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# Northern Ireland Assembly

Monday 10 May 2010

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

*Members observed two minutes' silence.*

## Executive Committee Business

### High Hedges Bill: Second Stage

**The Minister of the Environment (Mr Poots):** I beg to move

*That the Second Stage of the High Hedges Bill [NIA 15/09] be agreed.*

The problems caused by high hedges should not be underestimated. To be constantly in the shadow of a neighbouring high hedge can significantly impair a person's enjoyment of his or her property. Furthermore, problems with high hedges can escalate out of all proportion and give rise to ill feeling and tension between neighbours. I am determined, through the Bill, to help to resolve matters and to end disputes about high hedges between neighbours.

A scoping consultation carried out by my Department in 2005 highlighted the fact that problems relating to large evergreen and semi-evergreen hedges were commonplace in all council areas. Most respondents wanted legislation. The Bill introduces a formal system to encourage people to resolve high hedges issues through negotiation and compromise without having to take the more formal route of lodging a complaint.

The Bill contains 20 clauses. I do not intend to comment on every clause, but I would like to highlight the main issues. Clauses 1 and 2 set out the circumstances in which a complaint can be made and define a high hedge for the purposes of the legislation. A complaint can be made by the owner or occupier of a domestic property, and only where the reasonable enjoyment of a property is being adversely affected by the height of a hedge situated in land owned or occupied by another person will a complaint be valid. The Bill is specifically

designed to address the main problem identified in the scoping study, namely dense screens of foliage caused by high hedges of an evergreen or semi-evergreen nature.

Clause 3 sets out the procedure by which councils will process complaints. A complaint must be made to the council whose area contains the land on which the hedge is situated. Councils have discretion to set a fee for the making of a complaint. That is a payment for a service provided to the complainant by the council. It is intended to enable councils to recover their costs for administering the system without placing a financial burden on ratepayers. The existence of a fee should act as a deterrent against frivolous or vexatious complaints. To avoid the imposition of financial hardship on the less well off, such as pensioners or those on a low income, a council may decide to refund, waive or reduce fees as appropriate. A council will not accept a complaint if it considers that the complainant has not provided evidence of having taken all reasonable steps to resolve the matter or if it considers that the complaint is frivolous or vexatious. Evidence of reasonable steps to resolve the issue may include the keeping of records of discussions or attempts at discussion between the parties, copies of letters sent to the hedge owner by the complainant and records of meetings attended by the parties. Where the council proceeds with the complaint, it must first decide whether the height of the hedge adversely affects the complainant's reasonable enjoyment of his property. If so, the council must then consider what action, if any, is required.

If the council decides that action should be taken, it will issue a remedial notice. Clause 4 states that a remedial notice will specify the height to which a hedge must be reduced. It may specify other actions such as crown lifting or thinning. The remedial notice will also specify the time frame within which the work must be

carried out. Before issuing any notice, councils will take into consideration other environmental factors, such as bird nesting and bat roosts. A remedial notice may not specify the removal of any hedge or a reduction in its height to less than two metres. That ensures that a balance is achieved between the right to enjoy property and the benefits and amenity value that a well-maintained hedge can provide. A remedial notice remains in force even if a property changes ownership, and it will be registered as a statutory charge on that property. That means that any new owners will bear the responsibility for compliance. The remedial notice may also include maintenance requirements to ensure that the problem does not recur.

Naturally, the hedge owner and the complainant have the right of appeal against the issue or non-issue of a remedial notice, or against the relaxation of its requirements. Clauses 6 and 7 set out details in relation to the appeals procedure. Appeals will be determined by the Northern Ireland Valuation Tribunal. That will involve consideration and review of the case files as well as site visits. Following an appeal, a remedial notice may be withdrawn or varied, or, in a case where a council has decided not to issue a remedial notice, the decision may be rescinded and a remedial notice issued on behalf of the council.

Clause 9 creates an offence of non-compliance with the terms of a remedial notice that carries a fine of up to £1,000. Continued failure to carry out the required remedial work may then result in further fines and, ultimately, daily fines. In cases of non-compliance with the terms of the remedial notice, councils will have a discretionary power to enter the land where the hedge is situated and carry out the work specified. The council will be able to recover the cost of the work from the owner of the hedge. Any unpaid expenses will be registered as a charge on the property.

Clause 11 protects the council against civil action where it has acted in a default situation and performed remedial works on a hedge that has subsequently died. That protection will only apply where a council has adopted a best practice approach and been non-negligent in its actions. For a hedge to die as a consequence of council action would be most unusual. A council official or appeal official making a site visit to inspect the hedge is required to give at least 24 hours' notice to the hedge owner. Councils

are also required to give the hedge owner seven days' notice of intention to enter land to perform remedial work.

The experience of England and Wales, where similar legislative provisions have been in place since 2005, indicates that this issue can be dealt with successfully. My Department will produce various guidance documents covering all the key issues to accompany the Bill's operation. They will be developed in liaison with local councils to ensure that they are relevant and fit for purpose and will include guidance for complainants and hedge owners, guidance for councils to facilitate the assessment of cases and guidance with respect to the appeals process.

The Bill will have a positive and practical impact on the lives of people suffering detriment due to neighbouring high hedges. It will focus attention on high hedge problems and should, as a consequence, result in improved relations between neighbours and enable more disputes to be resolved amicably, without recourse to the lodging of formal complaints. All public representatives know constituents who have been afflicted by the misery of having to put up with being next door to an unreasonably high hedge. It really is an affliction because nothing can be done about it currently. The High Hedges Bill seeks to remedy that situation, and I commend it to the Assembly.

**The Chairperson of the Committee for the Environment (Mr Boylan):** Go raibh maith agat, a Cheann Comhairle. Mar Chathaoirleach an Choiste Comhshaoil, cuirim fáilte roimh an Bhille um Fálta Ard. As Chairperson of the Committee for the Environment, I welcome the High Hedges Bill. It contains provisions that will provide a means of tackling high hedge problems that affect domestic properties. It introduces a way for people who feel that their domestic property is affected adversely by a high hedge to lodge a formal complaint with their local council after they have tried unsuccessfully to resolve the matter through neighbourly discussion.

At its meeting on 15 April 2010, the Committee was briefed by officials on the outcome of the departmental consultation on the Bill. Members were informed that the Bill focuses specifically and narrowly on dealing with high hedges that relate to problems between neighbours; it does not cover issues relating to single trees, roots, leaves and so forth. Nonetheless, I am sure that all Members will welcome the Bill as, no doubt,

we have all come across or heard of disputes between neighbours over what can be the very divisive issue of nuisance hedges.

One of the main concerns expressed to officials at the meeting was the issue of fees. Members were informed that the Department intends to give individual councils discretion in setting fees for complainants. The Committee expressed the view that that could lead to big differences between local authorities: one council could set a fee at £300, whereas another could set it at £30. Similarly, some types of resident, such as pensioners, could be required to pay fees in one council area, whereas those in another could be exempt. The Committee has asked for more information on charging regimes in other regions and will consider the implications of that flexible approach during Committee Stage. It is possible that the Committee will feel that more controls should be incorporated into the legislation to avoid large discrepancies arising between councils.

Further concerns were expressed about the ability of people from lower socio-economic groups to pay a fee for complaints and whether that would end up being prohibitive. There was also concern about paying the costs of specialists, such as tree surgeons, if required. Officials informed the Committee that the Minister is minded to include a cap on fees in the legislation, and the Committee was inclined to agree with that approach. However, the Committee also feels that guidance on the level of fees would be useful, and members welcomed the officials' commitment to provide guidance to complainants and councils.

Another concern around fees was the idea of the complainant paying up front to try to alleviate problems that they face from the high hedges of a third party. Officials informed members that the Bill will create a level playing field and that it is not trying to allocate blame. However, members felt that the idea of a complainant who has been vindicated but still has to pick up the tab for a fee is something that they want to look into further. The feeling was that, if the complainant's neighbour had been more neighbourly, there would have been no need to complain in the first place. Members were concerned that the perception will be that the complainant is being penalised because their neighbour was not prepared to take action. The Committee will, no doubt, revisit that matter at Committee Stage.

Another area of concern was the appeals body; the Valuation Tribunal. Members agreed that using a body that is already established is a good idea, as it removes the need to go through the costly and time-consuming process of identifying and appointing persons to handle appeals relating to high hedges. However, there was a concern that, with the appearance of solicitors and barristers, significant legal costs would start to ensue. Officials were of the view that there may be a flurry of appeals if and when this legislation becomes operational but, as time goes by, the number will diminish rapidly. Members remain concerned that, although the problem is not envisaged, those disputes can become very hostile and may end up in tribunals where legal aid costs may start to escalate rapidly. Although the Bill aims to encourage people to resolve high hedges disputes informally through discussion and compromise, we all know that, for some people, that is simply not an option. Again, we will explore that issue further when the Bill comes to the Committee.

#### **12.15 pm**

As soon as the House refers the Bill to the Committee, the Committee will call for written submissions from interested organisations and individuals, and members will be extremely interested to hear their views. I look forward to an ongoing good working relationship with officials to ensure that the Committee is able to scrutinise the legislation properly. Thar ceann an Choiste Comhshaoil tugaim tacaíocht do phrionsabail an Bhille. On behalf of the Committee, I support the principles of the Bill.

**Mr Bell:** I commend Minister Poots for bringing forward legislation that has been sought by and will have a direct impact on those on the ground and will continue to make the House relevant to those people's needs and aspirations. The legislation is balanced and takes a solution-focused approach, and it is weighted appropriately towards encouraging people to look for sensible negotiations and compromise before taking legal routes. That is to be commended. In areas where there are difficulties, people should adopt the spirit of the legislation, which is, in effect, to seek a solution and to keep a record of that search for a solution, before resorting to legislation. Environmental concerns about bats and other species were identified, and they have been addressed appropriately.

As a councillor on Ards Borough Council, I declare an interest. Councils cannot be expected to constantly pick up the bill for every piece of legislation that comes along. The fee is appropriate. Equally, it should be measured. As in all other areas, people who find it difficult to pay should not be denied access to that form of redress and justice, so the situation for those on a low income and pensioners should be looked at.

The Bill is a win for ratepayers and, on balance, for common sense. Hedges, in themselves, provide an amenity, and, if they are well maintained, they can encourage good neighbourliness and create a win-win situation for everybody. On the other hand, some people feel that they have no responsibility to their neighbours. They feel that they have no stewardship over their own property and that they are not responsible for how it impacts on the amenities of others, so, rightly, the Bill addresses that problem.

The Chairperson spoke well on behalf of the Committee, and I endorse his comments and the nature of the legislation. Where there are difficulties, I appeal to people to genuinely seek a spirit of compromise and to look towards their responsibilities as neighbours and as good stewards. Prevention is better than cure. Ultimately, however, the Bill is a win for the House, because it deals with a real issue that has to be addressed. People asked us to do something about it; however, as the Chairperson said, up to now, nothing could be done. The House is redressing that situation and giving people the response that they asked for. I genuinely hope that very few cases will have to go down the legal route of paying fees.

**Mr T Clarke:** Does the Member agree that it is disappointing that the legislation had to be introduced at all? When a hedge reaches a certain height, common sense should prevail. Good neighbourliness, civil relationships and common sense could have removed the need for legislation.

**Mr Bell:** The Member for South Antrim made his point well, and that is the essence of the legislation. We do not want things to reach that point, and, in many ways, the legislation will act as a deterrent and a preventative measure. Equally, people will no longer be able to ignore their responsibility to respect their neighbours' quality of life and amenities. The House will

legislate to ensure that that ignorance comes to an end. I commend the Minister for bringing that legislation forward.

**Mr Beggs:** I also welcome the progress of a Bill to deal with the problem of high hedges. To the extent that the Bill recommends that local councils be given a role in dealing with high hedges, I declare an interest as a member of Carrickfergus Borough Council.

In common with many Members, I have been contacted by constituents whose enjoyment of their home and property has been blighted by inconsiderate neighbours who have allowed their high hedges to cut off daylight. I had been pursuing a private Member's Bill, particularly after the previous Minister of the Environment said that he would not pursue such legislation during the lifetime of the current Assembly. I welcome Minister Poots's U-turn on his predecessor's approach.

I praise the Assembly's Research Services for providing me with background information as I pursued the private Member's legislation. In legislating, one of the most significant decisions to be taken is on the nature of statutory involvement. The options that were presented to me included a formal, statutory and expensive bureaucratic role, such as that employed by the Planning Service. I, in common with the Minister and the Department, concluded that that would not be appropriate. The Bill outlines the most appropriate mechanism, which is that neighbours should be required to attempt to resolve their differences over their hedges before statutory bodies, such as local councils, become directly involved. I hope that the introduction of that requirement will resolve many disputes at an early stage and improve relationships between neighbours, whereas the involvement of the councils has the potential to make those relationships worse. I hope that the Bill will create pressure for local resolutions between neighbours without outside involvement. As other Members said, that is largely the route that has been followed in England and Wales, where it appears to have been relatively successful.

I will pursue the issue in Committee, but it would be helpful for the Minister to elaborate on the definition of a high hedge that has "two or more evergreens". In the Bill, an evergreen is defined as:

*“an evergreen tree or shrub or a semi-evergreen tree or shrub.”*

What hedges will be excluded by that definition? Why will such hedges be excluded? Dense hedging can arise from a variety of other sources. For six months of the year, heavy leafage from other types of trees and hedges could cause as many difficulties for homeowners. To determine whether the definition of a high hedge needs to be widened, I would like the Minister to provide further information.

I agree with the procedures that have been outlined. In the first instance, neighbours should attempt to resolve the problem. In the absence of reasonableness at that stage, the relevant council will become involved. However, to minimise the involvement of statutory agencies and the associated costs, it would be useful to require neighbours to take the first step.

As we experience the impact of the new legislation, it will be important to have a mechanism for dealing with people who make spurious complaints and involve the councils unnecessarily. Should a neighbour who is unreasonable in not resolving an issue incur some of the costs of the fee? It would be unfair for homeowners who have been adversely affected to bear the entire cost, despite having done everything possible to resolve the problem. It would be unfair for an unreasonable neighbour who has blighted their enjoyment of their home to expect them to pay additional fees. An agreement on how to strike that balance could further incentivise neighbours to reach a local resolution. The expectation that people who are unreasonable will face additional fees should increase the likelihood of an early local resolution.

