open and transparent, and they will be open to interrogation by the House and others.

**Mr Lyttle:** My colleague Judith Cochrane threatened to kiss the Minister for the start of progress on nursery provision. If he could sort out the need for newbuild schools, I would perhaps come down there and kiss him as well. How will the Minister communicate the deadline and timescales for the area planning with the schools that have been waiting for new buildings for years?

**Mr O'Dowd:** I will have to tell my wife that there is a house that I can get a kiss in. *[Laughter.]* There has to be a standard answer to this. In the past, schools were given the impression at a very early stage in a building application that the build would go ahead regardless. As soon as they made the application, or it may have got as far as an economic appraisal, a school thought that its destiny was set and that a newbuild would be achieved. If I were to say anything other than what I have stated to the two Members who spoke previously — that area planning will be the guidance on which schools will be built — I would be giving false hope and wrong information to the House about future capital build programmes.

Let us allow area planning to progress. The Assembly, and I as Minister, should ensure that we are building schools on the basis of need so that they are there for at least the next generation of young people who come through our education system. We can be assured that we are putting our very limited budget to best use. That is the message. If all 107 of my fellow MLAs were to stand up and ask me what will happen to school A, B or C, I would have to give them the same answer.

2.15 pm

## Special Educational Needs and Inclusion Review

5. **Mrs Hale** asked the Minister of Education when he will publish the consultation responses to the review of special educational needs and inclusion. (AQO 1185/11-15)

**Mr O'Dowd:** A summary report of responses to the consultation on 'Every School a Good School: The Way Forward for Special Educational Needs and Inclusion' was published on Monday 30 January 2012 and is available on the Department of Education's website. The report provides an analysis of the responses received and an indication of my preferred policy options. Ahead of the publication of the summary report, I gave a presentation to the Committee for Education on 18 January to detail my key proposals. I said that I planned further engagement with stakeholders to inform how best my proposals can be taken forward.

**Mrs Hale:** I thank the Minister for his answer. Will he please inform the House of any planned timeline for the implementation of recommendations resulting from the review?

**Mr O'Dowd:** The Department is undertaking another phase of discussion with stakeholders. When we finalise the proposals, the most significant recommendations from the review will require legislative change. Therefore, I do not expect any change to the current status of special educational needs (SEN) provision prior to summer 2013 at the earliest. Any significant proposals that require legislative change would have to go through the full rigour of consultation and Committee scrutiny, and they would be brought before the Assembly for the final passage of the Bill.

**Mr P Maskey:** Go raibh maith agat, a LeasCheann Comhairle, agus a Aire. Given SEN's importance, can the Minister give any assurance that its funding will be safeguarded?

**Mr O'Dowd:** The Department currently spends more than £200 million annually on SEN throughout the education sectors — and rightly so — because we must ensure that the needs of young people with SEN are identified and resources put in place to protect their education attainment. An amount of money is set aside each year — around £4 million a year over the next number of years — to assist in the training of teaching and other staff throughout the education sector. I hope that special educational needs will be protected in the next spending round and comprehensive spending review (CSR), as my predecessor and I achieved in the current CSR, and that we continue to spend a significant proportion of the education budget on the needs of children with special educational needs.

**Mr Copeland:** The question was on an extremely important topic. Will the Minister detail briefly how the educational psychology services required by schools to assess children with special needs are apportioned? Will he confirm whether he has any knowledge of the alleged practice of the use of stopwatches in the apportionment of educational psychology services when children eventually get to benefit from those services?

**Mr O'Dowd:** I am not aware of the practice that the Member described in the second part of his question. If he has specific case histories that he wishes to forward for my attention, I will be happy to examine them to see why such practices are in place. There may be a rationale for that. Therefore, I do not wish to comment any further at this stage.

Child psychologists should be apportioned on the basis of need. I have received various reports suggesting that a number of sessions are allocated to each school rather than on the basis of need. However, it is my firm understanding that those sessions should be allocated on the basis of need. They are one reason why the SEN review was conducted and why we wish to move forward with the implementation of the agreed proposals resulting from that. We want to ensure that throughout schools, all children receive a first-rate service, so that the service in Belfast is no different from those in Derry, Enniskillen or anywhere else. I mention those services only off the top of my head and am not identifying them as being good, bad or indifferent. The SEN review is about ensuring that all children receive appropriate responses to their needs and that those responses are all of an equally high standard.

**Mr P Ramsey:** First, I want to put on record that I am an insulin-dependent diabetic.

The Minister will be aware that there are children in primary school who have complex special needs and that a number

of them are statemented. Has the Minister any plans to review the guidelines on the administration of insulin in primary schools?

**Mr O'Dowd:** In the near future, I will meet Diabetes UK to discuss that and a number of other issues related to how we support young people with diabetes in schools. I will listen carefully to the case presented to me. I am aware that the matter has been brought to the media's attention. There was an event in the Long Gallery, which, I think, Mr McDevitt was involved in. I will listen carefully to the presentation of the cases that I will undoubtedly hear at that meeting and will make my views known on the matter at a later date.

## DE: Budget

6. **Mr Murphy** asked the Minister of Education whether the additional funding that he secured recently will alleviate the pressure on his departmental budget as well as on schools. (AQO 1186/11-15)

**Mr O'Dowd:** I confirm that the additional £120 million that I announced on 12 January will be allocated directly to schools over the next three years. While that additional funding is, indeed, welcome, we are still facing significant financial challenges and pressures right across the education sector. That extra funding will help to alleviate the pressures in schools but will not fully eradicate them. It will be important that schools continue to address the pressures facing them and take necessary action to ensure that they live within their budget.

My Department will continue to work towards a sustainable schools estate and the creation of a modern management delivery system under the Education and Skills Authority (ESA). A more effective, efficient school and management system will lead to savings that, in turn, will be invested in the delivery of front line education.

**Mr Murphy:** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire. I thank the Minister for his reply. I am encouraged by the additional spend that he has received over the Budget period, but, as he quite rightly says, that will not address all the shortfalls. Will the Minister detail what the shortfall in the education budget will be over the Budget period?

**Mr O'Dowd:** Over the next three years, we have to secure savings in the region of £150 million, which is a significant amount of money for any Department but especially the Education Department, given that it is personnel-driven and many of its services are identified as front line. There are very difficult decisions ahead for the Department. I have to say that that additional £120 million has taken a great pressure off, but certainly has not eradicated it.

As we discussed earlier in relation to the issue of redundancies, boards of governors will have difficult decisions to make, as will the education and library boards, CCMS and the other managing authorities, in the years to come. Along with the Executive, I am endeavouring to deliver the ESA Bill in time so that any savings secured go into front line education services. In respect of delivering a sustainable schools estate, I think that that is the right and proper way forward to ensure that savings are driven into front line education not only in this CSR period but the next.

**Mr Storey:** I think that we all recognise that the education estate, in respect of capital and resource, unfortunately faces very difficult times. A particular concern that keeps re-emerging in relation to budgets is the entitlement framework, with it becoming a statutory requirement in 2013 and funding coming to an end. The Department has already rearranged the numbers — 24, 27 to 18, 21. Will the Minister give an assurance to the House that he will allow flexibility in any new area planning structure so that the entitlement framework can be delivered?

**Mr O'Dowd:** The Member is right in what he says. The reason why I staggered the delivery of the entitlement framework is that I was conscious of the difficult budgetary factors that our schools face. I staggered the delivery over a number of years to allow it to take place. We have been planning for the entitlement framework since 2006. A significant amount of planning has gone into that already and a significant investment has been made.

We are withdrawing funding from the area learning communities, which in most areas, I have to say, have played an excellent role not only in preparing for the entitlement framework but in the elusive sharing of education that we are quite rightly driving towards. Many area learning communities have been the foundation stone on which I think we can build the sharing of education. I am conscious of working towards that in the future and of seeing how we can keep the project alive in some format.

Area planning will be driven by the local communities, local schools, local knowledge and local structures. I do not want to be rigid in the implementation, but I want to see in place an area plan that is capable of delivering the entitlement framework. Our schools and current structure — the education boards — and, going into the future, ESA, will be well placed to deliver such a structure that will allow schools to be flexible within certain parameters. The objective of delivering the entitlement framework will, certainly, be achieved.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a chuid freagraí go nuige. I thank the Minister for his responses up until now. Will the Minister provide us with some detail as to when we will receive information as to how the additional funding that he has received will be allocated?

**Mr O'Dowd:** That matter was raised earlier with me by another Member. I am of the view that the information has been distributed to the employing authorities. Earlier in the session, I gave a commitment to go back to my officials and ask them to check that that information had been distributed to boards of governors. It is vital that boards of governors have the most up-to-date information possible so that they can produce their schools' next three-year plans and so that they know their financial position and know what, if any, redundancies they will have to make to keep themselves within their budget. Once I leave the Chamber, I will immediately ask my officials to ensure that that information is with the employing authorities and the boards of governors.

### Schools: Viability Audit

8. **Ms P Bradley** asked the Minister of Education when he will publish the findings of his Department's viability audit of schools. (AQO 1188/11-15)

**Mr O'Dowd:** My Department received the first viability audit reports from the boards on Monday 16 January 2012. The boards have also sent each school a copy of the information specifically relating to that school. My officials made an initial assessment of the reports and are engaging with the boards to obtain further information. Boards have been asked to resubmit the viability audits by 6 February and to submit proposals to address the position by 15 February. When the information is complete, the five reports will be published by the boards as soon as is practicable.

**Ms P Bradley:** I thank the Minister for his response. Due to the sensitivity of the publication of the audit, what implications do you foresee for schools in north Belfast?

**Mr O'Dowd:** I understand there is some sensitivity around the publication of the audit, regardless of whether it is North Belfast or any other constituency. Much of the information will already be in the public domain. I am bringing the information together so that I as a Minister, the boards and other managing authorities have a clear picture of our schools across the sectors.

The viability audits are not the endgame, and the media or others should not be using them as some form of league table or as a means by which to map out a school's destiny. Some schools may be clearly identified as having such problems that they are unsustainable going into the future. If that is the case, I have a duty to ask their managing authorities what plans are in place to secure the education of the young people at those schools. In the majority of cases, I think we will be seeing a position in which schools may need further support, and we will be asking the managing authority what further support it is giving to those schools and how it is assisting the schools to work out of their current financial or educational underattainment.

We are entering the next stage of viability audits and moving towards area planning. This is not the final destination, and no one should use these reports as a league table or speculate on them in such a way as to damage the reputation of any school.

**Mrs Overend:** From what I understand, the viability audit was to lead to an area plan. I find it strange that you are now putting forward additional criteria. Are you unhappy with what has come back from the viability audit? Have you decided to add additional criteria in order to get the results that you wanted?

**Mr O'Dowd:** No; I am not adding any further criteria to the viability audits. I am insisting that the criteria that I set out are adhered to. That is a responsible thing for a Minister to do.

I stood in the Chamber in September 2011 and set out the process clearly for Members. I have published the terms of reference for the viability audit, and they have not been met. However, I have no doubt that they can and will be met. We are not in a crisis situation. The boards will be able to return completed viability audits, and then we will be able to move on. Therefore, it is not that I did not get the answer I wanted; the question that I asked has not yet been answered. When the answer comes back with all the statistical information, we can move on to the next stage.

2.30 pm

## Employment and Learning

### DEL: Staff over Retirement Age

1. **Dr McDonnell** asked the Minister for Employment and Learning how many civil servants are continuing to work in his Department even though they have reached retirement age and have earned full pension rights. (AQO 1196/11-15)

#### **Dr Farry (The Minister for Employment and Learning):**

Since September 2008, there has been no default age for retirement in the Civil Service. The majority of staff in the principal Civil Service pension scheme have a pension age of 60, but, for most, the state pension age is later. There are currently 72 employees in the Department who are aged 60 or over. A full pension requires 40 years reckonable service. Full pension rights are not defined in the scheme. Staff retiring at the age of 60 or over will receive a pension proportionate to their individual reckonable service.

**Mr Deputy Speaker:** I ask Members who wish to stay for Question Time to listen carefully. I am picking up a lot of background noise, which is making life difficult. Therefore, please respect the Chamber.

