
Northern Ireland Assembly

Monday 22 February 2010

The Assembly met at 12.00 noon (Mr Deputy Speaker [Mr Molloy] in the Chair).

Members observed two minutes' silence.

Executive Committee Business

The Rates (Regional Rates) Order (Northern Ireland) 2010

**The Minister of Finance and Personnel
(Mr S Wilson):** I beg to move

That the Rates (Regional Rates) Order (Northern Ireland) 2010 be affirmed.

As Members will know, the Rates (Regional Rates) Order (Northern Ireland) 2010 is routine subordinate legislation that flows from Budget decisions that the Executive have made. The legislation stems from the Executive-agreed Budget that was brought to the Assembly on 22 January 2008. That Budget covered the three-year comprehensive spending review (CSR) period for 2008-2011, and the agreed regional rates were intended to provide ratepayers with greater certainty and stability.

The legislation fixes the two regional rates for 2010-11: one for households and one for business ratepayers. The regional rates are worked out in pence to allow individual rates bills to be set, and the figures are calculated precisely to reflect the decisions that we made on the level of increases. I say "increases" with some hesitation, because we have done a great deal to keep rates down over the CSR period, and I will give details presently on how we have done that.

As Members will be aware, the regional rate supplements Northern Ireland's share of the relevant public expenditure, providing an extra 6% over and above our Barnett settlement and extra funds to help finance departmental expenditure on our hospitals, roads, schools and other essential public services in our charge. The regional rate represents a little more than half the typical rates bill.

Local councils set the district rate, which makes up the rest of the rates bill. As Members will be aware, the setting of the district rate is outside the Executive's control. Local councils determine it according to their expenditure needs. The councils that have kept increases for the next year to a minimum and below the rate of inflation are to be commended. For others, it appears that further work needs to be done to ensure that increases in rates bills are kept to a minimum.

The rates struck by district councils should mean that households face overall rate increases of no more than 2.9% next year. In addition, there should be overall rate increases for the non-domestic sector of no more than 3.8%. With respect to the regional rate itself, the domestic element will be frozen in cash terms for the third year, which will provide a real saving to all households.

Those who seek an end to devolved government in Northern Ireland and, by implication, a return to direct rule, should be careful what they wish for if recent experience is anything to go by. A whopping 19% levy was forced on households here in the last year of direct rule in 2006.

In the commercial sector, a 2.7% increase is to be applied next year. That was set and agreed by the Executive and the Assembly as part of the 2008-09 to 2010-11 Budget processes and follows last year's cash freeze, which in real terms was, effectively, a reduction. The minimal rate increase in the non-domestic sector for the next financial year represents a freeze in real terms and, given inflation of 3.5%, complements a wide range of measures the Executive have introduced to help businesses. Taken together, the domestic and commercial rates will raise around £556.2 million in 2010-11.

I do not have to remind Members how tight public finances are. Although today's debate should not revisit decisions already made, we are at

the limit of what is affordable and have nothing in reserve. We have already held industrial rates at 30%, and in the coming financial year we are introducing a small business rates relief scheme, forgoing approximately £9 million in revenue. Those come on top of other easements provided since devolution was restored, a further lowering of the maximum household rates and the introduction of a lone pensioner allowance. However, to go the other way and raise more from ratepayers would place an unacceptable burden on ordinary people during this extraordinary economic downturn.

It should also be remembered that the amount that can be raised through a 1% increase in the regional rate is relatively modest and is less than £6 million in the context of financing public expenditure more generally. That is particularly relevant when one considers the £790 million that has been made available to Departments as a result of the ongoing efficiency savings. Much is there for the taking through driving efficiencies and realising savings by changing the way that public services are delivered, and I look forward to debating that range of issues with Members in a moment.

I now turn to more technical matters and will briefly run through the Order itself. The Rates (Regional Rates) Order (Northern Ireland) 2010 specifies the regional rate poundages for the 2010-11 financial year. Article 1 provides the title of the Order and gives its operational date as the day after it is affirmed by the Assembly. Article 2 provides that the Order will apply for the 2010-11 rating year through to 31 March 2011, and article 3 specifies 30.69p in the pound as the commercial regional rate poundage and 0.3608p in the pound as the domestic regional rate poundage. I look forward to hearing Members' comments during what promises to be a lively debate.

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his opening remarks.

The purpose of the Order is to fix the regional rate for the financial year ending 31 March 2011, which is the final financial year covered by the freeze in the domestic rate agreed by the Assembly in the Budget approved in January 2008. Members will be aware that, although an agreement was made at that time to peg the level of increase in non-domestic rates

to the rate of inflation, that was superseded for the year ending 31 March 2010, when, in response to the economic downturn, the non-domestic rate was frozen in cash terms to assist businesses. For 2010-11, the non-domestic rate will revert to the rate that was agreed in 2008, which is a 2.7% increase.

The Committee for Finance and Personnel received a briefing from departmental officials on the proposals for the subordinate legislation at its meeting on 6 January 2010. At that meeting, members asked why revenue from regional rates was projected to increase by only £600,000 from 2009-2010 to 2010-11, given that non-domestic rates will rise by 2.7%. The officials subsequently wrote to the Committee to advise that the figures that were provided were net revenue projections that had taken account of the value of relief and exemptions foregone. Furthermore, new reliefs will come into operation in 2010-11, including the small business rates relief scheme, which alone will account for an estimated £8 million to £9 million in revenue foregone.

The Committee for Finance and Personnel formally considered the statutory rule before the Assembly at its meeting on 10 February 2010, together with the accompanying report from the Assembly's Examiner of Statutory Rules. At that meeting, the Committee agreed by majority vote to recommend to the Assembly that the Rates (Regional Rates) Order 2010 be affirmed. On behalf of the Committee, I therefore support the motion, which seeks the Assembly's endorsement of the provisions of the Order.

I will now make a couple of comments about our party's position on the issue. As the Minister said, the regional rate is set by the Executive and the Assembly, and it generates additional moneys to support local public services here. Our party's position is that rates, particularly household rates, should be income-related, and a system should be put in place that offers reliefs based on a person's ability to pay. That should be central to any rates policy.

Mr Weir: I support the motion. It is consistent with the overall approach. I also supported it in Committee. If my memory is correct, all but two Committee members supported the Order. What is being proposed today is in line with the consistent long-term position of the Executive and the Finance Minister. It is a fulfilment of the three-year budgetary process. As the Minister

indicated, it shows the value of devolution and the difference that it can make.

We saw rapid regional rates increases during the direct rule period — on one occasion up to 19%. That was a slap in the face not only to ratepayers but to local councils that strove to keep down the local rates. Time and again we had a situation in which efficiencies were sought in local government and brought about by local councils, while at the same time it was all simply cancelled out by that great wave of regional rate increases. I suspect that Mr Farry will mention the fact that the proposed Order is out of line with what is happening elsewhere, but the whole purpose of devolution is to take account of a different situation.

There is no doubt that we have gone through difficult times because of the recession. The aim to put the economy and businesses at the top of the agenda is borne out by the regional rates freeze in the domestic sector and the cap at 2.7%, which is the rate of inflation, in the non-domestic sector. That shows that Northern Ireland is a place in which the burden on the ratepayer is kept to a minimum. That is right, particularly at a time of recession.

The Minister referred to the amount of money that a regional rate increase would raise. For example, a 1% increase in the domestic regional rate would equate to around £2.8 million. If Mr Farry and others had their way and we were to see escalating rates increases, it would have a minimal impact on the overall public finances.

Dr Farry: No doubt I will have more to say in a moment, but will the Member clarify what a 1% rise would generate? A few moments ago the Minister referred to £6 million, whereas the Member has now referred to £2.8 million.

Mr Weir: It is good to see that the Member is not listening to what I am saying. I said that the £2.8 million would accrue from a rise in domestic rates. The £6 million that the Minister referred to would be accrued by a 1% rise across all the regional rates, encompassing non-domestic and domestic.

The regional rate accounts for around £560 million. Given the Member's long experience in local government, I am sure that he does not need to be told — perhaps he does — about the difference between the domestic rate and the non-domestic rate.

12.15 pm

An increase of 1% in the domestic rate would raise approximately £2.8 million. Consequently, if the Member were to have his way by placing undue burdens on the ratepayers of Northern Ireland, a minimal amount would be generated for the public purse. Last week, the House debated Supply resolutions of £13 billion and £15 billion, so Mr Farry's route and that of the Alliance Party would have little impact on public finances but would place an undue additional burden on individuals. That is why the proposals are to be welcomed.

As I said, they are part of an overall pattern, and the Minister referred to the fact that they are not to be seen in isolation but as part of the drive for a low-tax economy through low rates. That includes the measures to cap industrial rates, small business rates, which will be introduced this year, and the lone pensioner allowance that has been brought in. It is consistent with the overall message.

In the current difficult economic circumstances, the capping of the non-domestic rate at the rate of inflation will prevent an undue burden being placed on the business sector. That is right, and, as a result of the Executive's actions, particularly those of the Minister of Finance and Personnel, people are in employment today who would not otherwise be so. If the non-domestic rate were not capped, it would, in many ways, be the straw that would break the camel's back.

The proposals are welcome moves that show the prudence of the Executive and the Minister of Finance and Personnel. Therefore, I urge the House to support the Rates (Regional Rates) Order.

Mr McNarry: I thank the Minister for bringing the Order to the House, and I commend him for his professional attitude to the issue. I welcome the continued freeze on domestic rates, which will help households through the recession. However, will the Minister share the predictions that his Department is considering on the level of regional rates after 2011-12? I ask that question in light of the ongoing fiscal crisis here and the debt crisis across the United Kingdom that the Government face.

I fear that the reforms in local government could also add to the burden and pressure on ratepayers. Will the Minister confirm his

preferred policy on how local government reforms might be financed?

I recognise why the non-domestic rate has been returned to its 2008 level. However, I also note that that will have a negative impact on businesses across Northern Ireland, which face diminishing markets and ever-increasing costs. Given the ongoing financial difficulties, it would be remiss of me not to mention the fact that rate collection is extremely important to maintaining public spending. Businesses and people who benefit from services have a duty to pay their rates. Similarly, the Department of Finance and Personnel has a duty to all citizens who pay rates and to other Departments to collect rates effectively in Northern Ireland. The Department set itself a collection target of 98%, but it has achieved 91%. I understand that that 7% shortfall represents a loss of £71.5 million to the public purse. As I stated previously, the Minister of Finance and Personnel has asked other Departments to make savings of almost £400 million. Surely he has to consider ways in which to improve his Department's effectiveness. An improvement in that direction that yielded an extra £71 million would surely make the Executive's decisions much easier.

However, taking all that into consideration, I am pleased to inform the Minister that the Ulster Unionist Party supports the Order.

Mr O'Loan: I support the motion to affirm the Rates (Regional Rates) Order. I agree with the Member who said that any rates system is not a perfect one. Any revenue-raising system ought to be fundamentally based on people's ability to pay. However, given that a rates system is a property tax, it is not a perfectly adjusted mechanism that corresponds to ability to pay. That is why we introduced a considerable number of new reliefs into the system, which has now become quite complex. Those new reliefs will make the system more commensurate with the principle that the revenue that is required from businesses or households should correspond to their ability to pay. We have achieved that to some degree, because we have a better system than we had before.

The proposed measures in the Order correspond to those that were in the initial three-year Budget. Obviously, we have wider concerns about that Budget, but now is not the time to discuss them. At the outset, we broadly supported those measures. However, we are now in very

different economic times where the pressures on businesses and households are much greater than they were then. Even though the Executive's Budget is hard-pressed at the moment, the suggestion that we should address that by significantly raising the rate burden is not well founded. Indeed, the rate burden would have to be increased significantly to make any real contribution to the £370 million deficit that we have been discussing in recent days.

We are also aware that the pressures that are involved in collecting rates are considerable. That is an indication that people are finding it difficult to pay their rates. The amount of rate arrears needs to be reduced, but that is a difficult task at present, because people are genuinely finding it difficult to pay their rates.

It has been explained clearly and Members should note that the Order will not freeze the rates, even though some Members said that it will. In fact, it is proposed that the non-domestic rate be increased by 2.7%. Members should further note that, were that measure introduced on its own, it would increase the take from that element of the rates by around £15 million. However, given that other measures coexist alongside that one, the total rates take from the non-domestic sector will be virtually nil. Indeed, the Minister pointed that out. One such measure is the small business rates relief scheme, which will effectively redistribute the rates burden across the non-domestic sector and which I strongly support. It will also make the system more broadly related to the non-domestic sector's ability to pay and will confer a social benefit on small businesses, in particular small post offices, which is good.

Members should also note that the decision to freeze the domestic regional rate for next year has provided district councils with something of an escape clause. I declare an interest as a member of Ballymena Borough Council. That council has increased its rates by considerably more than the rate of inflation, as have other councils. The decision not to increase the domestic regional rate has created a sense of freedom among the councils, given that the total rates burden on households was not going to be as great as the percentage increase that the councils were imposing. That factor needs to be borne in mind when considering our policy on regional rates in the future.

Dr Farry: I assure the House that I do not intend to launch a seven-hour debate, as was the case last week. I pay tribute to the Minister of Finance and Personnel's staying power on that occasion. I apologise for missing his winding-up speech, but I am sure that he did not miss the mark. However, I have a few things to say in today's debate, and I ask Members please to be patient with me.

We, as a party, oppose the Order. There is principled and constructive opposition from these Benches to a decision made by the Executive as a whole. It may have been inspired by the DUP — it has that party's fingerprints on it — but it was a collective decision of the four parties that currently reside in the Executive.

At a time of significant financial difficulties in Northern Ireland, as elsewhere in the world, it is simply bizarre that the Executive should seek to address the entire £370 million budgetary shortfall for the forthcoming financial year through making cuts, efficiency savings or administrative savings — call them what you will. Members may talk about better budgetary processes, the bottomless pit of administrative savings and the need to reprioritise policies and programmes, all of which are worthy of further pursuance and consideration, but they are not enough to address the current challenge. Already, as various Committees scrutinise the proposals brought to them by Ministers, we can see what making cuts will mean. The long list of cuts in health and education provision and employment and learning will affect our ability to address problems with the economy.

A freeze in the domestic regional rate is, in real terms, a tax cut. Therefore, a tax cut is being proposed at a time of budgetary cuts. Moreover, it is a tax cut that benefits those who are better off at the expense of those who are worse off.

In the Chamber, all parties, in particular the two parties on either side of the Alliance Benches, have said much about the need to make tough decisions, to be bold and to strike out. However, that is empty rhetoric. When it comes to making tough decisions, those parties will not be involved.

Northern Ireland's Government are outside the mainstream in their approach to addressing the Budget deficit. Other jurisdictions take a more balanced approach through considering a combination of revenue-raising measures and cuts in spending. The debate in those jurisdictions is not on whether to use the

various instruments but on how to find the correct balance. That is true of Westminster, where the three main parties accept the need to use both approaches but disagree over the balance between the two. It is also the case in the Republic of Ireland, where people praised the Government for taking austerity measures in an attempt to rebalance the economy.

I fully agree with Peter Weir's point that, in Northern Ireland, we have the freedom to do things differently. That is what devolution is all about, and I defend that. However, in doing so, we should not be reckless, and we should heed what other legislatures are doing and learn lessons from them.

Mr Weir: The Member referred to the Republic of Ireland, where, as I understand it, the Budget deficit is some £30 billion or £40 billion. Given the level of that gap in public expenditure, the need for austerity is somewhat different: for example, a 1% rise in our domestic rate would raise only £3 million. Does the Member concede that he is not comparing like with like? Similarly, given the position of the UK economy as a whole, the deficit amounts to billions of pounds. The amount that could be raised through an increase in the regional rate is, even in relation to Northern Ireland's budgetary position, extremely small.

Dr Farry: I am talking about the general principle of how responsible Governments elsewhere in the world respond to such situations. Northern Ireland has a significant deficit of £370 million in its Budget. Although the impact of external factors means that the deficit may not be entirely the doing of the Executive, it has a major impact on public services, as we will see over the weeks to come as Committees and Ministers work through the different recommendations. We may find ourselves in a situation whereby a 1% increase could raise £3 million. However, at the moment, inflation is pushing 3%, and, therefore, perhaps it would be better to talk about raising £9 million.

The cumulative effect of rises in inflation over the past number of years equates to £20 million or more in additional rates revenue. By itself, that will not address the £370 million gap, but it would be a start and it would help. If additional rates revenue allows us to address the deficiencies in community mental health that were identified by the Royal College of Psychiatrists on Friday, that would be to the

betterment of society. If it allows us to continue with the capital build programme in education, that is of benefit to society. Therefore, although it would not resolve the full problem in one fell swoop — far from it — it would allow us a bit more flexibility and room for manoeuvre.

12.30 pm

Mr O'Loan: The Member has spoken of tough decisions. He is a spokesperson for the Alliance Party, which was, of course, the principled party of opposition at one point. Was it a tough decision for his party to consider taking the justice Ministry? Given that the Member advocates increasing the rates burden and using the money to address the issues that he just outlined, what percentage increase does he propose for domestic and non-domestic rates?

Dr Farry: If I talk about the devolution of policing and justice and the related Ministry, I will incur the wrath of the Speaker, as the Member should have. Addressing that issue is a bit of a stretch in a debate on rates. My party has been principled in the approach that it has taken; the issue is acting in the best interests of the people of Northern Ireland. The SDLP needs to grow up when it comes to the justice issue and to stop griping from the sidelines.

We have not suggested that the full funding gap should be addressed through the regional rate. The Minister said that a 140% rise in the regional rate would be required to address the funding gap, and that would be reckless. When there was a 19% hike in rates during the last days of direct rule, we opposed it as totally out of proportion and reckless. People who are casting aspersions on the Hillsborough agreement and who may be frustrating progress in Northern Ireland would do well to remember what the consequences of direct rule will be for our finances if things here do not work over the next few weeks.

Throughout the three years of the Budget, we have consistently said that we should be seeking to increase the regional rate for both domestic and non-domestic users by a percentage around the rate of inflation. Therefore, as costs rise for the delivery of public services, the revenue will rise in step with that. In Northern Ireland, we have been giving out a tax cut — a benefit to people — particularly with the domestic rate. Not everyone in society pays rates; those who are better off tend to pay more and, therefore, benefit disproportionately

from any cut. Mr O'Loan calls himself a social democrat or a socialist, but I have great difficulty in seeing where his party's rhetoric on social justice sits with the approach that he is taking to finance today. If the Member wants to intervene, he should, by all means, try to defend himself on that point.

Mr O'Loan: The Member stated that his position is to increase rates by the rate of inflation. What rate of inflation would he use? At present, the rate of inflation is around 2.5% or 3%. Most economists would suggest that that is a temporary rise that owes much to the reinstatement of the 17.5% rate of VAT. Over the past year, the rate of inflation has been very much less than that, and, as I said, most commentators would expect that, over the coming year, it will once again be a lot less than is currently the case. The Order applies a 2.7% increase to the non-domestic rate, which matches the temporarily high rate of inflation. That does what the Member asks for.

If he is proposing to increase the domestic rate by the rate of inflation, which rate of inflation should be applied? If we consider the typical rate of inflation in the past year and that which is expected in the incoming financial year, the extra revenue that will be generated is in the order of less than 1%. Therefore, is the Member making a fuss about something that will possibly bring in around £2 million to £3 million?

Mr Deputy Speaker: I ask that interventions be brief.

Mr O'Loan: The Member says that other parties are showing no principle on the issue. It seems to me that his case is rather weak.

Dr Farry: That intervention may have been longer than Mr O'Loan's original speech.

First, Mr O'Loan did not address the point that I made about his party's rhetoric on social justice. Therefore, I will proceed on the basis that the SDLP does not believe in the reality of social justice, just the rhetoric of it. Secondly, if the Member wants to cite economists, it is interesting to note that 60 economists have now come out against Mr McNarry's 20 economists from last week. However, there is almost unanimity among local economists — including the Confederation of British Industry (CBI), the Institute of Directors (IOD) and the Economic Research Institute of Northern Ireland (ERINI) —

that the Executive's measures on the regional rate are a regressive subsidy to the better off in society. Moreover, the opportunity cost of the measures is lost revenue. The amount raised from rates may be fairly minimal, but every little bit helps in trying to address the £370 million shortfall.

The next time that Mr O'Loan complains about a cut — whether it be in health, education or social development funding — that amounts to around £3 million, or £9 million if we proceed on the basis of inflation, he should stand back and reflect on his comments that the debate is meaningless and a distraction from the Assembly's real business. I can conclude only that Mr O'Loan is so eager to talk about some Back-Bench private Member's motion rather than do the real work that he does not want to address the fundamentals of our economy.

Mr Weir: Will the Member give way?

Dr Farry: Go ahead.

Mr Weir: I thank the Member for giving way. I assume that he will not accuse me of being an advocate of social justice.

The Minister of Finance and Personnel: That is a scandalous suggestion.

Mr Weir: Yes; I know that we are covered by the libel laws in here, but to accuse me of that may be going a little bit far.

The Member said what the Alliance Party "would have done" over the past three years. I seek clarification on the Alliance Party's position on the Order. Would the party simply increase the domestic rate purely by inflation at today's rate, which, depending on precisely how it is measured, is somewhere between £7 million and £9 million, or would it bring the domestic rate back up to the level that it was at three years ago? That would involve imposing a £20 million increase, which equates to around an 8% or 9% increase this year. I know that the Member said that "every little helps", which might be described as the Tesco solution. However, will he clarify the Alliance Party's position?

Dr Farry: I thank Mr Weir for his intervention. We would not have started the Budget from the same position as the Executive. The Executive should have pegged domestic and non-domestic regional rates at the level of inflation over each of the three years of the Budget. We suggest that the Assembly support the 2.7% rise in

the non-domestic regional rate, as outlined in the Order, and introduce an equivalent rise in the regional rate. Even I recognise that to undo the rates retrospectively would represent a disproportionate hike for Northern Ireland's households and businesses. However, had the regional rate been managed more responsibly over the three years, the cumulative effect would have put the Budget in a much better position than it is in today. I hope that that clarifies our position.

I will clarify for Mr O'Loan the point that I made on inflation. A number of different measures are used to calculate the rate of inflation. In 2008, the then Minister of Finance and Personnel said, on the basis of the Executive's underlying assumptions, that the rate of inflation was around 2.7%. Last year, we were in a situation of very low inflation. Indeed, there may have been deflation at some point during the year. This time around, the rate of inflation is between 2% and 3% — perhaps closer to 3%.

That gives us an indication of the rise in inflation that has happened, and the Executive should seek to follow the example that has been set where the non-domestic rate has been struck at 2.7%.

I will move on to my other points, because I have still a fair bit of material to get through. The point has been made about councils, some of which, potentially, will impose rises of 6% or 7%. The fact that people in households look at their overall rates bill without differentiating between the rate set by the Executive and the rate set by councils lessens, to an extent, the effect of any populist approach that the Executive might take.

I declare an interest as a member of North Down Borough Council. The most sensible thing to do is to encourage councils to strike their rate at in or around 3%, the rate of inflation, as my council has done, and for the Executive to follow suit, so that the rates rise in tandem and we do not have a situation in which one is played off against the other to determine which is the better and which is the worst.

I will respond to some of the comments that were made earlier. The policy has been dressed up as a virtue that forms part of the Executive's response to the economic downturn. Their policy, of course, predates any talk of an economic recession, given that it was voted through as an Executive and Assembly

policy back in February 2008. Therefore, the Executive's response is not a response to the recession; it is at the core of their policy.

Even in the context of a recession, freezing rates may well be helpful. In reducing the cost pressures on businesses and households, it may allow money that is not given to government to be spent elsewhere in the economy and to keep demand alive in difficult times. That is a rational economic argument, although it may be undermined by people choosing to save rather than to spend their money. There are a number of points that must be raised in contrast to that. Today, as we look at things, the Executive are prioritising households over businesses. That is not much help to businesses, because the regional business rate is being increased while the household rate is being frozen. If what is being proposed is a measure to respond to the downturn, surely logic dictates that the Executive should do the reverse — impose a 2.7% rise in the household rate and freeze, in cash terms, the rates burden on businesses.

There is very little evidence of increasing default by domestic ratepayers. The same persistent problems are in the system as they always have been. There has been an upsurge in the difficulties experienced by businesses in paying their rates. The argument, therefore, is that the priorities are the wrong way round. That said, the introduction of the small business rates relief scheme, even though it is still not the most efficient way of helping the business sector in our economy, is of more help to businesses, particularly those that are operating on the margins, and it allows those big companies, such as Tesco, that can afford to pay rates and to make their contribution to society, to pay their fair share. A single approach treats all businesses alike and does not make any distinction between the two.