I agree that the involvement of local government in finalising appropriate guidance would be useful, because a consistent approach on the part of neighbouring councils would be helpful. We do not want to see vastly different approaches being taken and the public becoming confused, should they move from one council area to another and face a similar problem. It would be helpful to everyone if local government were involved in developing consistent guidance notes which, ultimately, officers and councils would follow.

The serving of a remedial notice is a useful mechanism. It allows defaulting owners to decide whom they will employ or to do the

work themselves and to rectify the situation at minimum cost. I agree that we must have further legislative powers to ensure that the work is carried out, should one have an unreasonable neighbour. I agree that any individual who is so stubborn as to ignore the decision of officers and councillors should be subject to a fine. Ultimately, there should be a charge on the property so that there is no doubt or dispute over whether the issue can be dealt with. That sort of power should encourage more reasonableness between those who are involved in the process.

I agree that there has to be an appeals mechanism to ensure a degree of independence in cases where people are dissatisfied with decisions that have been made. However, we do not want to create another quango. The Valuation Tribunal comprises individuals who have legal experience and experience of valuation and properties. With that comes knowledge of properties and boundaries etc. Again, there is a lay person who is not involved on either side, and that appears to me to be a reasonable balance.

Clause 8 provides the power to gain access to the relevant property. That power has to be available in instances in which an assessment has to be carried out but the neighbour will not provide reasonable access to appropriately assess the situation. However, it is important that anyone who is going to enter someone else's property gives notice of his or her intention, and I see 24 hours being mentioned. Indeed, there should be ID involved, so that there is no dispute that this person has the appropriate statutory authority. The boundary or perimeter must also be left as secure as it was in the first place.

Clause 10 requires the owner to carry out the work and the occupier, who may be the person who is causing the difficulty, to work and to enable it to happen. That gives the power to the owner of the property to ensure that the work will be carried out, even if he or she has an unco-operative tenant. That is appropriate.

Clause 12 talks about corporate bodies. The neighbour may well be a company limited by guarantee; it may be a corporate body, rather than an individual. That is appropriate.

Clause 16 enables the Department to modify the criteria in the light of experience gained. We should not require extensive new legislation, if

it needs to be altered in the light of experience and it is appropriate that change can occur through that mechanism. However, there are some sensitive issues, particularly as we could be affecting people's homes. It is important that we tread lightly, particularly when changing the legislation, to ensure that it is appropriate. It would be helpful if the Minister could clarify why such language is used in clause 18. Why will changes be largely by negative legislation, rather than by affirmative legislation? Such sensitive changes affecting a home and one's personal property should occur in a manner that the Assembly is comfortable with.

In general, I support the legislation as presented. However, it may be possible to slightly amend and refine it in the light of experience at Committee Stage.

### 12.30 pm

**Mr Dallat:** I am thankful that, on this occasion, I do not have to declare membership of Coleraine Borough Council, and I am sure that the day will come when no Member of this august body will have to do that.

The debate is welcome. Many people are relieved that the Bill has progressed to this stage, and I thank the Minister for that. Nevertheless, there is still some astonishment that we are reaching only this stage eight years after the same legislation was introduced in Britain.

I should not focus entirely on the much-picked-on leylandii, which appears to be the greatest offender, because there are others. Nevertheless, it is an opportunity in planning terms to advise people who are considering planting hedges to choose varieties that are indigenous to this country and, as far as possible, not to try other species. I am sure that people discovered, to their misfortune, that hedges all over the country were killed off during the recent bad weather because they could not stand the cold. I cannot blame the Planning Service for those crimes, because it does not choose tree species.

The Bill is important because it concerns people who have been robbed of the right to natural daylight. The Minister said that he does not want to impose his will on local councils, which is understandable and fair enough. Nevertheless, there is a risk that, without robust control from the Department of the Environment, local councils may vary widely in the way in which

they deal with the problem. I have been a local councillor for 33 years, and I know that it is in no one's interests to pick rows or to become an adjudicator between neighbours. Therefore, ministerial guidance is a necessary part of the Bill.

**Mr Beggs:** Does the Member accept that the Bill's appeal mechanism should ensure that, should there be partiality at council level, there is independence? That appeal mechanism is appropriate to deal with the issue.

**Mr Dallat:** The Member mentioned the appeal mechanism in his contribution. It is important, and it may, to some degree, let local councillors off the hook in deciding what should happen. However, local councils do not have a good record on environmental issues. We have only to think of how councils deal with litter and impose fines on people who are guilty of litter offences. We debated the issue in the House last week, and it would be interesting if the Minister were to enquire about how different councils enforce that legislation, which, in some ways, is similar to the topic of this debate.

The legislation is welcome, and I hope that the Minister's promise to have it in place before the end of this Assembly's lifetime is delivered. I do not question that he will do that. I fully understand the limited time that is available, and we are grateful that the legislation will go through and will not be cast aside.

Given that local councils will be charged with the responsibility of administering the legislation, it would be useful for the Minister to indicate whether he is talking about the current 26 councils or the elusive 11. My prediction is that it will be the 26 councils. I apologise for veering slightly off the subject, but I simply ask the Minister to ensure that the existing councils do not simply pay lip service and that they are given every support in delivering the Bill.

In conclusion, despite my reservations, I welcome the Bill. However, I worry that many people who are now elderly and living on meagre pensions planted leylandii in the past, as I and others did, and they now may face horrendous bills to have them pruned or removed because they have grown much higher than was intended. The bill for such work can be horrendous, and anyone who has employed a tree surgeon knows that they do not come cheap.

The Bill relates to domestic property and the cutting off of natural light. Members will know that retired people spend a great deal of time in their gardens either appreciating the plants that they have grown or simply enjoying the fresh air. I know many people who no longer have that privilege because the hedges around their gardens have practically engulfed the daylight. I am not sure that the proposed legislation will deal with that.

The main point is to ensure that a consistent approach is taken, that genuine cases are identified and dealt with and that local councils do not become bogged down in frivolous complaints that are more about disputes among neighbours that might go back three or four generations. The Bill should be about high hedges and nothing more.

Common sense has been mentioned. However, Members know that common sense does not always prevail. That is why there is legislation for most aspects of life. It may be that in medieval times, people could actually sit down, discuss their issues and come to a decision. Today, I am afraid, that is long since gone.

Therefore, I support the Second Stage of the High Hedges Bill. I apologise to people who have planted leylandii trees, trimmed them and kept them in good order.

**Ms Lo:** The Alliance Party supports the High Hedges Bill. A number of our public representatives have been approached by residents who have problems with neighbouring hedges and who have, at times, been unable to achieve resolution to disputes due to the lack of legislation in Northern Ireland governing the height and maintenance of hedges.

However, the Alliance Party is concerned that the proposed legislation focuses only on problems that are associated with hedges and does not intend to address problems that relate to roots of trees and single trees. A single tree can act as a barrier to a property's light. Roots can seriously affect the garden of an adjacent property or an adjoining driveway. The proposed legislation should provide a means to address such problems.

Of course, given that councils will administer complaints, the role that the proposed legislation will give them is highly important. DOE must provide district councils with the necessary guidance to deal with complaints,

particularly in how a complainant can provide evidence of having attempted to solve a problem prior to making a complaint. In many cases, communication or mediation may not have been documented, which means that it may be difficult for a complainant to provide evidence of it. My party would like more clarification on how DOE intends to deal with complaints that relate to land or domestic property that is vacant or for which there is no identifiable occupier.

Under the English system, someone who wants a high hedge to be investigated must pay a fee of around £500 or more. There has been some indication that that fee has meant that people have been deterred from complaining. DOE needs to provide guidance to councils so that a consistent fee can be operated across the board. It also needs to consider reduced fees for elderly people and those who receive means-tested benefits.

Some people who are responsible for problems that are caused by high hedges may find it financially difficult to employ a tree surgeon if a notice is served on them. Financial assistance should be considered, because it may be necessary for people who cannot afford the required work to carry it out at short notice. The Department must provide information and educate the public on the new legislation, and resources may be required to advise individuals on how to maintain hedges and to avoid problems in the first place.

Dealing with neighbourly disputes can have a detrimental effect on the health of those involved because of stress and pressure. The Department must indicate as early as possible the time frame for dealing with each complaint so that problems are not dragged out and people are not faced with unnecessary delays, which cause more stress and anxiety.

The Alliance Party supports the High Hedges Bill, which will assist householders when mediation fails. It looks forward to some means of dealing with the problem to formally resolve disputes between neighbours.

**Mr Ross:** I also welcome the High Hedges Bill. It has been much talked about since the return of devolution, and I am glad that it is now before the House. We have heard much today of neighbourliness and common sense, and today is one of the rare occasions on which I have agreed with John Dallat.

Unfortunately, many of us who have dealt with these cases recognise that there is often a lack of common sense and neighbourliness among those who are making their neighbours' lives a misery. All Members will have had people coming to them because their neighbour's hedges are blocking their light or hanging over their property, and often, despite their best efforts to reach an accommodation with their neighbour, they find that they do not get very far and need assistance to resolve the issue. In many cases, Members will also have found that councils are powerless to provide that assistance. They can go down the route of tackling the matter on environmental health grounds, but there is no legislation to help councils to take the actions required. At least this Bill will give councils those powers.

At Second Stage, we are obviously addressing the broad principles of the Bill, and I do not believe that any Member will have difficulties with those. However, there are a few issues, some of which have already been discussed today, such as which hedges are to be covered by the legislation, which the Committee looks forward to examining during Committee Stage.

Another matter that I raised when statements on high hedges were made previously in the House is that of mediation. I am aware of instances in my constituency in which elderly people felt uncomfortable about approaching neighbours about a nuisance hedge because of previous arguments. The Bill provides that individuals must initially try to find a resolution on their own. However, it is important that councils are given direction from the Department on how to help individuals who are nervous about approaching their neighbours. I recognise that the legislation envisages councils being impartial and independent third parties in the complaints procedure and that it is difficult for councils or councillors to provide guidance. However, in many constituencies, mediation groups and services are available, and perhaps councils could work with those groups and direct complainants to them.

Another issue that has been discussed today is fees, and there is broad agreement that that issue must be further examined. Flexibility will be given to councils, but it is important that guidance is given on the upper limit to fees that can be applied. Councils will also be given discretion to provide refunds or discounts to certain vulnerable groups, and although fees

are necessary to stop trivial complaints, it is important that they are not set at such a level as to disincentivise pensioners and low-income families from making complaints about nuisance hedges. Indeed, it has been said before that individuals who do not act in a good neighbourly fashion and who do not take action on a hedge that causes grief to their neighbours can simply sit back and do nothing, knowing that the individual who has been impacted upon or the council and, by extension, the ratepayer, will have to pick up the fee. That is not particularly good, and we will wish to look at that as a Committee.

### 12.45 pm

A final issue is whether a mechanism should be included for a group complaint in the case of a large piece of property that perhaps backs on to three or four residences. A collective complaint may include those three or four households or they each may have to make an individual complaint, which might involve individual fees. The Committee may consider that issue, and the Minister's guidance on that will be useful.

I support the Bill, and I look forward to examining it in closer detail in Committee.

**Mr McKay:** Go raibh maith agat, a Cheann Comhairle. I support the Bill, which, as other Members said, is greatly needed. High hedges may seem a minor issue to people who are not directly affected by them, but they can have a detrimental effect on people's quality of life. High hedges spoil views, block out sunlight, and so on. That can often lead to direct conflict between neighbours and to stressful situations. A process is needed to arrest such situations before they escalate. It is only right that attempts to resolve the situation take place between the relevant parties initially and, hopefully, the legislation will be preventative and the processes will not need to be enacted.

Other Members said that the issue of fees must be considered further. An assurance should be given that fees will not differ greatly among councils and that there will be a degree of parity among councils. That needs to be considered in much greater detail at Committee.

I also agree with the Chairperson and other Members that the Valuation Tribunal should be used, because that mechanism has already been established so it will save costs. There is little doubt that the disputes that we have discussed can become difficult, with opposing

parties becoming increasingly polarised as disputes continue in a number of cases. Therefore, it is important that the Bill is as fair as possible to the complainant and the hedge owner and that the process that is put in place is robust. I agree with the Minister that we need to consider experiences elsewhere to ensure that the legislation is fit for purpose and does not adversely impact on those on lower incomes, as the Committee Chairperson and other Members also highlighted.

I will not go into any greater detail, because other Members have covered the issue well. The Committee looks forward to scrutinising the Bill in much greater detail. I emphasise the need for people on lower incomes and those who could be adversely impacted to have some degree of protection.

**Mr Weir:** I declare an interest as a member of North Down Borough Council. As has been indicated, the legislation will be administered largely by councils. I see at least one Member who has freed himself from councils looking a bit demob happy. He is tut-tutting that I have such links. When John Dallat referred to his preference that indigenous breeds be planted, I wondered whether, by some bizarre dream, David Vance had managed to wander into the Chamber.

I also declare an interest as vice-president of the Local Government Association, and I welcome what everyone will accept as root-and-branch reform of the legislation. It has received universal welcome. I was half expecting some Members from the opposite Benches to complain about Special Branch, but the legislation is something that even they can agree with. I appreciate that many of the points have been covered, so I do not intend to reiterate those. The Bill has received a universal welcome from parties in the Chamber, councils and individual citizens.

As another Member said, the legislation is unusual in that, in an ideal world, we hope that it is never used. Vast numbers of people have good relationships with their neighbours and act responsibly when it comes to their hedges. Therefore, it is a pity that such legislation is necessary. If everyone were to act responsibly, there would be no need for the Bill.

An appropriate balance has been struck on fees, and we will be looking at the detail at a later stage. However, we are all aware of

occasions when a dispute between neighbours in our constituency loses some perspective. In such situations, unless applicants are required to pay a fee, the danger is that there could be a rash of utterly vexatious applications. Therefore, there must be some deterrent to prevent people from causing their neighbours problems. Irrespective of whether we come from an urban, rural or suburban constituency, we are aware of many genuine cases in which, unfortunately, one neighbour has acted irresponsibly. I am aware of cases in which pensioners have felt intimidated or have been given short shrift by their neighbour when they try to press the issue. Those people need to be protected.

There have been teething problems with the implementation of similar legislation in England and Wales. Therefore, we must ensure that our legislation is right, and given the time that has been spent on it so far, I hope that the broad thrust of it is right. Some details will need to be teased out at Committee Stage. For example, have we got the balance right between ensuring that there is uniformity across Northern Ireland and allowing councils a degree of individual action? A cap has been put on fees, and, in Committee, we will be looking to see whether that cap goes far enough or whether a tighter regime, with a set fee across Northern Ireland, is needed.