**Dr McDonnell:** I thank the Minister for his answer. I very much appreciate it. Will he tell us whether any civil servants have retired and come back into employment in the Department? What impact does that have on opening up job and promotion opportunities for other staff in the Department?

**Dr Farry:** I thank Dr McDonnell for his question. I am not immediately aware of any such situations in my Department or across the core Civil Service. However, I appreciate that it is relevant in aspects of the wider public sector in Northern Ireland at present.

### University of Ulster: Jordanstown Campus

2. **Mr Girvan** asked the Minister for Employment and Learning what consultation has taken place with the community in relation to the relocation of the University of Ulster's campus at Jordanstown to an expanded campus at York Street, Belfast. (AQO 1197/11-15)

**Dr Farry:** I thank Mr Girvan for his question. The university informed me that it is preparing its submission for planning permission for the proposed new campus, and it is expected to take place in March 2012.

A phased approach to consultation with the community has been undertaken. The initial phase comprised consultation with political representatives at Assembly, Westminster and local government levels in Belfast and with the North Belfast Partnership Board. Where specific community groups have requested meetings, the university has met with their representatives. Over the past year, the second phase of consultation with key stakeholders in Belfast has been led by the university's planning consultants, in line with the planning strategy in the pre-application discussions leading up to the submission of the planning application in early 2012.

The university is now embarking on the next phase of consultation, involving engagement with councillors,

community leaders and community groups. In addition, the university has recently appointed consultants to prepare a master plan for the redevelopment of the Jordanstown campus and will be embarking on a parallel series of meetings with political and community leaders to discuss how the campus will evolve.

**Mr Girvan:** I thank the Minister for his response. I want to find out exactly what consultation went on. A lot of it seems to have taken place on the Belfast side, but, as far as I am concerned, extremely little consultation has taken place with the communities in Jordanstown and Newtownabbey and with a lot of the businesses that will be affected by the removal of such a large campus from an area —

**Mr Deputy Speaker:** Can we have a question, please?

**Mr Girvan:** No consultation seems to have taken place at local level in Newtownabbey. It all seems to have taken place in Belfast, and I want to know why that has been the case.

**Dr Farry:** I understand the point that Mr Girvan makes, and, towards the end of my answer, I stressed that those consultations are set to commence. It is important to stress that this is an issue that has an impact on Belfast, particularly north Belfast, and Jordanstown in east Antrim. This is a good story for the university, and, accordingly, it is a good story for Northern Ireland. It is also important to stress that activity will continue on the Jordanstown site, and the university is committed to maintaining a number of particular courses in sports and some specialist engineering facilities.

**Mr P Maskey:** Go raibh maith agat, a Cheann Comhairle, agus a Aire. Will the Minister explain his Department's strategy for the continued development of the sports institute that will remain at Jordanstown?

**Dr Farry:** I thank Mr Maskey for his question. That is a matter of detail for the university to take forward. Ultimately, universities are autonomous bodies. We respect their independence, and it is in no way my intention to micromanage what the universities do. However, it is worth stressing that the University of Ulster has made a commitment to retain the sports institute. Members can be reassured on that point.

**Mr Cree:** The Minister has said that the entire university campus will not now be relocated. Will he advise the House whether a proper business case was done and what the costs and benefits of the relocation that is envisaged will be?

**Dr Farry:** A proper business case was undertaken and approved by my Department and the Department of Finance and Personnel. The university submitted a series of different options and full economic appraisals for each of those options. The relocation to Belfast was clearly the premier option.

The relocation will require a significant investment of potentially £250 million, and my Department has already committed funds. The public contribution will be £16 million, with the remainder coming from the university. The university is driving forward that scheme with the strong support of my Department and wider government.

## Information and Communications Technology

3. **Mr Dickson** asked the Minister for Employment and Learning what actions his Department is taking to address the skills issues in the information and communications technology sector. (AQO 1198/11-15)

**Dr Farry:** I thank Mr Dickson for his question. The information and communications technology (ICT) sector is recognised by my Department as an important sector in the Northern Ireland economy. A vibrant IT workforce is critical to the success of every sector, and a world-class technology skills base is an essential prerequisite for success in the global economy.

Over the period that I have been Minister, I have listened to the concerns of employers in the ICT sector on skills issues. In response to those concerns, I established and chair an ICT working group made up of key employers in the industry, together with representatives from the universities, the colleges and other Departments. The purpose of that new working group is to develop a vision and strategy to ensure that the skills needs of the sector are met; align supply to demand to ensure a better match in skills; enhance career attractiveness to assist with the continued growth of the sector; and ensure that the education sector meets the needs of industry by providing the appropriate curriculum and qualifications.

The first meeting of the group was held on 12 January. An action plan will be produced to deal with skills provision, sector attractiveness and improved communications. That action plan will provide a road map with specific actions for all the stakeholders in the sector. That will ensure that Northern Ireland ICT companies continue to grow and that we remain a location of choice for inward investment.

**Mr Dickson:** I thank the Minister for his answer and for setting up the working group. Will he tell Members when the action plan will be ready for future development? It is all very well having action plans, but, at the end of the day, those need to become practical plans.

**Dr Farry:** I thank Mr Dickson for his supplementary question. That is the course of action that we are undertaking. It is my aim to bring this to a conclusion by April. It has to be a short and targeted intervention.

One of the advantages of devolution in Northern Ireland and the scale of our society is that we can have a hands-on approach to the needs of industry. Whenever particular problems arise or are perceived to have arisen, in any particular sector, the Government have a duty to respond. We must ensure that we in Northern Ireland are up to our game and operate at full efficiency. We must also ensure that we help companies to grow and attract new companies into our society.

**Mr B McCrea:** Minister, do we perhaps oversell the resources that we have when we go looking for foreign direct investment, given that we have a shortage of graduates in ICT and suchlike? Will you undertake to review whether the 2009 scheme that DEL ran will be reinstated for the transition period? Will you also undertake to talk to CCEA about reinstating computer science as an A-level subject?

**Dr Farry:** I thank Mr McCrea for his questions. There are two points that I should make in response. It is important that

we continue to promote Northern Ireland as an investment location for ICT companies. ICT jobs tend to be highly paid, and they fit in very well with the aims of the Programme for Government and the economic strategy. It is important that we address the skills issue to ensure that we continue to be an investment choice for a number of companies. We can do more to make Northern Ireland an attractive choice for potential students, and we all have an agenda of trying to increase the numbers doing STEM subjects at higher education level.

We also need to address the wider issues with the secondary level curriculum, and I am pleased to see that the Department of Education is one of the Departments that have agreed to be represented on the working group. There is a distinction to be made between teaching ICT as a subject — in essence, it is about the application of ICT skills to the modern world — and teaching computer science, which is software and programming skills. It is often in the latter area that companies look for young people to build their career and further their education. We are certainly very keen that the universities and FE colleges develop further what they do on software development.

**Mr D McIlveen:** The Minister will be aware that his Department currently funds only one apprenticeship place in advance of level 3. Will he outline how we can seriously address the skills issue if we are not investing in level 4 and level 5 apprenticeships?

**Dr Farry:** I am pleased to say to Mr McIlveen that just this week I signed off on a series of initiatives that will be rolled out over the next months to deal with the skills needs of employers. The initiatives are about turning into practical reality the skills strategy that I launched in May. One area that we are looking at is the development of a level 4 apprenticeship. We have to get the message out that it is important to invest in higher-level skills. All the evidence shows that we will need more and more people with higher-level skills as our economy moves ahead over the next 10 years. Equally, not everyone has to go down the route of doing a classic higher education, university-based degree. There are other areas in which people can demonstrate that they have the high-level skills that employers need. Some employers may want people to go into the workplace at the age of 18 rather than going down the route of a university degree or apprenticeship. That is certainly very much on our agenda and is definitely a priority for me and my Department.

**Mr D Bradley:** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a chuid freagraí go dtí seo. Ba mhaith liom an méid seo a fhiafraí den Aire, más é do thoil é. Will the Minister consider the promotion of software development or software testing locations in the Bridge to Employment scheme?

**Dr Farry:** We are certainly very open to the development of software testing at all levels at which the Department operates. Of course, it is often a higher-level skill, and that is probably where the majority of our focus will be. Over the past months, we have run the software testers' academy, with the co-operation of the South Eastern Regional College. The huge demand for and interest in the academy shows that a lot of people want to get involved in the ICT sector. Again, that was a targeted intervention aimed at addressing companies' needs. So I think that we can move ahead in

this area on a broad front. It is a critical area for the future of the economy.

**Mr Deputy Speaker:** I wish to advise Members that question 6 has been withdrawn and requires a written answer.

## Youth Employment

4. **Mr Douglas** asked the Minister for Employment and Learning for his assessment of whether youth unemployment will rise in the short and medium term, and whether he will continue to seek additional resources to enable young people to gain work experience through employment initiatives such as the Step Ahead programme. (AQO 1199/11-15)

8. **Mr Hamilton** asked the Minister for Employment and Learning what steps he is taking to address the rise in youth unemployment. (AQO 1203/11-15)

9. **Mr Lyttle** asked the Minister for Employment and Learning what further initiatives his Department will introduce to tackle youth unemployment. (AQO 1204/11-15)

11. **Mr Campbell** asked the Minister for Employment and Learning what measures his Department is taking to address youth unemployment in the East Londonderry constituency. (AQO 1206/11-15)

12. **Mr Kinahan** asked the Minister for Employment and Learning to outline his Department's initiatives for tackling youth unemployment, and how it is engaging with other UK Administrations on this issue. (AQO 1207/11-15)

**Dr Farry:** Mr Deputy Speaker, Members tabled five questions on youth unemployment and one on general unemployment. With your permission, I will address the questions on youth unemployment as a group and seek additional time for doing so.

In Northern Ireland, the increase in youth claimants — those aged 24 and under — between November 2007 and November 2011 was 155%, compared with the overall UK rise of 97%. Although the youth unemployment rate may be marginally lower in Northern Ireland at 18.4%, compared with 21.1% in the UK as a whole, it nevertheless constitutes a major challenge in absolute terms. Around 20,000 young people are unemployed here.

### 2.45 pm

Youth unemployment brings its own challenges. Young people risk being denied the opportunity to apply their recently acquired skills, and insufficient experience to compete for job vacancies is a particular problem for them because it is difficult to get such experience without having a job. There is a danger of young people being lost to long-term unemployment.

Youth unemployment is, of course, an international issue, and many Governments have made targeted interventions. Notably, in Great Britain, the Government recently announced a new Youth Contract, an initiative that will invest £940 million in new measures over the next three years to help young people to progress in the labour market. The contract provides for increased time with personal advisers, weekly job search reviews, 100,000 work placements over the next three years, a new wage incentive to encourage employers to offer jobs and a new programme targeted at the most

persistent young people who are not in employment, education or training.

In addition to Youth Contract measures, Wales has put in place the Jobs Growth Wales programme, a £75 million scheme designed to create 4,000 jobs a year for young people. Scotland has introduced the Community Jobs Scotland scheme, whereby organisations are offered a grant of up to £6,000 for each job created. That scheme will create 2,000 jobs over the next three years and represents additional investment of £12.4 million.

My Department already has a comprehensive range of measures in place to help unemployed people, including young unemployed people, to find work, but more needs to be done. Therefore, I recently circulated to my Executive colleagues a set of proposals to help young people and to address the threats to the future of our economy if we do not take effective action now. The Executive should, shortly, consider the options, and it is for the Minister of Finance and Personnel to consider the issue of funding in the first instance. I will make a full statement to the Assembly when a package of measures has been agreed.

**Mr Douglas:** I thank the Minister for his answer. Does he agree that the Step Ahead programme has been excellent? I congratulate him on attracting additional resources for 500 places. Unfortunately, however, those 500 places, to my knowledge, will allow people to work for up to 10 weeks, whereas the previous programme, which was superb, was for six months. Will he consider reviewing that situation so that the next Step Ahead programme will last for the original six-month period?

**Dr Farry:** I thank Mr Douglas for his supplementary question. I was pleased to be able to secure funding in the latest monitoring round to allow the Step Ahead 2012 programme to commence. Unfortunately, it has to be a 10-week intervention to cover the rest of the financial year because it was funded by monitoring round moneys. We are required to do more about youth unemployment, but, first, there are difficulties in balancing the budget for the ongoing employment service programmes that we have.