The approach that has been taken to supporting businesses freezes the situation in Northern Ireland. We are missing the opportunity to rebalance our economy by taking the revenue and using it to reinvest and to do things differently, and to allow our economy to be placed on a much more sustainable footing in the longer term. What is being proposed is not, perhaps, the most efficient and effective response to the economic downturn.

There are opportunity costs in the form of lost revenue that could be used elsewhere in the

economy, or, indeed, if we got the opportunity to have tax-varying powers and were to look at the issue of a differential rate of corporation tax. Increases in taxes elsewhere in the system may have to be deployed in order to lower taxes elsewhere and to focus on taxes that are economically proven to have a much bigger impact on facilitating a step change in our economic situation. It is in that context that bodies such as the CBI, IOD and the new think tank that was launched last week are focusing on the importance of corporation tax.

Also, in their documents, those bodies comment on the approach taken by the Executive to domestic finances through the regional rate and water charges. There is a sobering reality in how the business community views the policy that has been adopted and presented by the Executive as being good for the economy.

12.45 pm

I want to make a number of points with respect to households. Freezing the regional rate is regressive with respect to its impact on households because it helps the better off at the expense of those who are worse off. That is an economic fact, which virtually every economist would stand over. Indeed, those economists who have commented have made the point about this being a regressive subsidy. The regional rate is tied to property values, and property taxes are a blunt instrument. There is some relationship to the ability to pay, but it could be better. Nevertheless, the greater the value of a property, the greater the bill will be.

By contrast, there are people in society who do not pay rates or who pay relatively small amounts of rates and have a disproportionate dependency on public services, particularly the National Health Service. Those services will be cut as a consequence of the current financial situation, and we will see deterioration in the quality of public services. Such cuts will have to be defended.

In addition, there are those who want to see new investment, whether it is in schools or transport infrastructure. That is not going to happen: due to lost opportunities, the money is not there. Some people can make an argument about those who are at the margins of society and who will be affected adversely by the policies being pursued on the regional rate and by any potential rise. The Assembly has to engage with that argument, and surely the

answer is to fix the system of taxation, remove the anomalies, and make it better reflect the ability to pay.

The Executive have introduced a number of reliefs in recent years, which I welcome. I argue that those reliefs make a bigger difference to people at the margins than a freeze in the rates, because for every person at the margins of society, there are many others who can easily afford to pay more, and who are happy to pay more, because they believe in the social contract; they believe in helping those in society who are less fortunate; they believe in being generous; and they believe in making a contribution. There is a large economic deadweight in the policy being pursued by the Executive.

Ultimately, an inflation-based rise will not have a dramatic impact on households. It will not cripple people. An inflation-based rise would amount to pennies per week for the average household in Northern Ireland. The average household would have to pay no more than 30p or 40p a week: that puts the rise into perspective. The overall effect is that it can make a difference, a small difference perhaps, but a difference nonetheless, in avoiding some of the tough decisions that have to be made about cuts over the weeks and months to come.

I have two other concerns. The first is about the relationship between the Assembly and the UK Treasury. The Assembly has to be conscious that the tax burden per head in Northern Ireland, including income tax and the equivalent of council tax, is lower than the UK average. It could be argued that the gap is widening through the decisions that we are taking today. There may be good reasons for that differential given that we are less affluent than most other regions in the UK. However, our relationship with the Treasury is sensitive, and it is important that we achieve balance and do not push the boundaries too far. If the Assembly gives out the message that it is giving more tax breaks to local people rather than investing money in services and trying to change our society in order to rebalance our economy, we have to wonder what the Treasury's reaction will be when we plead to be treated as a special case. The question will be: how is it that we are so badly off when we can afford to take a different approach to taxation than our fellow citizens in the rest of the UK? If we see a reopening of the Barnett formula, that risk may well be exposed.

My second point is about feeding into unrealistic expectations. We are proposing to freeze the domestic regional rate for the third year running. For how long can that be sustained? How long will those who criticise the Alliance Party today be able to sustain their position of freezing the regional rate? Can that be done indefinitely, or will there come the day when a future Finance Minister backed by a future Executive tells the Assembly that we have to address revenue raising in order to address our financial situation? The same logic applies to the deferment of water charges, because we cannot expect that situation to be sustainable either.

It is disappointing that only the Alliance Party will make such comments today. What we are saying is far from radical; indeed, it is the hallmark of a responsible approach. It is consistent with the approach that any other Government in the world would take to address the situation. I am not identified as being on the left wing, and certainly my party colleagues would not place me there. I see myself as being right of centre and someone who supports free enterprise and the market. However, I see what the Executive are seeking to do as completely illogical and well outside the mainstream. I cannot get my head round why those with a different ideology would support an Order that is the antithesis of social justice and that will benefit the better off in society rather than those who depend on public services.

Mr Hamilton: I will not disappoint Dr Farry in respect of his basic guiding philosophy on the issue. I am committed to keeping our rates bills as low as possible, and that commitment is shared by colleagues on this side of the House and other Members. We must try to help people with their cost base in the limited ways that we can. However, we must bear in mind that the Assembly has limited levers available to it to assist people with their incomes. We get precious little opportunity to support a freeze on any sort of cost and to keep more of people's money in their pockets. Therefore, I fully support the Rates (Regional Rates) Order.

My philosophy or guiding principle on the issue is to try to keep rates bills as low as possible. Sometimes, we cannot keep those bills as low as we would like, but we always endeavour to keep them as low as possible. I have tried to take that philosophy into local government. I declare an interest as a member of Ards Borough Council and chairman of that council's

rates subcommittee. We think that we have been one of the more responsible councils this year. In the face of the difficulties that all councils face, our district rates increase is 2.98% this year. All Members, including the Minister, will appreciate that local government faces difficulties that are particular to local government. That 2.98% is the lowest percentage increase that Ards Borough Council ratepayers have faced for 13 years. I want a philosophy of trying to keep rates as low as possible taken forward in the Assembly.

I am proud — proud is the right word — of the Executive's overall rates strategy. There is no point in considering only the current situation. One must consider the rates mess that the Executive inherited in 2007. Rates was a hot-button issue for many people because the rates system changed from being based on historical rental values to capital values. There were outcries up and down the country about the rates bills that people faced. Some people faced 50% increases, and there were few winners at the other end of the scale.

We inherited a policy that had been driven through by direct rule Ministers, and the warning from the current Minister of Finance and Personnel about the situation is apt. I could speak about a catalogue of hundreds of issues, but I am sure, Mr Deputy Speaker, that you would call me out of order. However, on the pertinent issue of our rates, people who would happily take us back to direct rule, and to aloof and unaccountable direct rule Ministers, would do well to remember the 19% increase in the regional rate in one year and, indeed, the 60% or 65% increase over the last five years of direct rule before the restoration of the Assembly.

We inherited an unpopular mess of a rating system to which there was massive opposition. I am sure that other Members would concur with that, and it was an issue that I heard mentioned on the doorsteps in 2007. I, therefore, welcomed the rating review that was launched almost instantaneously by the then Finance Minister, Peter Robinson. That focused on delivering a fairer rates system, with an emphasis on reliefs and allowances. We have cause to be proud of the overall outworking of that strategy, not just on regional rates. I am sure that the 30% cap on industrial rates has helped to protect hundreds and hundreds of jobs in the critical manufacturing sector.

In addition, many people are in for a pleasant surprise as a result of the small business rates relief scheme, which the Finance Minister finalised just before Christmas. A lot of small businesses have no idea about the benefit that the scheme will deliver to them. A small businessman — although he is not small in stature — who runs a couple of shops in my local area, asked me what his rates bill will look like on the basis of the rate that the council has struck and the regional rate. I was able to tell him that his net annual value meant that he would get back between £250 and £300 on one of his properties, which would mean a reduction in his rates bill. That made a real difference to him, and he was over the moon. Many in the small business sector are unaware of the benefit that they will receive courtesy of the policies that have been driven through the Assembly by the Executive and this Finance Minister.

The freeze on the non-domestic regional rate last year has helped in a similar way. For some businesses, that may mean a difference of only a few hundred pounds — I believe that the average is between £300 and £400 — but for the sort of businesses that the freeze is targeting, for example, small retail in disadvantaged areas, that could mean the difference between staying in business or not, keeping someone employed or not, or reducing someone's hours or not. Hopefully, we will see in our constituencies the benefit of the emphasis on post offices.

The lone pensioner allowance has been immensely beneficial to those in receipt of it. The value of that allowance is now well over £2.5 million, and it helps those who receive it to the tune of hundreds of pounds on average. That allowance was brought in by this Executive, and has benefited some of the most vulnerable in society. Other initiatives and interventions include the green rate rebate scheme, which not only helps people with a rates rebate, but encourages investment in more energy-efficient homes. Those who qualify for the rates deferral scheme by virtue of their age can put off their rates bill and push it into their estate. Even though the Assembly has limited scope, initiatives and interventions through the rates system have provided a lot of help.

Turning to the Rates (Regional Rates) Order, there is, effectively, a reduction, in real terms, in non-domestic rates, and that is positive. Dr Farry

talked about the emphasis being on households rather than businesses. I do not recognise that. One cannot look at what the Assembly has done on rates and come to that judgement, not least because of the cap on industrial rates, which Dr Farry has also consistently opposed. One must look at the industrial rates cap and the small business rates relief scheme, which I think that he also opposed.

Dr Farry: I supported that.

Mr Hamilton: We found at least one thing that the Member supports.

1.00 pm

Those are helpful interventions, but business overall is not helped simply through rates. I am keen on infrastructure investment. Despite the difficult budgetary pressures with which the Minister has to deal in the next financial year, including the required reduction of some £370 million, there will be record investment in our infrastructure, which will help small, medium and large businesses right across the Province. Even though last year saw record investment and this year will be equally high, some people want investment in infrastructure to infinity and beyond. Back in the real world, however, that intervention has been helpful. The Executive have also taken other measures to help our businesses.

I very much welcome the domestic regional rate freeze for the third year of this budgetary period. Again — I speak with my local government hat on — when that is added to the lowest percentage increase in 13 years in the Ards area, it means that the average ratepayer in Ards will see an increase in their monthly bill of only 90p. In the circumstances in which we find ourselves, we can rightly be proud of that.

The Member who spoke previously said that we cannot make a virtue of those interventions because a lot of them were introduced years ago. The fact that they were brought in at the start of this Assembly term shows the timeliness of doing that. In fact, if we had not taken and implemented those sorts of initiatives years ago, they are exactly the sort of measures that people would beg us to take now. They would now beg us to bring in a small business rates relief scheme, freeze the domestic rate and cap industrial rates. The small business rates relief scheme was announced in December 2008, and it took nearly until

December 2009 to introduce it. The time to respond is so long that interventions need to be made early. If we had not taken that action, people would be knocking down the door of this Assembly and looking for us to take some of the very measures that we have taken, including freezing the domestic regional rate, which is what we will do today.

As Mr Weir and others said, it is not as if increasing the regional rate, which is what Dr Farry and his party advocate, would bring in oodles of cash and fill in the £370 million worth of reductions that are required for the next financial year. I suggest that even an inflationary rise would be mere tokenism. We could not even think for a second of advocating the sort of 140% increase that it would take to fill entirely that £370 million worth of adjustments.

I also take issue with the comments that were made about other Governments taking action in response to the downturn such as increasing costs on households or businesses. That may well be true, but, as Mr Weir pointed out, we are not comparing apples with apples. Doing what Dr Farry suggested would compare national Governments to a regional Assembly. Those national Governments deal with huge Budget deficits, which are crippling in the case of the Irish Republic. They have had to take certain actions that we do not. We are differently funded, and we are looking at essentially different problems. The problems with which the Minister has to deal in respect of next year's Budget are largely self-inflicted as a result of the decision on water charges and the settlement on equal pay.

I do not accept either that people in Northern Ireland somehow sit in splendid isolation and that they have not suffered in any way. Through our work, we all know that people in Northern Ireland have suffered. They have suffered also from national tax increases. National Insurance contributions have gone up, which harms people who work and the businesses that pay their contribution.

The 50p tax rate may not affect too many people, although I am sure that some people, such as those whom Dr Farry mentioned, would, in the interests of social justice, be happy to pay higher taxes and rates. Indeed, maybe we should employ Dr Farry to find people who would happily pay more rates and taxes. I am not sure whether such a scheme would finance itself.

Although he seems to know people who would be happy to pay increased taxes, that does not reflect my experience.

At the other end of the scale, there have been losers as a result of the shambolic changes to the 10p tax rate. Even though VAT came down temporarily, it has gone up, and we now see posturing between the Tories and the Labour Party about who will get to a 20% VAT rate quicker. Indeed, extending VAT to other goods and services has been mooted. In addition, in the April 2009 Budget, duty on fuel, beer, wine and spirits was increased. I do not accept that, just because we did not introduce the nationally levied increases about which Dr Farry spoke, Northern Ireland people are not paying them and contributing.

I have always taken the approach, which I know the Minister shares, that, before we think seriously about increasing costs for householders or businesses here, we should think about efficiency. We should ask ourselves whether government here is as efficient as it could be. Until we can answer that question positively or can say that we are on the right track, it is dangerous and difficult to increase the costs that Northern Ireland people have to bear.

Just to prove that economists cannot agree, as if the contrast between the 20 and 60 economists is not bad enough, Dr Farry cited ERINI's work. ERINI submitted a paper, 'The State of Public Finances' to the Finance Committee, which stated:

"The argument against increasing revenues is partly based on the current economic climate which makes increasing the burden on businesses and individuals unattractive. In addition there is the practical difficulty of the weakness of the tax base. Bringing in any substantial amount from the Regional Rate, for example, would require an annual increase in double digits."

We have already talked about that. The paper continues with four key words: "These are legitimate concerns". They are legitimate concerns. Given where we are financially, which everyone would agree is not where we want to be, and that we are doing what we are doing, people, whether householders or those in business, expect their Assembly to be doing exactly what Peter Weir said: making a difference through devolution. The Assembly is about addressing local problems with local solutions and being responsive to local people's

needs, which the Rates (Regional Rates) Order will do.

Mr McQuillan: I rise as a member of the Finance and Personnel Committee, a Member for East Londonderry and a member of Coleraine Borough Council. I am pleased that the Minister of Finance and Personnel has once again frozen the regional rate and that the Assembly has not imposed an increase on Northern Ireland ratepayers. His announcement demonstrates that the Assembly and my party are doing all that they can to relieve the financial burden on homeowners and businesses, and the Minister must be praised for that. Unfortunately, some local councils have increased rates, some by a considerable amount. However, those rate increases are nothing to do with the Assembly. Although many councils have limited their increase, which must be welcomed, others have passed on a substantial rise to ratepayers.

Let us face it: any increase could be a matter of some people keeping their home or not or of a business being able to continue trading or to keep on staff. In government, as society faces higher living costs, we must do all that we can to help Joe Public. We must make savings and pass them on to the general public. The public mood is one of anger, frustration and unhappiness. Despite media reports that the UK is out of recession, as people struggle to find jobs, pay bills, get mortgages or live a better life without their outgoings rising above their income and limiting their disposable income, the effects are yet to be seen.

This year, there will be a general election, and, if the Tories — their partners are sitting to my right — get into power, life will not become any easier. I understand that there are hard decisions to make, and whoever forms the next Government in Westminster will have to make some hard decisions and impose cuts to certain services. However, will the Tories protect front line services, such as education and health? No, they will not. They will be ruthless; they do not care because their party does not reflect the social composition of the majority of the UK. Cuts should be made where they can be, but essential services should be protected. Nevertheless, I commend the motion to the House.

The Minister of Finance and Personnel: I thank all the Members who have taken part in this important debate for doing so. To a certain extent, it has been a bit of a rerun of some of

the lengthy discussions that we have had over the past couple of weeks on the Budget etc, but, as always, it has been interesting. A wide range of views has been expressed — some more controversial than others — and some Members were prepared to stick their neck out more than others. Nevertheless, it has been a useful debate.

The Rates (Regional Rates) Order (Northern Ireland) 2010 gives effect to decisions that have been made as part of the Budget process. The aim, at least of this part of the Budget, was to strike a balance between the needs of ratepayers during these challenging economic times and ensuring that public finances are sufficient to cover the priorities that we have set for ourselves. Some Members referred to ERINI, and, as Mr Hamilton pointed out, even in its evidence to the Committee, ERINI indicated that that was a legitimate area to look at.

We are trying to strike a balance in all these things. Some people have argued that we have not gone far enough, and some may even think that we have gone too far, but the central message is that, outside the Chamber, there is now a range of critics. Some of them are political. They are not in here, there is little likelihood of them getting in here, and, therefore, they just want to tear the place down. Some of them are scribblers who have to find something controversial to say in the newspapers and on the airwaves every day. That is their way of keeping audience numbers up, and it is always a cheap way to have a pop at politicians. Among a number of those people, there appears to be a view that we would be far better off under direct rule, and that has excited some of the population.

As a number of Members have said today, we could go through a whole catalogue of things, such as a 19% increase in rates or budgets being underspent with the result that money goes back to the Treasury and is not, therefore, available to the people in Northern Ireland. That was the experience under direct rule. For those who talk about going back to the balmy days of direct rule, when Ministers from Westminster came here and people did not have to listen to the squabbling of local politicians in the Assembly, let me remind them of some of the consequences of that scenario. Double-digit increases in rates were imposed, and, despite the fact that Mr Farry knows people who are happy to pay more tax, as Mr Hamilton pointed

out, we did not come across too many of them when we were going round the doors before the previous Assembly elections. I want to talk about the people of north Down, because they may be a class apart, but I will do that later when I am responding to some of the points made.

Let us put some reality into the discussion. Despite the shortcomings — there are shortcomings in the Assembly — and despite the difficulties of trying to work in a coalition with a wide range of diverse views, at least, at the end of the day, we can come, sometimes painfully, sometimes slowly and sometimes with a lot of contentious debate, to a view that tries to tailor the decisions here to what we, as locally elected representatives, perceive to be the needs of the population.

1.15 pm

I want to turn now to points that were made during the debate and say a few words on some of them. The Chairperson of the Committee for Finance and Personnel indicated that the decision was backed by a majority vote in the Committee. I looked at the decision, and I am pleased to note it, although I believe that two Committee members voted against the Order. The Ulster Unionist Party did not vote for the Order in Committee. I note that Mr McNarry has put on record today that the Ulster Unionist Party is happy to support the Order that is before the Assembly. He may want to provide an explanation in an intervention.

The Committee Chairperson also pointed out that evidence given to the Committee showed that, effectively, given all the allowances that are in place, there is a freeze on the non-domestic regional rate as well as the regional rate, because the additional revenue raised is small. I will return to that issue later when I discuss Mr Farry's contribution.

The Chairperson talked about her party's preference for a local income tax based on ability to pay, rather than a property tax levied through the rating system. That is a debate for another day, and I do not want to get into it now. However, it is wrong to imply that the Department has not sought to examine people's ability to pay before making a decision on rates. The rating system contains the housing rebate and the low income rate relief scheme, which helps low-income households. Indeed, in many cases it gives them, effectively, a 100% reduction in rates. On top of that, the

Executive have introduced protection for people who are on a low income, particularly pensioners, through the lone pensioner scheme. On Friday, in my own constituency, I received a presentation from the LPS for community groups and leaders, housing associations and residents' associations. The Department has tried to make the lone pensioner scheme accessible and easy to apply for, without people having to fill in long forms etc. That has been an attempt to respond to a particular group of people who have difficulties.

Mr F McCann: That point is crucial. I raised the issue with the LPS representatives when they appeared before the Finance Committee last Wednesday. Often, when statutory authorities want to reach people, they take it only so far and then leave it. When changes are made to the system or new ways of doing things are proposed, it is crucial to tap into local communities as a matter of course to ensure that everybody realises and understands what the Assembly is trying to do.

The Minister of Finance and Personnel: I agree; it is important. Some complex changes that are made are not understood. People do not understand their entitlements. I have had meetings in different parts of my constituency for people who are leaders in their communities to come to and get the message. The LPS has been more than willing to give presentations to community groups and public representatives who wish to engage with communities, residents' groups and individuals in their areas. The Member makes an important point: it is important that that information is disseminated.

To date, as a result of an Executive scheme, £3.4 million of rate reliefs have been made available to lone pensioners who are over 70 years of age. In addition, we increased the savings limit for pensioners. There is a disregard of £10,000, and people are allowed to have savings of up to £50,000 before becoming ineligible for the scheme. Therefore, we sought to deal with people's ability to pay.

Mr Weir was one of several Members who talked about the impact on the business community and what had been done for the non-domestic sector. If Members study the range of measures that have been taken, such as the 30% cap for manufacturing businesses; the introduction of small business relief for next year, which will exempt about £9 million of rates; or the

freeze on last year's non-domestic rate, they will see that much has been done to assist the business community with rates.

Mr McNarry raised a number of points, the first of which was also raised by Mr Farry. Mr McNarry said that it was all very well to freeze rates this year, but he asked, quite reasonably, what would happen in the future. One of the reasons that we made the rate changes over a three-year period was to give certainty to people. The worst thing in the world, as Mr McNarry will know, is for businesses to coast along with a rate freeze only to be whopped suddenly with a huge increase. The Member, therefore, asked a legitimate question.

I also want to bring in Mr Farry's point that we cannot go on like that for ever. The last thing in the world that I want to suggest is that we can go on like that for ever. In my opening speech, I said that I did not have to remind Members that public finances were tight and that, although the debate should not revisit decisions that have been made, we were at the limit of what is affordable. I am trying to be as forthright as possible. We cannot keep on doing the same thing, but, in addressing Mr McNarry's question, there are four principles to be considered. First, any decision for the future must seek to achieve a balance between what we take from ratepayers and the need for public finance. We cannot lump the entire burden on ratepayers and tell them that public services must be financed; neither can we disregard public services and exempt taxpayers or ratepayers from rate increases. It is a balancing act. Secondly, I do not believe that we can or will go back to the sudden double-digit increases of the past, regardless of the situation. Thirdly, in making those decisions, we must try to inject a degree of certainty that will allow us to provide long-term projections, rather than imposing year-on-year increases that hit people suddenly. Fourthly, I remain of the view, as I said in the House before, that we must ensure that we extract as much in efficiencies from the system as we can. That includes considering how efficiency savings can be made in this place.

Ultimately, it will be a decision for the Executive, but those are the types of principles that I expect them to consider. Given the uncertainties in public finance, I am sure that the Member does not expect me to guess at a figure. Those four principles for making the decision should at least ensure that it will not be overly onerous

on the taxpayers or mean a sudden increase for which they cannot plan. The application of those four principles should also ensure that the decision will not be made in isolation from actions that Ministers and Committees should be taking to ensure that money is not extracted from people's pockets without some consideration of how it is being used.

Mr McNarry's second question was about the reform of local government. I know that, as a result of a paper from PricewaterhouseCoopers, there had been some concern about the amalgamation of councils and what that may do for the taxes and local rates for households. That is something that the Environment Minister and I will discuss. I have said that I do not believe that we should oversee a situation that creates sudden and huge increases in rates for people in one council area rather than another. We will look at how that is managed, how the cost of RPA is financed and how the adjustment is made where there are huge differences in rates between one area and another. A paper on that will come to the Executive. We have not discussed that at the Executive, so I do not have the solution. However, as I am on record as saying, I do not want to oversee a situation in which the reform process leads to huge rates increases in the way in which the paper suggested.

Mr McNarry's last point was very valid. There is nothing that irks people more than some people paying while others do not; it really does not matter what walk of life you are talking about. Mr McNarry pointed out that, although LPS set a target for 98% rate collection, it has not met that target. That is the reality, and I am not going to run away from it. Indeed, LPS has missed that target quite significantly — it has achieved 91% rate collection as opposed to 98%.

When Nigel Dodds occupied the position of Finance Minister, one of the reasons why he brought PEDU in to look at LPS was some of the issues that have been described. LPS was not, perhaps, performing as well as it should have been. Recommendations have been made that should help that performance. However, we must also recognise that collecting any kind of money during a recession — especially one that has hit a lot of businesses — will be difficult. It makes it difficult to achieve the 98% target, which was set at a time when the economy was booming, rather than in the current situation. However, as I have said to officials, if the performance of LPS is not improving, we have to look at other

ways of collecting debt. If LPS is not up to it, I am happy to revisit that, because I do not think that we can allow a situation to continue in which people feel that they can get off with not paying rates. All these issues have to be borne in mind: the fact that an effective programme of work has been put in place for LPS; the fact that we are hit by the impact of the recession; and the fact that I have made a commitment to seek to ensure that that target is met.