The Committee will also need to look at the opportunity for councils either to vary or waive a fee. Members who follow what tends to happen in the courts will know that there is a broad rule of thumb that, when someone complains or takes an action against someone else, the winning side does not have to pay the costs. Another area that needs to be examined is instances in which neighbours have a genuine complaint. If, after investigation, the decision is found in their favour, there may be an argument to be made as to whether the party who transgressed should pick up the entire bill in order that the applicant might recoup the fee. We may need to look at whether variation should apply in such situations.

Going by the response of my council and others, the Committee will need to look at the detail to ensure that councils feel that they are properly indemnified, as the matter should be cost-neutral to them. However, the broad thrust of the legislation is welcome.

As Mr Dallat said, the legislation will not make headlines in the 'News Letter', 'The Irish News' or the 'Belfast Telegraph', but to many people, this is an important issue that affects quality of life. If their light is being blocked out, or if their enjoyment of their garden, their conservatory or their back room is consistently being spoiled by an enormous hedge, that becomes their number one issue. If the Assembly can adopt a common-sense approach to provide that quality of life, the High Hedges Bill will be worthwhile, and something of which we can be proud.

As a member of the Committee for the Environment, I look forward to scrutinising the Bill to ensure that we get the detail and the implementation right. I strongly support the legislation.

**Mr Kinahan:** I am extremely pleased to be able to speak on such an important Bill. It may seem minor to some, but it is very important to all those who want to enjoy their houses without experiencing any problems. I also declare an interest as a councillor in south Antrim.

It is worth mentioning that it is sad that we have to bring such rules and regulations into issues on which people cannot agree. I welcome the touchy-feely side to the Bill, which makes every effort to make sure that things are sorted out without confrontation. In many aspects of life, we need less regulation, and too often we set up rules, regulations and systems that actually cause confrontation. For example, in the planning world, a developer tries to put as many houses as he can on a site, and the first time that the people living next to the site know about it is when they have their chance to object. Therefore, confrontation starts right at the beginning of the process. In too many aspects of life, we have confrontation because we have rules.

Today we have something that is very clever, and I congratulate the Minister, the Department, and, indeed, my colleagues who started the idea off in the previous Assembly. We are going for something that has a soft method of dealing with the matters in question, because it starts with the intention of getting those who are involved to sort the issues out themselves and then passes them on to councils so that they can be independent and impartial mediators. If that fails, there are always the MLAs and whoever else can help — we do not want to leave ourselves out of the equation.

It is essential that the Bill provides for an appeals process and that any decision that is made will be binding. I welcome many more aspects of the Bill, and many Members touched on those. I will deal with one or two little matters that others did not raise. For example, the Bill refers to an area of 0.2 hectares. That is actually a huge area, and if there are enough trees in that area, when do they become hedges? We need more clarification on that. In my constituency of South Antrim, there are one or two ongoing disputes where trees have become thick hedges that are stopping the light and making it impossible for the neighbour involved to live there. We need more clarification on that issue.

Last week, when discussing a different matter, I mentioned my concern that councils do not know who owns every bit of land. A dispute could go on and on, because people cannot identify who owns a piece of land. Councils need to find a way of ascertaining who owns or is responsible for land, otherwise we will not be able to resolve the issue.

When cutting hedges, we also need to take care that we remember the nesting season, the bird life and the insects, and so forth, that are in those hedges. We cannot just cut them down at any time of year. Also, when I was canvassing last week, I saw weeds in hedges. It is all very well having hedges, but I know of somebody who had two or three hedges next to them that were so full of weeds, they were generating a smell and gathering rubbish. We should keep that in mind when we look at the Bill in Committee.

I was amused to read towards the end of the Bill the reference to the right to transmit documents electronically. Much as I love electronic mail, we must remember that there is a mass of people out there who do not use it. Therefore, we must use the normal methods of communication at the same time, rather than relying entirely on e-mail and computers.

I congratulate everyone who has been involved in formulating the Bill. It is a very clever mechanism to get things resolved, and I look forward to seeing it come before the Committee and to all of us working together.

**Mr Shannon:** I support the Second Stage of the high trees and hedges legislation. If there was one issue that was important on the doorsteps, it was this legislation. I say that in all honesty, because in the past five weeks, I have been

tramping the roads of Strangford and wearing the leather off my shoes at least once — I am on to my second pair. There is great interest in the issue, so I am pleased that Second Stage is before the Assembly today.

People were encouraged when I mentioned to them that the Assembly was working on the issue. When the debate is over, I intend to get extra copies of the Hansard report and to make them available for the people who contact me. A brave few will get their copy of the Hansard report through the post in the next day or two, and that will show that the Assembly is making legislative changes on the things that matter.

### 1.00 pm

One of people's greatest concerns as the summer approaches is the growth of trees. Trees that were once 4 ft or 5 ft are now perhaps 30 ft and are still growing. That is an indication of what people are concerned about. Over the past few weeks, I visited houses that were all different heights. Some were surrounded by trees that were higher than the houses, and the impact of those trees was, therefore, greater than in other places. High hedges and trees shut out light and prevent people from being able to see the sun rising and getting value from that. That indicates how important the issue is. People are also concerned about high trees in strong winds. When trees sway in particularly strong winds, people think to themselves, "My goodness, what happens if that tree falls on top of my house?". Over the years, many people have requested that legislation in Northern Ireland follow the relevant legislation in the UK mainland, and we are coming close to that. I pay tribute to the Minister of the Environment, Edwin Poots, for working so hard to bring forward the legislation. He is a man of the people, because he knows what the issues are, and the issue of high hedges is a critical one for many people.

I wish to give an example of how high hedges affect people. I think that my colleague Peter Weir touched on this point earlier. A young woman, who has a young son, has been crippled with a rare back condition, and I finally managed to get the Health Department and the Social Development Department to see sense and build an extension to enable her to move the bed from her living room into a fit-for-purpose living room. However, the woman found the room depressing because of the height of the trees,

which were only a matter of feet away. She told me that the light in the room always has to be switched on, even during daylight, and that she does not like lying in the room because it makes her feel down and depressed. That is a critical issue for someone who is profoundly disabled. I cannot wait for the legislation to be passed and for the 40 ft trees around her bungalow to be trimmed to an acceptable height. I am pleased and thankful that the legislation applies to evergreen and semi-evergreen hedges and trees. That is good news for that woman.

It seems that high hedges and trees have the capacity to bring out the worst in some neighbours. I am sure that other elected representatives will have seen that at times. It is my desire that the legislation will help to address that matter. The legislation is not a stick with which to beat the owners of the trees but will work both ways. One of my constituents has 8 ft trees, and her neighbour wants her to cut them to 5 ft. The neighbourhood has detached houses with large gardens, and 8 ft trees are certainly not out of character in the area. The legislation will allow for proper mediation between neighbours and will, I hope, help to end that dispute. It is not all about wielding the big stick, which is probably the wrong terminology to use in that regard.

The Minister and his Department have ensured that complaints will now be acted on. If a complaint is lodged, the goal is for the hedges and trees concerned to be cut to an acceptable limit and within a reasonable period of time, and those who fail to follow the directives to cut their trees will face fines for non-compliance. It is hoped that the legislation will help to solve neighbourhood disputes and ensure that a common sense approach is followed. There will soon be a format and mechanism for sorting out problems and coming to a sensible, satisfactory conclusion. The operation of similar legislation on the mainland is already showing the benefits of that approach.

Members and the public in Strangford know better than most that I am always ready and willing to help with constituency issues, whatever they may be. No issue is too small for me. I look forward to the day when, instead of saying to constituents that nothing can be done, I can point them in the right direction and get them the help and assistance that they need to reach a satisfactory conclusion for everyone. I

congratulate the Minister and his Department on the hard work that they have done in making the legislation a reality. It is long overdue, and shaded neighbours throughout the Province thank the Minister and his Department for that.

**The Minister of the Environment:** I am grateful for Members' valuable and informative contributions to the debate, and I now wish to respond to a few of them.

Roy Beggs spoke about semi-evergreens, which is a standard horticultural term. He wanted to know whether evergreens can lose their leaves in certain climates and regions. He also asked why the owner of a hedge does not have to pay. A balance must be struck. The complainant is asking for the high hedge problem to be addressed and, therefore, it is right that he or she should pay a fee. Hedge owners will have to meet the cost of trimming hedges, and those who are financially disadvantaged can obtain help from council services to do so. However, I am open to the suggestion that, where hedge owners have been particularly negligent and obstructive in dealing with the issue, councils may be able to impose some of the cost burden on them.

Mr Dallat asked whether we are going to restrict the sale of leylandii. However, the problem is not evergreen trees; the problem is where they are planted and how they are maintained. The issue is similar to the one concerning dangerous dogs: are there bad dogs or just bad owners? Very often, it is people's ownership and maintenance of hedges that is the problem, not the hedges themselves. Mr Dallat took the approach that these foreigners are to blame for everything. However, I caution that we cannot blame foreign species of trees for everything, because the Castlewellan Gold originated in County Down. Perhaps the Chairman of the Environment Committee, Mr Boylan, can identify to Mr Dallat exactly where Castlewellan is.

**Mr Dallat:** I assure the Minister that it was not my intention to introduce xenophobia into a debate on trees. However, I remind him that his Department advises people to choose natural species.

**The Minister of the Environment:** I am sure Mr Dallat recognises that, on this occasion, I am being slightly facetious. It is good to have a sense of humour now and again.

Anna Lo mentioned Land and Property Services. In certain circumstances, vacant land can revert

to the Crown. She also asked why deciduous trees are not included in the legislation. The scoping consultation conducted by my Department showed that the main problem is the dense, thick foliage of high hedges that are near domestic property. The Bill has been specifically drafted to tackle that considerable problem, which causes so many neighbourhood disputes. She also asked why tree roots were not included. However, that matter can be dealt with through civil actions in the courts, particularly where roots are affecting sewerage pipes, wall foundations or pathways on other people's properties. In those circumstances, neighbours can reasonably deal with the issue through the existing system. However, this legislation is being introduced because there is a gap in the system and no means of dealing with this particular issue.

Alastair Ross asked whether the Department would provide mediation services where someone is reticent in asking their neighbours about a hedge. In such cases, the aggrieved person may ask for help from mediation services. Organisations provide those services in Northern Ireland, and, in that instance, councils will be able to facilitate individuals and point them in the right direction.

Cathal Boylan asked how we will ensure that the fees do not vary too widely between council areas. Although we are giving councils the power to set their own fees, the level will be based on the cost of dealing with the complainant. We anticipate that the levels will be relatively consistent, and I am sure that local government organisations will apply their minds to that issue.

Alastair Ross asked whether group complaints could be made. Each house may be differently impacted by hedges, resulting, therefore, in several single complaints. However, a council can decide to reduce the fees if there are a number of complaints about one set of trees.

Peter Weir asked what lessons we could learn from experiences in England and Wales, where similar legislation has been in operation for around five years. After the legislation was introduced, there was an initial surge of complaints, which then tailed off. Therefore, it appears that, with the legislation in place, people are more prepared to compromise and co-operate, because they do not want the council to impose something on them at a later point.

Danny Kinahan asked why areas of 0.2 hectares are excluded. That is the identifiable scale used in the Forestry Bill.

Electronic communication is included in the Bill as an option; it is not included to exclude members of the public. People can use that system, but we will still rely on snail mail where required.

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

Once again, I thank Members for their contributions. I look forward to seeing the Committee's work on the Bill, and, as is usual with legislation, I am sure that we will have a useful and fruitful exchange with Committee members.

When I was thinking about the Bill's Second Stage, I was reminded of a poem by Robert Frost, 'Mending Wall', which I was taught at school. In the poem, two neighbours go out each year to replace the wall between their properties. One of the neighbours is less inclined to replace the wall and does not see why the wall is necessary, particularly as there is an orchard on one side of it. He says:

*"Something there is that doesn't love a wall".*

His neighbour replies, "Good fences make good neighbors". In this instance, one could say, "Something there is that doesn't love a high hedge". The response to that should be that good hedges, as opposed to high hedges, make good neighbours.

My officials and I will work closely with the Environment Committee, and we look forward to moving the legislation forward in the Assembly. The Bill will be hugely beneficial to many thousands of people across Northern Ireland, because it will deal with a problem that has been with them for many years. While out canvassing over the past number of weeks, I was regularly asked when the hedges legislation was coming in. I was able to indicate that we had started the process. The legislation will be hugely beneficial to the public and is an example of the sort of thing that the Assembly should be doing for the benefit of the wider public.

*Question put and agreed to.*

*Resolved:*

*That the Second Stage of the High Hedges Bill [NIA 15/09] be agreed.*

## Executive Committee Business

### **Construction Contracts (Amendment) Bill: Second Stage**

**Mr Deputy Speaker:** The Minister of Finance and Personnel is not in his place to move the motion.

## Committee Business

### **Waste and Contaminated Land (Amendment) Bill: Extension of Committee Stage**

**The Chairperson of the Committee for the Environment (Mr Boylan):** I beg to move

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 5 November 2010, in relation to the Committee Stage of the Waste and Contaminated Land (Amendment) Bill [NIA Bill 10/09].*

Go raibh maith agat, a LeasCheann Comhairle. Tugaim tacaíocht don rún le fad a chur leis an Bhille um dramhaíl agus talamh éillithe. I support the motion to extend the Bill's Committee Stage. Waste is an issue of concern for us all, and Members will be aware that the Bill is a vital part of the legislative package that will help us to meet European targets for landfill and will enable councils to meet the Department's commitments under the waste management strategy. It is, therefore, essential that the Environment Committee takes its time to scrutinise the Bill fully and make sure that the legislation delivers those objectives effectively. With three Bills already in Committee and the High Hedges Bill progressing to Committee Stage this morning, the Environment Committee asks the House to support the motion to extend the Committee Stage of the Waste and Contaminated Land (Amendment) Bill.

*Question put and agreed to.*

*Resolved:*

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 5 November 2010, in relation to the Committee Stage of the Waste and Contaminated Land (Amendment) Bill [NIA Bill 10/09].*

**1.15 pm**

### **Local Government (Finance) Bill: Extension of Committee Stage**

**The Chairperson of the Committee for the Environment (Mr Boylan):** I beg to move

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 17 December 2010, in relation to the Committee Stage of the Local Government (Finance) Bill [NIA Bill 14/09].*

Go raibh maith agat, a LeasCheann Comhairle. Tugaim tacaíocht don rún le fad a chur leis an Bhille airgeadais rialtais áitiúil. I support the motion to extend the Committee Stage of the Local Government (Finance) Bill. As I just made the House aware, the Committee for the Environment is in the process of scrutinising several Bills and is determined to do that effectively with each and every one.