As all Members will be aware, with over 60,000 claimants in Northern Ireland, we are working well ahead of the capacity of the system. We have been on a financial bare-knuckle ride this year, but we have managed to ensure that, in the main, the budget has been balanced. Those are structural problems that we will face over the next number of years. The discussions about how to address those problems in a more stable way in the future years of the comprehensive spending review period are ongoing.

**Mr Hamilton:** Does the Minister agree that the involvement of companies is essential in taking forward any new initiatives? Will he outline what initial discussions or engagement he has had with the private sector in anticipation of a new package coming online?

**Dr Farry:** I thank Mr Hamilton for his initial question and his supplementary question. The critical aspect of any new initiative that we would take in Northern Ireland to deal with youth unemployment will be based around work experience. That is the particular barrier that young people face in competing with others because they cannot get on the first rung of the ladder without having some degree of

experience. Therefore, there is a critical role to be played by employers in that regard.

I say to employers in particular that it is not just about acting for the common good of Northern Ireland and being good citizens; it can be a very discreet intervention for the good of their business. Often, if they take on a young person, an employer will find that they bring a lot to the company and have a lot to offer for its future growth. Often, work experience schemes can have a very high retention rate. If we were to have a youth scheme in Northern Ireland, we would hope for a retention rate of at least 50%. A strong message needs to go to the private sector from my Department and others. There is also a role for the public sector to engage in employment programmes, which can be successful for companies and for the common good of Northern Ireland.

**Mr Lyttle:** I join in welcoming the reintroduction of the Step Ahead work experience programme. How seriously are the Minister's Executive colleagues taking the need to reallocate additional resources for a targeted intervention on youth employment?

**Dr Farry:** I thank Mr Lyttle for his question. It is fair to say that the issue is very much in the consciousness of each Member and every party in the Chamber and, indeed, across wider society. Indeed, a 'Spotlight' programme will focus on the issue tonight. The Executive recognise that we need to have some additional measures in Northern Ireland. I do not want to prejudice the nature of those discussions. In the first instance, I have to defer to my colleagues on the Executive about how they see the way forward and, more importantly, how we can, potentially, resource any new initiatives that we will take. I look forward to having those discussions in the very near future. We have had some preliminary discussions in the economic subcommittee of the Executive, and there has been considerable interest from all the members who sit on the group.

**Mrs Overend:** I thank the Minister for outlining the resource allocation from the Department for Work and Pensions for the Youth Contract. Today, I received a response to a question for written answer from the Finance Minister, who told me about the Barnett consequential resulting in a net addition of £26.5 million to the Northern Ireland block over three years. How much of that is the Minister for Employment and Learning bidding for in his proposals?

**Dr Farry:** I thank Mrs Overend for her interest in the matter. She is right to identify that some Barnett consequentials were created on the basis of the introduction of the Youth Contract in Great Britain. As employment is not devolved elsewhere other than Northern Ireland — the Youth Contract applies to the whole of Great Britain — in some respects, Northern Ireland has to do its own thing. It is important to caution Members that those Barnett consequentials are unhypothecated funds; they are not dedicated in respect of a similar measure happening in Northern Ireland. Therefore, it is for the Executive to discuss how they want to invest those resources.

I recognise that youth unemployment is a major issue, and other Ministers recognise that it has to be a priority. Equally, there is a host of other pressing financial commitments that the Executive have to recognise. I recognise and respect that process, and I assure Members that I will push the

case for youth unemployment as hard as I can. We will certainly seek significant sums for that, but it is important that we have discussions in private with the Finance Minister about the detail. I will come back to the House to report on the full details if we are able to move ahead with the package.

## Confucius Institute

5. **Mr Ó hOisín** asked the Minister for Employment and Learning for an update on the development of the Confucius Institute at the University of Ulster, Coleraine. (AQO 1200/11-15)

**Dr Farry:** I thank the Member for his question. My Department has supported the proposal to establish a Northern Ireland Confucius Institute at the University of Ulster. The institute will help to further develop relations and partnership opportunities with China; enable inward and outward student and staff mobility; further diversify the Northern Ireland higher education sector; and act as a cultural bridge between China and Northern Ireland.

I have written to congratulate Professor Richard Barnett, vice chancellor of the University of Ulster, on the award of the centre, as I believe that it will further enhance the global reputation of the university and provide further evidence that the academic excellence provided throughout the institution is recognised internationally. The Chinese Language Council has provided initial start-up costs for Chinese language teaching materials and for the transport of academics from China to participate in the institute and in the university's academic and cultural activities. The university has earmarked some of its budget for staffing the institute and for running two offices in Coleraine and Belfast. The Chinese Language Council has agreed to match income generated by the institute.

The university has recently appointed Mrs Yan Liu as director, and she will lead operations on a day-to-day basis. The institute will offer a range of courses and qualifications in Chinese language and culture to the wider public, beginning in autumn 2012. It will also offer bespoke short courses to industry, government and other interested parties.

**Mr Ó hOisín:** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as an fhreagra sin. I thank the Minister for his answer. What is the Department doing to raise the profile of the Confucius Institute in Coleraine? Specifically, what encouragement and support will be given to young jobseekers to learn Mandarin to improve and enhance their employment chances?

**Dr Farry:** I thank Mr Ó hOisín for his supplementary. I am happy to support and promote the institute, and I congratulated Professor Barnett in that regard. I believe that we offered a letter in support of the application. The point that the Member makes is central, which is to get the message out that we have that facility in Northern Ireland and to ensure that we capitalise on that. We are going through a major global rebalancing of the economy. Members are well aware of the BRIC nations, within which the "C" is probably the biggest. With China's economy set to continue its rapid growth over the next decades, it is critical that Northern Ireland is positioned to engage with China in developing future economic opportunities. Other Members

talked about Chinese tourists coming to Northern Ireland in the future.

It is also worth stressing the importance of our students in Northern Ireland gaining greater international experience. Our current students have a very low profile in taking advantage of opportunities to study overseas. I would like to see that promoted much more, and it will be a major theme in the higher education strategy that I hope to launch in the coming weeks.

**Mr Dallat:** Is the Minister inspired by the philosophies of Confucius? Hopefully, he is. How does he intend to ensure that this wonderful concept gets beyond the academics of the university into tourism and other aspects of life to the great benefit of Coleraine and beyond?

**Dr Farry:** I thank Mr Dallat for his supplementary. I have to confess that I am a liberal rather than a follower of the philosophy of Confucius per se. Clearly, however, Confucian philosophy has been a major influence on a number of cultures in the Far East. The central point in all of this has to be that we get the message out that we are moving ahead in Northern Ireland. We have this facility. There are huge opportunities out there for companies in Northern Ireland to enter the market in China. The economic strategy talks of the importance of exporting. If we are to grow the economy, we have to export. Our domestic demand is not sufficient. China is the biggest import market in the world, so we must up our game in that regard. This is a good start, but more has to be done.

**Mr G Robinson:** Will the Minister clarify if the 4.4% drop in student applications via UCAS will have a bearing on the overall viability of organisations such as the Confucius Institute?

**Dr Farry:** I thank Mr Robinson for his supplementary. It is important to stress that the figure he quoted is the overall UK figure for the drop in applications. In Northern Ireland, the situation is that our applications are level. There is certainly no threat from a drop in applications to our local universities. Of course, historically, more people have applied to our universities than they have had places. So the potential for accommodating local people in Northern Ireland universities is absolutely central to the development of our economy. We want our young people to stay in Northern Ireland and to build their career here. If we have a growing economy, they will have the incentive to stay. The policy decisions that my Department has taken, with the support of the Executive, around higher education funding and tuition fees will stand Northern Ireland well over the coming months and years.

**Mr Kinahan:** Given how critical the Minister said China is to our economy, will he support funding for the heads and vice heads who have been asked to go there by or in line with the Confucius Institute? It is offering to pay the internal costs; however, will his Department look at funding to get them there, so that we can learn and forge those links into the future?

### 3.00 pm

**Dr Farry:** I thank Mr Kinahan for his supplementary question and his recognition of the importance of China.

In the first instance, those are really issues for the university to face up to. In higher education, I respect the universities' ability to manage their finances themselves, but, obviously, they will want to ensure that they invest their resources in the most sensible way and in the way that brings the best return. As the needs of society and the economy change, I expect that the way in which universities invest their funds in courses and support for courses will change to reflect that.

**Mr Deputy Speaker:** That concludes Question Time. I ask Members to take their ease for a few moments.

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

## Executive Committee Business

### Rates (Amendment) Bill: Consideration Stage

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

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

**Mr Principal Deputy Speaker:** Members will have a copy of the Marshalled List of amendments detailing the order for consideration. The amendments have been grouped for debate in my provisional grouping of amendments selected list.

There will be one debate on the single group of five amendments, which deal with a proposed rebate for certain businesses occupying previously unoccupied premises. Amendment Nos 2, 3 and 4 are amendments to amendment No 1, so we shall need to dispose of those before putting the Question on amendment No 1.

Once the debate is completed, any further amendments in the group will be moved formally as we go through the Bill, and the Question on each will be put without further debate. The Questions on stand part will be taken at the appropriate points in the Bill. If that is clear, we shall proceed.

*Clause 1 ordered to stand part of the Bill.*

#### New Clause

**Mr Principal Deputy Speaker:** We now come to the single group of amendments for debate. With amendment No 1, it will be convenient to debate amendment Nos 2, 3, 4 and 5. The amendments deal with a temporary rebate for certain premises.

**Mr Wilson (The Minister of Finance and Personnel):** I beg to move amendment No 1: After clause 1, insert the following new clause:

*“Temporary rebate for certain previously unoccupied hereditaments etc.*

*1A. After Article 31C of the principal Order (temporary reduction of rates for specified hereditaments) there shall be inserted the following Article—*

*‘Temporary rebate for certain previously unoccupied hereditaments etc.*

*31D.—(1) Subject to the provisions of this Article, the Department shall grant to a relevant person a rebate from the rates chargeable in respect of the net annual value of a hereditament to which this Article applies.*

*(2) No rebate shall be granted except on an application made before 1st April 2013 to the Department by a relevant person; and any such application shall contain such information as the Department may reasonably require.*

*(3) This Article applies to a hereditament which—*

*(a) falls within paragraph (4); and*

*(b) became occupied during the year ending on 31st March 2013 immediately after having been unoccupied for a continuous period of twelve months or more.*

*(4) A hereditament falls within this paragraph if it is included in the NAV list and—*

*(a) when last occupied before it became occupied as mentioned in paragraph (3)(b), it was used for retail purposes; or*

*(b) if never occupied before it became occupied as mentioned in paragraph (3)(b), it could reasonably have been considered by the Department as likely when next in use to be used for retail purposes.*

*(5) In this Article—*

*“F” means the first person to occupy the hereditament after the period mentioned in paragraph (3)(b);*

*“O” means the owner of the hereditament;*

*“rebate” means rebate under this Article;*

*“reduced” includes reduced to nothing;*

*“retail purposes”, in relation to a hereditament, means the retail provision of goods or services on or from the hereditament.*

*(6) In this Article “relevant person” means—*

*(a) F; or*

*(b) O if O pays the rates mentioned in paragraph (1) instead of F,*

*but the Department shall not grant the rebate to O unless it appears to the Department that the rebate will be applied for F’s benefit.*

*(7) Subject to paragraph (8)—*

*(a) the period for which the rebate is granted shall be the period of twelve months beginning with the day on which the hereditament became occupied as mentioned in paragraph (3)(b); and*

*(b) the amount of the rebate shall be one half of the rates chargeable in respect of that period in respect of the net annual value of the hereditament.*

*(8) If—*

*(a) F ceases to occupy the hereditament during the period for which the rebate is granted; or*

*(b) the rebate would to any extent contravene an EU obligation,*

*the rebate shall be proportionately reduced and if too large an amount has been paid or allowed by way of rebate the excess shall be recoverable summarily by the Department as a debt.*

*(9) Where a rebate is granted in respect of a hereditament, in respect of the period for which the rebate is granted—*

*(a) Articles 31, 31AA, 31B and 33B shall not apply to the hereditament;*

*(b) the hereditament shall not be a specified hereditament for the purposes of Article 31C (temporary reduction of rates for specified hereditaments);*

*(c) if the hereditament is distinguished in the NAV list as—*

(i) exempt from rates under Article 41, 41A or 42 or under Article 12(2) to (4) of the Rates (Capital Values etc.) (Northern Ireland) Order 2006; or

(ii) occupied and used wholly or partly for industrial purposes or for transport purposes,

the hereditament shall be treated as if it were not so distinguished.