Mr O'Loan pointed out and confirmed what I just said, which is that, as far as rate collection is concerned, we try to look at people's ability to pay and to ensure that all the various allowances etc are in place to reflect that. The situation is not perfect, and we all know of constituents for whom that is the case. That is especially the case for pensioners, for example, who have some private pension and are sitting on the margins or for people who are in what are regarded as low-income families but are just pushed over the threshold. With any such system, there will always be people who fall into such categories.

I reject Mr Farry's suggestion that rate freezes are of benefit only to the rich. They are not. Those who just fall over the threshold and are liable for the full rates bill even though they are and would be regarded as not well off will benefit fully from the rate freeze. We have introduced measures to deal with that, and, as I have pointed out in the Assembly time and time again, in trying to at least target the groups who are not so well off, we have probably created an awful lot of work for LPS.

1.30 pm

Mr O'Loan and the Chairman of the Committee made the point that, as far as business rates are concerned, there is an effective freeze. We have tried to redistribute the increase and to target small and medium-sized enterprises — small businesses and manufacturing.

Mr O'Loan also made the point that councils sometimes depended on our freezing the regional rate so that they could hike up their rates and it would not look too bad. I am sure that councils would not be so cynical. I remember that the opposite argument was made when I was a member of Belfast City Council during direct rule, when we were getting high, double-digit increases. Councillors used to argue that it did not matter whether they held their rates down, as central government would

use that as an excuse to stick its rates up. It works both ways. My argument is that councils ought to look — just as we have to — at their expenditure to see whether it is necessary to set such high levels. However, many councils must be commended for the way in which they have shown some restraint.

I come now to Mr Farry. I always enjoy his contributions because he is not afraid to be controversial, and I can always be sure that he will challenge the orthodoxy around some issues. He describes himself as a kamikaze politician, prepared to say unpopular things about public finances and raising taxes. Maybe, as I said earlier, it is because he represents a unique constituency where the affluent households in North Down are simply overjoyed to pay their taxes. He said that people are happy to pay more. My constituents in East Antrim do not share that joy about taxation.

Mr Weir: Does the Minister accept that not everyone in North Down is entirely happy to have to pay more money?

Dr Farry: Speak for yourself.

Mr Weir: I am certainly not happy to be paying more. If Mr Farry has a great pool of people who are keen to pay more, maybe he could extract that money from them. I do not know whether he is calling at Alliance doors in North Down, but at the doors that I call at in North Down, I have not been inundated with people wanting to pay higher rates.

The Minister of Finance and Personnel: Maybe Alliance Party supporters are so well off that they do not need to worry about local taxation, and that may be reflected in Mr Farry's position. However, there is an important philosophical difference, which Mr Hamilton referred to in his contribution, between those of us who believe that we must provide public services and those of us who believe that we should endeavour to try to leave as much money as possible with individuals because they know how best to spend their money, rather than having it spent by the public sector and politicians. We have a philosophical difference: Mr Farry falls on one side of that argument where he believes in the spending of money in the public sector and in decisions being made by politicians and that that, on balance, is better than leaning on the side where individuals would have the right to make decisions about how they spend their money.

Dr Farry: I am grateful to the Minister for giving way. This is becoming an interesting philosophical discussion. First, I regard my remarks as being orthodox and everyone else's as being unorthodox. That is the way that the Alliance Party sees it, and what it feels is mainstream. Nevertheless, I concur with a lot of what the Minister said about giving people the ability to spend their money as they wish, but there is a philosophical difference. I think that the DUP is being straight and that it is at a different level on the spectrum with regard to keeping costs down and the money that is raised from people.

I come from a right-of-centre perspective, yet, bizarrely, everyone in the Chamber seems to have lurched to the right and now agrees with the DUP on the issue. I congratulate the Minister on convincing his Executive colleagues to take that route.

In North Down and everywhere else in our society, there are people who recognise their wider responsibilities to society. Everyone is reluctant to pay tax, but many accept that it is a necessary evil, and that one must make contributions to look after the interests of society as a whole, whether to fund national defence or to look after the welfare of vulnerable people. People want fairness in taxation, but there are those who are well off, have a social conscience and are willing to contribute in line with their income. The Executive are going off on a different tangent to the people in respect of public services.

The Minister of Finance and Personnel: I thank the Member for his intervention. That leads me to the next point that I wanted to make about his contribution.

Mr McNarry: Will the Minister give way?

The Minister of Finance and Personnel: I was trying to answer the point that Dr Farry made, but I will give way.

Mr McNarry: I realise that, but I sensed that the Minister was going to move on, and I was looking for an opportunity to introduce an additional point. I hope that the Minister agrees that there are times when it is important for us to manage as much of a consensus as possible to show that we care. I am pleased with the tone of today's debate, and I hope that that will be picked up by the commentators who give Members a rough time on other issues.

The Minister, when quoting Mr Hamilton, said that there should be an endeavour to leave as much money as possible with individuals. All Members will agree with that.

I want to raise the plight of carers, which is an issue in North Down as much as any other constituency. The Minister is well aware of their plight, and I have, on several occasions, raised the issue of how we could provide them with rates relief. Carers face many hardships and problems, which, when added to the care that they give, make them more vulnerable. I am aware that carers' representatives will be appearing before the Committee for Finance and Personnel in the not too distant future. However, I want to take the opportunity to express my deep appreciation to a departmental official to whom I spoke, who is in the Officials' Box. That official has been most helpful in trying to find a solution to the issue.

Without interfering in what the Minister wanted to say to Dr Farry, will he give some encouragement during his winding-up speech that he and his Department are open to representations that could provide viable rates relief for carers?

The Minister of Finance and Personnel: I will respond to Mr McNarry's point now, because I may forget later. Mr McNarry has been consistent in making representations to me on the issue of carers. He raised that issue during my first visit to the Committee for Finance and Personnel, and I indicated that I was quite happy for him to sit down with departmental officials. I am glad that he has found that engagement profitable and useful, and that that representation is to be made to the Committee.

However, I do not want to give the impression that there is an easy solution. One of the messages that continually comes from LPS officials is that the greater number of reliefs that are introduced to the system, the more complicated it becomes, both for those who may benefit and for the administration of the system. Discussions have been held about how long a carer must be a carer, how individuals can be verified as carers, and how a system of additional administration, which checks, monitors and works out what benefits a person is entitled to, and when and how they are entitled to them, could be built up. It is, maybe, easier for long-term carers than for people who are caring for short periods. I imagine that those

are the kinds of things that the Committee will want to tease out when it looks at any scheme that might be suggested.

I do not want to give the impression that, just because I am sympathetic — probably many Members are sympathetic — it means that there is an easy solution to the issue or that there will not be costs involved in relation to rates collection, benefit payments, and monitoring and checking, etc. I wish the Member all the best; he has been consistent in his position, and I am sure that there will be an interesting discussion when it comes to the Committee.

Mr Farry talked about the fact that we were, perhaps, not achieving the right balance between revenue raising and cuts. Indeed, he said that most Administrations have a far greater balance than we have in Northern Ireland. Mr Hamilton partly answered that point. A number of Members made the point that even if we were to go down the road of raising revenue, huge increases in rates would be required to deal with the kinds of efficiencies and savings that we are seeking, otherwise all that we would be doing would be making a token gesture.

The Member has suggested that an increase of 140% to try to finance the whole gap would be reckless. The 19% increase that occurred under direct rule was reckless. He has suggested that a modest inflationary increase every year might be reasonable. However, the inflationary increase for this year would raise in the region of £15 million. He may well argue that at least that would finance one particular service or another, but the point is that we would still have to heavily emphasise the need for savings and efficiencies.

On the other hand, the Member recognises the microeconomic impact of downward tax adjustments, because, later in his speech, he defended some of the actions that have been taken in relation to businesses. Some of those micro-changes — such as the £9 million for small business relief, which he has generously said that he supported — help individual businesses, but, equally, at a time when we are in recession and people are out of jobs, losing overtime, and do not have the same opportunities for part-time employment, the micro-changes of rates freezes for domestic households can be important. I submit to the Assembly that they are important to households across Northern Ireland. Therefore, despite

what Mr Farry said about us not having the balance that other Administrations have and about it being wrong to put all the emphasis on reductions in spending by Departments, I think that, on balance, it is still the right decision to make, especially in the current circumstances. I think that he may want me to give way.

Dr Farry: I thank the Minister for giving way. He acknowledged my point that the revenue that could be raised, although small, could be used for some discrete project, whether for mental health, capital spending in education, relief for carers, if that is possible, or funding a scheme similar to the small business relief scheme. That gives us the choice. The Executive may well have one pet project that they want to pursue.

We may have a slight philosophical difference on the point that he makes about easing the cost pressures on households, but I challenge him on the economic evidence. What is the evidence that keeping that cost low will have an impact on creating a proportionate increase in demand?

Will the Minister also recognise the fact that that approach simply sustains the current economic conditions and comes at an opportunity cost in that the money cannot be invested elsewhere in the economy, which would allow us to change the underlying dynamics of the economy and make it more competitive?

1.45 pm

The Minister of Finance and Personnel: The Member raised a point on the impact that a rates freeze has on the economy and about whether it leads to increased demand. My point is not so much that that stimulates demand in the economy as it is that it helps people who find the situation difficult because of the changes that the recession has made to their family income. It is an important safety valve for such households.

The Member's other point was on the impact that a rates rise would have on public services and other areas of saving. As I have said consistently in the Assembly, the greatest way to make an impact on public services is to examine how we spend the money that already goes to public services. It must be put into perspective that £15 million in taxes would be made from raising the regional rate at the rate of inflation but that £790 million has been made available over the Budget period through

efficiency savings. That is the place in which we will drive for an impact.

The Member asked for the evidence that a rates freeze has had an impact. I am glad that he supported the small business rates relief scheme, which will come into effect in April 2010 and will save £9 million. Given that he recognises the fact that that £9 million will have an impact on small businesses, he must also accept that the same principle applies even to the modest savings that households will make by the domestic rate being frozen. It is not the amount of savings that is important but the impact that it has on the overheads of individual householders and businesses at a time of recession.

The Member also said that the proposal is regressive in some way. That statement contains many assumptions. He feels that the proposal is regressive because, at a time when public services are being cut, a rates freeze will benefit households that can afford to pay that tax and which should, therefore, have money taken off them. His argument is that the households that can afford to pay the tax are well off and that the public service cuts will affect only the less well off, thus making the proposal regressive. That is a simplistic argument, especially given the fact that I have already pointed out that many —

Mr Ford: Will the Minister give way?

The Minister of Finance and Personnel: Let me finish the point that I am developing, because it might answer the question.

Many of those households are just above the threshold, and, therefore, a tax increase on them would be regressive and have a huge impact on their budget. It would hit their low income at 100%. As the Member knows, not every penny that is spent in the public service benefits only the less well off. He mentioned transport, and many would argue that the money that is spent on roads benefits car owners, who are better off. Middle-class people tend to do better out of the education system, so money that is spent on schools can be said to benefit them. Well-off people need operations as well as people on lower incomes, so the same argument can be made about spending on hospitals. The idea that taxes hit the rich and that spending cuts hit the poor is a bit simplistic, and the Member knows it. Assumptions are built into his argument.

Mr Ford: I thank the Minister for giving way eventually. He describes the argument of my colleague Stephen Farry as “simplistic”. Perhaps he will agree that his use of the word “only” instead of “disproportionately” certainly presented the argument as simplistic. I wish to take up a specific point that the Minister made about the Health Service. The simple fact is that poorer people make more use of the Health Service than people who are well off. The Minister was absolutely wrong on the key argument that he attempted to use to answer the point that he thought that I would make and that my colleague had made.

The Minister of Finance and Personnel: I do not think that I am wrong about that.

Mr Ford: Ask Michael.

The Minister of Finance and Personnel: It depends on the area of the Health Service in which the money is being spent. A point that has been made time and time again in the Chamber is that a disproportionate amount of any increased money received by the Health Service is spent on administration. I do not want to start another row with the Health Minister on the issue. However, the Nuffield report also highlights the fact that, as a result of the additional money that has been made available to the Health Service over the past number of years — an increase of 6·8% every year — the differential between the number of administrators in Northern Ireland and elsewhere in the United Kingdom increased from 70% to 140%. Surely the Member is not saying that money spent in that way helps the poor. In fact, given the bonuses and salaries payable to some levels of administrative staff in the Health Service, some people may argue that that money helps people who are rich or better off. Therefore, before the Member goes down that route, he should consider where in the Health Service that money is being spent.

I must say that Mr Farry always makes interesting points in debates such as this. He said that he found it strange that we were prioritising households over businesses. His point implies that all that the Executive and the Assembly did for business was to offer rates relief and that the only impact of that was the limited amount of tax that we could take out of the economy. However, that must be balanced against the range of other measures. First, we introduced the small business rates relief

scheme, which has, in effect, frozen rates. Secondly, we spent money on promoting the economy through supporting infrastructure, providing help to firms through selective assistance, retraining workers and assisting universities to skill workers. If Members balance those actions, they will see that, once again, Mr Farry's argument is fairly simplistic.

Mr Farry asked how long the freeze on regional rates could be maintained. It would be totally wrong to say that it can go on for ever, because that would only come back to bite us. However, Members should not forget that the decision to freeze the regional rate was sold as our response to the current economic recession and the pressures on householders' incomes. I can tell that another intervention is coming, because Mr Farry frowned when I said that, so I will try to anticipate his question. The decision to freeze the regional rate at the beginning of the three-year period was a reaction to the huge rates increases of previous years. The freeze was maintained because of the impact of the recession. I hope that that answers Mr Farry's question.

I have already dealt with many of the issues that Mr Hamilton raised. He spoke about philosophical differences between the impact under direct rule and the impact under the devolved institutions. He also mentioned the help that is available to businesses. I have just reiterated his point that we help businesses in many other ways through the huge amount of investment that is provided through the Assembly's capital programme, which is larger this year than it has ever been.

I agree with Mr McQuillan about the importance of retaining essential services. When restraints are imposed on the public sector, we must try to protect front line services, but that will not always be possible. That is why I say time and time again — Mr Farry has pressed me on the issue on a number of occasions — that we must prioritise the actions that we can take rather than simply attempting to protect everything. That cannot be done.

In conclusion, I trust that Members will show the necessary support for the Rates (Regional Rates) Order (Northern Ireland) 2010. I believe that it is an important statutory rule and one that will be widely welcomed by households and businesses, including those in North Down. For the third year, all ratepayers will see the benefit that devolution provides. We are providing

real and tangible support to communities, households and businesses. I commend the motion to the Assembly.

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

Question put.

The Assembly divided: Ayes 69; Noes 6.

AYES

Nationalist:

Mr Adams, Ms Anderson, Mr Attwood, Mr Boylan, Mrs M Bradley, Mr P J Bradley, Mr Brady, Mr Butler, Mr W Clarke, Mr Dallat, Mr Doherty, Mr Durkan, Mr Gallagher, Mrs D Kelly, Mr Leonard , Mr A Maginness, Mr A Maskey, Mr P Maskey, Mr F McCann, Ms J McCann, Mr McCartney, Mrs McGill, Mr McGlone, Mr M McGuinness, Mr McHugh, Mr McKay, Mr Murphy, Ms Ní Chuilín, Mr O'Loan, Mrs O'Neill, Mr P Ramsey, Ms S Ramsey.

Unionist:

Mr Armstrong, Mr Beggs, Mr Bell, Mr Bresland, Lord Browne, Mr Buchanan, Mr Campbell, Mr T Clarke, Mr Cobain, Rev Dr Robert Coulter, Mr Craig, Mr Cree, Mr Easton, Mr Elliott, Mr Gardiner, Mr Irwin, Mr Kinahan, Mr McCallister, Mr I McCrea, Dr W McCrea, Mr McFarland, Miss McIlveen, Mr McNarry, Mr McQuillan, Lord Morrow, Mr Paisley Jnr, Mr Poots, Mr G Robinson, Mr K Robinson, Mr Ross, Mr Savage, Mr Shannon, Mr Spratt, Mr Storey, Mr Weir, Mr Wells , Mr S Wilson.

Tellers for the Ayes: Mr McQuillan and Mr Weir.

NOES

Other:

Dr Farry, Mr Ford, Ms Lo, Mr Lunn, Mr McCarthy, Mr Neeson.

Tellers for the Noes: Dr Farry and Mr McCarthy.

Total votes	75	Total Ayes	69	(92%)
Nationalist Votes	32	Nationalist Ayes	32	(100%)
Unionist Votes	37	Unionist Ayes	37	(100%)
Other Votes	6	Other Ayes	0	(0%)

Question accordingly agreed to.

Resolved (with cross-community support):

That the Rates (Regional Rates) Order (Northern Ireland) 2010 be affirmed.

Executive Committee Business

Equality Bill: Legislative Consent Motion

**The Minister of Finance and Personnel
(Mr S Wilson):** I beg to move

That this Assembly endorses the principle of the extension to Northern Ireland of the provisions of the Equality Bill dealing with the abolition of the presumption of advancement.

That should clear the Benches fairly quickly.

The aim of securing this legislative consent motion is to enable what remains of the doctrine of presumption of advancement in the law of trusts in Northern Ireland to be abolished. Abolition of the residual elements of that doctrine will ensure that Northern Ireland law is compliant with article 5 of protocol 7 to the European Convention on Human Rights. That, in turn, paves the way for the UK Government finally to ratify protocol 7 to the convention and to join a majority of member states of the Council of Europe in eliminating inequality in the law between spouses.

I will not keep Members too long with a lengthy explanation of the relevant legal principles and the historical development of the doctrines of presumption of resulting trust and presumption of advancement. Some explanation, however, is inevitable, for the benefit of Members who do not sit on the Committee for Finance and Personnel — perhaps even for some of those Members too — for whom this may be the first and, hopefully, the last time that they need to turn their minds to the operation of the presumption of advancement.

I will start by outlining the convention rights in article 5 of protocol 7 to the European Convention on Human Rights:

“Spouses shall enjoy equality of rights and responsibilities of a private law character between them, and in their relations with their children, as to marriage, during marriage and in the event of its dissolution. This Article shall not prevent States from taking such measures as are necessary in the interests of the children.”

The present UK Government first announced their intention to ratify protocol 7 as far back as 1997. Various efforts have been made since then to secure the passage of amendments to the law by way of a private Member's Bill in the

House of Commons but without success. To ratify protocol 7, the UK Government need to remove the remaining aspects of UK law that offend against the rule on equality of spouses in the rights and responsibilities between themselves and in their relations with their children.

How does presumption of advancement offend against article 5 of protocol 7? The presumption of advancement is one of the means by which a court allocates ownership of property based on a presumption of the intention of the donor of the property. In that context, “property” means money or valuables as well as bricks and mortar and, for example, farmland.

The starting point for ascertaining ownership by intention is the presumption of resulting trust. If a person transfers money or property to another without receiving anything in return, the law presumes that the donor intends to retain the beneficial interest in the value of money or in the property. In certain circumstances — for example, where a special relationship exists between a donor and the recipient of the gift — the presumption of advancement displaces the presumption of resulting trust. One of the few remaining examples of that under the law of Northern Ireland is that money or property given by a father to his child is presumed to be a gift to the child, subject to any contrary intention at the time the gift was made. The father loses any beneficial interest in the money or property that he had prior to making the gift. By contrast, no such presumption of advancement arises in relation to gifts made by a mother to her children. In that case, the primary rule of presumption of resulting trust applies. Money or property that is gifted by a mother to her child is presumed to be held by the child on resulting trust for the benefit of the mother. The child may acquire a legal interest — for example, legal title to the property in the gift — but the beneficial interest in the money or property remains with the mother. The rule is subject to any contrary intention arising at the time the gift was made by the mother to her children.

Although the rules on how the presumption of advancement works rarely arise in practice today, they clearly represent a difference in treatment of gifts by parents to their children, depending on whether the gift was made by the father or by the mother of the children. The rules on the operation of the presumption of advancement and other rules still in force in

England and Wales have long been regarded as offending against the equality of spouses provision in article 5 of protocol 7 to the European Convention on Human Rights. That has prevented the UK from ratifying protocol 7, making it one of the few members of the Council of Europe to fail to do so.

2.15 pm

The presumption of advancement in Northern Ireland has already been abolished in respect of transfers of property between spouses and between engaged couples. Article 16 of the Law Reform (Miscellaneous Provisions) (Northern Ireland) Order 2005 abolished the rule in relation to gifts between spouses. Previously, the presumption of advancement applied to gifts of money or property made by a husband to his wife but not to the gift of money or property from a wife to her husband. Article 16 also abolished the rule as it applied to gifts of money or property between engaged couples. Previously, a gift from a man to his fiancée was subject to the presumption of advancement, whereas a gift from a woman to her fiancé was subject to the presumption of resulting trust.

It was thought at the time that the provision was sufficient to ensure that the Northern Ireland law complied with protocol 7 to the European Convention on Human Rights. The operation of the presumption of advancement with regard to transfers of property to children was overlooked since it was not widely appreciated that the presumption applied to gifts made by a father to his children but not those made by a mother to her children. For the sake of completeness, I should also note that the 2005 Order removed several other anomalies that prevented the law of Northern Ireland being fully compliant with article 5 of protocol 7.

I have kept the explanation of the issue as brief and comprehensible as possible. I turn now to the motion under consideration. The reason why we are here and why some in the Chamber may still be awake — I am amazed that so many people have remained in the Chamber — is that the UK Government wrote to me last November seeking my agreement to the GB Equality Bill's containing a provision that would abolish the residual elements of the doctrine of presumption of advancement in Northern Ireland. Since trust law and property law are devolved matters, the Westminster Parliament

will not usually legislate in the transferred field without the consent of the Assembly.

I wrote to the Solicitor General agreeing to the proposal in principle, emphasising that I would have to seek the views of the Committee for Finance and Personnel and ministerial colleagues on the Northern Ireland Executive Committee. The Committee for Finance and Personnel considered the issue on 13 January 2010, and the Committee's report endorsing the proposal that the Equality Bill be used to remove what remains of the presumption of advancement in Northern Ireland has now been published. The Executive Committee have also considered the matter and agreed to my seeking the necessary consent from the Assembly in the form of today's debate.

It has been decided to use the Equality Bill as the legislative vehicle through which to abolish the presumption of advancement in England and Wales and to remove several other anomalies, and so enable the UK to ratify protocol 7 to the convention. The GB Equality Bill was passed by the House of Commons on 2 December 2009, and introduced into the House of Lords. The Second Reading in the House of Lords took place on the 15 December 2009, with the remaining stages to be completed early in 2010.

As Members will be aware, the GB Equality Bill aims to harmonise and in some cases extend existing discrimination law covering the protected characteristics of age, disability, gender reassignment, marriage and civil partnerships, pregnancy, maternity, race, religion, belief, sex, and sexual orientation. It will also harmonise provisions defining indirect discrimination. The Bill does not generally apply to Northern Ireland, it having been decided that this place is best placed to decide the future direction of equality law in Northern Ireland.

The amendment to the GB Equality Bill abolishing the presumption of advancement was agreed in the House of Lords on 9 February. The amendment tabled by Lord Lester of Herne Hill, a Liberal Democrat, was accepted by the UK Government and is set out at the end of the memorandum I have provided to accompany the tabling of the motion.

This is a small, technical matter, and I am content that allowing the Westminster Parliament to legislate on our behalf on this one issue does not unduly compromise or prejudice the Assembly's right to pass laws for Northern

Ireland on devolved matters. I look forward to an interesting and stimulating debate on the issue.

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): Go raibh maith agat, a LeasCheann Comhairle. The Committee for Finance and Personnel was notified by the Minister of Finance and Personnel on 17 December 2009 of a proposed British Government amendment to the Westminster Equality Bill that would abolish the presumption of advancement in family and property law in England and Wales. As equality and anti-discrimination legislation are transferred matters, the provisions of the Westminster Equality Bill, as introduced, do not extend to here. However, it is proposed that the provisions of the amendment, which was tabled on 12 January 2010, should be extended to the North of Ireland.

On 13 January 2010, the Committee was briefed by departmental officials and the Assembly's Research Services on the implications of the amendment relating to the presumption of advancement. Members noted that the amendment would remove a problem of consistency in the law and allow the British Government to ratify Protocol 7, crime and family, to the European Convention on Human Rights. DFP officials also confirmed that the principle of presumption of advancement that related to spouses and engaged couples was abolished in 2005 and that there did not appear to be a specific reason why it was not abolished completely at that time.