The Local Government (Finance) Bill aims to put in place mechanisms to modernise the legislative framework for local government finance and councillors' remuneration. It would seem from the Second Stage debate of the Bill that the greater freedom that it will give to councils to monitor their own financial affairs is largely welcome. However, that does not remove the need for the Committee to go through the detail of the Bill and take on board the views of all interested parties. To do that effectively, the Committee needs sufficient time, and it calls on the House to support its motion to extend the Committee Stage accordingly. Molaim an rún.

*Question put and agreed to.*

*Resolved:*

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 17 December 2010, in relation to the Committee Stage of the Local Government (Finance) Bill [NIA Bill 14/09].*

**Mr Deputy Speaker:** As business seems to be moving faster than expected, I ask the House to take its ease for a few moments until we get reorganised.

## **Eggs and Chicks Regulations (Northern Ireland) 2010: Prayer of Annulment**

The following motion stood in the Order Paper:

*That the Eggs and Chicks Regulations (Northern Ireland) 2010 (S.R. 2010/125) be annulled. — [The Chairperson of the Committee for Agriculture and Rural Development (Mr Paisley Jnr).]*

*Motion not moved.*

## **Private Members' Business**

### **Credit Unions**

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

**Mr Durkan:** I beg to move

*That this Assembly reaffirms its resolution of 17 February 2009 on the report of the Committee for Enterprise, Trade and Investment, unanimously supporting the expansion of credit union services including through their future regulation by the Financial Services Authority; notes the Treasury paper of 8 July 2009 which accepted the Assembly's key recommendations on credit union regulation and service enhancement; regrets that the opportunity to deliver necessary change in primary legislation through amendment to the Financial Services Bill in Westminster was lost; welcomes the current consultation by the Treasury and the Department of Enterprise, Trade and Investment on "Proposals for regulatory reform of credit unions in Northern Ireland"; and calls on the Minister of Enterprise, Trade and Investment to pursue appropriate legislative change with the incoming Chancellor as a matter of priority.*

As the motion indicates, the Assembly has already adopted unanimously the position that credit unions should be allowed to expand the range of services that they offer to their many members in Northern Ireland. The Assembly has recognised that the pathway to that is by way of regulation by the Financial Services Authority kicking in.

The report that the Assembly adopted unanimously in February 2009 provided for credit unions to continue to be registered by the Department of Enterprise, Trade and Investment. However, in order to offer a wider range of services, they would have to be regulated by the Financial Services Authority. Only such regulation would allow credit unions to offer those additional services. Financial Services Authority regulation would have the additional benefit of covering credit union savings with the same guarantees as apply to banks and building societies. There are a number of benefits available to the members of credit unions and to the credit unions themselves as they seek to provide a

bigger and better business for their members in so many communities throughout this region.

Some issues arose in relation to expanding those services. Some people were confused by the differences between industrial and provident societies, such as the Presbyterian Mutual Society, and credit unions. However, the Committee for Enterprise, Trade and Investment's report clearly focused on the position and the needs of credit unions and the potential to improve their offerings to their members.

The Treasury, in a document of July 2009, recognised the position that had been outlined by the Assembly in the Committee's report and the various statements and undertakings of the Minister of Enterprise, Trade and Investment, who, I am glad to see, is here for the debate. On that basis, when the Financial Services Bill was introduced at Westminster, those of us who sit in that House sought to table an amendment that would make provision for credit unions here to come under FSA regulation. It was a straightforward amendment. However, the Treasury Ministers took a fairly complicated view of the matter and said that all sorts of long-running consultation would be needed before such a change could take place. We contested that view at the time. Although I tabled the amendment, it was supported by DUP MPs and the then UUP MP as well as by my SDLP colleagues and others. There was no party dispute about the merits of using that Bill as a means of securing the necessary change in primary legislation. Even when we get the change in primary legislation, other measures will be needed by way of secondary legislation. There will also be issues about memorandums of understanding that would be needed, for example, between DETI and the FSA about how some of the proposals would work in practice and the precise interface between registration and regulation.

Although the Treasury took a complicated view at that stage and tried to blame DETI, we now have, as a result of the efforts between the Treasury and DETI, a published consultation document on proposals for the regulatory reform of credit unions in Northern Ireland. That document handily reflects the key recommendations that were endorsed by the Assembly and points out some implementation and management issues. The publication of that document should be regarded as a positive step, and I pay tribute to

the Minister of Enterprise, Trade and Investment for her help. Many of us were concerned by the line that the Treasury appeared to take during the passage of the Financial Services Bill, and the Minister, through further representations to the Treasury, subsequently clarified that she and her Department had no objection to that Bill being used to implement the amendment.

Nevertheless, before Parliament was dissolved, although the Government were ready to table an amendment in the House of Lords that recycled our amendment from the House of Commons, which was carried, the Tory Party refused to dispose of the matter as part of the wash-up. That may give us cause for concern because, although it is positive that DETI and the Treasury produced the consultation document and the noises from the Treasury are that it would be committed early in a new Parliament to providing a legislative vehicle to remedy the anomaly that we identified, questions arise because of the Tory Party's attitude to the FSA.

The credit union movement here has worked and waited for a long time to reach the threshold of this change, so it would be a tragedy if, simply because of the Conservative Party's ideological position of wanting to do away with the FSA, with everything going back to Bank of England regulation, we ended up creating new confusion and delays. I am not sure that credit unions here would be comfortable being regulated by the Bank of England, and I am not sure that the Bank of England wants to regulate credit unions here or anywhere else.

There could be a hole in the Conservative Party's policy on the future regulation of the diversity of financial services. Whoever regulates banks and whatever argument might be made for the Bank of England regulating banks, many people are not convinced that that would be an adequate answer for credit unions. Credit unions are regulated in their own right by the FSA; that is what currently happens to credit unions across the water and what will happen in the future.

The motion is an attempt to give the Assembly an opportunity to reflect positively on the fact that our Minister and the Treasury have now moved along the lines that the Assembly endorsed in its backing of the report by the Committee for Enterprise, Trade and Investment. It is a matter of recognising that that has also been welcomed by the credit unions, which worked for a long time to bring about those

changes. The motion is also about recognising that, just as there were delays and twists in the past, there are dangers ahead. That is why the motion calls for the Minister to work with the Chancellor in whatever is the incoming Government at Westminster to progress the matter. It will not be entirely straightforward, and, although some of us at Westminster will play our part to try to advance matters, we recognise the key locus for the Department of Enterprise, Trade and Investment and, no doubt, for the Committee.

The motion was tabled to register the importance of the consultation document, to show continuing support for this urgently needed change, to recognise that there may be some difficulties and to offer our support and encouragement to the Minister as she faces the difficulties or twists that might emerge in her ongoing discussions with the Treasury.

### 1.30 pm

**Mr McLaughlin:** Go raibh maith agat, a LeasCheann Comhairle. I thank the proposers of the motion, for which Mark Durkan has set out the case. We are still waiting for the Westminster authorities to bring forward the necessary changes. I sensed that they were looking for the longest distance between the two points, because the case was unanswerable, and it appears that the delays were unnecessary. The protracted consultation period simply confirmed the resistance to the idea rather than any well-founded or legitimate reasons for caution. Indeed, we could question why other regions were to be consulted on legislation that is specific to the Assembly's adopted position.

However, throughout the process, we have managed to maintain momentum and a significant degree of cross-party unanimity. That demonstrates the strength of the proposition. The motion exhorts the Minister to engage with the incoming Administration, and I am confident that she will do exactly that. The Minister has driven the process forward on behalf of the Assembly. Mark Durkan correctly pointed out that the credit union movement here is solidly behind the proposition that is outlined in the motion. It looks forward to the opportunity to expand its range of services and to provide a competitive alternative to existing service providers. That would be extremely welcome, particularly given the economic constraints that affect all facets of life in this region.

I reiterate my party's support for the legislation. I thank the proposers of the motion and acknowledge the work that the Minister has done on our behalf.

**Mr McCarthy:** I do not have much to say on the issue, other than that I support the motion. I will take this opportunity to congratulate Mark Durkan and his mate Alasdair on their success in last week's election. I also congratulate my new MP, Jim Shannon, who has left the Chamber. Well done to everyone concerned.

I thank Mark Durkan and his colleagues for bringing the motion to the Assembly Floor. As a member of a local credit union, I recognise that the credit union movement has provided an excellent service to all its members for many years. The Assembly discussed the needs of credit unions in, I think, February 2007.

**Mr Durkan:** It was 2009.

**Mr McCarthy:** Sorry, that is right. It was February 2009.

It is disappointing, to say the least, that more progress has not been forthcoming. As with any other issue, circumstances do not stand still. Credit unions want their members to benefit from new and enhanced opportunities, and, as a public representative, I fully endorse that ideal. I am glad that the Minister of Enterprise, Trade and Investment is with us today. The motion calls on her to pursue the appropriate legislative change with the incoming Chancellor, and I have no doubt that she will do so. The Alliance Party fully supports the motion.

**Mr Cree:** I support the motion and wish to express my recognition of the valuable work that is carried out by credit unions across Northern Ireland. My party's view remains the same as the one that it expressed in February 2009, and we are disappointed that there has been only limited progress.

The credit union movement has grown over the past 50 years, and it continues to have a bright future in Northern Ireland. Credit unions play an increasing role as financial service providers, particularly to those on lower incomes. Credit unions in Northern Ireland date back to the early 1960s, and there are now some 180 unions, with over 400,000 members, serving 50% of the adult population.

Despite their popularity, and compared with their counterparts in Great Britain and the Republic of

Ireland, credit unions have a limited opportunity to provide a wide range of services. Also, access to compensation in the event of failure is uneven in Northern Ireland, as some 26 credit unions have no protection at all. Bringing credit unions under the regulation of the Financial Services Authority would provide certainty with regard to compensation arrangements for all credit union members in Northern Ireland. At this time of economic uncertainty, it is critical that we protect the most economically vulnerable in society.

Across the world, credit unions are increasingly integrated into mainstream financial services regulation and given greater freedom to offer services to their members and communities. Many in the credit union movement in Northern Ireland have campaigned for a long time to have a range of services similar to those enjoyed by other groups in Great Britain and the Republic of Ireland. Most credit unions welcome the opportunity to extend their services to the community and, in particular, the opportunity to help people to save. In the current economic climate, it is important that we encourage everyone to start or to continue saving. In this instance, there is, however, a need for clearer rules and greater protection for those savers.

It is widely acknowledged that the credit union sector in Northern Ireland is stable, and there have been no failures for nearly a decade. However, that does not negate the need for protection. Allowing the FSA to regulate credit unions in Northern Ireland would enable compensation of up to £50,000 to be paid in the event of a failure.

The capacity of credit unions to help the local economy through supporting community enterprise is another useful benefit. Some local credit unions will wish to expand that. Reinvestment of assets can bring significant benefit to community infrastructure.

Like other Members, I call on the Minister of Enterprise, Trade and Investment to work with whatever new UK Government is formed to pursue the necessary change in legislation to give credit unions and their members the appropriate regulation, protection and choice, which is already bestowed on others in the United Kingdom. I support the motion.

**Mr A Maginness:** It is important to recognise that many in the credit union movement would say that change is long overdue. Nonetheless,

the motion is timely. We are on the cusp of a change of Government and the formation of a new Parliament at Westminster. Therefore, the opportunity arises for the necessary amendments to be made to primary legislation and for the consequent secondary legislation to be introduced. It is important that those changes take place.

We missed an opportunity in the last Parliament; there is no doubt about that. Mark Durkan's efforts in that respect should not be overlooked. They were important. He identified an opportunity, but his efforts were effectively obstructed; initially, by the Treasury at Westminster and, subsequently, by the British Conservative Party in the penultimate stage of the last Parliament, during the wash-up period when issues outstanding in the legislative programme were settled. That was most unfortunate, and we will have to make up for it in the new Parliament.

It is important that those who discuss matters of legislative importance with the incoming Government bring this issue to their attention, whatever hue that Government might take. Our MPs must emphasise the importance of tabling an amendment that will provide the necessary legislative key to unlock the changes that will benefit credit unions here in Northern Ireland.

We are the only part of these islands in which credit unions do not have the extended powers and services that credit unions in Britain and the Republic of Ireland enjoy. It is wrong for our credit unions, which command very high standing in the community, to be deprived of that opportunity. Credit unions here are very important at local and community level. Fifty per cent of the adult population belong to a credit union, so they are not an insubstantial or inconsequential element of our society. For many families, their credit union is an important source of financial potential and stability. It can assist people with home improvements and other aspects of ordinary human living. Therefore, we owe the credit union movement our support in helping it to obtain extended services.

I take heart from the fact that the Department of Enterprise, Trade and Investment issued a joint consultation paper with the Treasury on 30 March this year. I welcome that paper and the Minister's constant support. I hope that we can now, in the new Parliament, achieve the necessary legislative amendments that will

result in an expansion of credit union services in Northern Ireland.

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

**Mr A Maginness:** Yes.

In a period of financial uncertainty, credit unions stand out as a pillar of stability. It is important that we support them.

**Mr Shannon:** I support the motion, and I thank the Members who brought it to the Chamber for debate. I have spoken on the matter before, sometimes by making full speeches and sometimes by making interventions. I am very aware of the role that credit unions play, and by extension, the role that the Department and the Minister play. I have always been impressed by the Department's work in that regard. It is very clear that the Minister is keen to support credit unions in whatever way she can.

The case of the Presbyterian Mutual Society is particularly important to me because of the number of my constituents who have contacted me about it. The longer that the situation has gone on, the more that my thoughts have turned to the absolute necessity of ensuring that the protection that is available on the mainland be extended to credit unions in the Province. That is where we are coming from, and that should always have been the case. The last time that we debated credit unions, we all made it clear how essential they are to life in the Province. I point to the fact that more than a quarter of the population are members of a credit union. The credit unions in my constituency of Strangford play a critical role. Kieran McCarthy spoke about that earlier. He and I are aware of the important work that they do and of the fact that they make money available to their members. They give people opportunities.

The credit crunch is still in play, and many families are struggling to make ends meet to pay for everyday outgoings. When an unexpected bill arrives, such as one for car or boiler repairs, sometimes the only way in which to deal with it is to take a loan from a credit union. That is something that people have done for a great many years. Sometimes the work that credit unions do is unsolicited or goes unnoticed, but, nonetheless, they play a critical role.