(10) If the rebate is reduced by virtue of paragraph (8), the reference in paragraph (9) to the period for which the rebate is granted shall be construed accordingly.

(11) The Department shall serve on every relevant person notice of its decision on an application for a rebate.

(12) Any relevant person may, within twenty-eight days of the service on that person of a notice under paragraph (11), apply to the Department for a review by the Department of its decision.

(13) The Department shall serve on every relevant person a notice of the result of the review and any relevant person, if dissatisfied with the result of the review, may appeal to the Lands Tribunal.

(14) On an appeal under paragraph (13) the Lands Tribunal may make any decision which the Department could have made.

(15) The Department may by an order made subject to affirmative resolution modify paragraphs (2) to (8).

(16) Without prejudice to the generality of paragraph (15), an order under that paragraph may—

(a) for the references to 1st April 2013 and the year ending on 31st March 2013 in paragraphs (2) and (3)(b) substitute references to such date and to such period as may be specified in the order; and

(b) provide that no rebate shall be granted for so much of any period as falls after such date as may be specified in the order and modify paragraph (7)(a) accordingly.’’

The following amendments stood on the Marshalled List:

No 2 to amendment No 1: In Article 31D(4)(a), after “purposes” insert “or office purposes”. — [Mr Allister.]

No 3 to amendment No 1: In Article 31D(4)(b), after “purposes” insert “or office purposes”. — [Mr Allister.]

No 4 to amendment No 1: In Article 31D(5), after “owner of the hereditament” insert

“office purposes’ has the meaning assigned to it by Article 2 of the Rates (Northern Ireland) Order 1977”. — [Mr Allister.]

No 5: In clause 6, page 4, line 26, after “Sections 1” insert “, 1A”. — [Mr Wilson (The Minister of Finance and Personnel).]

**Mr Wilson:** Amendment No 1 deals with the one-year concession providing a 50% rebate to the first occupiers of long-term empty retail properties in the rating year 2012-13. I will speak to amendment No 5, which provides for the commencement of that. I will also touch on the issue of extending the 50% rebate to include office purposes, which is dealt with in the amendments in the group standing in the name of Mr Allister.

First, I will set out the context in which amendment No 1 has come about, before dealing with the amendment itself. As I indicated to Members during the Bill’s Second Stage last week, we are all too aware of the continuing concerns of business ratepayers in our constituencies about the state of high streets, particularly the high level of empty shops in our core shopping areas.

A key element of the Executive’s commercial rating package consists of measures aimed at making the shopping areas in our town and city centres more vibrant. Clause 2 of the Bill will allow ratepayers to brighten up shop windows in empty shops without incurring full occupied rates. That clause, together with amendment No 1, is intended to encourage business ratepayers to make our towns and city centres more attractive, allowing shop windows to be brightened up and made more vibrant through reducing rates liability where long-term empty shops become occupied again.

As we all know, empty properties can contribute to the run-down, neglected and forgotten-about appearance of our towns. Indeed, that can create a vicious circle, as the resulting neglected appearance leads to other businesses locating elsewhere, exacerbating the original problem. I, along with the Executive, want to try to arrest that decline in city centres, high streets and core shopping areas by encouraging business ratepayers either to make the area more attractive through the shop window display provision or to locate their businesses there, whatever that business may be, with the result that there is increased traffic and footfall.

Encouraging and promoting the long-term use of empty shops and getting them back into use should help to further revitalise those areas. Although I take the view that we are experiencing a transformation in the way that our retail economy behaves and that that leads to the long-term structural oversupply of shops, particularly on the periphery of our towns and cities, I also believe that we need to protect our urban centres from further decline.

I emphasise that amendment No 1 focuses on shops in our towns’ high streets that have been empty long term. That means vacant premises that were last used for the retail provision of goods and services. The focus, therefore, is on high streets and shopping areas where the vast majority of properties are shops rather than offices or other types of accommodation. For that reason, I am not supportive of those amendments that propose to extend the provision to empty premises that are used for office purposes.

However, given the aim to make our shopping areas more positive and vibrant, the Executive have agreed that the incoming business does not have to be retail to qualify for the concession. Any business use of a long-term empty retail property will qualify. Amendment No 1 would insert a new clause into the Rates (Northern Ireland) Order 1977 to give effect to that. It would provide for a one-year concession during 2012-13 that would effectively allow 50% empty property relief to continue for a year. For the rebate to be awarded, an application would have to be made to the Department in the next rating year. That change would apply to those long-term empty shops that were previously used for the retail sale of goods and services and that would be occupied in the 2012-13 rating year.

A condition of that concession would be that the property would have to have been empty for at least a year, with relief

then awarded for a year. The property would also have to have been used for retail purposes when last occupied, or, if it had never previously been occupied, my Department would have to be satisfied that it would be used for retail purposes when next in use.

The rebate would obviously be subject to state aid rules, meaning that, taking into account any other assistance, no business could receive any more than the equivalent of €200,000 — I do not know why that figure has been given to me in euros — over a rolling three-year period. That is likely to mean that the maximum rebate would be in the region of £160,000 over the period in question.

Although the rebate would apply to the property when it became occupied, in effect, it would represent the continuation of empty property relief for the first year that the property was occupied. As a result, no other occupied reliefs or exemptions would apply while that one-year concession was granted. The ratepayer would have a choice to make. The remaining provisions of the new clause would make provision for appeals and amendments of the provision by the Assembly.

As I advised Members, this would be a one-year concession, and it would apply to the 2012-13 rating year. Confining it to a limited period should reduce any unwanted displacement and minimise any advantage over established traders. It would also allow my Department to review how successful it will have been. This is a new and innovative policy, and I will have to see whether it will have any unintended consequences, such as encouraging businesses to move about or creating an uneven playing field for new businesses versus established businesses. Should the measure prove effective, I will seek Executive approval to extend the period of the scheme.

However, any exemption would not apply beyond 13 March 2015. Similar to the other measures in the Bill, this is a downturn measure and not a permanent feature of the rating system. As I advised Members last week, given that that change arose from consultation on the commercial rating package, it was not possible to get the detail of the clause finalised before the Bill was introduced. However, the Executive and I consider that the amendment provides us with an opportunity to proactively address concerns about high street decline.

Members will wish to note that amendment No 5 simply provides that the new clause provided through amendment No 1 will come into operation once Royal Assent is obtained.

**Mr Murphy (The Chairperson of the Committee for Finance and Personnel):** Go raibh maith agat, a LeasCheann Comhairle. I am pleased that the Minister has decided to future-proof this by having it in euros. He obviously has one eye on reunification. We, on this side, are not wedded to any particular currency in a new Ireland, so perhaps that is something for further discussion with him. Nonetheless, his powers of anticipation are obvious.

In addressing the amendments on behalf of the Committee, I will first refer briefly to its scrutiny of the policy behind the Bill's provisions. Prior to the Bill's being introduced to the Assembly, the Committee liaised closely with the Department throughout the public consultation process and subsequently undertook a period of intense scrutiny of the policy proposals, including a series of meaningful

engagements with key stakeholders within the limited time available. The Committee published a report on its findings, and, as I outlined at Second Stage, it welcomes the general principles of the Bill and will continue to engage with the Department regarding the ongoing work arising from the Bill.

On 11 January, the Minister briefed the Committee on the proposed ministerial amendment to the Bill, and the Committee received a copy of the amendment on 17 January. The amendment provides that new occupiers will be entitled to a 50% rebate for 12 months, which, effectively, provides for the continuation of empty property relief. The property will have to be empty for 12 months and, when last occupied, used for the retail provision of goods or services.

As is the case with the main provisions of the Bill, it will be important that there is an evaluation of the effectiveness of the measures as they operate in practice. The Department has stated that there will be an assessment of its uptake, the extent of any displacement and whether it is proving to be effective in getting empty shops back into business.

I turn to Mr Allister's amendments that seek to widen the scope from retail premises to office premises. In his response to Mr Allister during the Second Stage debate, the Minister explained that that could lead to potential abuse of relief as it may be easier for businesses using premises for office space to relocate multiple times in order to benefit. That said, the Committee did not have sight of Mr Allister's amendments when it last met and, therefore, has not taken a position on them.

I am mindful that the Committee recognised the general concerns raised by the business community during the consultation process about the impact that empty properties can have on town centres. As such, I confirm that the Committee supports the ministerial amendment and the consequential amendment that will apply for the 2012-13 year only and is intended to get empty shops back into use.

**Mr Girvan:** I speak in favour of the Bill and the amendments as presented, although not all of them.

I will start with clause 1 and how it came about. We were taking cognisance of the evidence received from businesses and retailers in our town centres. Some of the small retailers indicated that they did not wish town centres to be turned into glorified office extensions, which would have been an issue. In a roundabout way, we were hearing evidence that people did not want to see their town centres turned into a proliferation of office-type accommodation and that they wanted to try to keep a retail heart in town centres. As such, it was necessary for us to look at a mechanism to help bring that about. As put forward by the Minister in his presentation last week, the 50% reduction and extension for one year for what had previously been retail premises goes some way to allay some of the fears that were brought to our attention.

**3.15 pm**

On the extension of some of the other aspects of the Bill, I think that the 20% reduction in the increase in the rateable valuation up to £10,000 will benefit greatly a number of the small to medium-sized businesses in our town centres.

The Committee took quite a bit of evidence. I appreciate that the Bill is going through accelerated passage, which

might throw up difficulties. However, I can honestly say that we spent quite a bit of time speaking with key stakeholders and taking evidence, and we believe that we have come up with a very workable way forward.

I take pleasure in recommending the Minister's amendment No 1 to the House. I will be supporting it. The other amendments seek to insert the words "or office purposes". I do not think that a need for those amendments is borne out by the evidence that we received from the business community.

The other area of interest to a number of people who spoke to the Committee was the use of shop windows over the period specified in the legislation to ensure that what is redundant and empty shop space can sometimes be used for display purposes only. I appreciate that that comes with something of a health warning: it is not to be extended to 50% of the shop floor area. The window is the window, and it is to be used for the proper purposes, such as community advertisement.

It is my pleasure to support the Bill as proposed, with the exception of the amendments tabled by Jim Allister.

**Mr Cree:** I welcome the Consideration Stage of the Rates (Amendment) Bill. I thank those Members who have already spoken for their input.

First, I wish to comment on last week's Second Stage debate. It would appear that a Freudian slip by me in commending the First Minister for bringing forward the Bill — although I am quite sure that he did play an important part — caused so much panic in the Finance Minister's mind and in his party. I would like to reassure him today that the coup d'état to which he referred has been delayed. Last Tuesday afternoon, I had to attend a meeting of the Assembly Commission. As such, I was unable to be present to hear the Minister summing up. I missed his particular brand of wit, but I did read his contribution.

As a member of the Committee for Finance and Personnel, I was pleased to take part in the evidence-taking and wide-ranging deliberations. I fully endorse the Committee report, which, although supportive of the Minister's proposals, does contain alternative suggestions. On widening the scope of the levy options, several sectors are suggested rather than just retail; for example, telecoms, banking and financial institutions, wholesalers and large hotel groups. I did not think it necessary to spell those out last week, as I assumed that the Minister had read the Committee's report.

We have already debated the Bill's general principles at Second Stage. We now have a number of amendments before us. It is important that we give them due consideration and scrutiny today, given the fact that the Bill was granted accelerated passage.

As he said he would last week, the Minister has tabled his own amendment, amendment No 1, which would add proposed new clause 1A to the Bill. The new clause deals with the specific issue of empty shops through the provision of a one-year concession during 2012-13. That would result in the 50% empty property relief staying in place for an extra year. The Ulster Unionist Party is supportive of that amendment for a number of reasons. First, there is currently a high level of empty shops throughout Northern Ireland, and the strengthening of the measure, by making it applicable

for a further year, is a welcome development for which the Minister is to be commended.