Having considered the evidence, the Committee agreed that it supported the Department of Finance and Personnel in seeking Assembly endorsement of the principle of the extension to the North of Ireland of the proposed amendment to the Westminster Equality Bill to abolish what remains of the doctrine of presumption of advancement. Last week, the Committee also circulated a report on its considerations of the legislative consent motion to all MLAs. Therefore, I commend the motion to the House.

Sinn Féin regards this legislative consent motion as an exceptional case. Normally, the devolved Assembly, rather than Westminster, will legislate for our community. As far as equality and anti-discrimination legislation is concerned, I reiterate my party's support for the introduction of a robust and enforceable bill of rights that has equality at its core and that provides rights-based protection for all the people of the North

of Ireland. It is worth remembering that that bill of rights is one of the commitments contained in the Good Friday Agreement. No one should be frightened of equality for all.

Mr Weir: I support the legislative consent motion. On the streets of North Down, which the Minister mentioned earlier, when the conversation moves away from the Rates (Regional Rates) Order (Northern Ireland) 2010 and the desire to pay more money, people talk about very little other than the presumption of advancement and this legislative consent motion. The Member who spoke before me wants equality to be at the core, which is worthy. I look forward to her party's support for our motion on the abolition of 50:50 recruitment to the police, which we will debate later today.

The legislative consent motion concerns trust law. When I was a law student at Queen's University, there was an old joke — I use that term very loosely — that we would be subjected to a debate on recent developments in trust law. Given the silence around the Chamber, I suspect that that was lost on most Members. Most trust law dates from the nineteenth century, although the joke perhaps indicates the lack of wit in the law faculty 20-odd years ago. Nevertheless, the legislative consent motion clears away an archaic relic.

The differential in presumptions between spouses has already been removed from legislation, thus bringing our law into line with that in the rest of the United Kingdom. It seems a complete nonsense to suggest that, in trust law, there should be a different presumption of advancement between a father and a child and between a mother and a child. It makes absolutely no sense to differentiate between the two. We all have some reservations about the use of legislative consent motions. However, we should embrace the proposal to make a relatively technical change that is based on fairness and equality. The format that is being used will bring that proposal into legislation at the earliest possible opportunity.

For those in the Chamber who are genuinely committed to equality, the motion is worthy of support, and I am delighted to support it.

Mr McNarry: Ulster Unionists believe in equality, because, as a party of civil and religious liberty, we see important protections in it for the citizen. The fact that the gap between rich and poor is at its widest since the Second World

War highlights the fact that to tackle inequality we must also tackle its causes. For example, we deplore the fact that the Government have failed to meet almost half their equality targets, including one of particular importance, which is to encourage more women to start up in business and to increase the proportion of women in senior ranks in the Civil Service.

Although the Ulster Unionist Party supports aspects of the UK Equality Bill, such as attempts to reduce the gender pay gap and any form of discrimination, lessons must be learned from any proposed equality Bill for Northern Ireland. At present, the dysfunctional Executive are failing on many fronts. We must give families and communities adequate support to tackle educational underachievement, especially among young Protestant males in inner-city areas and in big housing estates in the towns surrounding Belfast, and to tackle the impacts of intergenerational unemployment. Therefore, we must resist attempts to damage an educational system that has been known the world over for enabling social mobility.

Northern Ireland is now a more diverse and tolerant place. However, we still have serious problems associated —

Mr Bell: On a point of order, is the object of the debate not to speak on the subject?

Mr Deputy Speaker: I was going to draw the Member's attention to returning to the motion.

Mr McNarry: It is a very wide-ranging subject, on which I am sure the Speaker will give a ruling. However, I was getting to that, and I am sorry that I tried the novice's patience. I just wanted to say —

Mr Bell: You are past your sell-by date.

Mr McNarry: You just be careful, now, my fellow Member from Strangford. When you want to be frivolous and when you do not is a matter for yourself —

Mr Deputy Speaker: Order. I ask the Member to come to the subject of the motion. I also ask for all remarks to be made through the Chair.

Mr McNarry: I will not repeat them; I will leave that to Hansard.

The point to which I was getting is that we have problems associated with sectarianism, racism and inequality. Therefore, legislation of any

nature must be robust enough to tackle that discrimination.

This legislation, of course, is a narrow and specific application of just one element of equality legislation. It refers, effectively, to the presumption of advancement between parent and child, explicitly between father and child, because the presumption of advancement between married and engaged couples has already been abolished.

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

This is also enabling legislation because, once the presumption of advancement is abolished, it leaves the way open for other things to happen. There are two provisions of the European Convention on Human Rights that have yet to be fully implemented into United Kingdom domestic law. For that to happen, the presumption of advancement will need to be abolished or, at the very least, have its effects equalised between men and women. Those provisions are protocol 7, article 5 of the European Convention on Human Rights, which refers to equality between spouses, and protocol 12, article 1, which refers to the general prohibition of discrimination. With regard to protocol 7, article 5, the United Kingdom Government want to repeal the parts of United Kingdom law that affect the equality of spouses in rights and responsibilities between themselves and in the context of their relations with their children.

Without a shadow of a doubt, therefore, we in the Ulster Unionist Party have no difficulty with this legislative consent motion being passed today.

Mr Deputy Speaker: As Question Time commences at 2.30 pm, we need to take our ease for only a few seconds. The next speaker after Question Time will be Declan O'Loan.

The debate stood suspended.

2.30 pm

Oral Answers to Questions

Education

Department of Education: Newbuilds

1. **Mr McGlone** asked the Minister of Education how much funding her Department has allocated for new capital builds in the coming year. (AQO 791/10)

The Minister of Education (Ms Ruane): Go raibh maith agat. Níor socraíodh pleananna caiteachais caipitil don bhliain airgeadais 2010-11 go fóill. Ach sa tréimhse bhuiséid go dtí seo, tá £427 milliún san iomlán á infheistiú san eastát scoileanna.

Capital spending plans for 2010-11 have not yet been finalised. However, in the budget period to date, a total of £427 million has been invested in the schools estate. There are 16 schools capital projects currently on site, representing an investment of over £252 million, and 24 school projects have been completed in the period, representing an investment of £176 million. That includes £19 million for Abbey Christian Brothers' Grammar School in Newry; £23.4 million for Ashfield Girls' High School in Belfast; £23.8 million for Bangor Academy; £13.1 million for Drumragh Integrated College in Omagh; £31 million for Holy Cross College in Strabane; £2 million for Victoria Primary School in Ballyhalbert; £3.5 million for Towerview Primary School in Bangor; and £13.5 million for De La Salle College in west Belfast. Those are just some examples.

It is important that our investment be viable and sustainable in the long term and adheres to our statutory duties in relation to equality and targeting on the basis of objective need. To that end, I commissioned a review of current capital works to ensure that they are consistent with the overall policy framework. The review will ensure that the available resources are used to secure the best outcomes for children and maximum value for every taxpayer.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as an fhreagra chuimsitheach sin.

I thank the Minister for her comprehensive reply. There is a cutback of £92 million in capital expenditure. It would be useful if the Minister could inform schools whether their projects will go ahead. Will she reveal how much of the expenditure that was outlined will be spent on PPPs and other related charges, and how much will go on newbuilds?

The Minister of Education: I question respectfully the amount of money about which the Member is talking in relation to the cutbacks in the capital budget. The figure that I have is £22 million, not £92 million. I hope that I do not have to find £92 million, or we are in serious difficulties.

Cuimsíonn an buiséad caipitil roinnt réimsí chomh maith le mór-oibreacha nua, lena n-áirítear tionscadail don óige, iompar scoile, luath-bhlianta agus mionoibreacha.

The capital budget covers a range of areas in addition to major new works, including youth projects, schools transport, early years and minor works. It is important that our investment in the schools estate be viable and sustainable in the long term and adheres to our statutory duties in relation to equality and targeting on the basis of objective need. We are faced with an extremely challenging financial environment, and I will continue to press for additional capital funds for the school estate. As I said, we are currently finalising budget proposals. Once we have done that, I will write to the Member in relation to the question that he asked.

Mr Storey: I know that the Minister and the Department have a difficulty with numeracy, given that we have waited for two-and-a-half years for the report to come out. Can the Minister not even read her own documents? They clearly show that she started with a gross budget of £212 million, which was reduced to £191 million. A further £22 million was taken off that, and £170 million has already been committed, despite press releases from her Department that try to tell us that somehow new works will be done.

Will the Minister at last tell this House honestly that no new works will be carried out? Will she reveal the criteria of the capital review that she is carrying out, so that we can see exactly what she is up to? Nobody on this side of the House trusts the Minister to even look after money, let alone the Department of Education.

The Minister of Education: In light of the Member's derogatory comments about my numeracy skills, he will be delighted to know that we have a North/South numeracy conference in Enniskillen on Thursday, at which one of my colleagues from the South will join me. The Member will also be delighted to know that because of transfer 2010, we will now really focus on numeracy rather than the distortion of the curriculum that occurred in the past.

I do not accept the Member's comments.

Mr Storey: What's new?

Mr Deputy Speaker: Order. I remind Members not to shout across the Chamber, and visual aids should not be used unless they are relevant.

Mr B McCrea: I shall not comment on the Minister's abilities or otherwise. However, I am interested in the £170 million of apparently free cash. How much of that money will be taken up in existing PPP or other public finance initiatives, and how much will be left for newbuilds, about which schools want to hear?

The Minister of Education: We are finalising proposals, which I will bring to the Member and to the House at the appropriate time.

Ms Lo: Is Lagan College in south Belfast one of the schools that will be financed in the coming year? It has been waiting for the past eight years, so if its building programme is not due to commence in the coming year, will the Minister update Members on its progress?

The Minister of Education: I will not comment on individual projects. As I said, we are finalising proposals, which I will bring before the House at the appropriate time.

Schools: Vandalism

2. **Dr W McCrea** asked the Minister of Education what assessment she has made of the cost of vandalism to school property, and what action she is taking to deter this type of activity. (AQO 792/10)

The Minister of Education: I have witnessed at first hand the damage caused, particularly in recent times, to a number of our schools, not least last summer, when schools such as Whitehouse Primary School, Bunscoil Bheanna Boirche in Castlewellan, St Mary's Star of the Sea Primary School, St Patrick's College Bearnaagheeha and Corpus Christi College were

the targets of attacks. Those attacks impacted not only financially but on the very heart of the schools. The impact is far-reaching and affects many people, including teachers, pupils and the entire community, creating suspicion and fear. The cost of addressing the attacks was £2.4 million, which could have been used to improve many schools and to make life easier for teachers and pupils alike. Since 2004, the total cost of vandalism in the schools estate is approximately £3.6 million.

Tá roinnt tionscnamh á gcur i bhfeidhm ag gach bord agus ag an Roinn chun déileáil le fadhb na loitiméireachta i scoileanna; cuimsíonn siad suiteáil TCI agus soilsiú feabhsaithe, córas rialaithe rochtana agus aláiraim ionraidh.

A number of initiatives are being developed by all boards and by the Department to address the problem of vandalism in schools, including the installation of improved CCTV, lighting, access control systems and intruder alarms. In addition, physical infrastructure works are being carried out to gates and fencing. Nevertheless, we all agree that it is important to get the balance right, and, despite the measures that we take to keep our children safe, we cannot lose sight of the fact that schools are, and always will be, focal points of communities. Schools should encourage the community to use their facilities. Schools can help to define and shape the communities to which their children belong, and they should seek to promote appropriate access. We cannot allow schools to be turned into fortresses with high fences and forbidding exteriors. Children's lifelong perception of their schooldays can be affected by their surroundings.

Dr W McCrea: The Minister needs to realise that the problem is much wider than the schools that she mentioned. I am disappointed that she did not mention, for example, the spate of vandalism in the Ballyclare area, in my South Antrim constituency, not only in primary but also in secondary schools. Surely it is a disgraceful situation when money that is needed for delivering front line services has to be spent on fencing, etc. Surely the Department should take more responsibility for dealing with vandalism and allow schools to get on with education.

The Minister of Education: I absolutely agree with the Member. Vandalism in schools is disgraceful, and the Department will do everything that it can to ensure that it does not

happen. However, it is a wider societal problem, and I say to the Member, respectfully, that as politicians and elected representatives, it is our duty to ensure that we all play our part. My Department will not be found wanting.

I would be grateful if the Member could provide the Department with details of the vandalism in Ballyclare. I agree with the Member that it should not be happening.

Mr D Bradley: Go raibh maith agat, a LeasCheann Comhairle. The Minister's officials gave figures to the Education Committee, which indicate that there is £270 million worth of backlog in school maintenance and a £92 million shortfall in the capital budget. Will the Minister explain how a crumbling schools estate will facilitate an education system that is fit for the twenty-first century?

The Minister of Education: First, I ask the Member to support me when I put in funding proposals, because I agree that we have a backlog in maintenance, and I would like to see more Members round the Chamber supporting my Department's bids for more resources. Therefore, I look forward to support from all the parties when I bring forward proposals for various resources.

In this financial year, the boards have allocated £26.5 million to maintenance works. That includes an additional £5 million that I set aside in September 2009, in recognition of the importance of addressing the levels of underinvestment in the schools estate.

Sa bhliain airgeadais 2009-2010, leathdháil na boird £26.5 milliún ar oibreacha cothabhála.

The budget for 2010-11 is under consideration. No decisions have been made at this point, but I look forward to proposals coming from the Education Committee, of which Mr Bradley is a member.

Mr Kinahan: Out of the Minister's maintenance backlog, which we are told is £240 million, less than £30 million is being spent. What effect does vandalism have on that?

The Minister of Education: Vandalism has an enormous effect. It has a monetary effect, and it has an effect on the children, the teachers and the school workforce. As I said earlier in a previous answer, it is important that we as a society come together and ensure that we do everything to stop vandalism, and the best

way that we can do that is by leading. The Hillsborough agreement and what came out of it is important. The working groups are important, because we are sending a message that vandalism is not accepted, but also, importantly, the best way of dealing with vandalism in the medium to longer term is to ensure that nobody is left out of society. When you have 11,000 young people leaving school without five GCSEs, including English and maths, or Irish and maths, you have people who do not have a stake in society. Therefore, the policies that we are bringing forward, including Every School a Good School, transfer 2010, our Irish-medium review and the entitlement framework are important.

We are looking at the statistics of young people who are staying on, or want to stay on, at school post-16 years of age. There is a huge increase in the numbers of young people who are staying on at school, and I welcome that. That is because many schools getting very good results, whereas, in the past, we lost a lot of those 16-year-olds. Therefore, that is an issue that I am looking at in my Department. The Member will know that the Minister in his party is looking at the whole area of NEETS, that is, young people who are not in employment, education or training.

STEM Subjects

3. **Mr Brady** asked the Minister of Education what steps she is taking to encourage the uptake of science, technology, engineering and maths (STEM) subjects in schools following the recent success of Northern Ireland schools in the BT Young Scientist Awards. (AQO 793/10)

The Minister of Education: Tá bearta suntasacha á nglacadh ag mo Roinn ar roinnt réimsí lena chinntiú go measann daoine óga go bhfuil ábhar STEM corraitheach, spreagthach agus fiúntach.

My Department has been taking significant action on a number of fronts to ensure that our young people see STEM subjects as exciting, stimulating and fulfilling. The revised curriculum provides much greater freedom for teachers to explore STEM-related learning with pupils. The entitlement framework will guarantee all post-primary pupils aged 14 and above greater choice and flexibility.

Through the Innovation Fund Ireland, for 2008-09 to 2010-11, funding of £10.7 million has been allocated for science, technology,

engineering and mathematics, and we are undertaking a wide range of other interventions to promote STEM subjects. Some 17 post-primary schools have been designated as STEM specialist schools.

2.45 pm

The recently published Department of Education/Department for Employment and Learning joint career strategy provides young people with the opportunity to research STEM-related careers. We have commissioned a programme of professional development for teachers, as well as improving the range and quality of resources that are available to teachers and pupils. We are supporting the Institute of Physics in Ireland's establishment of a physics-teacher network here. We fund the successful STEM truck, which is a £1.2 million mobile teaching laboratory and workshop. It is a resource for the entire island, which benefits a wide range of schools.

My Department also funds a range of exciting STEM events, such as the BT Young Scientist and Technology Exhibition, to which Mr Brady's question referred. As a result of working closely with BT, entries from the North were up by 66% this year. I was delighted to be at the awards ceremony in Dublin, where two projects from schools here won major awards and 17 other projects were awarded prizes. I am delighted that schools in the Member's constituency — Abbey Christian Brothers' Grammar School and St Mary's High School in Newry — were award winners. They won the best overall group award, the North's special award and a travel award.

My Department also funds the STEM Experience, which is delivered by Sentinus. It is an annual event that involves over 3,500 pupils who are between the ages of 10 and 13. At the beginning of February, I was delighted to formally launch Engineers' Week 2010 at Victoria College, Belfast, with the Institution of Civil Engineers. I also attended the West Belfast Business Education Partnership's STEM careers convention.

Therefore, the Department is doing good work on STEM subjects. However, it cannot rest on its laurels. It must continue that work.

Mr Brady: I thank the Minister for her answer. I take the opportunity to congratulate my old school, Abbey Christian Brothers' Grammar School, on its success in the competition. Can the Minister give the House an idea of how

much funding her Department has secured for STEM subjects?

The Minister of Education: Chomh maith leis an gcistiú suntasach a thugtar do scoileanna agus an ciste a thacaíonn le cur i bhfeidhm gach gné den churaclam athbhreithnithe, lena n-áirítear eolaíocht, teicneolaíocht agus matamaitic, tá ciste de £10.7 milliún faighte ag mo Roinn ón gciste nuálaíochta den tréimhse 2008-09 go dtí 2010-11.

As well as significant funding that has been provided to schools to support implementation of all aspects of the revised curriculum, which includes science, technology and maths, my Department secured £10.7 million through the innovation fund — £3 million capital and £7.7 million resource — for the period from 2008-09 to 2010-11. It uses that funding to enhance STEM subjects through the development of specialist STEM schools at post-primary level; development of careers education, information, advice and guidance for STEM areas; development of curriculum resources to support growth of STEM take-up in schools; and the promotion of science, technology, engineering and maths work in primary and post-primary schools. It is important that there is a focus on primary schools because that is where the spark — the chispa — that ignites the fire of learning is lit.

I thank the Member for his supplementary question.

Mr Bell: I welcome the moves that are being made to advance STEM subjects. However, does the Minister agree that there is nervousness in the economy that progress is not being made quickly enough to ensure that young people who come through the system have adequate qualifications? Progress that has been made to date is, at best, modest. If the Assembly is to stimulate Northern Ireland's economy, it needs to go further faster.

The Minister of Education: I agree absolutely with the Member. I have talked to different interests in the business sector about skills, education and the economy. The business sector tells me that there is a lack of the necessary level of literacy and numeracy skills. It is worried about opportunities for young people post-16 years of age and the number who are currently being failed by the education system. It is worried about the 11,000 young

people who come through the system without necessary skills.

The Department is looking at how to deal with that. As the Member will know, the issue relates not only to STEM subjects but to literacy and numeracy. The Every School a Good School strategy focuses on that issue. The number of young people who are currently being failed by the system cannot continue.

The issue can also be linked to the previous question on vandalism. If underachievement in the system is not dealt with, the economy will suffer. We cannot afford to let that happen. I agree absolutely with the Member. His question and comments are well made.

Mr P Ramsey: I welcome the Minister's detailed response. Will the Minister outline what steps her Department has taken to instigate the proposals and actions coming out of the STEM review report? Will she assure the House that all the departmental money set aside for STEM has been used and that none of it has been surrendered?

The Minister of Education: As the Member knows, a small amount of money that was ring-fenced for capital projects was surrendered. We spent £1.2 million in relation to the STEM truck, but I made sure to surrender money in time for it to be used by other Departments.

As I said in response to an earlier question, we have spent an enormous amount of money across a wide range of STEM-related initiatives. That needs to continue.

Schools: Overcrowding

4. **Mr Paisley Jnr** asked the Minister of Education to outline her strategy to reduce overcrowding in classrooms. (AQO 794/10)

The Minister of Education: Glacaim leis go bhfuil an Comhalta ag fiafraí díom ar mhaith liom go laghdófaí méideanna ranga. Is é an freagra ar an gceist ná gur mhaith.

I assume that the Member is asking whether I wish to see class sizes reduced. The answer to that question is, of course, yes. It is important to reduce class sizes, because the quality of learning is vital to later educational progress. Although school leadership and the quality of teaching are key influences on learning outcomes, there is evidence that smaller class

sizes and, thus, lower pupil:teacher ratios in the early years can have a positive effect on outcomes.

The pupil:teacher ratio also has a key role to play for teachers in schools that have significant proportions of disadvantaged pupils. Smaller classes enable them to deal with barriers to learning, to give individual help to pupils or to work in small groups. In all primary and post-primary schools, the responsibility for determining the actual pupil:teacher ratio and class size rests with the schools through the use of their delegated budgets. That includes determining the number of teachers and non-teaching members of staff, including classroom assistants, that they can afford.

Due to the importance of early years development, funding to support the foundation stage of the revised curriculum has been fully delegated to primary schools since 2008. That funding amounts to over £22 million in the current year, and it ensures the provision of classroom assistants for all year 1 and year 2 classes in all primary schools.

I welcome the interest that the Irish National Teachers' Organisation (INTO) and the Ulster Teachers' Union (UTU) have shown in this area. It will be important to reduce class sizes further. However, that will require substantial investment, which will need approval across the Executive.

Mr Paisley Jnr: I thank the Minister for her answer. I asked the question with primary schools in mind. Does the Minister accept that the facts sit uncomfortably against the actions of the Department and the strategy that she has just enunciated? Pupil:teacher ratios are low in some schools in rural parts of my constituency of North Antrim, yet those schools are under greatest threat of being closed. Surely, trying to keep those schools open should be a dynamic drive in the community, because they allow for lower class sizes.

Mr Deputy Speaker: The Member should ask a question.

Mr Paisley Jnr: Does the Minister accept that prep schools in Northern Ireland are disproportionately affected by the policy? They also have a low pupil:teacher ratio, yet they are under threat of closure.

The Minister of Education: The Member asked a couple of questions. As I said in my earlier answer to Mr Paisley Jnr, class size is one factor in relation to good quality education in a school. If a school gets below a certain threshold, and it has a small number of teachers with composite classes, it can be difficult for the teachers, pupils and classroom assistants. Therefore, different factors contribute to leadership and to outcomes for children and young people. I do not accept that it is good to keep a school open in all cases. We have a sustainable schools policy. The issue has to be looked at in the round, because, ultimately, as Mr Paisley Jnr and other Members know well, parents will make decisions. If a school is becoming so small that it has a number of composite classes, parents may choose to bypass it. That has happened in a number of cases.

The Member will be aware that George Bain raised the issue of prep schools. The issue is one of inequality, and it is not fair that some schools are treated more equally than others. Therefore, I am reviewing that matter, and an equality impact assessment is out. Those are issues that we are looking at. *[Interruption.]*

Mr Deputy Speaker: I remind Members not to shout across the Chamber. If certain Members persist in doing so, I will name them.

Mr Leonard: Go raibh maith agat, a LeasCheann Comhairle. I ask the Minister, in that context, for some more detail — *[Interruption.]*

Mr Deputy Speaker: Order. I cannot hear Mr Leonard.

Mr Leonard: Go raibh maith agat, a LeasCheann Comhairle, for calling for that quiet.

I ask the Minister, in that context, to give some more detail on how schools are funded.

The Minister of Education: Go raibh maith agat as an cheist sin. Tugann na socrúithe um bainistiú áitiúil scoileanna solúbthacht do bhoird gobharnóirí scoileanna cinntí a dhéanamh ar mhéideanna ranga.

The local management of schools arrangements allow schools' boards of governors the flexibility to take decisions on class sizes as part of their responsibilities for determining their schools' staffing complement and for managing budgets. All primary schools with pupils in years one or two receive funding within the delegated local management of schools budgets under the

foundation stage factor of the common funding formula. That factor is intended to provide primary schools with additional funds to ensure that they deliver the foundation stage of the primary curriculum effectively, including the use of classroom assistants and classroom resources.

The amount of foundation stage funding that is allocated to each primary school is based on the number of eligible pupils who are in the school. Total funding of over £22 million was distributed across all grant-aided primary schools in the 2009-2010 financial year. Priority has been given to increasing funding to front line school services and to increasing the proportion of available funding going to primary schools. That has resulted in a significant uplift — from 65.8% to 70.4% — in the proportion of funding that is delegated to primary schools for each pupil compared with post-primary schools.

I want to make a comment about secondary schools, because at the moment they are suffering the brunt of demographic decline and the inequality of the system. In any changes that we make, we have to be clear that we do not disadvantage our secondary schools. Secondary schools are already very disadvantaged, with a disproportionate number of children on free school meals and of children with special educational needs, and that situation is a result of the inequality of our current system.