Credit unions have a long and successful history in Northern Ireland, where there are

approximately 170 of them. That is in contrast to the UK mainland, where approximately 1% of the population are members. Credit unions on the mainland are anxious to solidify and to encourage growth in the credit union sector.

#### 1.45 pm

In Northern Ireland, credit unions play an important and critical role, so we should do our best to support and to help them. The credit union movement portrays itself as the people's bank. It is run by ordinary people for ordinary people, and it does not make a profit. The success of the credit union movement in Northern Ireland has been attributed to its promotion by established community groups and religious organisations and to its by the community, for all of the community ethos.

Credit unions in Northern Ireland are governed by one primary and four subordinate pieces of legislation. They receive no Government funding, whereas credit unions in the rest of the UK have access to a £36 million growth fund for third-sector lenders. In 2007-08, that fund was bolstered by a further £6 million, and in its recent paper on financial inclusion, Her Majesty's Treasury Select Committee recognised the important role that third-sector lenders play in promoting financial inclusion. The Treasury Select Committee also made important recommendations designed to increase the coverage and capacity of third-sector lenders. However, none of those recommendations applies to credit unions in Northern Ireland. Therefore, the extent to which they can change and grow is limited, particularly when one considers that credit unions in the Province receive huge support.

In common with other Members, including Alban Maginness, I am disappointed that legislation has not been passed, and I thank the proposer of the motion and other Members for pointing out that it was the Conservative Party's failure to support an amendment in the House of Lords that led us to where we are today. I support the motion to bring that support to the fore. The Minister has not forgotten the importance of such support, and she and her Department will continue to make representations.

**Mr Dallat:** I declare an interest as the treasurer of one of the most successful credit unions in the North, the Kilrea, Rasharkin and Dunloy Credit Union. In election times, one has to boast.

As other Members said, the failure to obtain the necessary legislation is disappointing, because there is an absolute necessity to empower credit unions, particularly in times of economic decline. I remind Members that in the late 1950s and early 1960s, during one of the worst economic recessions, the credit union movement in Ireland expanded rapidly. Out of that poverty, which bears no relation to circumstances now, the credit union movement brought hope, leadership and financial stability to many people who, in those days, were not allowed through the door of a bank. The current situation is quite different, and, indeed, many banks now exploit people.

I could talk about the credit union movement's impact on the third world, particularly, in recent years, on Africa. Credit unions have given dignity to people who would otherwise have endured absolute poverty. It is important to make the point that the credit union movement is an international organisation, with huge potential for rescuing people from the gombeen men who often exploit their poverty. No matter where one is, the principles of the credit union movement are the same, and we must ensure that its potential is not stifled or strangled.

In a material world, we recognise that people's loyalty to the co-operative movement, of which credit unions are an important element, is, regrettably, not as strong as it should be. Perhaps that puts even greater pressure on the Government to ensure that the credit union movement is supported as it competes against credit card providers, loan sharks, and so forth.

Compared with when the credit union movement expanded rapidly in Ireland — I pay tribute to John Hume, who was a founder member — we live in a different kind of world. People are now being exploited by loan sharks and have different needs. Therefore, it is critical to expand the range of services that credit unions can deliver.

The credit union movement is probably at a crossroads. It can stand still or, in some cases, even decline. Therefore, in our changing financial world, it is essential that the credit union movement be allowed to repackage itself, take on the additional responsibilities that clearly exist and move on.

I pay tribute to the Department of Enterprise, Trade and Investment for its contribution to the credit union movement, for the help that

the Department has provided and for the scrutiny that it has imposed, all of which have been accepted positively. There is deep regret that the Department will have a less involved role in the future than the Financial Services Authority, which, it is worth noting, has no regional presence here. Therefore, I encourage the Minister to pursue appropriate legislation with the incoming Chancellor of the Exchequer as a priority. The credit union movement is vital. Without wishing to show any party political favouritism, I must pay tribute to Mark Durkan, who has used his position at Westminster to keep the credit union issue alive and to enable it, I hope, to become a top priority for the new Government, whoever forms it.

My local credit union recently received the Investors in People award, and I thank the Department for its encouragement and guidance in achieving that.

**The Minister of Enterprise, Trade and Investment (Mrs Foster):**

All Members are well aware of the important role and contribution of the credit union movement in all parts of Northern Ireland, and we have heard Members talk about some of the people who were involved in its early days. We heard of the work of former Foyle MP John Hume. For the sake of parity, I also want to pay tribute to the work of Rev Martin Smyth in the Ulster Federation of Credit Unions. A lot of good men and true, and indeed women, have driven forward the credit union movement over the years by sticking with local projects and by recognising its importance. The role and influence of credit unions are likely to increase under my Department's policy to extend the range of services that they can offer.

I want to update the Assembly on the progress that has been made and the steps that are under way to expand the services that credit unions will be able to offer, while enjoying the added assurance that savers will have the same level of protection as credit union members on the mainland. I have long recognised that neighbourhood credit unions are the prime source of affordable credit for many members of the community, particularly those on those on lower incomes. The long-established and widespread presence of the credit union movement in Northern Ireland has been crucial in helping to engender a strong culture of community self-help, which, as Mr Dallat pointed out, we should have no difficulty in recognising. Credit unions also help to promote financial

inclusion by, among other things, tackling the serious problem of loan sharks.

We have also heard that credit unions have long held a special place in Northern Ireland society. However, as Members may be aware, since 2002, when their counterparts in Great Britain were brought under the regulatory umbrella of the FSA, credit unions here have been limited in the services that they have been permitted to offer. Credit union members here are excluded from the financial protection offered by the FSA compensation scheme and are denied access to the Financial Ombudsman Service. Another key issue that is often raised with me is that access to child trust schemes would become available to credit union members here only when regulatory responsibility for credit unions is transferred from my Department to the FSA.

Mr Dallat's point about the FSA not having a regional presence here came through strongly in the Committee's report on credit unions. I know that the Department is concerned about that as well, and we will continue to keep our eye on it.

The Committee's report was a key document in informing the Treasury's separate review of the regulatory framework for credit unions and industrial and provident societies in Northern Ireland, of which mention has been made and which was published in July 2009. That review noted that, compared with their counterparts in Great Britain and the Republic of Ireland, credit unions in Northern Ireland have a limited opportunity to offer the wide range of services that they seek to provide. On a more positive note, the review confirmed the robustness of the Northern Ireland credit union movement and openly acknowledged that in an eight-year period, during which 32 credit unions in Great Britain failed, none in Northern Ireland failed. That is a welcome acknowledgement of the high degree to which our credit unions are managed and regulated.

It is also worth noting that in the context of the current global financial crisis, the Treasury review reported that there was no evidence to suggest that the uncertain financial environment had weakened the credit union structure in Northern Ireland. That was a heartening endorsement. Like the Committee for Enterprise, Trade and Investment's report, the Treasury review rejected the option of maintaining the status quo. It also recommended that the UK Government, together with the Assembly, should

consult on bringing Northern Ireland credit unions within the scope of Financial Services Authority regulation and, in that way, bring certainty on compensation arrangements for all members.

I thank the proposer, Mark Durkan, for the fair way in which he presented the background to where we find ourselves and, not least, for the amendment that he tried to get accepted in the House of Commons. I thank him for his comments. I have made efforts to have the amendment carried in the House of Lords, and he will know that I contacted the Treasury. I also had the Economic Secretary to the Treasury, Ian Pearson, agree to the inclusion of a Government amendment to effect the removal of the exemption from a date to be determined. Regrettably, we have heard that it was lost in the wash-up, as a result of the Conservative Party not backing the amendment in the House of Lords. That is deeply disappointing; it could have been done on the whim of anybody. It was not going to cause any impact in Great Britain. It was for the benefit of Northern Ireland people, and it is something that I will seek to address with the new Secretary of State, whoever that may be, initially, and, subsequently, with the Economic Secretary to the Treasury in the Chancellor's office.

In any case, as Members have acknowledged, the inclusion of the amendment would have been only the first of several legislative steps required at Westminster and here. I will continue to try to get that initial stage carried out as quickly as possible. We are looking at ways of doing that — not with primary legislation, but with secondary legislation. There is a commitment in the Treasury to do that. However, I register the concern that has been acknowledged by the proposer of the motion in relation to the Conservative Party's policy to take all regulation back to the Bank of England, because that would, inevitably, slow down anything that we would wish to do in relation to the credit unions. We will keep a tight eye on that and watch how it progresses.

I have one point to address in relation to a query that was raised by Mr McLaughlin on why the consultation had to be UK-wide, when it affected only Northern Ireland. It had to be a UK consultation, because we were trying to amend a Bill that applied only to GB.

As I have indicated, I will take up the question of the implementation of the appropriate legislation

with the incoming Administration at a very early stage. I reassure Members that I will do all that I can to ensure that it happens as soon as is practicable.

Finally, I pay tribute again to the credit union movement across Northern Ireland and to the vital role that it plays in society, which, I must say, is in support of the Executive and Assembly's policy, particularly on promoting greater community self-sufficiency, self-confidence and financial inclusion.

## 2.00 pm

**Dr McDonnell:** It is a privilege to stand here in order to gather together a few thoughts about a motion on which we are all agreed. It is clear from all the comments made that change is long overdue. Credit unions do a magnificent job for all of us, and, in many cases, they have the capacity to do much more. Therefore, we should create a space for them to do that.

Better legislation, allowing a wider role, is essential, and I compliment the Minister on her past efforts to get that moving. Unfortunately, it was allowed to slip away in the wash-up of the last Parliament, but it must be brought into effect quickly. There is a need for Northern Ireland credit unions to have fuller powers and a much wider role. We are all agreed on that.

One of the big issues with some of the credit unions was being allowed to handle the Child Trust Fund. The Minister referred to that, and I hope that credit unions will be allowed to handle it before the Conservatives eliminate it altogether. Furthermore, we must avoid at all costs allowing banks, which have created various problems, to corrupt or to contaminate the legislation, because credit unions are essential and provide a vital role in Northern Ireland for people on low incomes.

I compliment everyone who spoke in the debate and thank them for their efforts. I will start with Mark Durkan, who outlined the need for credit unions to be allowed to become bigger and better where appropriate and where they felt that they were able to do so. He mentioned the Committee report and the positive Treasury response. He mentioned the Bill and how the Treasury took a complicated view of the whole thing, creating problems and shortfalls, and how the Bill slipped on us with the dissolution of Parliament. He went on to talk about credit

unions wanting change, and he fully supported the Minister in her efforts.

Mitchel McLaughlin endorsed Mark's comments. He said that the case that we were making was unanswerable and fully supported the debate. Kieran McCarthy threw his weight behind the effort to expand the role of credit unions and noted that the enhanced role that we were suggesting could have and should have been implemented a long time ago. Leslie Cree went into a lot of detail on credit unions and mentioned the need for the law to change. He mentioned the need for robust protection and said that it was essential that we secure and protect any vulnerable credit unions. However, other Members mentioned that none of our credit unions has been insolvent. Alban Maginness mentioned the urgent need for change and outlined many of the benefits. Jim Shannon, like others, complimented the credit unions and the work that they do and fully supported the motion. John Dallat declared his interest and shared some of the history of credit unions with us. He also reminded us that the FSA does not really have a local presence.

I thank the Minister for her comments, for her kind tribute to John Hume and Martin Smyth and, generally, for throwing her weight behind credit unions. We are all very aware of the effort that she has made, and we urge her to keep up that effort and to find whatever means possible to use those of us who have been elected to Westminster or wherever to work this through, because it is one issue that affects people at the grass roots. Every day, I go out and meet people who are on very low incomes and find that credit unions help them in their struggle to plan and to budget their finances.

I thank Kieran McCarthy for his kind compliment to me on my re-election, and I add my good wishes to Jim Shannon, who escaped from the Chamber earlier, Mark Durkan and others in the Chamber who have been re-elected. I thank all Members for supporting the motion. It is a privilege to deal with a motion that has unanimous support.

*Question put and agreed to.*

*Resolved:*

*That this Assembly reaffirms its resolution of 17 February 2009 on the report of the Committee for Enterprise, Trade and Investment, unanimously supporting the expansion of credit union services*

*including through their future regulation by the Financial Services Authority; notes the Treasury paper of 8 July 2009 which accepted the Assembly's key recommendations on credit union regulation and service enhancement; regrets that the opportunity to deliver necessary change in primary legislation through amendment to the Financial Services Bill in Westminster was lost; welcomes the current consultation by the Treasury and the Department of Enterprise, Trade and Investment on "Proposals for regulatory reform of credit unions in Northern Ireland"; and calls on the Minister of Enterprise, Trade and Investment to pursue appropriate legislative change with the incoming Chancellor as a matter of priority.*

*The sitting was suspended at 2.06 pm.*

*On resuming (Mr Speaker in the Chair) —*

**2.30 pm**

## Oral Answers to Questions

### Office of the First Minister and deputy First Minister

#### Children and Young People

1. **Ms Purvis** asked the First Minister and deputy First Minister whether they will seek to establish a statutory duty to require Departments to co-operate on the planning and commissioning of services for children and young people. (AQO 1173/10)

**The deputy First Minister (Mr M McGuinness):** With your permission, a Cheann Comhairle, I will ask junior Minister Kelly to answer question 1.

**The junior Minister (Office of the First Minister and deputy First Minister) (Mr G Kelly):** Go raibh maith agat, a Cheann Comhairle. Although children's services planning falls within the remit of the Department of Health, Social Services and Public Safety, the welfare of our children and young people is a cross-cutting issue. Children and young people remain a priority for Ministers and the Executive. However, we do not seek to introduce a statutory duty to co-operate on the planning and commissioning of services for young people. Individual Ministers need to be able to identify their own priorities and to take appropriate policy decisions that are relevant to the work of their Department. To achieve that, they also need to have direct control over their own departmental budgets.

We recognise that many of the issues that relate specifically to children and young people are cross-cutting, requiring co-operation across Departments. We re-established the ministerial subcommittee on children and young people in 2008, with the aim of improving their lives. Through the subcommittee's workings, children and young people are placed at the heart of the Government's agenda. Not only does that facilitate better joined-up working and achieve transparency through timely sharing of information but it aims to achieve greater integration of policy funding and service delivery relevant to children and young people. That

forum also enables us to agree joint priorities on identified and emerging issues and to take those priorities forward collaboratively while continuing to drive forward the 10-year strategy to achieve improved outcomes for all our children and young people.