Secondly, we need to do all that we can to ensure that we provide the necessary help to address the problem of our struggling town centres and shopping areas. We all know from experiences in our constituencies that empty shops are becoming more of a problem, and that creates a very real issue for the local economy. For example, it can create aesthetic difficulties in town centres, and that discourages footfall. We know that a lack of footfall is one of the main factors that has a negative effect on small and medium-sized businesses.

Thirdly, the amendment reflects the view, expressed in the consultation process, that this is an area of particular concern. I am pleased that the Minister has reacted positively to public opinion.

I will now consider the amendments proposed by Mr Allister. They have all a similar effect, in that they insert the words "office purposes" into the Bill. Therefore, Mr Allister would like a 50% relief to be afforded to hereditaments which are used not just for retail but for office purposes. The definition of "office purposes" is contained in article 2 of the Rates (Northern Ireland) Order 1977, which, as we have heard, includes:

*"the purposes of administration, clerical work and handling money; and 'clerical work' includes writing, book-keeping, sorting papers, filing, typing, duplication, punching cards or tapes,"*

— I do not know whether that still happens —

*"machine calculating, electronically recording information and computing, drawing and the editorial preparation of matter for publication".*

If we are serious about tackling the blight that empty properties are causing on towns and cities across Northern Ireland, I can see the merit in broadening the proposals to include more than just retail. The Ulster Unionist Party will listen to the debate on the issue and hear what the Minister has to say in his summing up.

**Mr D Bradley:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. During the previous debate on the Bill, I expressed my party's support for it, and today I want to concentrate on the proposed amendments. I very much welcome amendment Nos 1 and 5. Many of us are aware of the effect that the recession is having on our town centres. We have a growing number of empty shops that give many towns an appearance that is not at all conducive to business and trade. The impression that we want to give is of vibrant town centres which welcome trade, entice people in, increase footfall and add to the business done in those centres.

The incentive offered by the new clause proposed in amendment No 1 is positive. It offers a 50% rebate for one year, and that will encourage businesses to occupy premises which have previously been unoccupied for at least one year.

I cannot support amendments Nos 2, 3 and 4, which propose to include in the rebate such properties that are used for office purposes. After all, what we are trying to do is turn our town centres into places where business is done

and people are enticed in to shop and spend money so that we create employment and lively trade. In my view, if we extend this measure to include offices, we are in danger of creating administrative centres in our town centres. I believe that that often leads to a situation where town centres are deserted after 5.00 pm, and they almost become ghost towns at night. I agree that the new clause proposed by amendment No 1 is a positive measure and will contribute to the revitalisation of our town centres, but, unfortunately, I cannot support amendment Nos 2, 3 and 4.

**Mr Dickson:** I welcome the opportunity to speak on the amendments proposed today by the Minister and the Member for North Antrim. The nature of the Minister's proposals, since their inception in the summer of last year, has proved to be a source of contention for many Members and the interests that they represent. Concerns have been well voiced about the introduction of the large retail levy and the suggested impact that that could have on future investment and job opportunities in the Province. However, such concerns have been offset, arguably, by the anticipated outcome and what has ultimately served as the justification for the levy: an extended level of rate relief for additional small businesses with an NAV of £5,001 to £10,000, as touched on in previous discussions on the Bill.

Additional funds for local small businesses should be, and are, welcome at a time when our economy most needs them. Both the intent and the end goal of the measures should not be overlooked, regardless of personal or party opinions. Based on the substance of the Minister's earlier presentations to the House, we support the concept of extending the small business rate relief (SBRR) scheme and are content with the underlying intentions of the temporary measures. Further to that end is your recognition of the severe impact that vacant units are having on town and city centre economies, as is evident even in our own constituency, Minister.

We welcome the provision of revised rating criteria for unoccupied properties. The chief amendment tabled by the Minister today serves to enhance the already revised criteria for providing a temporary rate reduction of 50% for new owners of retail premises previously unoccupied for one year. Arguably, any incentive for prospective businesses to establish themselves in the current difficult high street trading situation has the potential for positive change, but the aspect of the Minister's amendment that sets it apart is the twofold nature of its impact. Although aimed primarily at enticing retail businesses to fill empty shop units and, therefore, create new jobs and investment opportunities in communities, the amendment also lends itself to ensuring that town and city shopping precincts become more attractive to consumers, which can fundamentally help to stimulate not only civic pride but economic growth.

The nature of the subsequent amendments, as tabled by the Member for North Antrim, follows a slightly different direction than those of the Minister, with the focus shifting to include office units in the scope of the provisions. Although it is fair to reason that, like retailers, office businesses can create the potential for additional employment and investment opportunities in our communities, the buy-in element from consumers is likely to be lacking. Therefore, their role in attracting people back into our declining town and city centres is slight when weighed against the draw of retail trade, coffee shops and the like. That is not to say that

offices do not make a valid contribution to our high streets. However, we must exercise due caution and good reason in how we choose to amend the Bill, noting that any possible amendment will undoubtedly have a greater bearing on the cost and, indeed, the consequent reduction in income.

This is a retail business boost initiative, and we support it on that basis. In considering all the amendments brought forward today, the overriding principle should not be simply what is best for our economy but what will help to regenerate our townscapes and cityscapes and restore faith among local consumers. Although I am certain that office-based businesses can contribute to our economic recovery in years to come, it is the retail sector that helps to provide the economic and social lifeblood of our communities. On those grounds, we should seek to encourage growth in the sector. In conclusion, therefore, Mr Principal Deputy Speaker, we will offer our support to the amendments tabled by the Minister.

**Mr Hilditch:** I rise in support of the departmental amendments being introduced at Consideration Stage and welcome the initial explanations given by the Minister in the House today. Last week, we had a thorough debate on the principles of the Bill at Second Stage. That covered the various aspects and depths of the arguments raised and presented during what was an extensive consultation, as already referred to. I believe that we will supplement that work today with the potential passing of amendment No 1, which is the insertion of clause 1A.

As with other business in the House, Members' thoughts turn to their own constituencies and how decisions impact and affect local situations. Like other provincial towns, Carrickfergus has an ever-deteriorating situation, with the percentage of vacant properties reaching an extremely worrying level.

### 3.30 pm

We are the only walled town in Northern Ireland outside Londonderry. However, visitors' experience of the historic settlement is ruined by the increased dereliction of the traditional town centre, where property owners and small and independent retailers are struggling. The Rates (Amendment) Bill will be beneficial and will, with other schemes, provide some relief to those who face hardship. That is why I welcome amendment No 1. Historic town centres such as Carrickfergus will benefit, particularly with the window display scheme complementing amendment No 1. Most visitors come to the town for the cultural and traditional experience and want their visit enhanced; they do not want to see blight. Perhaps other agencies and departmental bodies can work in tandem with that scheme so that we can see a quick impact in conjunction with the Bill.

We can all probably see the benefits to our communities of the 50% long-term empty property relief and give it a general welcome. I appreciate that the Minister has explained various aspects of the scheme. However, perhaps he could elaborate on the competitive advantages of the scheme, particularly over the existing and established traders, who may question that aspect of the Bill, perhaps indicating a degree of state aid.

With regard to policing the scheme, how do we ensure that property owners are being fair and pass the benefit on to those renting their properties? Are there measures

against those tempted to be unscrupulous? That having been said, the relief is welcome, and I look forward to the Minister's response, particularly on the extended measure and its retail boundaries, particularly reflecting the other amendments.

**Mr Humphrey:** Like my colleague Mr Girvan, I support the Bill and the Minister's amendment. This is a Bill to address the temporary downturn in our economy. Of course, since our previous debate we have heard that the United Kingdom is on the verge of a double-dip recession. Therefore, it is important, as I said last week, that this local Administration deal with the local issues that face local traders with a local solution.

The Minister consulted widely across the sector in all our major towns and cities. I know that the organisations that came before our Committee — the Federation of Small Businesses, the Northern Ireland Independent Retail Trade Association (NIIRTA), the chambers of commerce, city centre management and Pubs of Ulster — gave a view to which the Minister and the Committee listened. I am grateful to the Minister and colleagues on the Committee for that.

This scheme is about revitalising our towns and cities across Northern Ireland. It annoyed the leader of the Ulster Unionist Party last week, but, as a Belfast representative, I am going to centre my views on Belfast. I do not know why it caused the consternation that it did. Business improvement districts (BIDs), which are in legislation that will come from the Department for Social Development in time, will augment the Bill and deliver revitalised city and town centres across Northern Ireland. From conversations that I had with the city centre management of Belfast Chamber of Trade and Commerce and Belfast City Council, I know that people are looking forward to those pieces of legislation because a 50% rebate over 12 months is a huge incentive for any business to do exactly what is set out in the Bill.

Local councils — I declare an interest as a member of Belfast City Council — are grappling with the issue of derelict and vacant buildings across Northern Ireland. In fact, Belfast has moved in a number of areas where buildings have been left lying for some time by unscrupulous landlords; such buildings have become a blight on main streets and attract vermin and fly-tippers. Those issues must be addressed. I welcome the Bill and the legislation that will flow from it because it is to incentivise business, and business needs that support at this time. It also represents joined-up government between this regional Assembly and local councils in Northern Ireland.

Empty shops damage the reputation and image of our towns, cities and high streets across Ulster. That incentive will help the proprietors of empty retail premises to think outside the box. It will deliver vibrant streets, address blight and market premises. What do I mean by that? If you have an area of a town or city that is run down, dilapidated, unattractive, not user-friendly and, frankly, threatening, people will not locate there. If shopkeepers and small business owners do not locate there, people will not shop there. There will be no trade, and so the whole area will become dilapidated.

One example of that is the area around North Street and Lower Garfield Street in Belfast. There has been huge blight in that area for years, to the extent that even the statutory

agencies gave up. The footpaths were lifting because they planted the wrong type of trees. The street lights were not repaired, and there was a huge amount of antisocial behaviour and graffiti there. It was an area that people, frankly, did not go to at night-time.

Let us bring in the whole issue of tourism. Belfast hosted the Tall Ships a few years ago. How can you connect the city centre of Belfast with Royal Avenue? Royal Avenue was the main shopping thoroughfare at that time. However, as I said last week, the city centre has shifted somewhat to Victoria Square. That has brought with it problems as well, because, as shops have relocated to Victoria Square, premises in Royal Avenue and other parts of the city centre have become vacant or other tenants have moved in on a temporary basis, such as those running Christmas shops and Halloween shops. That has been hugely damaging for the city, because the major tourist attraction in Belfast is the shopping experience. So, vibrant city centres are hugely important.

In 2006, Belfast City Council brought in an evening economy initiative. As part of that initiative, opening hours of shops were extended to encourage people who worked in the city centre to stay in Belfast, have a meal and go shopping or have a few drinks afterwards. That was hugely successful and created an almost European-type atmosphere in the city centre. It was something that made the city centre a much better place to be for tourists and those who work, live and shop in it. It was hugely positive for the city. What happened? The economic downturn occurred and the shops could not afford to stay open.

We got this message very clearly from those who came before our Committee: any help for small businesses, even if it allows people to move to normal profit so that they can get a monthly wage, is extremely welcome. We must encourage the private sector. There is a psyche in the United Kingdom, particularly in Northern Ireland, to always look to government, regional or local, for investment. If you look at some of the major cities in the United States, such as Chicago, that is not the case. We need to get the private sector to the same point as in those cities. In Chicago, shops and companies sponsor street furniture, such as flowerbeds and shopfronts in the main thoroughfares. That leads to a more vibrant and attractive city centre. That is what we need to ultimately move to. The current economic climate will not allow that to happen, but that is the sort of thing that we need to move to.