Mrs M Bradley: Considering the contribution that factors such as smaller classes made to raising standards, what resources have been allocated to reducing class sizes?

The Minister of Education: I answered that question on two occasions in previous questions for oral answer. I absolutely share with all Members the belief that smaller class sizes is one of the key factors in raising standards. Note that I said that it is one of the key factors; leadership is another, and we are pouring money into professional qualifications for head teachers. Last week, I was at the ceremony in the Ramada hotel at which 212 of our teachers were, after two years' hard work, granted the professional qualification for head teachers. School leadership is one of the essential criteria. Class size is not the single factor that determines outcomes, and, as I said, schools can become so small that it creates difficulties, particularly with composite classes and small numbers of teachers, and it can also affect the morale of schools.

Conductive Education

5. **Mr Savage** asked the Minister of Education how much her Department has spent on conductive education in each of the last three years. (AQO 795/10)

The Minister of Education: Chuir príomhfheidhmeannaigh na mbord oideachais agus leabharlainne in iúl dom gur cuireadh páiste amháin i scoil Buddy Bear sna blianta acadúla 2006-08, 2008-09, agus 2009-2010.

The chief executives of the education and library boards have advised me that one child has been placed in the Buddy Bear school in the academic years 2007-08, 2008-09 and 2009-2010. That child is financially supported through the payment of school fees to attend that school by the Western Education and Library Board. The costs are as follows: in 2007-08 it was £22,680; in 2008-09 it was £23,355; and in 2009-2010 it was £15,880.

Education and library boards have a statutory duty to educate children with special educational needs in ordinary schools, and that right to be educated in an ordinary mainstream school was strengthened with the instruction of the Special Educational Needs and Disability Order 2005.

That provision seeks to enable more children with special educational needs to be included successfully in mainstream education. I confirm that no grant-aided schools provide conductive education. The Buddy Bear School, which specialises in conductive education, is an independent school approved by the Department under article 26 of the Education Order 1996 as suitable for the admission of children with special educational needs. Education and library boards do not, therefore, have to seek the prior approval of the Department before placing a child in the school.

3.00 pm

Employment and Learning

Programme-led Apprenticeships: Proposed Changes

1. **Ms Lo** asked the Minister for Employment and Learning to outline the proposed changes to the programme-led apprenticeship scheme. (AQO 805/10)

The Minister for Employment and Learning (Sir Reg Empey): At the outset, I stress that the preferred model for apprentices is one in which they are employees and follow a three- to four-year apprenticeship framework agreed by employers through the relevant sector skills council. Unfortunately, in these difficult economic times, employers have not been recruiting apprentices. Therefore, the programme-led apprenticeship scheme was introduced during the downturn to ensure that young people have the skills to avail themselves of jobs when there is an upturn in the labour market.

The programme is not a lesser or second-tier provision. Participants follow the same apprenticeship frameworks as they would have followed had they been employed. The programme was designed to allow a one-day-a-week placement to enable participants to gain the NVQ element of the apprenticeship framework, which must be assessed on an employer's premises. Unfortunately, a one-day-a-week work placement is proving unattractive to employers. Therefore, I am considering allowing a young person to have a work placement for up to three days each week. Nothing else in the programme will change.

However, I stress that if employers still do not provide work placements in these difficult times, the only part of the apprenticeship framework that young people will not get, compared to an employed apprenticeship, is the NVQ. They will still achieve the technical certificate, which is an important qualification valued by employers, they will gain relevant essential-skills qualifications and they will develop the occupational skills and underpinning knowledge for the NVQ. The only difference is that they will not have been assessed in the workplace for the NVQ, and that can be picked up later.

Ms Lo: I thank the Minister for his comprehensive response. When the programme-led apprenticeship scheme was first introduced, many employers were unhappy that they had not been properly consulted. They now say that had the Minister talked to them and listened to them at that time, they would have told him that the scheme would not work, as a one-day-a-week placement is not enough evidence for the NVQ programme. Will the Minister now consult properly with employers?

The Minister for Employment and Learning:

Consultation with employers is an ongoing part of this scheme and other schemes. Mixed messages are coming from employers. Today, I received a letter from an employer who was complaining about the three-day-a-week placement. It is a no-win situation. The number of placements has reduced significantly. We have had a strong response from young people to the scheme, with almost 3,000 people having taken it up. About half of them are in placements. Clearly, that is not satisfactory, and it is fewer than we want. However, in the current atmosphere, employers must take their own decisions, and we understand that. I assure the Member that we will remain in close touch with employers, although they do not have a single fixed view.

Mr Shannon: Over the past few days, the construction industry announced that around 20,000 people have been laid off in the past year. That indicates to me that the opportunity for apprenticeships is even less than it was. What help can the Minister give to those people seeking apprenticeships, in light of the difficulty with job opportunities in the construction industry?

The Minister for Employment and Learning: The Member is correct. I regularly travel around the Department's network of 35 jobs and benefits offices. I have visited most of them, some more than once, and the overwhelming message from those offices is that there are virtually no available jobs in the construction sector. Many companies are finalising work that they already had in hand, and the Department has had great difficulty in getting employers to take on apprentices. That was the rationale for introducing the programme-led scheme last autumn, and all Members will agree that an employer-led programme is the most advantageous.

In addition, many young people who would normally have followed an apprenticeship in the construction sector are now reconfiguring

their situation and seeking apprenticeships in other sectors. That is putting even more pressure on those sectors. The construction sector has, obviously, been hit hard, but it is a significant part of our economy that will require a properly trained workforce in the future. However, the number of apprentices who can avail themselves of the opportunity of getting an employer to take them on has drastically reduced, and, through the programme-led scheme, the Department is trying to find an alternative means to occupy those young people and to give them the best opportunities.

Mr Butler: Go raibh maith agat, a LeasCheann Comhairle. As the Minister said, the programme-led scheme is a short-term solution. However, does he recognise the fact that there is a history of unworked work placements weakening and undermining the industry? People need only read the PAC report on job placement schemes to see that there has been a historic exploitation and abuse of apprentices.

Furthermore, is the Minister considering an assessment of the long-term consequences of the programme-led apprenticeship scheme? He has said that he received mixed messages from employers, but there is an issue about the long-term effects of not having good apprentices entering the workforce.

The Minister for Employment and Learning:

As I said to Mr Shannon, no one doubts that employer-led schemes are the better of the two models. I do not dispute that for one minute.

I am also conscious that a PAC report that examined apprenticeship schemes before 2006 clearly indicated exploitation under those schemes. The Department is monitoring those issues, which has benefited from the PAC report. The current schemes were designed to make it harder for employers to exploit their apprentices. However, I accept that there will always be those who will try to do so. The Department will maintain the highest possible standards, and I do not want people to think that the scheme is second-rate. It is not, and it will be carried out to the highest possible standards.

When the programme-led scheme was introduced, I gave the House an undertaking that I would review it at an early stage, and I intend to do that. I also told the House that it was a response to the recession, and the Department would monitor its response

continually. Should the Department decide that any changes are necessary, I will have no hesitation in coming back to the House.

Programme-led Apprenticeships: Work Placements

2. **Mr Buchanan** asked the Minister for Employment and Learning how many students on the programme-led apprenticeships scheme have experienced difficulty in getting work placements, and as a result have failed to meet the relevant workplace-based requirements; and to outline what his Department is doing to address this issue. (AQO 806/10)

10. **Mr A Maskey** asked the Minister for Employment and Learning how many students on the programme-led apprenticeships scheme have experienced problems securing a work placement. (AQO 814/10)

The Minister for Employment and Learning:

With your permission, Mr Deputy Speaker, I will take questions 2 and 10 together.

On the basis of available information from training providers, there are approximately 1,500 participants without an employer placement. There are two reasons for that: employers find it difficult to plan anything meaningful for students for only one day; and it costs as much to insure a student for one day as it does for longer periods. Therefore, as outlined in my answer to the previous question, I am considering allowing a young person to have a work placement for up to three days each week.

Participants are not scheduled to complete the NVQ element of the apprenticeship framework until the end of their second year. Therefore, if we can act quickly to help providers to secure work placements, it will be possible for participants to gather the necessary evidence for their NVQ work-placement assessment. The Department is due to meet the Alliance of Sector Skills Councils on 26 February to discuss the issue further. I propose to introduce agreed changes to the current arrangements as quickly as possible.

Mr Buchanan: I thank the Minister for his response. He will be aware that a number of Members raised concerns when programme-led apprenticeships were introduced. We appreciate that the construction industry has taken a hit, but what incentives is his Department offering

employers to take on young folk to do their apprenticeship training and perhaps to revert to employer-led apprenticeships?

Mr Deputy Speaker: A question, please.

Mr Buchanan: Employer-led apprenticeships are by far the best way forward.

The Minister for Employment and Learning:

I agree with the Member's last point. He is talking to the converted when he says that the employer-led scheme is by far the best mechanism. However, I repeat that the reason that we have a programme-led scheme is that there was insufficient uptake of apprentices by employers. In other words, places were cut. Even some of our biggest companies, which would normally have taken on significant numbers of apprentices each year, slashed their numbers, and in some cases decided to take on no apprentices at all. In those circumstances, what were we to do? Were we to allow apprentices to fall by the wayside? I have no doubt that had we taken no action in the autumn, thousands of young people would now be on jobseeker's allowance. The scheme's take-up rate — 3,000 places at present — is very strong, and it was very strong right from the beginning, so it is perfectly clear that young people saw an advantage in the scheme.

The overriding incentive for employers is to have a highly trained workforce, which is the best way for them to maintain their account's bottom line. In other words, employers can succeed only if they have the labour force that enables them to do so. Ultimately, that is the best possible incentive. The Department does provide incentives for employers who take on apprentices. There is a bonus system, by which employers are paid a bonus if they retain an apprentice until the end of the process. If the Member is asking me to examine the bonus system, I am happy to do so and to get back to the Member. Incentives are available, but the principal one is that to have a highly trained apprentice is in an employer's long-term interests. That fact should not be overlooked.

Mr A Maskey: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his reply, which I know was a composite response. I understand that the priority must be the employer, but given that we are talking about thousands of young people whose future and well-being we must consider, is the Minister satisfied that enough discussions are

ongoing with the communities from which those apprentices may be expected to come, in order for him to make a better determination of the industries and sectors that they may be best placed to enter?

The Minister for Employment and Learning:

We have had to go down the route that we have taken because the consistent view from colleges and other training providers is that the major obstacle to obtaining placements is the fact that, under the current arrangements, placements are restricted to one day a week. That is one message that I am getting. If we are to try to increase the number of placements, the sensible thing to do is to find a mechanism that will enable us do that. If extending placements to more than one day a week achieves that, I am prepared to consider it as an option.

The Member is probably well aware that the Department has a wide variety of mechanisms in place for speaking to the communities from which the young people come. Workforce-development forums can be found in each regional college in Northern Ireland. The forums work with employers to enable the colleges to produce the kind of programmes that local employers want. It is a demand-led system. Of the apprentices on the programme at present, faced with a choice between having no placement with employers — as many of them are experiencing — or joining the programme-led scheme, thousands of them have decided to go down the latter route. Therefore, the young people have voted with their feet.

The question that we are now addressing is whether we can change the system to give a better opportunity of a work placement. As I said in a previous answer, roughly only 50% of the young people are in a placement, and it is not possible for them to complete their NVQ unless they have workplace experience. We can offer a simulated workplace environment, but that is not the same as working for an employer. I assure the Member that all those matters, including consultation with communities, are very much in our minds.

3.15 pm

Mr Beggs: Will the Minister give his assessment of the importance of the programme-led apprenticeship scheme to date? In particular, would many of the young people be forced to go on the dole if it were not for the scheme? Does he accept that if they were not allowed to

complete their apprenticeships, the training that they had received to date would have been lost and that that could affect the economy when it starts to swing upwards again?

The Minister for Employment and Learning:

In essence, that is the point at issue. In the absence of proper employer-led apprenticeships in which apprentices have a contract of employment, we decided that we would introduce the programme-led scheme. Almost 3,000 young people joined the scheme when it began, and, undoubtedly, the level and the speed of the take-up indicated that there was a demand for it. In the circumstances, it is important that we try to anchor the young people in a proper environment in which they are learning something and are focused on proper training. If they qualify, they will receive their technical certificates even if they have not undertaken a work placement, so they have opportunities.

The worst thing that we could do for young people would be to leave them on jobseeker's allowance with no proper training and no anchor. All Members know how difficult it is to get young people employed and that it gets more difficult the longer that they remain in that position. We do not want their start in life and their experience of life to be of going into a job centre every fortnight. Therefore, we made the decision to revert to a programme-led scheme. We will take the earliest opportunity to return to the employer-led scheme when we see signs of recovery that will allow us to do so. Until then, we should persevere with the system that was introduced in September 2009.

Economic Policy

3. **Mrs D Kelly** asked the Minister for Employment and Learning for his Department's assessment of the independent review of economic policy. (AQO 807/10)

The Minister for Employment and Learning:

Growing a dynamic economy is at the heart of the Executive's Programme for Government, and I welcome the emphasis that that report places on skills and innovation as key drivers of improved productivity and economic growth. In addition, I am mindful that employment and the employability agenda are central to the development of a vibrant and dynamic economy.

The report makes a number of recommendations that are aligned with my Department's strategic direction. For example, my officials are working with Invest NI to develop a model of early engagement with foreign direct investment companies in the manner of the successful model that is used in North Carolina, which is referenced in the report.

I fully endorse the report's analysis that Northern Ireland business must upskill its workforce if it is to maintain and improve its competitiveness in the global market. Effective management and leadership will be critical to that, and my Department is already working closely with Invest NI and the Department of Enterprise, Trade and Investment (DETI) to ensure that a joined-up approach is taken in that area. Therefore, I support the broad thrust of the report, and I agree that its recommendations warrant detailed consideration.

Mrs D Kelly: I thank the Minister for his answer. Will he outline the plans that he has put in place to compensate for the future inability to use selective financial assistance to encourage foreign direct investment in areas and the impact that that will have on employment subregions?

The Minister for Employment and Learning: The Member has raised the matter of selective financial assistance, which is the tool that the IDB and, subsequently, Invest NI have used to try to attract foreign direct investment. That takes the form of either a capital grant or an employment grant. However, I understand that that will come to an end shortly under European law and that it will be restricted to a level of support. Members know that that has been coming for a long time. That re-emphasises the fact that, unless we discover large quantities of oil in Craigavon or some other asset that has so far escaped our attention, the only asset that we have at our disposal is people. That is why the skills agenda is so important for training not only people who are entering the labour market but the current workforce, 70% of which will make up the workforce in 2020. The only way to deal with those people is, therefore, through an upskilling process. The skills agenda will be the main tool that Invest NI has at its disposal in the years ahead, once selective financial assistance has been phased out.

Mr Bell: Does the Minister agree that the lacuna in economic policy is the number of young

people who are not in education, employment or training? Will he join me in congratulating organisations, such as the Prince's Trust and those that provide alternative education in my constituency of Strangford, which are doing so much to ensure that that lacuna is fixed properly?

The Minister for Employment and Learning: I think that there is a question for oral answer on the issue of young people not in education, employment or training coming up later. The Member may know that my Department gives a lot of resources every year to the Prince's Trust, which is a high-quality organisation. Some of its schemes are more expensive per capita to run than others, but it is trying to get into a harder-to-reach sector of the labour market. It is trying and doing very well, and it is not alone in that.

The Member is correct to say that a significant number of people are not in any of those categories. Some young people are not in education, employment or training by choice, but the majority of them are not in any of those categories because they lack opportunities. That also touches on the fact that — we will have to come to a view on the issue sooner or later — we are continuing to add to that list every year by producing thousands of young people who leave school without having the requisite qualifications. That has resulted in huge problems with illiteracy and innumeracy, and one compounds the other. However, there is a strong motivation in the House to address the issue. There have been a number of debates in the Chamber on the issue, although the Member was obviously not present for those, and I know that it is a high-priority issue for Members.

Rev Dr Robert Coulter: Will the Minister give his assessment of the economic importance to Northern Ireland of ensuring that the interests of higher education and further education (FE) are clearly represented in the Executive?

The Minister for Employment and Learning: The Executive have acknowledged, through the Programme for Government and the economic support that they have given to my Department on the budget and other issues, the emphasis that my Department has placed on further and higher education. The Executive accept that there is a link between further and higher education and economic development and growth. For instance, 34 of the 80 actions set out in the Executive's response to the recession

are down to my Department to implement. That gives the Member some sense of the scale and the importance that the Executive attribute to that.

The Member will know that we have been significantly rebuilding the entire FE estate by building state-of-the-art colleges over the past number of years. We have established the workforce development forum, which is based around the FE sector, to get the message across to employers that they need to work together with the colleges to develop a demand-led programme. The Member will also know that we are investing heavily in higher education through not only the structures and the estate but the significant sums of money that we are investing in the universities. The Member will be aware that we have not slashed the higher education budget, unlike the Government in Great Britain. I hope that, subject to Executive agreement, we will be able to maintain at least a degree of growth in higher education spending, which is not happening in other parts of this country.

Mr Neeson: The report to which the Minister of Enterprise, Trade and Investment has already formally responded is very important. Does the Minister for Employment and Learning agree with the recommendation that DETI and the Department for Employment and Learning (DEL) should become a single Department?

The Minister for Employment and Learning: I have discussed that matter with the Minister of Enterprise, Trade and Investment, and we have responded to the report. We are quite happy to look at that. However, we have to be very careful that we do not replace two Departments that are focused on certain issues with one Department that has such a broad remit that it is not focused at all. We have to make sure that a single Department would not be a stretch too far — covering tourism, consumer affairs, the national geographic survey, the health and safety issues that DETI is responsible for, the issues that DEL is responsible for, and so on. Such a Department may have to deal with issues that are too disparate. There is a happy medium to be found somewhere, and we should be prepared to discuss that. I have already made that clear in my response to the report, and I am quite happy to discuss that issue with the Committee and with others.

We always have to look at how we deliver our policies, and that is a continuous process that Invest NI fits into. I said that we are looking

at new models for working with potential investors. In the next month or so, I hope to be in a position to come to the House with a statement on that, which I am working on with Invest NI and the Minister of Enterprise, Trade and Investment. That is part of bringing forward policies that are co-ordinated between the various bodies. The work that DETI, DEL and Invest NI do is intensifying, and our ability to deliver policies will be the critical factor. However, I remain prepared to keep an open mind on any proposals that Members have for how that could be dealt with in a structural way.

Welfare Reform

4. **Mr Molloy** asked the Minister for Employment and Learning if he, or his Department, has had any discussions with, or representations from, disability groups in relation to the welfare reform Bill. (AQO 808/10)

The Minister for Employment and Learning: Welfare reform legislation is a matter for the Minister for Social Development, who, I understand, is preparing a welfare reform Bill to be brought before the Assembly shortly. I welcome the importance that that will bring to the challenge of reducing economic inactivity and helping people to better access the labour market.

Although we have continuous dialogue with disability groups, they have not made any representations in relation to a welfare reform Bill. We will, of course, be happy to discuss with any interested party aspects of the Bill that, when published, would impact on the Department's business.

Mr Molloy: I thank the Minister for his reply. It is unfortunate that there has been no communication on that matter to date. There are concerns that the Bill would have a negative effect on disability groups and on others who are part of that sector. Is the Minister in touch at all with those groups with a view to finding out what would happen to young people who come out of education and placement systems and who are left with nowhere to go, no employment and no further training process? Something needs to be in place to provide a continuation of that process.

The Minister for Employment and Learning: I am happy to talk to any group. It is not the case that nothing is happening. Over the past few years, the number of people in jobs and benefits

offices who are qualified to address the issues of people with disabilities has risen from 40 to 178. There are Pathways to Work personal advisers, and there are 38 adviser team leaders, many of whom are former disablement advisory officers.

When young people leave school, FE colleges have an obligation, under the terms that they enter into with the Department each year, to address to the best of their ability the needs of young people with disabilities. I have spoken to the Minister of Health, Social Services and Public Safety, and we understand that there are circumstances in which, due to nursing or disability needs, some young people cannot be accommodated in an FE college. It is clearly an issue — it is a criticism that comes up from time to time — if those young people have no alternative but to go into a day centre, with, in some cases, dementia patients and others.

That does not happen everywhere, but it does happen. We are conscious of that, and the FE sector is under no illusions about its obligation to deal with that particular group of people.

3.30 pm

Executive Committee Business

Equality Bill: Legislative Consent Motion

Debate resumed on motion:

That this Assembly endorses the principle of the extension to Northern Ireland of the provisions of the Equality Bill dealing with the abolition of the presumption of advancement. — [The Minister of Finance and Personnel (Mr S Wilson).]

Mr O'Loan: I support the motion on a Bill that will, if passed at Westminster, lead to the abolition of the presumption of advancement.

When a person transfers money or property to another person without receiving anything in return, we are told that the standard legal position is that the law presumes that the donor intends to retain the beneficial interest in the value of the money or property. We are further told that, in certain circumstances, the presumption of advancement exists and displaces or reverses the operation of that norm. One example of that, which still applies in Northern Ireland law, is the presumption that property given to a child by his or her father is a gift unless an express statement to the contrary is made at the outset. However, that is not the case when a mother makes a gift to her children.

Although we are told that legal issues or challenges in such circumstances do not happen often, the present situation, nonetheless, is not good law. It breaches the European Convention on Human Rights, specifically article 5 of protocol 7, and we should not be content with that position. Therefore, it is desirable that the amendments to the Bill at Westminster, which seek the abolition of the presumption of advancement, should be supported, and I ask the Assembly to do so.

Dr Farry: My party and I support the legislative consent motion. It is a sensible step to take. Naturally, I welcome the efforts of Lord Lester of Herne Hill, who is a member of the Liberal Democrats — the sister party of the Alliance Party at Westminster — in taking the lead on the issue. It is important that we recognise the times in which we live. The law must move with the times, and it should be gender-neutral and not discriminate in the way in which it is applied. The removal of the last vestiges of the

presumption of advancement is the correct way to do that, and, therefore, I welcome the motion.

The Equality Bill is going through its final legislative stages at Westminster. I am aware of the Minister's strongly held views on the matter. I had the pleasure of channel-hopping one day when I came across a live debate in the House of Commons on BBC Parliament. The Minister was giving off to MPs from all parties about their approach to the Equality Bill. Therefore, I appreciate that there are political reservations about the Bill.

Jennifer McCann made an interesting point about wider equality measures in Northern Ireland and the importance of such matters being taken forward by the Assembly. The Minister, in turn, stressed that the Bill is an exception and that equality measures should be addressed in Northern Ireland. In so far as I am an ideological politician, I am also a pragmatic politician, and I do not see any immediate prospect of a single equality Bill working its way through the Assembly. Such a measure is not mentioned in the Programme for Government, and I appreciate the wider political difficulties that are attached to such legislation. Therefore, did the Executive consider whether it would be pragmatic for Northern Ireland to sign up to wider aspects of the equality legislation? I am particularly mindful that we will now be out of step with equality provisions in the rest of the UK. Although Northern Ireland once had the opportunity to be ahead, we now face the prospect of being somewhat left behind. If we are not willing to or cannot agree in Northern Ireland, was there a prospect that we could have bought into the wider aspects of the equality legislation? I make that comment on behalf of a party that is perhaps enjoying the dying days of opposition. We will give it our best shot and see what the Minister says. I anticipate his response, but I will ask the question anyway.

Mr Shannon: I support the motion. The presumption of advancement is a legal term. I do not have a law degree, and I am not able to go into the details, but I was happy to read the Assembly report, in which the situation was explained fully. I accept its findings.

As I understand it, presumption of advancement is one means by which courts allocate ownership of property in situations where one party transfers property to another and where the relationship between the two parties is so close that there is a presumption that the transfer was intended as an absolute gift. That is clear, simple and straight-

forward. In other words, if I decide to gift my wife or sons a sum of money, it is out of my hands, and I no longer have any say or interest in it. Moreover, I cannot expect to receive any interest that the money gains in the bank or through investment. To a simple man like me, it seems obvious that, if I give money to my wife or sons, I will never see it again or enjoy any benefit of it. Everyone knows that has been the case in the past; perhaps it will not be too different in the future.

Hooiniver es bes usual prattick, i Norlin Airlan thaire bes an anomaly an' aa isnae es ye wud alloo hit shud bae. This notion applies adae wi' transfers fae a faither tae a wean bit hit dusnae apply fer transfers fae a mither tae a wean – I thon case the mither wud bae fit tae claim the intherest o' ootcum o' investment.