To support the subcommittee, we established champions for children and young people who act as a senior point of contact in each Department and help drive forward agreed policies. Champions raise awareness at departmental board level to encourage Departments to ensure that children and young people's issues are jointly fostered.

We are committed to ensuring that children and young people's issues remain high on the Government's agenda and will continue to drive that work forward through the ministerial subcommittee.

**Ms Purvis:** I thank the junior Minister for his answer. I acknowledge the work that the ministerial subcommittee on children and young people has done.

Does the Minister agree that, because the issues that affect children and young people are cross-cutting and the current system depends on the goodwill of those who come to the table, a statutory duty to co-operate on the planning and commissioning of children's services is needed? A statutory duty would ensure the delivery of quality services while addressing the system's inefficiencies and cutting down on duplication.

**The junior Minister (Mr G Kelly):** I understand the Member's viewpoint. However, the matter was discussed. I do not think that we can interfere with ministerial budgets or put that type of statutory duty on Ministers. Bearing in mind that it is a ministerial subcommittee, which is attached to the Executive, the reason that it was set up was precisely to ensure that Ministers would attend to the issues and that keen focus would be put on them. For that reason, we decided against establishing a statutory duty.

**Mr Kennedy:** Can the junior Minister provide the Assembly with an update on the child poverty situation in Northern Ireland? Can he indicate any updated timescales for the alleviation, leading to the eradication, of child poverty here?

**The junior Minister (Mr G Kelly):** The ministerial subcommittee on children and young people has six priorities. It has reported on five of those priorities. The one on which it has not reported is precisely the one about which the Member asked. As soon as we have an update, I will send the information to the Member.

**Ms S Ramsey:** Go raibh maith agat, a Cheann Comhairle. It is good that, for the first time, there are champions for children and young people in Departments. It is also good and relevant to hear that children are at the heart of the Government's agenda. There has been much discussion of the ministerial subcommittee on children and young people. Can the junior Minister update the House specifically on the subcommittee's current position?

**The junior Minister (Mr G Kelly):** Through the workings of the ministerial subcommittee on children and young people, the six objectives of the 10-year strategy for children and young people, which I mentioned in response to Danny Kennedy's question, are being driven forward. Ministers are members of the ministerial subcommittee and seek jointly to drive forward cross-cutting issues for children and young people here.

Six cross-cutting key priorities for action have been identified. Those are child poverty; early years; vulnerable young people; safeguarding; provision, including transitions, for children with a disability or mental health condition; and the provision of school buses. Six subgroups have also been established to take forward the work on those key priorities, and five have completed action plans that the Executive formally agreed on 25 March 2010. As I indicated, the action plan of the child poverty subgroup is still being considered. The next meeting of the ministerial subcommittee is scheduled for Tuesday 29 June 2010.

## Children and Young People's Unit

2. **Mr McDevitt** asked the First Minister and deputy First Minister if they sought the advice of the Northern Ireland Children's Commissioner and the United Nations to determine whether the abolition of a dedicated children and young persons unit within their Department complies with the UN Convention on the Rights of the Child. (AQO 1174/10)

**The deputy First Minister:** A Cheann Comhairle, with your permission, I will ask junior Minister Kelly to respond to that question as well. He is earning his keep today.

**The junior Minister (Mr G Kelly):** Go raibh maith agat. The work of the children and young people's unit will continue. It is a priority both in the Programme for Government and given our commitment to the United Nations Convention on the Rights of the Child. The restructuring that the Office of the First Minister and deputy First Minister has undergone has come about for two reasons: first, to provide a better service for our stakeholders by focusing on our core priorities; and, secondly, to enable us to do that in a more flexible manner. In short, we need the Department to be more strategic, effective and efficient than before. In developing our new structures, discussions took place with a wide range of stakeholders, including the Commissioner for Children and Young People.

The concluding observations of the United Nations Committee on the Rights of the Child in October 2008 recommended that:

*"the State party — in addition to ensuring that each of the jurisdictions has a well resourced and functioning coordinating body — could allocate responsibility for the coordination and evaluation of the Convention across the State party to a single, high-profile mechanism."*

That position has not changed, and we continue to see the 10-year strategy for children and young people and the associated action plans as the main vehicles for taking forward the committee's concluding observations here. We will keep the new structures under review, and, if changes are needed, our new, more flexible structures will enable us to make them.

**Mr McDevitt:** Do the deputy First Minister, the First Minister and, indeed, the junior Minister accept that such bodies and dedicated units still exist in Scotland and Wales and that section 4 of the UN Convention on the Rights of the Child requires the Executive to have a dedicated and specific team?

**Mr Speaker:** I urge the Member to come to his question.

**Mr McDevitt:** Therefore, does the junior Minister accept that what happened was in breach of section 4 of the UN Convention on the Rights of the Child?

**The junior Minister (Mr G Kelly):** I do not accept that. In bringing forward recommendations on the proposed new organisational structure in the equality directorate and economic policy unit, consultants from the Department of Finance and Personnel's delivery and innovation division were asked to meet a wide range of stakeholders to establish their views on the way in which the directorate currently operates and on how a combined directorate might best meet stakeholders' needs. The themes that stakeholders identified during the consultation process centred on various elements, including the purpose of a combined equality directorate and economic policy unit; the capability and expertise of staff; resources; the use of stakeholder expertise; strategic prioritisation; communication and relationships with stakeholders; and comments on the MATRIX system. As part of that process, delivery and innovation division consultants met Patricia Lewsley, the Commissioner for Children and Young People, on 26 October 2009.

**Mr Campbell:** One of the rights of the child is to be free from the threat of sexual abuse. Does the junior Minister agree that it is essential that those who have been abused deserve the total support of all politicians in bringing their abusers to justice?

**The junior Minister (Mr G Kelly):** I am very pleased to agree with the Member. I think that the whole Assembly would agree that they deserve the support of all elected representatives and of society as a whole.

**Ms Anderson:** Go raibh maith agat. Returning to the junior Minister's previous answer, was consultation carried out with stakeholders on the proposed organisational change?

**The junior Minister (Mr G Kelly):** In bringing forward recommendations on the proposed new organisational structure in the equality directorate and economic policy unit, consultants from the Department of Finance and Personnel's delivery and innovation division were asked to meet a wide range of stakeholders to establish their views. Therefore, that consultation was carried out. I detailed the list of stakeholders who were consulted, so I will not go through it again.

## UK Government

3. **Mr Easton** asked the First Minister and deputy First Minister when they intend to meet, following the election, with the Prime Minister and his Administration. (AQO 1175/10)

**The deputy First Minister:** Members can rest assured that, once agreement has been reached on a new Administration in London, we will seek a meeting with the new British Prime Minister at the earliest opportunity.

**Mr Easton:** Will the deputy First Minister assure me that, no matter who the Prime Minister may be, he and the First Minister will do all that they can to protect the block grant for Northern Ireland, especially if there is a Conservative Government, who could cut the block grant by £200 million?

**The deputy First Minister:** I can give an absolute assurance that the First Minister and I and all members of the Executive recognise that this is a time of change. As I came into the Chamber, there appeared to be well-founded speculation in London that the Liberal Democrats and the Conservatives are coming to an agreement about the future shape of government. That poses real challenges to us, given that, in interviews prior to the election, the Conservative Party made it clear that it intended to target the public sector in the North. The First Minister and I are very concerned about that. At the earliest opportunity, when the shape of the next Government in London becomes clear, the First Minister and I will seek a meeting as a matter of urgency with the person who enters Number 10.

**Mr P Ramsey:** I welcome the deputy First Minister's response on the block grant. Will he go further by saying whether it is his and the First Minister's intention to raise with whoever becomes Prime Minister of Britain the proposal to introduce proportional representation to Westminster elections?

**The deputy First Minister:** To be honest, there have been no discussions between the First Minister and me on that issue. If it were the wish of the Assembly to address the issue, we could have a conversation about it and see whether we could reach agreement on it. I will not express any opinion at this stage for fear that my opinion might be different even from that of the Member. It is not an issue that is foremost in our minds.

Foremost in our minds are the financial implications of a new Government in London and the speed with which they will attempt to move on the signals that were sent out prior to the election on what many people here would see as an attack on the public sector. At a time of recession and world economic downturn, high levels of unemployment exist down South, in England, Scotland and Wales and in Spain, where unemployment has reached 20%. We appreciate that the public sector effectively saved us in the North from those levels. Therefore, it is incumbent on all of us in the Assembly to unite to oppose any proposed cuts, which would eat into a sector that has provided so much support for our economy at a difficult time.

**Mr McElduff:** Go raibh maith agat, a Cheann Comhairle. The deputy First Minister has raised the issue that I planned to raise, which was to call for unity among all the parties in an effort to oppose and resist cuts and any negative impact on our public services. I congratulate the deputy First Minister on answering my question.

**Mrs Long:** In line with what has been said about the importance of Northern Ireland presenting a united front on such issues, are the First Minister and deputy First Minister willing to meet all who have been elected as MPs in the hope not only of having a united front from the 13 of us who will be voting on those situations but of aligning our priorities with those of the Executive?

**The deputy First Minister:** I congratulate Naomi on her success in the election. I reiterate what Members from different political parties that are represented in the Assembly have said on a number of occasions: we should work together to put up a broad front against the prospect that damaging cuts will be inflicted on our public sector and, furthermore, our economy. In the coming days, the First Minister and I will be keenly engaged as we see the shape of the Administration in London. We will be anxious to work with everyone in the Assembly and with everyone who has been elected as a Member of Parliament to ensure that we put up a united front against what could be very damaging economic circumstances.

2.45 pm

## FM/DFM: US Visit

4. **Mr McGlone** asked the First Minister and deputy First Minister for a breakdown of the cost

of their recent visit to the USA for St Patrick's Day. (AQO 1176/10)

**The deputy First Minister:** As Members are aware, the First Minister and I undertook a successful visit to the United States of America over the St Patrick's Day period in March. We carried out a joint programme of events in Chicago, focusing on the business community, before travelling to Washington DC for a series of engagements, culminating in an exceptionally useful round-table session at the White House with President Obama, Vice President Biden and Secretary of State Clinton. The First Minister then travelled to Houston, Texas, where he met the management of Baker Hughes, while I travelled to New York where I met the city and state comptrollers. We were each accompanied by one special adviser, one private secretary and one press officer. A local photographer travelled with us to record the programme, and the cost of that service was met jointly by a number of Departments. The cost of the visit was £58,455, which included flights, hotels, trains, cars, photography and subsistence. That figure also included the cost of the gifts that we presented to the various dignitaries whom we met, including President Obama, Secretary of State Clinton and Mayor Daley of Chicago.

It is important that those costs be seen in the overall context of the purpose of the visit. Few European regions or states enjoy the access that we do; therefore it is imperative that we use St Patrick's Day to maximum effect. We had unparalleled access to some of the most senior decision makers in corporate and political spheres in the United States, many of whom influence investment decisions here. As I have said before, the sensitive and commercial-in-confidence nature of our discussions with potential inward investors means that we cannot provide details of those discussions. However, our discussions with current investors during previous visits have paid dividends in the creation of new jobs here and in the development of our economy.

On a more immediate level, President Obama confirmed his support for the work that we are doing to lobby Congress for its continued contribution to the International Fund for Ireland, and he confirmed his personal support for the planned economic conference in Washington in October. Members will agree that it is vital to continue to lever in the support that is available in the United States on as many levels

as possible. I was pleased to see ministerial colleagues and other Members at a range of events that we attended, which further underlined the cross-party support for the political arrangements here.

**Mr McGlone:** Go raibh maith agat, a Cheann Comhairle. I thank the deputy First Minister for that extensive overview of his trip. Are details available of any tangible benefits with regard to investment or potential investment?

**The deputy First Minister:** In the past year alone, some of America's best-known brand names have invested here. The New York Stock Exchange announced that it would expand its technologies division in Belfast, which would create up to 400 new jobs. Universal Pictures completed the filming of 'Your Highness', a multimillion dollar feature film at the Paint Hall in Belfast; that film infused nearly £10 million into the local economy, employing hundreds of cast and crew from the North. In June, HBO will begin filming 'Game of Thrones' in the Paint Hall, a nine-part television series that could be worth £20 million to the local economy. Despite the most economically difficult year in living memory, we have succeeded in attracting significant inward investment. We have competed with other regions and have won significant investment. We are outperforming others because investors recognise that we have the talent and the expertise to build and grow their business.

Members will be conscious that Secretary of State Clinton and President Obama are anxious to assist us with inward investment. The decision to appoint Declan Kelly as the economic envoy to the North is strong testament to their support for that project. Declan Kelly has, in our view, hit the ground running. He has built up a huge number of contacts, both in the United States and here on the island of Ireland. He is keen to succeed in the task that he was given, and I am confident that future benefits will flow from his appointment.

**Mr Spratt:** Does the deputy First Minister agree that the amount of money spent — I think that he mentioned some £58,000 — was, in fact, well spent in relation to Northern Ireland and that such exercises have proved to be very worthwhile for the Province, not only recently but in the past?

**The deputy First Minister:** Yes. As I said in my previous answer, there are few countries in the

world with the level of access that we have in the United States. In fact, when we were there we were told that the Dutch Government had been trying to get a meeting with President Obama for the greater part of a year and had not yet succeeded. That clearly shows that the Administration there understand the importance of what is happening here and of underpinning the political developments that have occurred by bringing about economic investment in the North. I think that it was money well spent, and I believe that the more we build our contacts in the United States and allow people there to visit here — as many are keen to do — the more it will, ultimately, be to the benefit of the primary objective of the Programme for Government, which is developing our economy.

**Mr Speaker:** Once again, I remind Members that they must continue to rise in their place if they wish to ask a supplementary question.

**Mr Gardiner:** What cutbacks on travel have the Northern Ireland Executive and Departments made, and what savings have been made since the Finance Minister announced £370 million in cuts?

**The deputy First Minister:** I am not sure that that question is related to the question about the cost of the visit to the United States of America. However, there can be no doubt whatsoever that all Departments, including the Department of Finance and Personnel, are conscious of the need to ensure that public money is used wisely. There is a responsibility on all Departments to ensure that money used wisely is accounted for in a way that Assembly Members can access through the House, and all Departments have their own approach to that.