There is an opportunity cost of doing nothing, and it is simply not good enough for us to do nothing. Government must be proactive, must be responsive and must intervene directly, where necessary. I absolutely support amendment No 1, as proposed by the Minister. However, I do not support amendment Nos 2, 3 and 4, as proposed by Mr Allister, the Member for North Antrim. I will explain why. In my constituency of North Belfast is the Shankill Road, which for years had a reputation for being a tremendous shopping road; people came from across Belfast and the greater Belfast basin to shop there. Sadly, that is no longer the case. At 3.30 pm or 4.00 pm on a Saturday, the Shankill Road is, tragically, like a ghost town. I have met the traders and helped them, but, frankly, people are not coming there to shop because the mix of shops, cafes, restaurants, and so on, simply is not there any more. Somewhere in the region of 60 to 70 shops have closed. Unfortunately, prior

to devolution, government decided to knock many of them down, so there are large areas of green space and blight, with the biggest landowner being government. Many of those shops ceased being shops, which had generated wealth and employed people who spent money in the area, and became offices. On a Saturday, those offices are not open. The shopping experience that once was there is not there, so people have stopped coming. That is my experience of my constituency and the area in which I live. I do not want that to happen across Northern Ireland, and I fear that Mr Allister's amendments would deliver just that.

A number of years ago, I sat for a time on the Greater Shankill Task Force. I tried to encourage it to work to attract businesses into the area by providing low-cost office accommodation in a business environment. That did not happen, and the effect was that many shops closed, many jobs were lost, and many shops became offices.

As I said last week, businesses in Northern Ireland need a rapid response. I have spoken to businesspeople in the city centre, in my constituency and on the arterial routes. Sometimes, the focus is on the centre of towns and cities, but we must not forget that the arterial routes linking them are hugely important as well. The truth is that those people are crying out for help. They do not want help in two or three months' time because, as we all know from conversations with chambers of commerce across Northern Ireland and shop owners in the areas that we live in and represent, they need action now. They face the ongoing threat of closure, as do chains of shops across the United Kingdom. Anything that government can do quickly is welcome and must be done. I commend the Minister on the Bill, which has my support.

**Mr Allister:** I welcome much about amendment No 1. My difficulty with it is that it does not go far enough, hence the origin and purpose of amendment Nos 2, 3 and 4. I have no proprietary interest in any office accommodation, but members of my family have a shared interest in some.

The issue relates to how we best help to revitalise failing commerce across the Province. There seems to be a popular misconception that the Bill applies only to town centres. I find nothing in amendment No 1 restricted to town centres — I see the Minister nodding in agreement. The new clause applies to a country shop as much as to a town shop. Of course, there are, understandably, many more town shops. What makes our towns vibrant and populates them? Fundamentally, it is their provision, first and foremost, for shops, which should be the biggest draw. However, it is also their provision for offices, which help to increase footfall and provide employment, as do shops.

Therefore, if we are trying to revitalise and rejuvenate the commercial life of towns and villages, why would we shut our minds to the encouragement of office use as well as retail use? It seems to be the misconception of some Members, who, I assume, have read the amendment, that it is a retail initiative and that you would get the rebate only if you set up a retail business in empty premises. That is not correct. Had they listened carefully to the Minister — if some of his party members had listened carefully to him — they would have heard him concede that empty premises do not have to be used for retail to qualify for the concession.

### 3.45 pm

Even if Members take nothing else out of what I say, I want them to grasp and consider two points before deciding whether there is merit in amendment Nos 2, 3 and 4. First, as amendment No 1 is drafted, the qualifying criterion is not the use to which you put the premises but their use previously or historically. If the premises were previously a retail unit and have been empty for a year, you qualify for the rebate, irrespective of the use to which you put them. Therefore, you could, in fact, set up an office business in premises that were previously used for retail but have been empty for a year, and claim that rebate. You could then regularise your planning through a retrospective planning application that, probably, would not even be decided in the year that you were there.

Therefore, the notion that, somehow, amendment No 1, as drafted, would protect retail use is a fallacy. In fact, under amendment No 1, one could put former retail premises into office use and get the benefit of the rebate. When Members such as Mr Girvan, Mr Humphrey and Mr Bradley say that they do not want to encourage a trend towards office use rather than retail use, I respectfully suggest that they reconsider their support for amendment No 1 because it takes us down that route. Were it otherwise intended, the qualifying criterion for the rebate would not be the historical use; it would be the proposed use.

**Mr Humphrey:** Will the Member give way?

**Mr Allister:** I just want to finish my point. If the proposed use is unrestricted and unlimited, it can be retail, office or anything else. Therefore, those who say that they are trying to protect the retail integrity of town and village centres are wrong if they think that amendment No 1 will do that — it will not. It is in that context that I say that there is sense in amendment Nos 2, 3 and 4.

**Mr Humphrey:** I am grateful to the Member for giving way. He will have heard what I said in my contribution. I said clearly that my suggestion, as a former member of the Greater Shankill Task Force, was for low-cost office accommodation to be available for the type of business to which the Member refers. Of course it is absolutely right to get the right mix; no one is questioning that. However, the problem in the area that I used as an exemplar is that offices replaced shops that attracted people on Saturdays, for example. Getting the mix right is, therefore, crucial. That was very clear from what I said, so do not misrepresent what I said.

**Mr Allister:** I understand entirely, but I am drawing on what the Member said. I understand the ethos and the thinking, and, by and large, I agree with a lot of what has been said about trying to protect the integrity of retail use. However, my point is that the vehicle put forward in the Minister's amendment will not do that. The Minister's amendment will allow a rebate for premises with an office use, provided that the historical use was retail, as much as it will for premises with a retail use. Therefore, if the ambition of the Members who made that point, such as Mr Bradley; Mr Dickson, I think; Mr Humphrey and Mr Girvan is to protect the integrity of retail use, they have the wrong vehicle in amendment No 1 as drafted. If amendment No 1 had been drafted so that the proposed use had to be retail, I would understand the Members' points entirely. However, it is not drafted like that; it is drafted solely on the basis of historical use. So, I say to Members: if, through the Minister's amendment, you

can import office use through previous retail use, why would you shut the door on amendment Nos 2, 3 and 4, which regularise the situation and make it a level playing field?

I said that I wanted Members to take two points on board. My second point is about the fact that, under clause 2, you can get a rebate on your rates if you have a window display. Think about the following situation. You have an empty office on the high street, and you can put a window display into it and obtain the rebate. However, you cannot put people in it to work and get the rebate. So, you can get the rebate for doing nothing — putting up a window display — but you cannot get it if you employ people and give them jobs on the same premises if it has an office use.

On the basis of those two very elementary and self-evident reasons, I strongly say this to the Minister: never mind who is proposing this; if there is merit, sense and logic in what is being said, take on board the points that have been made. I implore him to do that, because he is in the most incongruous position. He is creating a rebate that could be for premises that are used for office purposes provided the old use was retail, but not for premises in which the old use was as an office. He will give a rebate if a window display is stuck up in an office, but he will not give it if you employ three people behind the desk. I really think that the Minister needs to give that some serious thought. Maybe I have missed something fundamental in the drafting of amendment No 1, but my reading of it is that this is where it takes us. If that is the case, surely amendment Nos 2, 3 and 4 are the natural corollaries or common-sense approach needed to complete that circle. It is on that basis that I urge the House to support them.

**Mr Agnew:** It is always interesting to hear Jim and to follow his contribution. I hope that Members will listen to some of what he says. I am interested to hear the Minister's response to see whether he listens to what was said rather than to who said it, as Jim pointed out.

I am in the difficult position of being the final Member to speak in today's debate on the Bill's Consideration Stage. I support the Bill, and I suppose I will be reiterating, to some extent, what some have said. I am an MLA for North Down, and I live in Bangor. Virtually every day, I hear of another business in our town centre that is in trouble. As many Members have pointed out, the situation is urgent. As was expressed previously, getting the legislation through quickly is key, but, equally, it is important to get the legislation right.

Amendment No 1 is key, because a lot of what we are trying to do in the Assembly is promote new business start-ups. Extending the rates rebate for the first year of occupation of premises will help those new start-ups and, indeed, encourage them to come in. It will help them through what is often a difficult first year of trading. In that regard, I welcome the Minister's amendment and am keen to support it.

An issue has been raised which was raised in the Green Party's submission to the consultation. Although many of us are standing here to defend our town centres, there is nothing in the legislation that restricts it to town centres; it is based on size. While much of it will be targeted at town centres and much of the levy will be targeted at out-of-town shopping centres, that is not exclusive. In the Second Stage debate, the Minister highlighted some of the problems of having legislation that would apply the levy exclusively on

out-of-town centres, but the Green Party believes that this legislation goes some way to doing that, and we support it in that regard.

Although the proposal to allow window displays in empty premises does not address footfall, it addresses the appearance of our town centres and their attractiveness to shoppers and prospective entrepreneurs. In this slump in the economy, we are going through what we hope is a short-term difficulty. It is key that we ensure the attractiveness of our town centres during this difficult time, and there is benefit in allowing the window displays and improving the attractiveness of our town centres. I take Mr Allister's point. Arguably, it would be better to have a business operating in the premises than to have a mere display, but I believe a display is better than nothing.

One concern that I have with Mr Allister's proposed amendments is that they might extend the rebate too far and that, therefore, the cost could be increased and the value diminished. I will listen with interest to the Minister's response before I decide on how to vote on Mr Allister's amendments. He certainly raised questions that require answers.

It is fair to say that this measure will not be a panacea for the degradation that some of our town centres are facing; we will need other measures. One of my regrets is that PPS 5 is yet to be published. It would restrict out-of-town development. There can be no better example than Bangor town centre of somewhere that has suffered through the growth of the out-of-town shopping centre. Such development has been very much at the expense of Bangor town centre.

The measures in the Bill and the amendments are not a panacea, but doing something and not letting the perfect become the enemy of the possible is key. As the phrase goes, "Every little helps".

#### 4.00 pm

**Mr Wilson:** I thank all the Members who took part in the debate and thank them for their amendments; I will address them in my winding-up speech. Those who recognise that the purpose of my amendment is to increase activity in town centres have hit the nail on the head. They recognise that one way of bringing more activity into town centres and, as Mr Allister pointed out, into peripheral areas is to try to take away the dereliction in some of those areas and to increase footfall through them. I do not want to go over all the points, but they have all been supportive, and I appreciate Members' support.

I turn to Mr Allister's amendments. I want to make it clear that I will not judge amendments to any legislation or proposal that I have made on where they come from or who makes them.

**Mr Agnew:** Does that include the Green Party?

**Mr Wilson:** Even the Green Party, and that really is stretching me. *[Laughter.]* We need to be more mature in the Assembly than to say that, if something does not come from my side or from my supporters, it cannot be good. The point of the exercise, even though it was accelerated passage, was to make sure that, if there were unintended mistakes or consequences in the Bill that my officials or I — we do not

claim infallibility on these issues — did not spot, we should take cognisance of them. I made it clear at the start that I would have preferred a line-by-line discussion of this issue in Committee, but it was not possible for all the reasons that I gave in the debate on accelerated passage. I listened to Members during the debate, and Mr Allister has tabled amendments that he believes will improve the Bill.

I agree with Mr Allister on a number of points. He has indicated that, once people take over premises, the rebate does not apply just to businesses that are shops as we understand them. It does not matter what the business is. I hope that I made that clear in my opening speech when I talked about arresting decline and encouraging business ratepayers to make an area more attractive or to locate their business — whatever it may be; I was not specific — there to increase traffic and footfall, to encourage and promote the long-term use of empty shops and to get them back into use to help further revitalisation. Therefore, I hope that Mr Allister is not saying that I was presenting that as a measure for shops only. I sought to make that clear.

**Mr Allister:** No. In fact, I said that, if Members had listened carefully to the Minister, they would have heard him say that it did not need to be retail for the concession to apply. The Minister made that point, but it fell on deaf ears. I am glad that it is now beyond dispute because it fundamentally undermines the objection of some who think that by rejecting amendment Nos 2, 3 and 4, they are in some way circumscribing or protecting only the retail use of town centres.

**Mr Wilson:** I thank the Member for that.

Secondly — perhaps I did not make this clear enough in my speech — whenever we talk about retail use and retail services, whether that is the use that premises were previously put to or will be put to in future, we are talking about many of the activities that could be classed as office use anyway. I was going to intervene to make that point when Mr Allister was making his speech, but I allowed him to define it himself. Retail services will include businesses such as estate agents, solicitors, accountants and insurance companies. Those are businesses to which the public go to purchase services. People present themselves in those premises and purchase services from the businesses. So, whenever we talk about retail purposes — I think that I used that term on a number of occasions during my speech, but maybe I should have clarified it — it includes the kinds of thing that people may have traditionally associated with office use. Sorry, did you ask me to give way?