However, as is usual practice in Northern Ireland, there is an anomaly, and all is not as we assume that it should be. The presumption applies to transfers from a father to a child but does not apply to transfers from a mother to a child. In that case, the mother can reclaim interest that results from investment. In 2005, some of the provisions of presumption were abolished in Northern Ireland, meaning that gifts from wives to husbands were to be treated in the same way as gifts from husbands to wives.

The situation reminds me of a saying that we all know. I notice that there is only one lady in the House. Ladies often say — it is quoted in my house anyway — that, “what's his is mine and what's mine is my own”. The law in Northern Ireland has previously backed that situation. I am grateful that it has been abolished and that the law has been changed. The change also applies to engaged couples.

It would have been more cost-effective and time-effective to abolish all the laws at once. However, the current Finance Minister was not in place at that time and, therefore, that could not have happened. As it stands, today's motion simply levels the playing field and ensures that things are seen to be as equal in law as we see them in practice.

The UK Government have asked us to finish what was started in 2005 to allow them to ratify European legislation and, although I am sceptical about the Human Rights Act and European interference, this change is certainly beneficial to and will accommodate the people of the Province. That is why I support the Bill and the legislation. I ask everyone to do the same.

The Minister of Finance and Personnel:

I apologise for not being in the Chamber for Mr O'Loan's speech. He normally speaks for about an hour and a half. I thought that I would have got back in time from 'Stormont Live' when I saw his name pop up on the screen. However, unfortunately — perhaps fortunately — he decided to cut his contribution to the debate short. I thank Members for contributing to the short debate, and I hope that we will never have occasion to debate the presumption of advancement in the Chamber again.

I will deal with just a couple of issues that Members raised. The Chairperson of the Committee for Finance and Personnel raised the issue of legislative consent and said that she hoped that that procedure would not be used either again or regularly. We have used legislative consent motions on a number of occasions in the House because we deemed it an easier and quicker way to make progress on certain matters on the back of Westminster legislation. Given, as Members said, the unlikelihood that a single equality Bill will be brought forward in Northern Ireland for some time, the Equality Bill was the quickest way of dealing with the presumption of advancement. The matter had been outstanding since 1997 and had to be cleared up if the Government were to sign up to protocol 7. The legislative consent motion is an appropriate way of dealing with the issue. It is uncontroversial, and there is no need for separate legislation to be brought to the Assembly. I assure the Chairperson of the Committee that we would not want to use the procedure regularly.

Mr Farry asked whether there was any chance that we would introduce the wider aspects of the Bill, which do not apply here, to Northern Ireland. He asked that question tongue-in-cheek, because he knew the answer anyway, since we had used the Westminster Equality Bill to carry forward this part of the equality agenda. As far as I am concerned, the answer is an emphatic no on a number of grounds.

The Equality Bill went through the House of Commons in a scandalous fashion. The legislation had wide-ranging implications, and there was considerable opposition to it. It was guillotined so that debate on a range of issues could not take place. If I remember rightly, approximately 80% of the proposed amendments to the Bill were never even discussed. I am sure that Mr Farry would not

want us to introduce legislation that could go through in the same shoddy form in which the Equality Bill proceeded through the House of Commons. Indeed, I suspect that, had we tried to bring legislation through the Assembly in the way in which the Equality Bill was railroaded through the House of Commons, Members would be howling from the Benches on all sides that it was not a good way to do business.

I have significant opposition to a number of aspects of the Bill. I am sure that Mr Farry and many of his constituents have expressed concern about the way in which the Equality Bill will force Church and religious organisations to employ people who are not sympathetic to the views of those organisations. As I pointed out, there is a certain degree of hypocrisy in that political parties have safeguarded themselves against that kind of eventuality by insisting that the equality legislation does not apply to them because they could not possibly employ a researcher who had different political beliefs, for example. Yet they would expect a Church organisation to employ a youth worker who had no beliefs to work with young people, even though that organisation expects those workers to hold certain values.

I am digressing, Mr Deputy Speaker. I thought that you would have stopped me by now, but, since the Member raised the issue and you have not stopped me, I will not go any further.

I worried about Mr Shannon. It took me long enough to get my head around the presumption of advancement and the presumption of trust, which is what I think he said. Mr Shannon went further; he started to debate the issue in Ulster Scots. I found it difficult enough to understand his contribution in English, let alone having it conveyed to me in Ulster Scots. I will not address his point, other than to note that he welcomed the equal treatment of men and women when it comes to passing assets on to their families.

I thank Members for contributing to the debate, and I am glad that we have got it out of the way.

Question put and agreed to.

Resolved:

That this Assembly endorses the principle of the extension to Northern Ireland of the provisions of the Equality Bill dealing with the abolition of the presumption of advancement.

3.45 pm

Committee Business

Motions to Amend Standing Orders

Mr Deputy Speaker: The next two motions provide for related amendments to Standing Orders, so I propose to group the motions and conduct one debate. I will call the Chairperson of the Committee on Procedures to move motion (a). The debate will then take place on both motions. When all Members who wish to speak have done so, I will put the Question on motion (a). I will then ask the Chairperson of the Committee on Procedures formally to move motion (b), and I will then put the Question on that motion without further debate. If that is clear, I shall proceed.

The Chairperson of the Committee on Procedures (Lord Morrow): I beg to move

(a) Leave out Standing Orders 66 to 68 and insert —

“66. PUBLIC ACCESS TO ASSEMBLY PROCEEDINGS

(1) Members of the public seeking to attend proceedings of the Assembly shall be permitted in such places reserved for them by the Speaker save that —

- (a) they are not permitted in the Public Gallery during Prayers;
- (b) they are not permitted to have any item in the Public Gallery which in the opinion of the Speaker could interfere with the preservation of order; and
- (c) the Speaker may, in the interests of preserving order, require them to leave.

(2) Where the proceedings are committee proceedings, members of the public shall be permitted in such places reserved for them by the chairperson of the committee save that —

- (a) they are not permitted to have any item in a public area which in the opinion of the chairperson could interfere with the preservation of order;
- (b) the chairperson may, in the interests of preserving order, require them to leave; and
- (c) the committee may resolve to sit in closed session.

(3) An authorised person may, during proceedings of the Assembly, lawfully remove any member of the public who is —

- (a) in breach of paragraph (1) or (2);

(b) in a place reserved for members of the Assembly; or

(c) acting in a disorderly manner.

(4) In this order ‘authorised person’ means —

(a) the Speaker or a person authorised by the Speaker;

(b) in the case of committee proceedings, the chairperson or a person authorised by the chairperson.

(5) This order applies whether the proceedings are carried on in Parliament Buildings or in some other place.

(6) These provisions are without prejudice to any other functions of the Speaker, the Assembly Commission or an authorised person in respect of Parliament Buildings which may be exercised by virtue of any other statutory provision or rule of law.

67. MEDIA ACCESS TO ASSEMBLY PROCEEDINGS

Standing Order 66 applies to the media as if —

(a) references to members of the public were references to members of the media;

(b) references to the Public Gallery were references to the Press Gallery; and

(c) references to public areas were references to areas reserved for the media.”

The following motion stood in the Order Paper:

(b) Leave out Standing Order 74. — [The Chairperson of the Committee on Procedures (Lord Morrow).]

Mr Deputy Speaker: Before I proceed to the Question, I remind Members — I apologise: Lord Morrow will address the gathering.

The Chairperson of the Committee on Procedures:

There are three separate Standing Orders dealing with Assembly visitors. Standing Order 66 deals with visitors to the Assembly, Standing Order 67 deals with visitors to Committees, and Standing Order 68 gives power to the director of properties to remove visitors in certain circumstances. In addition, Standing Order 74 deals with members of the news media in Parliament Buildings.

The motions provide for a consolidation of Standing Orders 66, 67 and 68 while retaining a separate Standing Order on the media. The aim is to ensure that Standing Orders are clear and concise and that they accurately reflect the powers of the Speaker and Committee Chairpersons.

The amended Standing Order 66 will deal comprehensively with public access to Assembly proceedings. It will refer to “members of the

public” rather than “visitors”. That will remove any confusion over the definition of “visitor”, such as whether someone working in the Building whose work is not directly related to Assembly proceedings is a visitor.

The Standing Order will use the terminology used in section 41 of the Northern Ireland Act 1998:

“(1) The proceedings of the Assembly shall be regulated by standing orders.”

However, some of the Standing Orders seem to go beyond what is authorised in the legislation in that they attempt to regulate matters other than proceedings of the Assembly. That could leave the Assembly open to challenge. The proposed amendment will give the Speaker a power over access during proceedings of the Assembly rather than a general power to regulate access at all times when the Assembly is sitting. That will cover proceedings of the Assembly carried out in Parliament Buildings or anywhere else. That will make more sense, given the Assembly Commission’s engagement strategy, particularly as Committees now hold meetings outside the Building more regularly.

The day-to-day responsibility for public access to Parliament Buildings lies with the Assembly’s properties directorate, which ensures that health and safety, security regulations and so on are observed at all times. The current Standing Order 68, which covers the director of properties, was based largely on Westminster’s, and the language used is not entirely consistent with the rest of the Assembly’s Standing Orders.

There was also an issue about whether doorkeeping staff can physically remove any visitor when asked to do so by the Speaker or a Committee Chairperson. To provide for that, the words to be included in the Standing Order are:

“lawful removal of any member of the public”

Amendments also introduce the term “authorised person” instead of “the director of properties” so that, if that job title is changed, Standing Orders will not have to be amended. Standing Order 68 has now been consolidated within the new Standing Order 66.

The current Standing Order 74, which deals with the news media and their access to the Assembly, was affected by the new arrangements for the media that were agreed by the Assembly Commission. That Standing Order lists the devices that can be brought

into the Assembly, and it outlines that, given technological developments, the list can be added to every month. The detail of how the media operate in Parliament Buildings is now set out in the media handbook. Therefore, that detail does not need to be set out in Standing Orders. Standing Order 74 now becomes new Standing Order 67. To include all forms of media, such as the specialist journalists who cover the work of Committees, it refers to “media” instead of “news media”. It makes clear that the rules of public access apply to the media.

The proposed amendments to consolidate Standing Orders 66, 67 and 68 into one Standing Order 66 and to maintain a new separate Standing Order 67 make Standing Orders clearer and more concise.

Members may wish to note that a number of amendments to Standing Orders will be brought to the House in coming months. In the interest of the environment and efficiency procedures, Committee staff will attempt to reduce the number of pages that need to be printed when Standing Orders are amended. When Members receive the next set of amendments, there may be some blank sections; for example, between Standing Order 73 and Standing Order 75. That will be addressed when the Committee amends Standing Order 73 in the near future. There will be no need to reprint four double-sided pages for more than 300 sets of amendments. That will save money and help the environment. I have no doubt that that is all crystal clear.

Mr McCartney: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Chathaoirleach as an obair atá déanta aige ar an rún seo. I thank the Chairperson for outlining the rationale for the changes to Standing Orders. I also thank him and the Committee staff for their work in taking us through the process. We understand the rationale and the need for the changes, and we support them.

Lord Browne: I also welcome the amendments to Standing Orders 66, 67 and 68 and thank the Chairperson and the Committee staff for the excellent work that they have done to bring the amendments forward today. It is pleasing that so many members of the public come to observe the Assembly at work. I hope that that trend will continue, although there are not too many in the Public Gallery at the moment. *It is important that, while promoting easy access, we*

ensure that order is maintained in the Chamber and the Public Gallery at all times.

The amendments are good steps towards simplifying the arrangements and rules regarding public access to the Assembly. They go a long way towards clarifying the uncertainties that could have arisen from the existing Standing Orders. We now have clear, precise Standing Orders that cover all visitor access to all buildings. The amendments mean that we can be clear about what constitutes a breach of order and how to deal with it. I hope, of course, that such a situation will not arise, but at least we will be prepared for it. I am confident that the Assembly will continue to operate in an efficient manner and that its operation will remain fully transparent to the public. With Deputy Speakers such as you, I am sure that that will be the case.

Mr Deputy Speaker: This is a rare occasion on which it is permissible to refer to the Public Gallery.

The Deputy Chairperson of the Committee on Procedures (Mr Storey): I wish that it was always as easy a task to conclude a debate in the House. The debate has been riveting, and I can add little to what has been said. The Committee on Procedures largely concentrates its efforts on tidying up and consolidating Standing Orders, apart from when new legislation is enacted or when policies that require changes are introduced. Therefore, the Committee Chairperson has adequately set out what will happen with reprints of the Standing Orders handbook. Obviously, there will be amendments that will be reprinted in full in the summer. The amendments before the House today, therefore, are primarily a tidying-up exercise, and I commend them to the House.

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

Question put and agreed to.

Resolved (with cross-community support):

(a) Leave out Standing Orders 66 to 68 and insert –
“66. PUBLIC ACCESS TO ASSEMBLY PROCEEDINGS

(1) Members of the public seeking to attend proceedings of the Assembly shall be permitted in such places reserved for them by the Speaker save that –

(a) they are not permitted in the Public Gallery during Prayers;

(b) they are not permitted to have any item in the Public Gallery which in the opinion of the Speaker could interfere with the preservation of order; and

(c) the Speaker may, in the interests of preserving order, require them to leave.

(2) Where the proceedings are committee proceedings, members of the public shall be permitted in such places reserved for them by the chairperson of the committee save that –

(a) they are not permitted to have any item in a public area which in the opinion of the chairperson could interfere with the preservation of order;

(b) the chairperson may, in the interests of preserving order, require them to leave; and

(c) the committee may resolve to sit in closed session.

(3) An authorised person may, during proceedings of the Assembly, lawfully remove any member of the public who is –

(a) in breach of paragraph (1) or (2);

(b) in a place reserved for members of the Assembly; or

(c) acting in a disorderly manner.

(4) In this order ‘authorised person’ means –

(a) the Speaker or a person authorised by the Speaker;

(b) in the case of committee proceedings, the chairperson or a person authorised by the chairperson.

(5) This order applies whether the proceedings are carried on in Parliament Buildings or in some other place.

(6) These provisions are without prejudice to any other functions of the Speaker, the Assembly Commission or an authorised person in respect of Parliament Buildings which may be exercised by virtue of any other statutory provision or rule of law.

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(a) references to members of the public were references to members of the media;

(b) references to the Public Gallery were references to the Press Gallery; and

(c) references to public areas were references to areas reserved for the media.”

Resolved (with cross-community support):

(b) Leave out Standing Order 74 — [The Chairperson of the Committee on Procedures (Lord Morrow).]

Private Members' Business

Local Government Reform

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

Mr Beggs: I beg to move

That this Assembly notes with concern the ongoing uncertainty and delay in the local government reform programme; and calls on the First Minister and deputy First Minister to advise when the relevant legislation will be put to the Executive and the Assembly for approval.

I declare an interest as a Carrickfergus councillor and as a recent appointee to the strategic leadership board.

The Executive had three major areas for the reform of public administration: health, education and local government. Michael McGimpsey, MLA, the Ulster Unionist Health Minister, is the only Minister to have succeeded in bringing about reforms that reduce government bureaucracy and the number of trusts and quangos, with a view to improving services. The Department of Education, which has a new education and skills authority, is in paralysis. The reform of local government is stumbling from one crisis to another. The DUP and Sinn Féin have failed in their major responsibility of enabling the reform of public administration. Considering the history of those two parties, we should not be surprised that they are not built for effective leadership in the Northern Ireland Executive, and the people of Northern Ireland are beginning to come to that realisation.

This is a probing motion. The Ulster Unionist Party wants the Minister to give an honest appraisal of where we are with the reform of local government. There is widespread uncertainty in councils. Already, there is a risk of key jobs being vacant. A new procedure will limit the ability to fill vacancies. Employees and councillors are uncertain about what the future holds. That can affect the morale and performance of staff members, so it ought to be of concern to the Assembly and ratepayers.

We have serious reservations about the direction of the reform programme, and we want to know the short-term intentions, because we are hitting a critical period. There are major issues of costs and savings, and, significantly, the issue of boundaries has still to be finalised after some three years of this Assembly being in operation. The Ulster Unionist Party believes that the overriding reason for the uncertainty is that aspects of the local government reform package have been driven unamended through the Assembly, some through the use of accelerated passage. No real scrutiny was possible, and, even now, some DUP and Sinn Féin Members are growing uncomfortable with the proposals that will flow from it.

4.00 pm

Mr Weir: I thought that the Member's problem was the delay in local government reform, but he now seems to be complaining about measures being driven through. Either things are moving through too quickly without proper scrutiny, or there are delays. Which case is being made?

Mr Beggs: I am very confused about the manner of government here because, on one hand, we are told about the need for accelerated passage, and, on the other, the Executive did not meet for 154 days, no business was done and the Assembly twiddled its thumbs. There are real questions about how Executive matters are managed and how decisions are made.

Mr Storey: Will the Member give way?

Mr Beggs: I will proceed with my speech, or I may get stalled at this point. Even now, some DUP and Sinn Féin Members are uncomfortable with the proposals.

There is discontent among local communities. The 11-council model that was agreed by the DUP and Sinn Féin was considered quite strange. The Ulster Unionist Party favoured a logical 15-council model that used accepted and established boundaries. That model included a degree of accountability, and it would have been much more streamlined because organisations could have been more closely identified with regions, instead of having to deal with the cross-over boundaries that will come into existence.

The Local Government (Boundaries) Act (Northern Ireland) 2008 states:

"The 11 local government districts shall incorporate, respectively, the whole or major part of the following former local government districts —"

It then names the various districts. The Ulster Unionist Party warned the DUP that the boundaries legislation did not allow the Local Government Boundaries Commissioner to make significant changes, nor the flexibility to recognise the importance of the identities of local communities when making decisions. We supported and tabled a number of amendments that were designed to achieve that best outcome, but the DUP and Sinn Féin drove through their flawed proposals. They rejected all the ideas from a range of parties that would have allowed flexibility in respect of the final boundaries.

Arlene Foster, the then Minister of the Environment, stated that she did:

“not accept that the commissioner will not have the ability to make meaningful change. The legislation provides the commissioner with that ability — it is certainly not a straitjacket”. — [Official Report, Bound Volume 30, p67, col 1].

Those were strong words, but that did not prove to be what happened in practice. The commissioner's provisional recommendations stated that he believed that “major part” was a spatial term, which meant that he was straitjacketed by the legislation and its failure to recognise the importance of local identity.

In November 2009, Edwin Poots, who was the third Minister of the Environment in three years, stated that the boundary that would incorporate Dunmurry into Belfast rather than Lisburn did not make sense. Many people would agree. Unfortunately, however, the guidelines that were set by the DUP and Sinn Féin at the time resulted in those outcomes. There is little point in complaining about the outcome when they set the guidance by which the commissioner must operate. Does the Minister deny that the main reason why the people of Dunmurry want to stay in Lisburn is because they identify primarily with that area? That is the way in which the flawed legislation was set up at the time.

Why did the DUP and Sinn Féin reject the Ulster Unionists' amendment No 11, which would have allowed the commissioner to take local identity into consideration? That would have reflected wording that has been applied elsewhere. There is no point in complaining about the outcome now. The decision was taken at the time to reject constructive amendments.

The Ulster Unionist Party also has serious reservations about financial planning for local

government reform. The recommended option projects savings of some £438 million over 25 years, with an initial outlay of £118 million. That will result in some savings, but we have to appreciate that risks are involved in any change. There are always risks when consultants make their estimations. I understand that there are not sufficient funds in the Department of Finance and Personnel to take that risk. The Department wants to pass on that risk by way of a loan to local government, which would have to bear the burden of repaying that loan.

The PWC estimates are based on the outworking of reorganisation in local government in other parts of the UK. In many instances, savings, rather than actually being achieved, are only projected to be achieved. Those projected savings are attributed to councils with considerably different responsibilities; many have to deliver on items such as social services, education, roads and policing, none of which it is proposed to devolve to local government here. It is a different model, with different powers. Again, risks are involved in that aspect of change.

The Ulster Unionist Party is not convinced by what has been presented to date. We are undergoing a massive reform programme, with considerable risks, for what appear to be relatively limited financial gains. There have also been threats about early elections. Later, we were told that there was no need for concern. Last week, the Minister threatened to pull the plug on the entire local government reform process. The Minister is presiding over confusion.

Apparently, the Minister has given local councils until 25 February to agree with his plans, which, I assume, will achieve savings by creating a single waste authority and a business service organisation. However, as a local councillor, I am not aware of any relevant motions before council. We have been told that we are waiting for councils; it would be helpful if the Minister would clarify whether he is waiting for feedback from NILGA, rather than from individual councils. If a business service organisation is to be established as a statutory body, we are in danger of creating another LPS rates nightmare, with demands being made for payment, irrespective of performance. There are huge risks associated with that.

Those are the reasons for our concerns, and there has been a lack of leadership by the DUP on the issue. Ratepayers are concerned, and

council staff seem to be in a sort of limbo land, so it would be helpful if the Minister would tell Members when concrete proposals will be brought forward so that the Assembly might express its views.

Mr Deputy Speaker: The Member should draw his remarks to a close.

The Chairperson of the Committee for the Environment (Mrs D Kelly): I welcome the Minister's presence in the Chamber. As a member of Craigavon Borough Council and of the voluntary transition committee for Armagh, Banbridge and Craigavon, I declare an interest.

I shall speak first on behalf of the Committee for the Environment and then on my own behalf. The Minister briefed the Committee on the progress of RPA at its meeting on 3 December 2009. The main areas of discussion were policy proposals; timing; the possibility of a single waste disposal authority and of a single business service organisation; the PWC economic appraisal on RPA; planning; costs; and transition committees. At the meeting, the Minister indicated that the pressure was off on the timing of legislation on the new local government boundaries because the UK Government are not planning to hold local government elections in May 2010. That prompted Minister Goggins to write to the Minister of the Environment to reiterate that legislation on local government boundaries must be brought forward urgently. Indeed, he stated that if legislation was not brought to the Assembly in January 2010, it would be virtually impossible:

"to hold elections in May 2011 on the basis of the new local government structure."

As we near the end of February, there is still no sign of the legislation, so what chance do we have of introducing the new local government structures?

More recently, at its meeting on 8 February, the Committee considered a letter from the Minister about the cost of RPA, in which he indicated that he and the Finance Minister had discussed costs and that the feeling was that costs should be split between central and local government. The Committee then wrote to ask the Minister to indicate the likely split and to ask whether he would reconsider his selection of option 5 in the PWC economic appraisal should it become apparent that one of the other four options was preferable. As the House is probably aware, option 5 includes establishing

a single waste disposal authority and a single business management organisation for back-room services. The Committee has been made aware that local authorities and waste groups have concerns about that approach, and we want to know whether the Minister will take those concerns on board or persist with his preferred option.

The Committee is concerned about the review of public administration process. In addition to increasing concerns among elected members, the Committee has been made aware of demotivated staff in local authorities and in central government Departments. It also appears that there is an information vacuum due to lack of communication and understandable confusion about the process. Any legislation associated with the process must be given every opportunity for scrutiny by this place, and, as Committee Chairperson, I call on the Minister to bring forward the legislation as soon as possible and not to resort to accelerated passage.

I will now express some personal opinions. In the past week, the Finance Minister said that if the changes are to benefit local government, local government should bear the brunt, because that is where the savings would be made. However, that is unsustainable. In the past few weeks, the Minister criticised local government for increasing and, in some cases, rightly so, the domestic rate higher than it ought to have been, but we could be faced with a £118 million upfront investment over five years to be borne by local councils if central government does not pick up any of that money. That is unacceptable.

Some 9,000 staff are employed in local councils, and 1,000 staff are to be transferred to local councils. All those people are wondering what the future holds. I accept that there will be little change for the majority of staff, but there will be a great deal of change and job losses for the most senior staff. The citizen is supposed to be at the centre of all the process in respect of cost effectiveness, efficiency and better delivery of services. Therefore, there is a pressing need for people to know the financial split, and I ask the Minister to clarify that if he can this afternoon.

Finally, given the state of the Planning Service, as we found out in last week's PAC report, and given the shortfall in the Budget, there are costs in relation to the planning transfers

that will have to be picked up. Regardless of which Department is transferring responsibility, I ask the Minister to ensure that whatever new functions and responsibilities come to local councils resources will follow the function.

Mr Weir: At the outset, I declare an interest as a member of North Down Borough Council, as a member of the transition committee for North Down and Ards, as the vice-president of the Local Government Association, and as a member of policy development panel A. I am not a member of the strategic leadership board, but I must admit that I was surprised by some of Mr Beggs's remarks; he should have been much better informed in his speech.