## Commissioner for Older People

5. **Mr Leonard** asked the First Minister and deputy First Minister for an update on the establishment of a Commissioner for Older People. (AQO 1177/10)

**The deputy First Minister:** I will ask junior Minister Kelly to respond to question 5.

**The junior Minister (Mr G Kelly):** The Office of the First Minister and deputy First Minister is committed to establishing a Commissioner for Older People, and the Executive's Programme for Government gave a commitment to provide a strong, independent voice for older people. However, before a commissioner can

be appointed, we need to bring legislation to the Assembly. On 1 October 2009, junior Minister Newton and I launched the public consultation on the proposals to establish a Commissioner for Older People at an event in the Everglades Hotel to celebrate the United Nations International Day of Older Persons. The consultation included the policy proposals and the draft Bill, as well as commentary on the clauses.

As part of the consultation, in November 2009, our Department conducted nine public consultation events here. Over 400 people attended that series of events, and the level of engagement and participation by older people was very encouraging. The consultation concluded on 7 January 2010, and 80 written responses have been received. The Department will publish a response to the consultation in due course. The Committee for the Office of the First Minister and deputy First Minister will consider the draft Bill at its next meeting on Wednesday 12 May. Following that, the Bill will be sent to the Executive for their consideration and approval.

Following consideration by the Committee for the Office of the First Minister and deputy First Minister and Executive clearance, we intend to introduce the Bill in the Assembly in June. Subject to the consideration of the Assembly, we are hopeful that the Bill will be passed within the lifetime of the current Assembly. The commissioner could then, hopefully, be appointed in early spring or early in 2011.

**Mr Leonard:** Go raibh maith agat. I thank the Minister for his detailed reply and that indicative timetable. I simply ask him to assure the Assembly that he will do all in his power and the office's power to stick to that indicative timetable.

**The junior Minister (Mr G Kelly):** I can give that commitment. Everyone, particularly in that sector, is impatient to get that through. It took five years to appoint an older persons commissioner for Wales, but we are well ahead in comparison with that time frame.

**Mr Speaker:** I call Jimmy Spratt. I am sorry: I call Jim Shannon to ask a supplementary question.

**Mr Shannon:** Jimmy is right, but the other part is wrong.

My figures and statistics show that the grey vote will rise dramatically over the next period of time. Ever mindful of that fact and the fact that a lot of Members in the Chamber are heading towards that more quickly than others, I ask what steps are being taken to address those issues with older people's organisations to ensure that sufficient resources are set aside to look after them.

**The junior Minister (Mr G Kelly):** First, I congratulate Jim Shannon on being elected MP for Strangford. The Member will be aware that Dame Joan Harbison was appointed Older People's Advocate in December 2008 to ensure that the sector has a direct voice in government in the period before the commissioner's appointment. Dame Joan's role includes providing independent advice to government, vocalising the issues and concerns of older people and acting as a liaison between the Government and the sector. As Older People's Advocate, Dame Joan will remain in post until the appointment of the commissioner. She helped to launch the consultation on the Commissioner for Older People on 1 October 2009 and chaired the public consultation events in November 2009.

**Mr McCarthy:** Will the junior Minister assure the House that the shenanigans that took place during the appointment of the Commissioner for Victims and Survivors for Northern Ireland will not be repeated and that we will not end up with four commissioners rather than one efficient commissioner?

**The junior Minister (Mr G Kelly):** I assure the Member.

## Parades Working Group

6. **Mrs D Kelly** asked the First Minister and deputy First Minister for an update on the proposals of the parades working group.  
(AQO 1178/10)

**The deputy First Minister:** The consultation on the draft Public Assemblies, Parades and Protests Bill began on 20 April and will run for 12 weeks until 14 July. The draft Bill was informed by the report of the working group on parades and details the proposals for the future handling of all issues related to public assemblies, including parades and protests, and the new structures that will be created.

**Mrs D Kelly:** I thank the deputy First Minister for his answer. Will he outline what discussions, if any, he, the First Minister or the parades working group has had with the Northern Ireland Court Service or the judiciary, given the ability of not only parade organisers but those who wish to protest to seek judicial review of decisions?

**The deputy First Minister:** I cannot give any information on the confidential discussions that took place during that process. However, I can say that we now have a consultation process that will last for some time and that, during that time, Members of the House and the public will have every opportunity to have their say on any aspect of the outcome of the working party's deliberations.

**Mr McNarry:** Will the Minister give a definition of sectarian harassment? Will he explain how the clause will operate in practice?

**The deputy First Minister:** We are all conscious that sectarian harassment can occur in nearly any sphere of society. The working group was established to deal with the issue of sectarian harassment in relation to parades or assemblies. The fact that the working group successfully concluded its discussions, that its work went to drafters and that they came forward with legislation that is now out for consultation are achievements that many people predicted would not be possible, but we achieved them. We now have an ongoing and real opportunity for people to contribute to that consultation. It is not my job to stand here today to deal with individual aspects of the work that we are going to deal with over the next while. Once the consultation process has concluded, legislation will be put before the House. There will be every opportunity for people to explore every aspect of that.

Given what can be the fractious nature of dealing with these issues, I appeal to all Members to approach this responsibly and in the spirit of co-operation and to try to lead by example. We must show the people on the streets, whether those who wish to march or those who wish others not to march, that the sensible way forward is through dialogue, through coming together to have reasonable discussions, and through reaching conclusions that all sides can live with. Given the tremendous recent progress, none of that is beyond us.

**3.00 pm**

**Mr McHugh:** On a point of order.

**Mr Speaker:** I am happy to take your point of order after Question Time.

**Mr McHugh:** It is a point of order. I have listened to —

**Mr Speaker:** Order.

**Mr McHugh:** *[Interruption.]*

**Mr Speaker:** Order, order.

**Mr McHugh:** *[Interruption.]*

**Mr Speaker:** Order. I ask the Member to take his seat.

**Mr McHugh:** *[Interruption.]*

**Mr Speaker:** Order, order.

**Mr McHugh:** *[Interruption.]*

**Mr Speaker:** I will have to ask the Member to leave the Chamber.

**Mr McHugh:** *[Interruption.]*

**Mr Speaker:** The Member should take his seat.

**Mr McHugh:** I am not going to sit down and listen to this nonsense. We had to listen to —

**Mr Speaker:** Order, order.

**Mr McHugh:** I am not going to sit down. Can this Assembly do nothing —

**Mr Speaker:** I have no choice but to suspend the sitting until we can bring some order to the House.

*The sitting was suspended at 3.01 pm and resumed at 3.02 pm.*

**Mr Speaker:** Every Member, from all sides of the House, had the opportunity to ask a supplementary question or to table a question to the Office of the First Minister and deputy First Minister for oral answer. Obviously that did not happen.

## Enterprise, Trade and Investment

**Mr Speaker:** Question 3 has been withdrawn.

## First Trust Bank

1. **Mr O'Dowd** asked the Minister of Enterprise, Trade and Investment what discussions she has had with the Minister of Finance and Personnel to offset any potential job losses as a result of the sale of the First Trust Bank. (AQO 1188/10)

**The Minister of Enterprise, Trade and Investment (Mrs Foster):** I look forward to the 'Fermanagh Herald' this week.

I have not discussed with the Minister of Finance and Personnel this week's decision of the Allied Irish Bank to put First Trust Bank up for sale; however, the Finance Minister recently met representatives of the banking union to discuss the issue. He made it clear that the Executive would not intervene in commercial decisions taken by the board of Allied Irish Bank. That said, through Invest Northern Ireland, my Department will seek, as necessary, to enter into discussions with any prospective buyer to explore options to safeguard jobs in Northern Ireland.

**Mr O'Dowd:** Go raibh maith agat, a Cheann Comhairle. It is interesting that the Member pulled his stunt just before the Minister of Enterprise, Trade and Investment was due to speak. If he wanted to ask a question, she is the person to ask it of. However, back to business.

There is palpable anger against bankers, but that anger is not directed at those bank staff who have to work, like everyone else, to secure their jobs and mortgages. The sale of First Trust Bank has caused major concerns among bank workers for the future of their jobs. The Minister said that Invest NI will meet any prospective new owners of the bank, and I welcome that. However, I ask that she also meet any new owners to ensure that continued investment is made in First Trust Bank and that we can secure as many jobs as possible in that system.

**The Minister of Enterprise, Trade and Investment:** I am more than happy to meet the new buyers when they come on board. The current situation, as the Member is aware, is that the Republic of Ireland's financial regulator has indicated that the Allied Irish Bank needs to raise £7.4 billion by the end of the year. First Trust Bank employs approximately 1,500 people in Northern Ireland and was recently put up for sale by its Dublin-based parent company in an effort to rebuild the balance sheet. I will meet the workers and am

more than happy to meet the new owners, who are key for Invest Northern Ireland.

**Mr Bell:** Will the Minister outline the Department's work on Quinn Insurance in relation to the First Trust Bank, other banks and other parts of the financial services industry? Will she tell us her key targets for wealth creation through providing jobs in the financial services sector?

**The Minister of Enterprise, Trade and Investment:** It is incredibly disappointing that a Member sought to raise a point of order before my questions started. We have been working very hard on the situation with Quinn Insurance, which is a strategic issue in Fermanagh due to the impact that any job losses would have on that county. Just last week, I announced that Leslie Ross CB will co-ordinate the activities of my Department, the Department for Employment and Learning (DEL), Invest Northern Ireland, InterTradeIreland and local councils in response to the problems facing Quinn Insurance.

I hope to go to Fermanagh with Leslie on Wednesday afternoon to meet people affected. I continue to meet with the employees of Quinn Insurance and the wider business community. Tomorrow, I will meet with the Irish Financial Regulator to discuss issues that have been brought to me by the employees, particularly in relation to the loading of insurance policies that they can now sell. As the Member knows, we wanted to get the UK market open again to Quinn Insurance, which has happened to all intents and purposes. However, there has been a certain loading put on insurance policies, and there are huge issues surrounding that. So, I am meeting the Irish Financial Regulator tomorrow to bring those issues directly to him.

Obviously, it has been a difficult time for the financial services sector. Market conditions for the international financial services sector are likely to remain very challenging, and there is greater pressure on firms to not only manage their exposure to risk, but to achieve greater operational efficiency, which is where Northern Ireland comes into its own. We should continue to put our emphasis on technology. Re-engineering excellence creates a high demand for highly skilled professionals, which we have in Northern Ireland. There are still opportunities for us in the financial services sector.

**Mr Gallagher:** Should there be new owners of the First Trust Bank, I thank the Minister for her commitment to seeking a meeting with them to

raise the issue of jobs. As she said, that comes against the backdrop of the situation at Quinn Insurance and the redeployment of staff from the Enniskillen planning office.

If she has a meeting with new owners of the First Trust Bank, I ask the Minister to take up the issue of services to rural communities. It is not just the banks in the large towns that are very important; throughout Fermanagh and Tyrone, many services are provided through local outlets of the First Trust Bank. I would like the Minister to raise that with any new owners of the bank.

**The Minister of Enterprise, Trade and Investment:** I am more than happy to raise that issue, because, like other banks, the First Trust Bank has retreated from rural areas. We had a useful debate earlier about the value of credit unions to communities, be they rural, urban or otherwise. In many cases, credit unions have taken up the slack in cases where banks have retreated to more urban centres. Therefore, I am more than happy to raise that issue with the First Trust Bank or its new owners, whoever they are.

**Mr Neeson:** I, too, recently met employees of the First Trust Bank who are deeply concerned about job losses if the sale goes through. Do the Minister of Enterprise, Trade and Investment and the Finance Minister have any plans to meet their counterparts in the Republic of Ireland to discuss the issue?

**The Minister of Enterprise, Trade and Investment:** As I have already intimated, the decision for the Allied Irish Bank is a commercial one. Invest NI will continue to meet, and work with, the new buyer — whoever that may be — so that we can secure the jobs in Northern Ireland. When there is a change of ownership, there is always a fear that jobs will be lost, which I can understand. We want to ensure that those jobs are kept within the financial services sector in Northern Ireland.

Obviously, if there is a need to speak to our colleagues in the Republic of Ireland, we will do so; however, it will be if there is a need to do so, and not just for the sake of it.

**Mr McCallister:** The Minister will be aware of realignments in the banking industry in Northern Ireland. Are further bank amalgamations in the best interests of customers, both savers and borrowers?

**The Minister of Enterprise, Trade and Investment:**

Whether I think that it is in the best interests of customers or not, one could say that it is not really up to me. If it happens, we will have to deal with whatever shape the banking sector takes. One of our difficulties when the recession took hold was that we had no indigenously owned bank in Northern Ireland; they were all owned by outside interests. That is a difficulty for us. When we seek to meet the people in the banks who matter, we sometimes have to go quite a distance to find them.

However, banking and the wider financial services sector certainly remains a critical sector for us with regard to services and employment possibilities. The banks continue to tell the First Minister, the deputy First Minister, the Finance Minister and me that they are open for business and ready to do business with any sector. However, the Member will know that the experience for a lot of people is very different, and there needs to be a meeting of minds on those issues.

**Mr Speaker:** Next on the list for a question is Peter Weir.

**Mr Weir:** Question 3.

**The Minister of Enterprise, Trade and Investment:** Question 2, even. [*Laughter.*]

**Foreign Direct Investment**

2. **Mr Weir** asked the Minister of Enterprise, Trade and Investment to outline how her Department and the Department for Employment and Learning are working more closely together to encourage foreign direct investment.

(AQO 1189/10)

**The Minister of Enterprise, Trade and Investment:**

On 25 January, I announced to the Assembly that my Department and the Department for Employment and Learning (DEL) would be working together to develop a model based on some of the principles adopted in North Carolina. The responsive education system in North Carolina was identified in the independent review of economic policy (IREP) report. A working group of officials from Invest Northern Ireland and DEL is looking at how those principles may apply to Northern Ireland.

Under the banner of assured skills, we hope to have in place a framework that will give potential investors the confidence that Northern

Ireland can satisfy their specific skills demands during the lifetime of the investment. That group will also look at how DEL and Invest NI work together more closely when engaging with companies that are interested in investing in Northern Ireland, to make sure that we present the most positive business solution.

**Mr Weir:** I thank the Minister for her reply. What is the timescale for implementing the working group's model?

**The Minister of Enterprise, Trade and Investment:**

Obviously, how we work together will be an ongoing piece of work. A subgroup has been set up at ministerial level as a result of an IREP recommendation. That will form part of this work, because we want to see a more joined-up approach to investment, so that when people come to invest in Northern Ireland they can be assured that the appropriate skills are here and we can present an overall package to them. That has always been the key behind this piece of work.