**Mr Allister:** I did. I am much obliged. I am intrigued by what the Minister said. In the Bill, we have a definition of retail purposes:

*“the retail provision of goods or services”.*

The Minister is now telling us that that could, in fact, include office use. I really must question that. If you look at any legislation that governs or touches on hereditaments of that nature, you will always find a definition of retail purposes or retail use that, on the face of it, could not include offices. Indeed, that point is underscored by the fact that such legislation often includes definitions of office purposes. If you go back to the Office and Shop Premises Act (Northern Ireland) 1966, which still governs so much in the use of premises, you will see that there is a very distinct definition

of retail uses and office uses. So, I really am at a loss to understand how retail services could include offices. If that were so, surely the definition in the Rates Order would be so much different, and the definition in the amendment and the Bill would, peradventure, put that beyond doubt. I am sorry to go on, but, if it is meant to include offices, what is wrong with the amendments?

**Mr Wilson:** That is the point that I wanted to come to next. I wanted to establish that, in the minds of many Members and members of the public, retail services will include activities that people would sometimes regard as happening in office accommodation. For example, in places where insurance is sold or solicitor's offices and estate agents, the public present themselves and purchase services from or in those businesses. Mr Allister quite rightly asked why, if that is the case, there is an issue with his amendments. The issue is that we are dealing with the kind of — I am at a loss to give the correct term — back-office accommodation where there are no transactions with the public. There is a reason why we have excluded that. This is a new policy that we are developing. We have introduced the policy for a year only because we want to see how it works, and we want to make sure that we do not leave loopholes that people can use to displace and to take advantage in ways that we had not anticipated. Do not forget that the amount at stake is a rate allowance of up to £160,000 in one year.

Let me give an example of the kind of scenario that we seek to cover. Let us take, for example, an office that does not need to interface with the public and can therefore move easily from one floor of an office block to another. It does not matter that the office has moved up, down or across a floor; because there is no public interface, its location is not as important as it might otherwise be. Because the office does not have the same presentational requirements as other offices, moving from one premises to another might be quite easy. When the amount that I mentioned is at stake, the landlord who owns the block could tell the occupiers of the office to move up to the floor above. He could say, “It is empty and has been for a year. You will get the 50% rebate, and, when you move out, I will get the 50% rebate on the floor that you have vacated because it now becomes empty premises, and the savings could be anything up to £160,000 in the year”. We want to stop such movement to avoid paying rates.

Including offices as part of the definition of premises that have been vacated creates the possibility of rates avoidance and rates abuse. The problem is that, one, it is easy to move; two, there are very few consequences of having to move; and, three, the move can even be done in one building that is controlled by a landlord who has the incentive to give people the opportunity to move. He saves on the floor that has been vacated. There is no additional cost other than the cost of moving to the next floor. The landlord can make an allowance for that, but the loss to the public purse could be substantial. That is one example. I know that the Member wants to question me on that point, so I will give way.

**Mr Allister:** I do not quite follow the Minister. If he is saying that, contrary to all expectations and contrary, I suggest, to how words relating to retail are judicially defined — his officials would see that if they looked — retail services include people such as solicitors, which is a big surprise to me, the ease with which they could move from floor to floor

must be considered. If that is already in his legislation, they can do that anyway.

I am very surprised at the advice that the Minister has received on what passes for retail services. I am no expert in these matters, but I think that we have a Further Consideration Stage of the Bill. The Minister should perhaps take this matter away and come back at that point with an amendment that addresses all the issues. When it comes to the judicial interpretation of retail services, interesting though what the Minister says may be, he would be up against a great deal of judicial authority that would suggest that offices cannot be weaved into retail provision.

#### 4.15 pm

**Mr Wilson:** First, that is the advice that I have been given. Secondly, let us look at what we mean by services. When I was teaching, I used to talk about the primary, secondary and tertiary sectors of the economy and how the tertiary sector included a range of services that the public could purchase, including the things that I have been speaking about today. Those have always been regarded as services — this is important — where there is a sale of those services to the public and the public present themselves at those premises in order to purchase those services or to avail themselves of those services and pay for them.

I will check up on that because the Member has raised the issue. I spoke to officials before the debate about the definition that I am giving, and the way in which it will be applied, I understand, will encompass those activities. I will give way.

**Mr Allister:** I am much obliged. The Minister has a very specific definition of retail sales in clause 1:

*“sales of goods to members of the public who visit the hereditament to buy goods for consumption or use elsewhere for purposes unconnected with a trade or business”.*

Is the Minister not creating a huge difficulty if he has a Bill which, in clause 1, so refines and defines retail sales and then he introduces an amendment through which, he tells us, retail services can mean something much wider? Is he not creating untold difficulties there?

**Mr Wilson:** In fact, if the Member looks at the proposed new article 31D(4), he will see that the term that is used in the paragraph that he has asked to be amended is not “retail sales” but “retail purposes”. Retail purposes, as I understand it, includes not just the sale of goods but the sale of services. The Member has raised an issue, and I am happy to take it away, but I am happy with the discussion that I have had that, when it comes to the interpretation of who will qualify and what premises will qualify under the terms of the amendment that has been proposed, it will include a wider range of outlets than just a shop that sells clothes, furniture, food or whatever.

The Member’s second point was about whether a solicitor could move up and down a block of offices. As I made clear when I moved the amendment, one of the reasons why it will have a one-year life before it is reviewed is that we do not know what its effect will be. Indeed, many of those who encouraged me to bring forward the proposal also raised the possibility that they were not sure of the possible

consequences of displacement and of competition, an issue raised by the Member for South Antrim. We have introduced it for one year only to allow us to review the situation, as I said, to see whether it has unintended consequences. Mr Allister is right: some businesses and some activities will find it easier than others to move from one set of premises to another. We want to find out just how widespread that happens to be, what the potential is for it and whether we continue with the scheme, if there is not widespread abuse, or refine it to ensure that we close the loopholes where there are those kinds of opportunities.

For those reasons, we have excluded the kinds of activity that I have described from the parts of the Bill that Mr Allister has asked to be amended. I believe that that is a sensible decision. We cannot anticipate all the consequences that might arise from the Bill, but this is one consequence that we have anticipated and for which we have seen potential. Around Belfast in particular and probably outside Belfast, there are office blocks owned by one landlord, where movement within that block could save the landlord and the tenant a considerable amount of money. That would be a cost to the ratepayer. Having anticipated that, we believed it right to word the Bill in the way in which it has been worded.

I do not think that we are dancing on the head of a pin. I hope that the Member will accept that, had they genuinely brought to attention bad drafting or unanticipated consequences, I would have been more than happy to accept his amendments. In the light of my explanation, since we do not want to lose money unnecessarily that can be used for other purposes, I ask Members to oppose amendment Nos 2, 3 and 4 and support the —

**Mr Allister:** Will the Minister give way a final time?

**Mr Wilson:** I was on my last word, so he got in just in time. I hope that I do not regret it.

**Mr Allister:** I am following what the Minister says, but the fundamental point that he has not dealt with is that, in amendment No 1, the determinant is historical use and not the proposed use, which, in fact, allows for office use, provided that the historical use was for retail. He has now expanded that to say that retail use could include solicitors’ offices and so on. Surely the fundamental difficulty with the amendment is that it faces in two directions. It includes, he tells us, because of the way in which it is drafted, someone moving in and setting up an office but only if that is done in an old shop. If it is done in an old office, the person is outside the remit but cannot have a window display.

**Mr Wilson:** I thought that I had been fairly patient in explaining that the amendment does not cover every eventuality but does cover the following eventuality: given the available premises, the occupancy of those premises at present and the potential to move within them, there is opportunity for abuse and for the provisions to be expanded in a way in which we do not wish them to be expanded. Of course, the Member is right to say that there is potential for that, and I am sure that it will happen. If it happens more extensively than we expect, we will have to decide whether we will continue with the scheme at all or whether we will amend it after a year.

I do not wish to be blunt, but some offices will move from premises that historically have been for office use only and

move into shops. As the Bill is currently framed, it does not exclude that, and, indeed, in trying to exclude that, we would be into the business of examining each use. That would have administrative implications. Rather than lose the impact of trying to get premises back into use, we will live with that. What we will not live with is a situation that could happen and, indeed, has great potential to happen and that we can prevent in the legislation by restricting what the historical use of a building happens to be. I ask the Assembly to give me support in doing that. For those reasons, I ask that Members oppose amendment Nos 2, 3 and 4 and support my amendments.

I thank all Members for taking part in the debate and for their patience in listening to the explanation. I hope that the debate has not become too much about me and Mr Allister arguing about the minutiae. I want to make it clear that, had I believed that his amendments would improve the Bill and not have unintended consequences, I am not too proud to accept changes to legislation that I bring to the House.

**Mr Principal Deputy Speaker:** Amendment No 1 is subject to a number of amendments, so I will not put the Question on amendment No 1 until we have disposed of amendment Nos 2, 3 and 4.

*Amendment No 2 to amendment No 1 proposed:* In Article 31D(4)(a), after “purposes” insert “or office purposes”. — [Mr Allister.]

*Question put and negatived.*

*Amendment No 3 to amendment No 1 proposed:* In article 31D(4)(b), after “purposes” insert “or office purposes”. — [Mr Allister.]

*Question put and negatived.*

**Mr Principal Deputy Speaker:** Amendment No 4 is consequential to amendment Nos 2 and 3, neither of which has been made. I will not therefore call amendment No 4.

Having disposed of the amendments to amendment No 1, we now come to amendment No 1.

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

*New clause ordered to stand part of the Bill.*

*Clauses 2 to 5 ordered to stand part of the Bill.*

#### **Clause 6 (Commencement)**

**Mr Principal Deputy Speaker:** Amendment No 5 has already been debated and is consequential to amendment No 1.

*Amendment No 5 made:* In page 4, line 26, after “Sections 1” insert “, 1A”. — [Mr Wilson (The Minister of Finance and Personnel).]

*Clause 6, as amended, ordered to stand part of the Bill.*

*Clause 7 ordered to stand part of the Bill.*

*Long title agreed to.*

**Mr Principal Deputy Speaker:** That concludes the Consideration Stage of the Rates (Amendment) Bill. The Bill stands referred to the Speaker. I suggest that Members take their ease for a minute.

## **Pharmacy (1976 Order) (Amendment) Order (Northern Ireland) 2012**

**Mr Poots (The Minister of Health, Social Services and Public Safety):** I beg to move

*That the draft Pharmacy (1976 Order) (Amendment) Order (Northern Ireland) 2012 be approved.*

I seek to introduce the aforementioned statutory rule, which, subject to the Assembly's approval, will amend the Pharmacy (Northern Ireland) Order 1976.

At the outset, I should perhaps point out that this matter is not about contractual matters in community pharmacy. Rather, it is about the regulation of pharmacists irrespective of their practice environments — professional governance, if you like, in the public interest.

### **4.30 pm**

I will now explain briefly to Members why the Order is needed. The Pharmaceutical Society of Northern Ireland has, since its inception in 1925, been the regulatory and professional leadership body for pharmacists in Northern Ireland. Its current regulatory functions and powers are substantially governed by the Pharmacy (Northern Ireland) Order 1976, which is some 35 years old. The aforementioned statutory rule seeks to amend that Order to modernise and strengthen the regulatory powers of the Pharmaceutical Society of Northern Ireland, with the purpose of giving added assurance to patients and the public in respect of professional practice.

The last 10 years have brought some very substantial changes to the whole of the professional regulatory landscape in the UK and particularly across the health professions. Against that background, it has been recognised by both the Assembly and the Council for Healthcare Regulatory Excellence — the regulator of the regulators — that there is an ongoing need to update the statutory framework for pharmacist regulation in Northern Ireland to better meet the demands of modern regulation. The Department has been working collaboratively with the society to modernise pharmacy legislation, taking forward recommendations in the Government's White Paper ‘Trust, Assurance and Safety: The Regulation of Health Professionals in the 21st Century’.