I have sympathy with the motion, because there is an argument that there has been a delay. However, it has not been the fault of the Minister or the Department. The Minister has put forward proposals in respect of the boundaries Order and the local government reorganisation Bill, which have yet to get clearance from the Executive. Therefore, there is an argument that there has been a delay.

I do not have a particular problem with the motion, although I disagree with just about every point in the proposer's speech. I take exception to being lectured by the Ulster Unionist Party on delay in local government reform. After all, it was Minister Foster who led on that more than a decade ago. Indeed, during the Ulster Unionist tenure, local government reform went absolutely nowhere. In the run-up to the 2001 election, I remember being told by various Ulster Unionists that the issue would be sorted out within 12 months and that perhaps the 2001 election would be postponed. Yet it seemed to disappear into the ether. Therefore, I will take no lectures on that front.

Similarly, there seems to be an attempt to rerun the boundaries decision. The position was that an 11-council model was agreed by the Assembly. The spurious nonsense that we have heard about the terms of reference in the legislation beggars belief. Indeed, the Member quoted the boundary commissioner as saying that the spatial terms were one of the key factors in relation to it. That would have allowed a vast amount of transfer between councils. Indeed, a majority of the population of Castlereagh, for instance, could have moved into Belfast, had the boundary commissioner so decided.

Therefore, with regard to the dispute about Dunmurry, it was perfectly feasible, under the legislation, for Dunmurry to have remained in Lisburn or to have moved into Belfast. Indeed, there was absolutely nothing in the legislation to prevent either option. Many misconceptions are being peddled about the Boundary Commission.

4.15 pm

Similarly, with regard to costs and savings, the Minister has made it clear that local-government reform is about the delivery of best value for ratepayers. I would have thought that that was the key element of all this. Consequently, there needs to be realism in local government. Whether it means adopting the precise terms of the PricewaterhouseCoopers report, or something else, the key driver will be a process that delivers savings to the ratepayer. Therefore, acceptance of collaboration is needed. Collaboration is sensible and well-founded. I suspect that some people believe that the situation can simply continue as it is. The Minister tried to bring a note of realism to the debate in that regard.

Undoubtedly, any change process will be front-loaded with regard to costs. I defy anyone to name any major change that is not. If effort is made on collaboration and people are prepared to face up to their responsibilities, economies of scale are such that that can bring savings in the long run. That means that there needs to be acceptance that some empires will have to go.

There is a fundamental principle that costs should follow the event and, indeed, that they should, ultimately, be neutral for ratepayers. Consequently, local ratepayers should not bear the burden of the cost of transferring functions. That has been accepted. Similarly, it is not realistic to say that someone else can pick up all the costs of change but that local government can keep all the savings: the two must tie in. That is logical.

Let us be honest; if it is a question of costs being picked up by someone else and savings being made by ratepayers, they are actually being shifted from one person to another. It means that costs will be picked up by taxpayers and savings will be made by ratepayers. One must go alongside the other. That is simple logic.

There is an onus on the Executive to move forward. The Minister's proposals can bear fruit. Collaboration issues can be sorted out by the

Strategic Leadership Board, of which Mr Beggs is a member. Perhaps, he should be a little bit better informed about what is coming up at the board than the tone of his remarks suggests.

Mr Boylan: Go raibh maith agat, a LeasCheann Comhairle. I welcome the opportunity to speak in the debate. Thank God, I do not have to make any declarations, unlike Mr Weir.

At the outset, I want to comment on what Sinn Féin sees as the main concerns of people who are involved with the transition of local government and how those concerns actually affect the Minister's thinking on RPA. The debate is about delay. I want to explore the issues that have caused that delay.

Sinn Féin does not believe that the formation of a business service organisation and a single waste authority, as detailed in the PricewaterhouseCoopers report, will necessarily deliver for local communities and achieve the efficiencies and savings that are mentioned in that report. At local-council level, the business service organisation has been unilaterally rejected. If it were created, it would be a body that would oversee functions such as procurement, legal services, IT, etc. There is widespread belief that that will, in fact, lead to a reduction in services, particularly at local level, and will help to pave the way for a privatisation agenda. Despite the Department of the Environment's (DOE) assurances that it would be under the ownership of local government, it could, in all probability, be directed and manipulated by the Department and could become a large, cumbersome organisation that is out of touch with local community aspirations.

NILGA has stated that there is no overall agreement on the creation of a single waste authority either. In particular, it has been rejected by the Southern Waste Management Partnership (SWaMP) and the North West Region Waste Management Group. Sinn Féin believes that new council structures should be given an opportunity to bed down before the Assembly looks at any possible model or arrangements for a single waste authority.

At present, the three groups are progressing with their own unique plans that are tailored to meet their own specific needs. Two of the groups are at advanced stages of tendering and procurement and are on line to meet their targets. Any interference or uncertainties at

this stage of the process could jeopardise those proposals.

Unfortunately, there is a belief that the Minister is letting personal issues cloud his thinking. It is thought that his rationale for delaying local government reform, or even, as some say, his contemplation of its collapse, is that he does not agree with the boundary commissioner's report that dissects Dunmurry and parts of Castlereagh, and the subsequent rates issues in his constituency that arise from the report. The Minister has failed to get the support of OFMDFM and other Ministers in his party to change the boundaries, and it is the view of many that he is prepared to delay or even collapse the process for that reason.

Also, there is widespread frustration, anger and disbelief in the local government sector and among DOE officials at the lack of progress and at the potential imminent collapse of the reform process. Much work, finance, time and effort has gone into the process over many years. If it collapses, that will have significant consequences for all.

My colleague Paul Maskey will talk about the PAC report on the performance of the Planning Service, which has a major impact on the RPA.

Sinn Féin calls on the Minister to address the issue as a matter of urgency and to implement the RPA without undue delay, as it is the wish of local councillors and many Assembly Members. Go raibh maith agat, a LeasCheann Comhairle.

Dr Farry: I declare an interest as a member of North Down Borough Council and the North Down and Ards transition committee. My list of declaration of interests is not as long as that of my colleague Peter Weir.

There are genuine concerns in local government and in the wider community at the ongoing delays and uncertainty over the local government aspects of the review of public administration. We are faced with a situation in which it may not be possible to meet the May 2011 deadline for reform. Given that that target date has been telegraphed for so long, the fact that we could jeopardise the RPA in its final stages beggars belief. It is not a good advertisement for the Assembly or its ability to carry through and sustain a reform programme in Northern Ireland.

It seems that two issues are causing the immediate crisis. One relates to the boundaries, and the other relates to the fallout from the PricewaterhouseCoopers report and the potential for shared services and arguments about the costs and savings projections. Even if those two issues are to be resolved over the next weeks or, hopefully, days, the timetable to May 2011 will be an onerous deadline for the Assembly and local government to meet, because there is significant legislation to be processed. There is also a sense that transition committees have been almost on a go-slow over the past number of months, and I speak from experience in that regard. They are uncertain as to what the future holds, and they are unwilling to overcommit themselves.

The Alliance Party is concerned about what is happening with the boundary commission process. I am not here to cast aspersions as to whether things are being delayed by the DUP, Sinn Féin or another party in the Executive. However, boundary commission processes are supposed to be neutral and apolitical, and there is a reason why they are carried out in that way. Under the British constitution, there is a strong tradition that decisions regarding boundaries are farmed out to independent commissions, because such decisions have massive political and electoral ramifications. Commission reports are laid before Parliament, or, in our case, the Assembly, and are accepted by politicians without amendment. Once we go down the route of unpicking such reports, where do we stop? To do so would undermine the integrity of the process. To engage in that process in Northern Ireland, is dangerous, particularly because of the history of this society. This should be the last part of the United Kingdom in which politicians are attempting to reopen such issues, rather than being the region at the head of the queue. Leaving aside the merits of what is, or is not, being proposed, we should have a hands-off approach.

Like Mr Beggs, I do not agree with the entire remit of the Boundaries Commissioner, but once the Boundaries Commissioner was in place, he was entitled to make a mess, if a mess is what he makes. In the interest of the integrity of the democratic process, it is my duty as a public representative to accept that, and that should be the case with respect to that boundary.

There are issues regarding confidence in the figures that were presented in the PWC report.

There is not faith in the estimated costs for what RPA is going to involve at a local level or in what the savings are going to be. There is almost a sense that the costs are set at the lower end and the savings are set at the upper end. We have a figure for the potential long-term net saving, but there is a lot of scepticism as to whether that will be delivered in practice.

Although savings may well work their way out over 25 years, the costs will have to be borne by somebody, whether it is the Assembly, the councils or a combination of both in the short term. New councils will have a difficult job establishing their credibility with the elector, particularly in the context of a difficult financial situation. I have no difficulty with shared services as a concept: it makes sense. It is a process that has to be bottom-up rather than necessarily being top-down. That is the crux of local government concerns.

This is an important issue for the Assembly and the Minister —

Mr Deputy Speaker: I ask the Member to bring his remarks to a close.

Dr Farry: It is critical for the credibility of these institutions that we get to sort it out over the days to come.

Mr Ross: When my colleague spoke he said that initially, when we looked at the Order Paper, we saw the motion as something that we would be inclined to support, because we believe that there are genuine concerns out there, that there is a degree of uncertainty and that people are, quite rightly, concerned about what is happening in the RPA process. However, I must say that the way that Mr Beggs presented this argument, first blaming the Sinn Féin/DUP axis — as the Ulster Unionist repeatedly say — for everything, is a fairly immature way to approach the debate.

In the course of Mr Beggs's speech, it became clear that this is another case of the Ulster Unionist Party having a difficulty with legislation that has already been passed in the Assembly and that that party has issues with the 11-council model. The UUP has, legitimately enough, different ideas about how many councils we should have, but its members need to recognise that that is something on which the Assembly has already voiced its opinion and passed legislation.

As I said, there are legitimate concerns about the uncertainty that exists, not just among staff but among some elements of the public, although I must say that the hold-up in the RPA process is not something that the public are banging on doors or protesting in the streets about. We want to see that process completed; it is something that everyone in this House has spoken in favour of. I certainly want to see the streamlining of local government and local government being made stronger and more effective.

However, it is also important that we see efficiencies in the longer term. Part of the process of shrinking local government and having the 11-council model must be that we see those efficiencies. Indeed, we will talk about that whole process tomorrow in the House with the Final Stage of the Local Government (Miscellaneous Provisions) Bill. We are not sure from Mr Beggs's speech at the start of the debate whether that piece of legislation has been driven through or delayed; however, we will see that piece of legislation completed in the House tomorrow, all being well.

There are other aspects of local government on which we are seeing progress; for example, the finance aspect of local government legislation should be introduced to the House soon. Today, we in this House must reaffirm our commitment to seeing the RPA process completed and seeing the transition to streamlined local government.

That will involve challenges for local government, not least, as we have heard previously in this debate, with regard to the single waste authority and the business services organisation. However, those are the sorts of services that can be delivered so that we get to the level of efficiency and efficiency savings that we want to. As my colleague Mr Weir said, even if it is not right to the letter of the PWC report, we must look for efficiencies to be delivered by local government, which cannot shy away from that responsibility.

We have spent many hours on this issue in the Committee. I know that the strategic leadership board has spent many hours on this, as have the transition committees that were set up from the existing councils. We must remain focused on our end goal, which has to be value for money for ratepayers.

4.30 pm

I said at the beginning of my contribution that there were some concerns, and Members

highlighted some of them. Therefore, it would be helpful if the Minister could deal with those concerns in his speech. The issue of boundaries has been mentioned, and it would be useful to hear more about that. It would also be useful if the Minister could outline whether we are still on track for the delivery of RPA and local council elections in May 2011.

The Assembly will debate the Final Stage of the Local Government (Miscellaneous Provisions) Bill tomorrow. However, other legislation needs to go through the House. If there are delays in any of that legislation, such as that that will deal with the reorganisation of local councils, it would be useful if the Minister could highlight any concerns and difficulties and give us more information on the area of the machinery of government that is holding up the process.

Overall, the motion is worded in such a way that means that most of us could support it, in that it highlights areas of genuine concern. I hope that we will see progress in the next week on the issues that are causing difficulty. I hope that local government recognises that it is important that it shows efficiencies and puts in place the measures that are needed to find efficiencies in the long term.

Mr Butler: Go raibh maith agat, a LeasCheann Comhairle. I welcome the motion, as it calls for the removal of the uncertainty that exists on local government reform. The Minister has created that uncertainty, particularly through the decision that he made on the Boundary Commission's proposals. I point out to the mover of the motion that it is wrong to try to portray the situation as some spat or fight between Sinn Féin and the DUP. The problem lies with the Boundary Commission's proposals and with the Minister and the DUP in particular.

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

The motion deals with a whole range of issues to do with, for example, the business services organisation and the single waste authority. Indeed, Cathal Boylan gave Sinn Féin's position on that. There are also issues connected to rates to consider. However, we can leave those issues aside, because they can be dealt with.

I should have declared that I am a member of Lisburn City Council and a member of the Lisburn and Castlereagh transition committee.

I read a speech that the Minister made to NILGA on 18 February in which he talked about putting the process of local government in jeopardy. He also talked about protectionism. However, the Minister has jeopardised the whole process of local government reform and has engaged in protectionism, or what some people might call gerrymandering, with regard to Dunmurry, which is in his backyard. The process cannot be held up on the issue of whether one ward stays in Lisburn or moves to Belfast. I know that there are issues with the Castlereagh area, given that the DUP in Castlereagh Borough Council wants to hold on to some areas and not have them moved into the Belfast area. However, it is wrong to hold the whole process in jeopardy because of that.

The Boundary Commission held a series of meetings and had consultations on the issue right across Lisburn and Belfast. Provisional recommendations were made, final recommendations were made, and the matter also went to a public inquiry. On each occasion, the decision was that Dunmurry and some parts of Castlereagh would move to Belfast. We must all accept the situation. I am telling Roy Beggs that this is not a row between Sinn Féin and the DUP; it is about us all accepting the outcome of the Boundaries Commissioner's proposals. I welcome the comments that Stephen Farry of the Alliance Party made on that matter. The issues that are holding up the situation include, for example, when the single waste authority will be introduced and the business service model. However, those matters can be worked out.

As I said, there is an issue with rates. Areas that I represent as a councillor, such as Twinbrook and Poleglass, will be moving into the Belfast area. I am conscious that the Minister made comments about local councils setting rates. Some councils have set their rates two or three times above the rate of inflation, and others have not. I welcome the fact that Lisburn City Council set its rates below the rate of inflation.

However, we must get round the issue of boundaries. It is such a sensitive issue. In his own council area, the Minister is putting party politics and the self-interest of the DUP above the process of local government reform with the issue of Dunmurry, and there is no justification for it. If the Minister tells us today that he accepts the Boundaries Commissioner's proposals, that will send out a clear message. I recognise that the Minister has a difficult task;

it is not all negative attacks. I also recognise that no matter which Minister is involved in the process of local government reform, there will be people with vested interests who will try to stop it and to put obstacles in the way. However, he is creating more obstacles and digging a bigger hole for himself by digging in on the issue of Dunmurry.

If that issue was cleared up, a fair wind would be created and all political parties would try to work with the Minister on the other outstanding issues that we are all having difficulties dealing with. We are moving from 26 councils to 11, and obviously there will be difficulties. The view of the people is that the Assembly and the Minister are putting party politics before the future of local government and tampering with a fairly independent process. Everyone accepted that the Boundaries Commissioner, Dick Mackenzie, was independent and had no vested interest. Sinn Féin might not have been happy, but we would have accepted it if Dunmurry had remained in Lisburn.

Mr Deputy Speaker: The Member should draw his remarks to a close.

Mr Butler: Sinn Féin welcomes the motion. We must try to get some certainty.

Mr I McCrea: From the outset, I declare my interest as a member of Cookstown District Council and a member of the transition committee for Cookstown, Magherafelt and Dungannon.

As stated by my party colleagues, the DUP supports the motion and has no difficulty in agreeing with what it says. However, I am disappointed by the comments that Mr Beggs made in proposing the motion. It was an unfair assessment and a demonstration of his desire to make party-political snipes at my party and Sinn Féin.

I support the motion. In its wording, there are certainly questions that should be asked. Are there any pieces of legislation being held up by the First Minister or the deputy First Minister for party-political reasons? Mr Butler and Mr Boylan have informed the House that they will not be supporting a single waste authority or a single business services organisation. If that is not holding up the process, I do not know what is. Mr Butler attacked the Minister for what he perceived as the Minister holding things up, yet the two Sinn Féin Members have stated that

their intention is to hold up the process if they do not get what they want. Perhaps I have taken it up wrong, but that is certainly how I read what was said.

The House has heard about savings, and it is estimated that about £280 million could be saved if we were to introduce a single waste authority and a single business services organisation. I am not 100% happy with having a single business services organisation, but I will come to that in a moment.

The issue of local government reform has created debates in the House and in councils across Northern Ireland. I am glad that, one way or the other, the Minister has laid it out on the table; we either step up to the mark or we remain with 26 councils. A lot has been said about reform. Who wants it? What will be achieved from it? How much will it cost? I have expressed my concerns in the past that reforming local government is not always the best idea, but I accept that there is a need for reform. I appreciate that that view may not be the collective or populist view, but nonetheless, for what it is worth, it is my view.

Much time has been spent discussing the five options that the Minister set out, especially option 5, which, as was clear from last week's NILGA annual conference, is his preferred option. He believes that option 5 will achieve efficiency savings of around £430 million. Many have disputed that figure, and no doubt many more will in the weeks and months to come, but, regardless of how we get to the end of the process, maximum efficiencies must be delivered, not just efficiencies for efficiencies' sake.

As I said, I do not fully support the establishment of a single business services organisation. I may be being parochial, but I believe that local businesses should gain something from the process. I ask the Minister to clarify whether councils can opt in or opt out.

In conclusion, many staff who are involved in the local government sector are looking to us to deliver local government reform. Many people across the country are looking to us to deliver the most efficient local government reform.

Mr Deputy Speaker: I ask the Member to draw his remarks to a close.

Mr I McCrea: If we cannot deliver that, it is time to stop wasting taxpayers' money and to move

forward with the 26 councils intact. That will ensure that we do not spend any more money.

Mr Kinahan: I declare an interest as a member of Antrim Borough Council. I am extremely pleased to be speaking in support of the motion, and, like my colleague, I, too, see it as a probing motion. There is too much concern, especially among councillors and council staff, over whether the reorganisation of councils will actually happen. While doubt exists, council work suffers, and Northern Ireland suffers with it. We need clarity from the Minister and from others on why they think that the delay exists, and we need to get on with debating the issues around reorganisation and correcting the mistakes that have been made thus far.

My colleague Mr Beggs focused on the DUP/Sinn Féin gerrymander, using changes to local government boundaries, and their favouring the model of 11 councils rather than 15, which fitted the electorate's identities much better. He was right to do so, but I want to go a bit further. I, like many, long to see government in Northern Ireland done by consensus and breaking away from sectarian lines. The DUP and Sinn Féin majorities that the electorate gave in 2005 have been used like a battering ram to ensure that sectarianism remains. The boundary changes proposed under the 11-council plan are another demonstration of that same attitude. History will mark those two parties down as the dinosaurs that held back progress in Northern Ireland. We have a dysfunctional Executive, which further proves the lack of progress that has been made.

My colleague also concentrated on the small savings of £1.2 million a year per new council that the change will bring. Where did the vision of my party colleague Sam Foster go? He had a vision of citizens receiving excellent services, with decisive work being done in councils, giving the public an exemplary, economic and efficient service. Sadly, that all seems to have gone by the wayside. So much looked promising. I suggest that we look at reforming how this institution operates first, and when we have that right, we should look at councils.

When Mr Foster proposed the reorganisation of councils, the Assembly did not exist in the form in which it does today. Consensus government existed. We did not have two parties excluding all the others.

Mr T Clarke: Pushover. *[Laughter.]*

Will the Member give way?

Mr Kinahan: I will.

Mr T Clarke: I apologise for speaking from a sedentary position, but I was talking about the days of pushover unionism.

Mr Deputy Speaker: The Member has an extra minute in which to speak.

Mr Kinahan: Thank you very much, Mr Deputy Speaker. Mr Clarke should look at the Hillsborough agreement.

When Sam Foster originally proposed reform of local government, two parties on the Executive were not excluding all the others. The DUP and Sinn Féin claim that the other parties are included, when everyone knows that that is not the case.

Mr Weir: Will the Member give way?

Mr Kinahan: No; I will carry on for the moment.

Mr Weir: We had to go to court to get access to papers.

Mr Deputy Speaker: Order. The Member is not giving way.

4.45 pm

Mr Kinahan: I do not have the exact number, but, recently, they claimed to have made some 518 agreements, or a similar number, yet they hide beyond confidentiality when they are asked to reveal what the points were. A cynic would suggest that the inability to detail them intimates that, in many cases, they were on insignificant matters such as how much invisible ink to buy or how many erasers to purchase to correct all the mistakes. If the First Minister and deputy First Minister refuse to tell us, who will?

Too much effort has gone into the reorganisation of local government in a way that guarantees DUP and Sinn Féin sectarian domination to allow it to succeed for the public interest. Too many doubts now exist. Will transition committees be ready? Will the right finance and resources be forthcoming from central government? Will rates need to be raised to pay for it? Will NILGA still have a role as some councils watch its power building? Will councillors be able to be trained in time to take their part in the proposed new planning system? Is there enough time for all the legislation that is coming through?

A few weeks ago, in an answer to me, the Minister said that he had faith in all councillors to be trustworthy. The serious matters in connection with Castlereagh Borough Council proved my concern.

Mr T Clarke: Will the Member give way?

Mr Kinahan: Not at the moment, thank you.

The public now feel that we are all in it only for the money, which is grossly unfair. We still need to proceed with devolving planning, but we must be careful about how that is done. It is necessary, yet something has gone wrong. Is it all unravelling?

There was, and is, considerable potential in the shared services organisation, especially with a voluntary basis, and in a single waste authority. However, neither concept has been sold well, and ignorance has been allowed to create doubts to the extent of killing off such promising ideas. Will the Minister reiterate his statement of 20 October 2009 and say that he is absolutely committed to delivering local government reform successfully in May 2011, or does he really want it to collapse? Will he join me in concentrating on reforming this institution so that it returns to the Belfast Agreement and to a model that actually delivers? I support the motion.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. The issue of cost has arisen. I tabled Assembly questions that elicited the response that the cost to all Departments was more than £97 million in addition to the £118 million upfront costs that were required of local government.

The SDLP's position on the reform of local government and the review of public administration is that guaranteed power sharing and fair treatment of minorities must be the cornerstone. One hundred thousand voters who live in nationalist-controlled or neutral councils will be transferred to unionist-controlled councils. That might not really matter if there were no concerns or if we could all be assured that political minorities would be treated fairly and equally in all councils. We cannot be sure of that, as has been shown by events in Ballymena, Castlereagh, Magherafelt and Lisburn. Sinn Féin Members referred to aspects of the proposals on Dunmurry.

The unusual point is that the SDLP has been the first party to mention equality in the debate.

There has not been a squeak from Sinn Féin on that issue as it goes along with a plan to transfer major powers to councils without guaranteed safeguards on fair treatment. Of course, given the gerrymandering on the issue of policing and justice, where Sinn Féin and its colleagues in the DUP —

Mr Butler: Will the Member give way?

Mr McGlone: Yes, I will give way.

Mr Butler: The Member talked about equality and gerrymandering. Why does the SDLP on Lisburn City Council support Edwin Poots's view that Dunmurry should stay in that council area? Seemingly, those councillors are going against what the SDLP leadership says on the issue.

Mr McGlone: Perhaps the Member will correct me, but he also sits on that council. Will he confirm that it was the SDLP, not Provisional Sinn Féin, that referred the matter to the Equality Commission?

Nevertheless, I shall move on. Planning, for example, could be used to gerrymander electoral areas in the same way that housing once was. The SDLP wants cast-iron protection and guarantees that power sharing will be laid down in legislation before any powers are transferred. We want all new responsibilities —

Mr Weir: Will the Member give way?

Mr McGlone: I am sorry, Peter, I have to move on.

We want all new responsibilities financed properly, rather than dumped on local ratepayers. The SDLP seeks a legislative basis for inclusivity, power sharing and equality that can guarantee the following: cross-community representation in the top posts of chair and vice-chair of all councils; proportional representation for council nominations to all committee posts and outside bodies; sufficient cross-community consensus on important decisions; and sufficient and stringent safeguards against partisan or sectarian decision-making.

Mr Weir: Will the Member give way?

Mr McGlone: I am sorry, Peter, but I have a bit more that I want to say. I do not want to take any further interventions. We can have a chat about this on another occasion.