**Mr Beggs:** Our closest competitor for foreign direct investment is the IDA in the Republic of Ireland. They say that their strengths are their talent, technology, tax regime and track record. Is the Minister satisfied that Northern Ireland's strengths are equally as strong to attract foreign direct investment? What weaknesses need to be addressed to ensure that additional jobs are created, real jobs that will be sustainable and stay here in Northern Ireland?

**The Minister of Enterprise, Trade and Investment:**

I doubt whether I have enough time to sell Northern Ireland in the way that I would like to sell Northern Ireland for the Member. However, the Member clearly has in the back of his mind the implications of a corporation tax cut for Northern Ireland. There is no doubt that a reduced rate of corporation tax could act as a significant incentive to help us to attract high-value-added foreign direct investment to Northern Ireland. That said, however, it must be recognised that any reduction in corporation tax would also need to be complemented with the supply of appropriate skills, and that is what we are concentrating on in our work with DEL. There also needs to be the telecommunications and roads infrastructure to attract foreign direct investment.

Obviously, too — and there has been much talk about this over the past couple of weeks — substantive costs are associated with

introducing a lower rate of corporation tax in Northern Ireland. It will not surprise the Member to know that that issue will come under the attention of the Executive subcommittee on the economy, and we will be discussing that at our first meeting, which we hope will take place later this month.

**Mr Butler:** Go raibh maith agat, a Cheann Comhairle. I thank the Minister for her answer, particularly what she said about working closely with DEL on the North Carolina model. Will she also outline what her Department, along with DEL, has done to implement the recent STEM (science, technology, engineering and mathematics) review? As the Minister knows, the whole area of STEM subjects, and trying to create jobs linked to those subjects, is an important area for the economy.

**The Minister of Enterprise, Trade and Investment:** The Minister of Education sits on that subgroup, along with me and the Minister for Employment and Learning.

### 3.15 pm

The work on the STEM subjects will form part of the discussions on the new economic strategy for Northern Ireland. Invest Northern Ireland and DEL have also established formal collaborative groups and are working together to optimise resources in tightening times, to promote economic growth and to develop a culture of enterprise and entrepreneurship. There is a great deal of interaction between Invest Northern Ireland and DEL. I thank the Minister for Employment and Learning for encouraging that interaction and for his strategy, which emphasises leadership. Local companies will need to develop those leadership skills when more foreign direct investment comes into Northern Ireland. I am sure that the House agrees with that.

**Mr Speaker:** Question 3 has been withdrawn.

### Universities: Innovation

4. **Ms Lo** asked the Minister of Enterprise, Trade and Investment what discussions she has had with the Minister for Employment and Learning on linkages with Queen's University and the University of Ulster to translate innovation into businesses. (AQO 1191/10)

**The Minister of Enterprise, Trade and Investment:** The successful commercialisation of R&D and

innovation by our academic institutions is a critical part of the Programme for Government's aim of increasing private sector productivity to enhance the wealth of Northern Ireland. Although I have had no direct discussions with my colleague on that specific issue, my Department and the Department for Employment and Learning work closely with the two universities and with businesses on a wide range of initiatives. Many of those initiatives are set out in the regional innovation strategy action plan and include, for example, the Northern Ireland Spin-Out fund, which supports start-up, early-stage businesses and university spin-outs in Northern Ireland and the work that is being done to implement the recommendations of MATRIX, which is the science industry panel.

**Ms Lo:** I thank the Minister for her response. As she knows, we have some of the brightest students here in Northern Ireland. Only last month, a group of students from Queen's University came third in the UK final of an international competition for young entrepreneurs. Should there be a particular programme to help our young graduates to become entrepreneurs and turn their innovative ideas into reality?

### The Minister of Enterprise, Trade and Investment:

A large amount of money has been spent on encouraging our young graduates, particularly through the universities' spin-out programmes. One of our most successful companies, Andor Technology, which was a spin-out organisation, has recently been floated on the stock market and has been a huge success. We also have an innovation fund, of which the Member may or may not be aware. The Executive allocated almost £90 million to that fund for a three-year period that began in 2008. It is designed to encourage Northern Ireland businesses to spend more on research and development and innovation. One may ask how that is linked to our university graduates. The answer is that key projects supported by that fund sponsor 300 PhDs and studentships in areas of economic relevance. The Member is absolutely right about the calibre of our students, and we are concentrating on using the abilities of our brightest students to grow the economy of Northern Ireland.

Much more is happening, particularly as a result of the work of the MATRIX panel, which links university research to markets. We do not want just to become bogged down in academia, and we are focusing the research on markets, rather

than on technology, to determine the worth of that approach to the economy. I support the ongoing work because it is the key to the growth of our economy in the next 25 years.

**Dr McDonnell:** I thank the Minister and urge her to do all in her power to move along opportunities for bright young graduates. My attention was drawn recently to the efforts of the Northern Ireland Economic Reform Group to address the issue of corporation tax. It struck me that, perhaps, the Minister might be able to give us some information about that. We have talked before about an Ulster business school. Have there been any discussions about, or progress on, the joint establishment of such a school by the two universities? I was concerned that the Northern Ireland Economic Reform Group was a voluntary body and that we needed something substantial and sustainable.

**The Minister of Enterprise, Trade and Investment:** We have not had any further discussions about that issue. I am happy to discuss the Member's ideas with him, because we did not follow up the matter after he last raised it with me. It would be helpful to do that in the near future.

**Mr Gardiner:** Has the Minister any specific plans to attract innovators in the green economy to set up operations for research, development, innovation and high-value manufacturing?

**The Minister of Enterprise, Trade and Investment:** One of our commercialisations, if you like, of research and development in the green energy area is QUESTOR. A huge amount of work has been carried out in relation to the green economy, not least by my own interdepartmental working group on energy, which is focusing one of its subgroups on jobs in the green economy. During the recent election campaign, a lot of Members raised the issue of the green economy being the way forward and the answer to finding jobs; I agree with that. A lot of good work is going on in Invest Northern Ireland and I am quite happy to share specifics of that with any Members if they so require it.

**Mr Shannon:** I thank the Minister for that detailed response. Following on from the points that she already made, what specific measures or programmes have been put in place to encourage technology or knowledge transfer?

**The Minister of Enterprise, Trade and Investment:** As I said, a range of measures and support programmes are directed at encouraging

greater linkages between businesses and the universities, not least because of the work that has been carried out by the MATRIX panel. I do not have time to list them all, but some examples are the knowledge transfer partnerships and the proof of concept schemes. Since 2002, through the knowledge transfer partnerships, Invest NI has contributed more than £10 million to 220 projects.

At a lower level, if you like, there is also the innovation voucher scheme. That is a very interesting scheme whereby companies can use their vouchers to buy-in university help for an idea that they may have for growth or innovation in their business. Some of the smallest companies in Northern Ireland have used that innovation voucher scheme to great success, and it just shows how little things can make such a big difference to small companies.

**Mr P Maskey:** Go raibh maith agat, a Cheann Comhairle. Will the Minister detail the amount of money that her Department has spent on research and development in the further education sector?

**The Minister of Enterprise, Trade and Investment:** Is that specifically for the education sector?

**Mr P Maskey:** Yes.

**The Minister of Enterprise, Trade and Investment:** I will have to write to the Member about that because I do not have the specific details here.

**Mr Speaker:** Question 5 has been withdrawn.

## Oil Prices

6. **Ms Ní Chuilín** asked the Minister of Enterprise, Trade and Investment to outline any discussions her Department, or any of its agencies, has had with the major oil companies to ensure more transparency in their pricing system.

(AQO 1193/10)

**The Minister of Enterprise, Trade and Investment:** Northern Ireland fuel prices respond to fluctuating wholesale prices that are set internationally and are outside the control of my Department. Additionally, fuel duty and tax, which accounts for around 62% of the final pump price of petrol, is set by Her Majesty's Treasury. Although my Department has not been in discussion with the major oil companies on their pricing systems, the Consumer Council for Northern Ireland has called on oil companies operating in Northern

Ireland to provide consumers with the necessary price transparency so that they can decide whether they are paying a fair price for their heating oil. I strongly support that call.

**Ms Ní Chuilín:** I thank the Minister for her answer. Could the Minister use her influence to ensure that the rising cost of fuel does not affect any of our sectors, particularly the transport sector? If the cost of fuel continues to rise, it will have an impact on that sector, certainly through job losses.

**The Minister of Enterprise, Trade and Investment:**

I noted at the last North/South Ministerial Council meeting on transport that a North/South freight forum has been set up to look at a whole range of issues, including regulation. I am sure that that group will want to look at the issue of the price of fuel for hauliers. I accept that that is one of the issues that is really hampering the development of some of our companies, in so far as the amount of money that it takes to get their goods to places is increasing exponentially because of the cost of fuel. I recognise that and I am more than happy to work on that issue with either the Consumer Council or colleagues.

**Mr Storey:** I thank the Minister for outlining the issues about that particular matter. Could she give some more information on what her Department has been doing, particularly around the issue of fuel poverty, given the impact that all such matters, particularly the rise in fuel costs, have on many families on a day-to-day basis?

**The Minister of Enterprise, Trade and Investment:**

The Member and the House are aware that, as economy Minister, my primary focus is on business competitiveness and that the Minister for Social Development leads on fuel poverty. However, we stand ready to assist in any way, particularly on energy consumption and energy efficiency measures. We give that much attention.

The Utility Regulator has undertaken a policy and option analysis on the implementation of social tariffs in Northern Ireland as a means of easing fuel poverty. Public consultation closed recently on a paper concerning assistance with affordability concerns for vulnerable energy consumers. However — I have made this point in the past — the impact of social tariff changes would need to be considered carefully and, indeed, receive political endorsement.

The rationale behind social tariffs is that those in fuel poverty pay less, but the cost of that is borne by the rest of the domestic customers and business customers. We know how much pressure some of our large energy users were under at the end of 2009 and at the beginning of 2010 because of their energy bills. Although it may look attractive to go down that road, we need to consider all the elements carefully before making any quick decision.

**Mr Cree:** The Minister referred to the Consumer Council's report on road fuels, which was published in the past couple of days. Will she advise the House whether her Department or any of its agencies have undertaken any studies on different fuel pricing across Northern Ireland? I am thinking of fuels other than road fuels.

**The Minister of Enterprise, Trade and Investment:**

If the Member is referring to home fuels, the Consumer Council has an oil price watch on its website. It checks oil suppliers' prices three times a week to find out the cheapest and then alerts people to where they can get the cheapest oil price. The oil industries in the UK and in the Republic of Ireland are unregulated. The reasons for that are the competitive nature of the industry and the fact that wholesale prices are set internationally and are, therefore, outside our scope in Northern Ireland. Furthermore, regulation would create additional costs for the consumer, which I want to avoid at this time. The Consumer Council will continue its good work, for which I commend it. However, no regulation will come into the market any time soon.

**Dr Farry:** Does the Minister agree that, in addition to considering prices, we must examine the energy efficiency of homes and businesses to combat the cost of heating oil? Does she also agree that we should consider the balance of our transport investment and increase investment in public transport in particular?

**The Minister of Enterprise, Trade and Investment:**

The second question is for another Minister, so I will steer clear of it.

I commend the work that the Carbon Trust does with the business community on energy efficiency. Some businesses have benefited greatly from the advice of the Carbon Trust. Indeed, I know of a Ballymena company that now knows the efficiency of each machine as it operates during the day. The Carbon Trust does a good job with the business community, and it is the business community that I am most

concerned about. More can always be done on energy efficiency. I encourage businesses to consider the option of renewable energy when they are seeking to change. Some businesses have done that because of high oil prices over the past while.

**Mr Speaker:** The Member who was due to ask question 7 is not in her place.

### **Invest NI: Agrifood**

8. **Mr Hamilton** asked the Minister of Enterprise, Trade and Investment what Invest NI is doing to capitalise on the strengths of the agrifood industry. (AQO 1195/10)

#### **The Minister of Enterprise, Trade and Investment:**

Since 2002, Invest Northern Ireland has offered almost £73 million of assistance to the Northern Ireland food and drink sector. In the past year alone, Invest NI leveraged total investment of more than £95 million in the sector, which created an additional £25 million of wages and salaries for our economy. Under arrangements that were agreed by the Department of Enterprise, Trade and Investment (DETI) and the Department of Agriculture and Rural Development (DARD) in 2008, an interdepartmental group of senior officials from DETI, Invest Northern Ireland, DARD and DEL were tasked with liaising with an agrifood industry advisory panel. The food strategy that was developed as part of the process is a prime example of how we are capitalising on the strengths of the sector.

#### **3.30 pm**

Invest Northern Ireland continues to engage actively with the sector. In the past 18 months, one-to-one buying sessions have been held for local companies with all the biggest food retailers in the British Isles and Europe. More than 800 face to face meetings have been arranged in the past 12 months, and 80 local companies have achieved 275 product listings with multiples such as Marks and Spencer, Sainsbury's, Tesco and Asda. The new business achieved as a result totals £50 million, and that figure is growing.

**Mr Hamilton:** I thank the Minister for her reply. She has outlined how critical the agrifood industry is to the Northern Ireland economy, much of which is export driven. Will the Minister comment on a campaign launched recently by Bord Bia in the Irish Republic that seems to be

aimed at preventing Northern Ireland companies from doing business in that very important market?

#### **The Minister of Enterprise, Trade and Investment:**

The agrifood sector contributes 14% of manufacturing gross value added and 15.2% of our exported manufactured goods. That is why I am concerned about the campaign in the Republic of Ireland, particularly against our milk and poultry. I wrote today to Brendan Smith, the Minister for Agriculture, Fisheries and Food, about what I perceive as protectionism in the Republic of Ireland market. I am disappointed that the Republic has taken that action, which has ramifications for its access to the mainland market. The Government in the Republic must reconsider; if they close off the Republic's market to goods from Northern Ireland, there may well be consequences.

**Mr P J Bradley:** What level of exchange does the Minister have with her Executive colleague the Minister of Agriculture and Rural Development on matters pertaining to the agrifood industry?

#### **The Minister of Enterprise, Trade and Investment:**

Together with the Agriculture Minister, I set up the industry panel in 2008 to look at the strategy for agrifood and to drive it forward. My officials have a particularly good working relationship with DARD officials in that area because of the importance of the agrifood sector. Not that long ago, people had written off that sector and said that it would not grow. However, during the recession, it has proven to be one of our strongest sectors.

I was delighted to be able to make a huge investment recently in Dale Farm. That was a sign of confidence in the future of the sector. I hope that the agrifood sector goes from strength to strength.

**Mr Speaker:** That concludes Question Time.

*Adjourned at 3.32 pm.*