Having listened carefully to the views of stakeholders and interested parties and, indeed, the views of the House at an earlier time, I seek your approval for the Pharmacy (Northern Ireland) Order 1976 to be amended to provide powers to enable the society to function in such a way as to meet the standards of modern regulation. The Order will create the powers for secondary legislation, which will bring into operation the more detailed legislative requirements relating to fitness to practise and continuing professional development.

The proposed regulatory changes to the existing legislation seek to address its current shortcomings and will, in particular, mean the following amendments. The White Paper recommends that the councils of regulatory bodies should have, as a minimum, parity of membership between lay and professional members to ensure that purely professional concerns are not thought to dominate their work; should have independently appointed members to dispel the

perception that councils are overly sympathetic to the professionals they regulate; and should become smaller and more board-like to enable councils to focus more effectively on strategy and oversight of their executive. Taking those points on board, the current council of 23 members will be replaced by a new council consisting of seven pharmacists and seven lay members appointed through the public appointments process, rather than elected by the membership.

The standards include core functions that professional regulators should undertake, including setting and promoting standards for entry to the register and for remaining on the register and checking that registrants continue to meet those standards. A duty will be placed on the council to set standards of continuing professional development (CPD). That will ensure that registered persons undertake to maintain their CPD as part of a process to ensure the improvement or development of their pharmacy practice, which is a condition of their continued registration.

The amendment to the 1976 Order will reconstitute the statutory committee and extend the range of sanctions available to it. Currently, the statutory committee has only one sanction — removal of a pharmacist's name from the register. The proposed Order will extend the range of sanctions to include warnings, interim order hearings, conditions placed on a registered person's practice, and suspension. The scrutiny committee will act as an initial, paper-based filter of cases, and it will be able, as appropriate and against established criteria, to either apply sanctions directly or refer cases for hearing to the statutory committee.

The repeal of article 18 of the 1976 Order and creation of the power for the society to establish fitness-to-practise processes for dealing with health cases will enable the society to seek medical reports concerning a registered person's fitness to practise and more appropriately handle sensitive health cases.

The changes being made closely parallel similar changes already made to the regulation of pharmacists in GB. In GB, in line with the White Paper to which I previously referred, there is a clear separation of regulatory and professional leadership functions. That was achieved through the formation of the General Pharmaceutical Council for regulation, with the Royal Pharmaceutical Society becoming the professional leadership body. That separation is considered necessary to demonstrate and provide assurances that public protection takes precedence over any professional self-interest.

I note that the society here has developed a partial separation through the formation of a professional forum, albeit that it is still within the same body governed by the council of the society. That is a step in the right direction, and I wish to follow up with the society how full separation can be achieved in the interests of the public and, indeed, the profession. I am also conscious that pharmacy is the only healthcare profession not regulated on a UK-wide basis. That point was raised in the consultation and noted in terms of the benefits of harmonising regulatory processes. However, I consider that, in the public interest, it is right to make important legislative changes now, without the complexity of more radical change and notwithstanding the future consideration of wider integration. In augmenting

the regulatory arrangements for pharmacists, what I propose today represents a significant development for the profession. It also represents a very important provision for the public and patients by ensuring that their interests are fully provided for through the setting of and adherence to robust standards. If pharmaceutical practice or conduct falls below what is expected, appropriate procedures and disciplines can and will be brought to bear.

I am pleased that the profession recognises the need for and supports these legislative changes, which further demonstrates my support for the profession, while enabling it to maintain and develop the highest standards of practice. I commend the motion to the House.

**Mr Wells (The Deputy Chairperson of the Committee for Health, Social Services and Public Safety):** As Members will be aware, the Chairman of the Committee is indisposed, so it falls to me to give the view of the Committee.

The Minister has explained the purpose of the draft statutory rule, and he requires the affirmation of the Assembly before it can become operational. The rule will reconstitute the council of the Pharmaceutical Society of Northern Ireland and extend the council's regulation-making powers in relation to discipline.

In scrutinising the legislation, the Committee was aware of the impact of the change to the regulation of pharmacists. It sought the views of the Pharmaceutical Society, the Ulster Chemists' Association and Community Pharmacy Northern Ireland. Although those organisations broadly supported the changes, some concerns were expressed. The Committee raised those concerns with departmental officials at its meeting on 7 December 2011. After that meeting, the Committee advised the Department that it was content that the legislation be prepared. On balance, the Committee was content that the legislation struck the right balance between ensuring patient safety and safeguarding the rights of the pharmacist.

The Committee considered the draft Order at its meeting on 11 January 2012 and recommended that it be affirmed by the Assembly. Therefore, I support the motion on behalf of the Committee.

**Mr Durkan:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. As Mr Wells outlined, the pharmaceutical sector has been well consulted — that has not always been the case — and is also happy with what is proposed. Devolved or local regulation will provide plentiful benefits to pharmacists and, more importantly, to the public. We support the motion.

**Mr McCarthy:** I thank the Minister for proposing the motion this afternoon. On behalf of the Alliance Party, I acknowledge the collaborative work carried out by the Pharmaceutical Society of Northern Ireland, the pharmacy profession and the Department to produce the draft Pharmacy (1976 Order) (Amendment) Order (Northern Ireland) 2012. We support the pharmaceutical profession and its regulatory body, the Pharmaceutical Society, in their endeavors. We further support the amendment of the 1976 Order and encourage the Minister and his Department to continue their close working relationship with the society and the pharmacy profession. We support the motion.

**Mr McClarty:** Thank you for allowing me to come in very briefly, Mr Principal Deputy Speaker. The Minister will be

aware that the issue was debated in the House in 2008. At that time, it was thought that the existing structures were the best way forward. Has the Minister any plans to meet the Pharmaceutical Society to discuss further the appropriate way forward?

**Mr Poots:** I thank the Committee and the Pharmaceutical Society of Northern Ireland for the helpful role that they played in all this. It has been good to work in partnership to bring the order forward. The Order is a positive move, and it got a broad welcome from the House and beyond, so that is good news.

In response to Mr McClarty, we will be very happy to have discussions with the Pharmaceutical Society in due course to look at the best way to move things forward after the Order has been approved.

*Question put and agreed to.*

*Resolved:*

*That the draft Pharmacy (1976 Order) (Amendment) Order (Northern Ireland) 2012 be approved.*

## **Sunbeds (Fixed Penalty) (Amount) Regulations (Northern Ireland) 2012**

**Mr Poots (The Minister of Health, Social Services and Public Safety):** I beg to move

*That the draft Sunbeds (Fixed Penalty) (Amount) Regulations (Northern Ireland) 2012 be approved.*

I seek the Assembly's approval to introduce the aforementioned statutory rule. Subject to the Assembly's approval, the rule will outline the amount of fixed penalties to be applied to certain offences in the Sunbeds Act (Northern Ireland) 2011, which received Royal Assent on 3 May 2011. It had a positive response and a smooth passage through the previous Assembly, and my Department promised to enact most of its main measures within 12 months of its receiving Royal Assent. Those measures entail three sets of regulations and two commencement orders.

The 2011 Act allows an authorised officer of a district council to issue a fixed penalty notice if there is reason to believe that a person has committed an offence under particular sections of it. The regulations that we are debating outline the amount of those fixed penalties, which have been increased from those proposed in the consultation. Many of the responses to the consultation said that the proposed fixed penalties were an insufficient deterrent. I believe that the proposed new fixed penalties are more proportionate to the fines available on summary conviction. All but one of the proposed fixed penalties is set at £250. The fixed penalties outlined in the regulations have been agreed by the Executive and the Health Committee.

One fixed penalty, which is set at £50, remains lower than the rest. It relates to section 6 of the Act, which provides that it is an offence for an operator of a sunbed premises to provide or display any material that contains statements relating to the health effects of sunbed use. The fine on summary conviction for that offence is £200. The fine is lower than the other offences to keep it proportionate to the offence and to ensure compatibility with the European Convention on Human Rights, specifically article 10, which deals with the right to freedom of expression. These regulations allow district councils to deal with offences committed under the 2011 Act without the need to take all offences to the courts. The intention is that only persistent offenders will be referred to the courts.

**Mr Wells (The Deputy Chairperson of the Committee for Health, Social Services and Public Safety):** The Minister explained the purpose of his draft statutory rule, which, before it becomes operational, requires the affirmation of the Assembly. The rule will set the level of fixed penalties for offences covered by the 2011 Act, the aim of which is to prevent the use of sunbeds by those under 18 years of age and to ensure that those over 18 who use sunbeds are better informed of the risks.

The Committee's view was that the penalties needed to be set at an appropriate level and that the Department's consultation on the statutory rule showed that the majority of respondents agreed that the level of penalties was too low to act as a deterrent. Following its consideration of the draft rule, the Committee wrote to the Department on 26 October 2011 and asked for further details on the level of penalties. The Committee was content with the Minister's

response. He indicated that the Department listened to the respondents and raised the level of fines that would apply. The Committee then considered the draft rule at its meeting on 23 November 2011 and recommended that it be affirmed by the Assembly. Therefore, I support the motion on behalf of the Committee.

I have to say that the Health Department and those in charge of this legislation listened to every word we said. We entered into a very fruitful dialogue. I think that the legislation was strengthened considerably as a result of the co-operation between those involved in the sunbed industry, those who were drafting the legislation and the Committee.

#### 4.45 pm

It is estimated that between two and three people a year die in Northern Ireland from cancers that have arisen as a result of the misuse of sunbeds. If improperly used, sunbeds can cause not only skin irritation and inflammation but skin cancer, a particularly nasty and painful form of cancer, which can, often, lead to death.

The Committee supported the legislation very strongly. We see it as part of a suite of measures in the Province designed to reduce lifestyle choices that can lead to cancer. We have already seen the introduction of a ban on cigarette vending machines. A ban on point-of-display cabinets in shops is imminent. There will be further restrictions on smoking, and now we have this very welcome legislation on the control of the use of sunbeds.

I am very aware, since this legislation came in, that sunbed emporiums often tend to be in run-down parts of our towns and cities. It is quite clear that they are often aimed at the most vulnerable members of our society and those who are perhaps not fully aware of the dangers of the misuse of sunbeds. It is essential that we discourage young people from getting hooked on the use of sunbeds for various reasons to do with appearance. Therefore, we strongly welcome the legislation and the penalties.

As the Minister says, it is important that we use the regulations wisely and that, initially, it is a matter of warning operators if they transgress and using on-the-spot fines. However, for those who persistently involve themselves in exposing young people to the dangers of the ultraviolet light in sunbeds or those who allow older people to misuse sunbeds without giving them the advice they need, we need to be very strict, because, inevitably, that could lead to serious injury or death.

Therefore, we welcome the fact that the Committee's input had such an immediate and significant impact on the level of fines. We see this as paving the way for further co-operation between the Department and the Committee on further legislation to try to reduce, if possible, the number of people who contract cancer needlessly in Northern Ireland.

**Mr Durkan:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. We welcome the legislation. There are numerous reports outlining the dangers or risks associated with the misuse of sunbeds. Any measure to deter such misuse is to be welcomed. We support the legislation.

**Mr Poots:** I thank Members once again for their support. I thank the Committee for its co-operation. We have worked closely together on these issues. I know that the Committee is there as a watchdog, but I believe that, as far as possible, on the many things on which we can co-operate and work with each other, we can get good outcomes for the people we serve, which is very useful. I believe that this is good legislation. It was brought forward by my predecessor, and I always supported it throughout that term of the Assembly.

As Mr Wells rightly points out, people lose their lives as a result of the misuse of sunbeds. That is something that we wish to reduce and, if possible, eliminate. This legislation takes us a step along that way. I am particularly pleased that we are targeting younger people very strongly. The last thing we want is for teenagers to have permanent damage or for their lives to be shortened considerably as a result of that damage.

Once again, I thank all Members for their support thus far. As I indicated, I think that this is a step in the right direction for the House.

*Question put and agreed to.*

*Resolved:*

*That the draft Sunbeds (Fixed Penalty) (Amount) Regulations (Northern Ireland) 2012 be approved.*

*Adjourned at 4.50 pm.*