At the moment, there are delays, uncertainty about positions, employment and unemployment in respect of some in local government, and

confusion about the funding arrangements for councils. I have spoken to officials today who said that insecurity about positions and employment is feeding into insecurity about the decision-making process at local councils.

Mr Gallagher: Will the Member give way?

Mr McGlone: Sorry, Tommy. Well, OK. *[Laughter.]*

Mr Gallagher: Does Mr McGlone agree that those insecurities are genuine and valid, and that concerns were heightened by the comments that the Minister made at a conference last week?

Mr McGlone: I am aware of those concerns, and I am sure that those will be reflected in discussions with the Minister this week.

I made reference earlier to the need for safeguards to underpin equality, particularly in the role of planning. As a member of the Public Accounts Committee, I was involved in the scrutiny of delivering a fit-for-purpose Planning Service. A number of issues arose during that process, including the requirement for the Planning Service to ensure that its functions are fit for purpose, to clear its backlog of cases, to deal with procedures and priorities in the current economic climate, and to ensure that its planning policy statements are met. Another issue that arose was the need for business to be transferred to councils. There was also the bedlam of the ePIC project. I am sure that those of us who sit and have sat on local councils agree that the local government auditor would have visited the council concerned pronto had that type of behaviour been going on. Even worse, we learned that £63,650 was paid out in bonuses for achieving efficiencies.

Given that our party was founded on the key aspects of civil rights, with equality at our core, we cannot go back to the past. We want to see efficiency, progress, job security for those 9,000 employees, good governance, on-time elections, and new and fair boundaries. We want all that to be underpinned by the core qualities of transparency, openness, equality, and inclusivity for all. If we learn only one lesson from the past, it should be to enshrine those key principles.

Mr P Maskey: Go raibh maith agat, a LeasCheann Comhairle. I can state clearly that I do not have a conflict of interest, because I have not been a councillor since September 2009. I am glad that I can, therefore, speak with a clear conscience on this issue.

There must be clarity and leadership on this important issue, which relates to the review of public administration. I point out that ratepayers are being forgotten in this process, even though they are core to the conversation that we need to have. Once we forget about ratepayers, we may as well go home, because they are the people who sustain councils and elect politicians to places such as this to make decisions for them. That is why we support and commend the motion.

Mr McCrea said that Sinn Féin was holding up some decisions in the Executive because it did not agree with them. He then spoke about two or three decisions that he did not agree with. Therefore, it works both ways. The important point —

Mr I McCrea: Will the Member give way?

Mr P Maskey: No thanks, Ian.

The important point is that consensus needs to be built around the issues. If we do not do so, they are doomed to failure. It is very important that we work collectively to ensure that uncertainty, one of the words used in the motion, is addressed, because there is confusion in the community sector and in the councils. I meet community representatives on a weekly basis, and they all say that they are not sure what the future holds. For example, we talk about neighbourhood renewal, but will responsibility for that belong to the Department for Social Development or to the councils?

Patsy mentioned the planning issues with regard to the Public Accounts Committee, and, therefore, I will not rehearse those arguments. However, it is very important that Departments step up to the mark and make sure that everything that they are handing over to local councils is fit for purpose before it is handed over. If that does not happen, councils will be put on the back foot and will be left unsustainable in the future. The smoother the transition the better, as it is a very important baton that is being handed from Departments to councils. We have been looking at the issue since March 2008, and it has to be implemented by May 2011.

I will take up one issue with Patsy. He said that the SDLP was the first party to talk about equality and that Sinn Féin has not mentioned it today. For confirmation, Patsy: equality is at the core of what Sinn Féin does. Every decision that we

make is based on equality. We could look at how the SDLP has performed in councils over the years, when it blocked members of Sinn Féin, despite it being the largest party in Belfast City Council, from being elected to mayoral and chairperson positions. When we talk about equality, we talk about equality. If the Member wants that conversation, perhaps we can have it later.

My colleague Paul Butler touched on the issue of gerrymandering, which is what is perceived when it comes to some of the boundaries, especially Dunmurry. The days of gerrymandering are over, and I urge the Minister to take that on board when making decisions. No longer will anyone accept gerrymandering. Those days are gone forever, and that is a very important point. Ministers in the Executive and beyond need to ensure that those days are gone. Nobody will accept those days coming back.

In common with other Members, the Minister is a councillor in Lisburn City Council, so there is a clear conflict of interests. Perhaps the Minister should have resigned his council seat before making any of these decisions, because it is unfair that he is taking through RPA as DOE Minister and as councillor on one of the councils involved. There is an unfair advantage, in that the Minister could possibly push an advantage for Lisburn City Council. Those are issues that need to be addressed, and there are some serious questions that the Minister needs to answer.

Value for money is very important.

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

Mr P Maskey: Value for money is very important, and £118 million in cost will create £428 million in savings over 25 years.

Mr Bell: I support the motion, no matter how badly it was proposed or how factually inaccurate it may be. I declare an interest as a member of Ards Borough Council and as a member of the Northern Ireland Local Government Association. Like Oscar Wilde, I have nothing to declare but my genius. Having listened to Mr Beggs, it seems that he has nothing to declare including his genius. I do not know which party is speaking, whether it is the Ulster Conservative and Unionist New Force voice of Beggs, or the Ulster Conservative and Labour force voice of Sylvia Hermon. However,

we can support the motion, even though it has been made difficult for us.

Most certainly, this must be about efficiency and about putting more money into ratepayers' wallets and purses. The Minister is absolutely correct to seek efficiencies. Throughout my Strangford constituency, and in relation to big businesses, small and medium-sized enterprises or householders, it ill behoves any Minister not to seek efficiencies and not to keep money in pockets at a time of economic recession.

5.00 pm

The financial incompetence of the Ulster Conservatives and Unionists — New Force, which is seeking savage cuts across the board, will not deliver the efficiencies that are being sought. It would be better coming behind the Minister with some real proposals. Under Sam Foster, the Ulster Unionists had a decade to advance the original proposal. For that party to talk about delays by others is astounding hypocrisy. The Ulster Unionists have —

Mrs D Kelly: Will the Member give way?

Mr Bell: I will if I get an extra minute to speak. How could I refuse to give way to you?

Mrs D Kelly: I am glad that the Member gave way. I recall him saying that he was once a member of the Conservative Party at Queen's University. He is also a former member of the Ulster Unionist Party, so when did he do a U-turn?

Mr Bell: It was long after Mr Foster brought the proposal to us. Do I get an extra minute in which to speak?

Mr Deputy Speaker: Yes, you do.

Mr Bell: Thank you, Mr Deputy Speaker, I appreciate that.

Let me deal with another contradiction in what Mr Beggs has proposed. Is it not the case that, on 3 November 2009, Mr Empey said that he was fundamentally opposed to local government reform? There again we have the forked tongue of UCUNF, with Empey telling us that he is fundamentally opposed to local government reform and Beggs telling us that he wants it to happen faster. One of those two has been caught, metaphorically, with his pants down. We support the proposal to create greater efficiencies.

Mr Beggs: Will the Member give way?

Mr Bell: I have only five minutes. You will have your chance to sum up. When doing so, I would appreciate it if you could tell us whether you are with Mr Empey and are fundamentally opposed to local government reform, as he was on 3 November 2009, or whether you are with UCUNF and want the reform to go faster? It does not make sense.

Mr Kinahan tried to lecture the House on consensus government. Does Mr Kinahan not recall that Peter Robinson had to go to court to secure access to the Executive business papers and that he beat the Ulster Unionists in court? Is that what Mr Kinahan calls a model of good government and a model of consensus government?

Mr Deputy Speaker: I remind the Member to make all his remarks through the Chair.

Mr Bell: Through the Chair, was it not Peter Robinson who went to court and sought access to the Executive papers that the Ulster Unionists had tried to delay? Then the Ulster Unionists lecture us on consensus government. That terminological inexactitude that Mr Kinahan brought forward can be nailed.

We need to seek proper efficiencies. The party politics of Sinn Féin has been brought in to the debate, but is it not the case that the deputy First Minister has had the reorganisation Bill since June 2009? Is it not the case, therefore, that Sinn Féin is making prevarication and delay on the matter something of an art form?

We want to see efficiencies, better local government with more money in the hands of the ratepayers and a genuine economic way forward that delivers for the ratepayer. We will support the motion, no matter how badly it was proposed.

The Minister of the Environment (Mr Poots): I thank Members who contributed to the debate for doing so. I understand Members' concerns about ongoing uncertainty and delay in the local government reform programme. I welcome the debate not only to hear Members' views but to reaffirm my commitment to successfully delivering local government reform. I firmly believe in strong and effective local government, and, like many Members, I want to see that realised through the reform process. I have been engaged in local government for many years and can confirm that that is still the case.

Significant progress has been made in working towards local government reform, and I am advancing a number of pieces of legislation. The first piece of legislation, the Local Government (Miscellaneous Provisions) Bill, which has progressed through the Assembly since its introduction in June 2009, is scheduled to have its Final Stage tomorrow. Consultation on the draft local government finance Bill, which will modernise the financial framework within local government, finished on 31 October 2009, and it is due to come before the Assembly probably within the next month.

Policy proposals for local government reorganisation have been with the Executive since June 2009. The proposals have been cleared by the First Minister, and, after they have been approved by the deputy First Minister and the Executive, I intend to publish them for consultation as soon as possible thereafter. However, in delivering local government reform, we must ensure that benefits will be gained. Therefore, I have requested that local government, through NILGA, puts forward its proposals on how the local government sector intends to achieve the regional collaboration to realise the expected benefits. Although the proposed efficiencies will be discussed at the next meeting of the strategic leadership board on 25 February 2010, I have urged local government to make the right choices now to enable the changes in efficiency and delivery that the public and I expect from the programme. I will not continue the debate beyond that point.

The time for prevarication on the issue is over. I will listen carefully to any proposals and decide on the way forward. However, I say this openly and honestly: it will be very difficult to convince me that there is a credible and deliverable alternative to option 5. Savings must be demonstrated, and I will not proceed with any proposal that does not reduce the cost to the ratepayer. There is no point going through the pain of amalgamating councils if we cannot achieve a substantially better outcome at the conclusion of the process.

Under preferred option 5, the reform programme will begin to realise a reduction in operating costs for local government by 2013-14, with the break-even point for return on the initial investment by 2016-17. That makes economic sense and represents long-term value for citizens, ratepayers and taxpayers. I have

also had initial discussions with the Finance Minister to explore the implementation and longer-term funding options. Although I feel that a reasonable case can be made that funding for reforms should come from both central and local government, we should not underestimate how difficult the negotiation will be, particularly in light of the potential savings that could accrue to local government on implementation of the PWC report.

I have asked local government members of the SLB to consider that in consultation with the sector and to provide their views and a realistic assessment of what proportion of the costs that are set out in the PWC report could be funded by local government. At NILGA's annual conference last week, I took the opportunity to warn local government to be realistic in its deliberations on funding for the reform programme. I look forward to receiving constructive comments from the sector at the next SLB meeting to help me to put detailed proposals to the Executive as early as possible. However, I am especially conscious of the ongoing financial difficulties that central government and the Executive face, and I am in no doubt that the Finance Minister will expect a compelling case from local government. In any event, Members will expect that. We hear all the time about the challenges that face the health and education sectors and our whole infrastructure. All those issues are key government priorities. Therefore, given that local government will ultimately be the beneficiary, it is not the strongest argument to ask the Finance Minister for a considerable amount of money to develop local government reform. Nonetheless, this is a central government process, and central government should engage with it.

I will respond to Members' comments. Mr Beggs claimed that Michael McGimpsey was the only Minister who had been successful in bringing forward any measures on the reform agenda. Mr Beggs is, of course, wrong. However, that is not unusual. When I was Minister of Culture, Arts and Leisure, we delivered the single library authority without much difficulty and set a template for others to follow. Mr Beggs has conveniently forgotten about that. Although he remembers the 154 days of delay in 2008 that resulted from Sinn Féin throwing its toys out of the pram because it did not get its own way, he seems to forget that, when the Ulster Unionists and the SDLP were the leading parties, this place was suspended three times. That lasted

for years, not days. Perhaps Mr Beggs could remind us of the good old days of the Ulster Unionist Party, when we had a lot of huffing and puffing and a whole lot of suspensions packed into the middle of the process.

The projected savings that Mr Beggs referred to are also projected costs. PricewaterhouseCoopers was asked to identify the maximum amount of the costs and the minimum amount that the savings would produce. Having looked at that, we are confident that the costs should come in at considerably less than £118 million and that the savings can be considerably more than £438 million.

I do not get what some Members are saying today. Paul Maskey said that the ratepayers are being forgotten. The ratepayers are being forgotten by the Members in this Chamber who do not want to make difficult decisions or implement real savings opportunities that can be passed on to the ratepayers in the form of better services or lower rates. Members are engaging in the nonsense of protectionism and are not prepared to make difficult decisions.

Let me say this for absolute clarity: I will not engage in any process that does not deliver real efficiencies and real savings that can be passed on to the real people — the ratepayers. I hear the drivel from Members who say that they are not prepared to adopt option 5 and that we could do things in a different way. I say to them, "Show us what that way is". I asked NILGA, not last week but in December 2009, to produce an answer by next week. I have not given them just a week. We have had the PricewaterhouseCoopers report since October 2009. We considered that report in December 2009, and we are coming back to it this week. That report will either have to go through as it is proposed, or local government will have to produce an option that can save in excess of £438 million.

How could I go to the public and say that, under option 4, we could spend £118 million of its money up front in order to save £156 million over 25 years? I would have no credibility in the country if I did that, nor would this House, and people would rightly be referring to the jokes on the hill. I make it absolutely clear to the House that I will not do that. Any alternative proposal will have to be effective and will have to deliver real savings; it cannot be some cock and bull story from Members who have not thought

things through properly. Mr Beggs should have understood that, because he was at the most recent SLB meeting. He is due to attend the next SLB meeting, so it is difficult to understand why he has such a lack of knowledge of some of those issues.

The chairman of the Committee, Mrs Kelly, raised financial issues. The £118 million that was to be spent up front should not cost ratepayers, because we were not proposing to take anything back from the loan that had been made to local government until the savings kicked in. Ultimately, there should be long-term savings, but there should be no short-term additional burden placed on ratepayers.

Some Members here, however, do not mind placing additional burdens on ratepayers. Indeed, when Mr Farry was Mayor of North Down, the rates in that council area went up by 8.16%. I am glad to see that, now he is not the mayor, the rates only went up by 3% in the past year. Mr Beggs was quite happy to put through rates rises of 7%, 7.98% and 5.65% in the past three years. It is clear that some Members do not have any particular issue about the ratepayers and are happy to charge plenty of rates and to raise the rates by three and four times the rate of inflation.

Mr Ford: I thank the Minister for giving way. I am interested that the Minister used the example of when my colleague was Mayor of North Down. Is he now suggesting that, on top of the current reform programme, he is going to add executive mayors?

5.15 pm

The Minister of the Environment: That was not part of the consultation process at any time. We conduct consultation processes to elucidate what the public want. The Member, therefore, made an irrelevant point. Nonetheless, he is entitled to be irrelevant should he so wish.

Mr Farry, in referring to boundaries, said that the Boundaries Commissioner was entitled to make a mess in the interests of the democratic process. I do not wear that load of liberal hogwash, which even conflicts with the views of his colleague Mr Lunn. He was part of a delegation, which included the SDLP, that pleaded with me on the basis that the Boundaries Commissioner had stepped away from the proposals that had been put to him.

Dr Farry: Will the Minister give way?

The Minister of the Environment: I will finish my point before giving way.

The delegation made the case that the Boundaries Commissioner had neither followed the strongest identifiable boundaries nor taken into account the issue of the "major part" to which the Bill refers.

Dr Farry: Will the Minister give the House an example, from the past 100 years, of a Minister anywhere else in these islands who sought to meddle with the recommendations of a Boundaries Commissioner whose position had been independently established by Parliament?

The Minister of the Environment: Mr Lunn is quite happy for there to be meddling, as he described it. The Boundaries Commissioner did not follow the guidance that was given to him on incorporating the "whole or the major part" of former districts in the 11 new local government districts. We must all deal with the difficulty that that has created.

Boundaries are not the real problem. The difficulty in delivering the process will come from people such as Mr Butler. He said, as did Mr Boylan, that the BSO and the single waste authority were not deliverable. They said that they would not wear it. They are, therefore, saying that they will not wear £280 million of savings to the public. When compared with option 4, the selection of option 5, which delivers the single waste authority and the BSO, creates an additional £280 million of savings. I will not wear not making those savings.

We heard that option 5 could damage local services, but what is gained by having 26 procurement bodies across Northern Ireland? Does anybody think that a single council has more procurement power than an amalgamation of 26 councils? We need only look at the power that Tesco and Sainsbury's have in the private sector through buying on such a large scale. The greater the collective buying power that we can put together, the better the deal that we will get for ratepayers. What does it matter whether legal or corporate services are delivered in a single centre? People want front line services to be guaranteed, and we can deliver better front line services by implementing the changes to which I referred.

Mr Kinahan referred to a dysfunctional Executive. A better reference would have been to the dysfunctional Executive that existed under his party and David Trimble. He also referred to Sam Foster's vision of greater efficiency. I want to drive through greater efficiency, but others want to stop it.

Perhaps Mr McGlone raised the real issue when he suggested that 100,000 voters would transfer to unionist areas. Is that the real reason that Sinn Féin is trying to block the process?

Mr Deputy Speaker: I ask that the Minister draw his remarks to a close.

The Minister of the Environment: The real reason for Sinn Féin trying to block a process that could create genuine savings for ratepayers could be that it is scared of the outcome but is afraid to go back to the public on that issue.

Mr Beggs: I thank all Members who contributed to the debate. Some light has been shed on the matter by Members' comments but not as much as I would have liked.

The motion addresses the First Minister and deputy First Minister, because we want to uncover where exactly in the process is the reform of local government. The Minister of the Environment said that he tabled a motion on boundaries some time ago and that the issue is in the hands of the First Minister and deputy First Minister. We want to know what the problem is with the process. There is little point in the Minister of the Environment coming to the Assembly without an explanation, but he cannot provide one, because the matter is, unfortunately, with the First Minister and deputy First Minister.

Dolores Kelly highlighted a recent letter from the Secretary of State, which indicated that boundaries must be finalised by January otherwise the 2011 elections would be in question under any new proposal. I understand that that is just a legislative time issue and that the Boundaries Commissioner needs time to complete his work. Given the relevance of such a practical issue, we must be at a critical stage. However, even after the Minister's comments, I do not know any more about how we will progress. That is an indictment of the process to date.

Peter Weir highlighted the fact that delays are the responsibility of the Office of the First Minister and deputy First Minister. However,

he failed to explain or, indeed, apologise for the contribution that was made in setting the guidance and directions for the Boundaries Commissioner. As Stephen Farry said, once directions have been set, it is difficult for politics to meddle in them. I do not know how we will get out of this mess, and the Minister did not explain how the process will go forward.

Cathal Boylan indicated that he was against a new business service organisation and a single waste authority. However, he did not explain why he is against a move towards a single waste authority, which could create savings. There may be arguments about the precise administrative methods that should be used to ensure that people are given guarantees and that an appropriate model is created. However, Members who just say that they are against the proposal for a single waste authority are essentially telling ratepayers that they are against the potential savings that could be brought about as a result of the efficiency of operation and the conducting of business with outside bodies through tendering processes and so on. It is unfortunate that opposition has been stated without any explanation having been given. Similarly, it is unfortunate that Members indicated that they were against the business service organisation without making any constructive comment.

Another interesting issue was raised that complicates the boundary recommendations even further. The Minister of the Environment is a councillor for the borough in which there is a dispute regarding the boundary. In any normal democratic process, there would be a need to avoid what, if not an actual conflict of interest, is certainly a potential conflict of interest. I do not know how the Minister can involve himself directly in those issues given his role as a councillor. For example, there are issues about rates funding potentially going to one council or the other from sizeable commercial operations.

Stephen Farry said that the Boundary Commission should be a neutral body and that politics should not be involved. I do not know how the mistakes that have been made can be righted, but I look forward to hearing the Minister's intentions in that regard.

Alastair Ross complained about my raising of past failings regarding boundary legislation. However, he did not acknowledge his involvement in supporting the guidance and

regulations. Failings have occurred because the Boundaries Commissioner was not given flexibility to recognise local identity. The Dunmurry situation could have been dealt with more readily if such flexibility had been given.

Paul Butler said that the Minister made a presentation to NILGA recently, and he outlined his concern at the ultimatum. He asked why the legislation was being held up and, indeed, whether the delay had anything to do with boundaries. Both issues, namely the boundaries and the finances, need to be resolved. The process could hit a stumbling block because of either of those issues, and it is unfortunate that I have not heard how we will move forward on them.

Ian McCrea asked whether a number of Bills were being held up in the Office of the First Minister and deputy First Minister with one side blocking the other. That is certainly not a model for good government. Both the major parties seem to be taking little regard of the wider political viewpoint, and both may well be following their carve-up and looking after their own, rather than looking after the wider population of Northern Ireland and the public interest.

My colleague Danny Kinahan sought clarification of the reasons for the delays and expressed his wish for consensus politics in Northern Ireland rather than the carve-up under which we seem to be operating, with both major parties treating their individual silos as their fiefdoms and taking little regard of the views of others. Patsy McGlone spoke of the cost of the RPA to date, some £97 million and a further £118 million, as we know, and the importance of protecting minorities in the future process. We would all agree with that and accept it, because every council area in Northern Ireland has minorities, and it is important, particularly at local government level, that there are good relations and respect is given to all sections.

Paul Maskey reiterated the view that the single waste authority would not be acceptable. What he did not say was from where the savings will come and why specifically he is against the single waste authority. Will he say to the ratepayers throughout Northern Ireland that there will be additional costs as a result of not looking to more efficient bases?

Mr P Maskey: Just to clarify, I think that if the Member checks Hansard tomorrow he will find that I never once mentioned the single waste authority.

Mr Beggs: I must have taken that note about someone else. I will check, and I apologise if I have wrongly blamed the Member. However, I think that he did mention the Minister's conflict of interest, which is a real issue. How can the Minister be the final arbiter in finalising a boundary while representing a council in that area, without having some personal input? There is a clear conflict of interest that needs to be addressed. That would not be accepted in any other part of the United Kingdom, and it is time that it was addressed.

Jonathan Bell went on to — what did Jonathan do? He criticised me and poor Sam Foster, who is long retired, blaming him for a decade of lack of decision even though he was a Minister for a very brief period. I appreciate that Mr Bell is a relatively new Assembly Member, but do understand that, when you are not an Assembly Member and not a Minister, you cannot make decisions.

Turning quickly to the Minister's comments — *[Interruption.]*

Mr Deputy Speaker: Order.

Mr Beggs: The Minister seemed to say that he continues to favour option 5 and sees advantages in that for the ratepayers. However, there are aspects of that option that need to be resolved. There is the potential for efficiencies with shared services, but, as I have said time and again, we must ensure that we do not create another statutory body like Land and Property Services that can put the bill into everyone but does not deliver. There must be clear results and a competition to ensure that an efficient service is delivered. We do not want to create another bureaucratic body that will cost the ratepayers and not deliver services. That is essential.

I did not mention the Department of Culture, Arts and Leisure, but I did at the start mention that there were three major areas of the Budget: local government, health and education. DCAL is not quite up there. It is an important area that has gone.

Mr Deputy Speaker: Bring your remarks to a close.

Mr Beggs: I am coming to the end of my time. I hope that the RPA process, which was started by my colleague Sam Foster, will be allowed to continue and will be finalised in the vision that

he set out, which was to bring benefits to all members of our community.

Question put and agreed to.

Resolved:

That this Assembly notes with concern the ongoing uncertainty and delay in the local government reform programme; and calls on the First Minister and deputy First Minister to advise when the relevant legislation will be put to the Executive and the Assembly for approval.

5.30 pm

Police: 50:50 Recruitment Policy

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

The following motion stood in the Order Paper:

That this Assembly notes the renewal for one final year of "50:50" recruitment to the police in Northern Ireland; looks forward to the next substantial recruitment competition when, for the first time in a decade, Protestant applicants will face no barriers on the grounds of perceived religious affiliation in the process of being considered for a career in the police. — [Mr Campbell.]

Mr Campbell: Mr Deputy Speaker, given the lateness of the hour and the considerable number of Members who gave notice of their intention to speak, I do not intend to move the motion today. I hope that the Business Committee will reschedule the motion at a suitable time in the very near future, taking into account the number of Members who expressed an interest in contributing to the debate.

Motion not moved.

Adjourned at 5.31 pm.

