
OFFICIAL REPORT

(HANSARD)

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NORTHERN IRELAND ASSEMBLY

Monday 17 November 2008

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

Members observed two minutes' silence.

MINISTERIAL STATEMENT

Liquor Licensing and Registered Clubs Law

Mr Speaker: I have received notice from the Minister for Social Development that she wishes to make a statement on liquor licensing and registered clubs law.

The Minister for Social Development (Ms Ritchie): We had to deal with this matter quickly, Mr Speaker, and copies of my statement are now being printed. I am grateful to you for this opportunity to present my plans for changes to the law on liquor licensing and registered clubs.

I spoke to the Committee for Social Development on the matter two months ago. In the past, I have spoken in the Assembly on elements of liquor licensing and registered clubs law, and my officials and I have supplied Committee members with information.

Today, I welcome the opportunity to present all the issues in the House. Complex and emotive matters are involved, and Members will appreciate that it has taken some time, and much hard work, to get to this point. I hope that Members and other stakeholders will, on reflection, agree that the effort has been worth making. I wish to outline my immediate reform proposals, including, with Executive agreement, urgent legislation to strengthen enforcement measures and to ease the bureaucratic burden on clubs. I also wish to signal my longer-term intentions. I will then be happy to answer questions.

First, it will be helpful if I sketch in some background. My responsibility for liquor licensing derives from my remit to improve the physical, economic, community and social environments of neighbourhoods, towns and cities in Northern Ireland, with a particular emphasis on tackling disadvantage.

I have important questions to tackle. How can our society's handling of alcohol contribute positively to achieving our social, economic and regeneration

objectives? More specifically, how can the law on liquor licensing help with effectively managing alcohol?

Northern Ireland law on liquor licensing and clubs has remained largely unchanged for over 12 years, despite many changes in expectations in the environment and in social and economic circumstances during those years. The law needed to be examined, not least in response to pressure from the licensed trade, to determine whether it should be reformed and updated to reflect the developments of that 12-year period, both good and bad, and to determine how that should be done.

I firmly place the rising level of alcohol abuse in society in the category of unwelcome developments. Alcohol abuse has effects on ill health, disorder, crime and domestic violence, and it causes other problems. Those affect everyone one way or another, and we all must face up to our common duty to develop adequate responses. Licensing law alone cannot solve the problems, but, in conjunction with other initiatives with the public, private and community sectors, it can help to make a difference.

I was fortunate that, when I began my review, I had the benefit of the work that was done by my predecessor with his ministerial colleagues and officials. That provided me with a comprehensive information base upon which to build and with which to proceed. My review was carried out against the backdrop of the review of public administration, and I have tried to ensure that my proposals are future-friendly and that they can align comfortably with the objectives and structures of the new dispensation.

I make clear that I am putting together proposals that will form the outcomes of my review. My overall aim has been to achieve a balanced package of reforms that is tailored to Northern Ireland's needs and circumstances and that fairly addresses the aims and concerns of the varied range of stakeholders in the area, who have competing agendas and sometimes conflicting points of view. Those stakeholders include those with interests in regeneration and health and community safety; the police; district councils; and the tourism, hospitality, licensed and retail sectors.

I propose to introduce reforms in two stages. Stricter enforcement measures are needed urgently to address the growing problems that public health faces, and the problem of disorder and underage drinking in Northern Ireland. Therefore, in the first stage of my reforms, I shall bring forward a short Bill to introduce new enforcement provisions, which earlier consultations showed to have widespread public support. I am convinced that the measures are even more relevant now.

My Bill would amend the Registration of Clubs (Northern Ireland) Order 1996 to make provision for new powers of closure. Those would allow the police

and courts to immediately shut down, for up to 24 hours initially, individual licensed or club premises or premises in a particular area where there is actual or likely disorder. Offences of failing to comply with the new closure orders would also be created.

Secondly, I shall propose the introduction of a system of penalty points to be levied by courts on premises that break the law. The courts would have some discretion about imposing those, but they would be obliged to endorse points on a licence or certificate for serious offences, such as underage sales. Premises that accumulate 10 points in any three-year period would have their licence or certificate suspended for a minimum of one week and a maximum of three months.

I recognise that serious problems are linked to alcohol abuse by young people, so I intend to introduce a statutory proof-of-age scheme that, for the first time, would specify acceptable proof-of-age documents for the purposes of the law on licensed and registered clubs. Those documents would be a passport; a photo card driving licence; a Northern Ireland electoral card; and any proof of age standards scheme-accredited photo identity card. Power would be provided to make regulations to specify other age cards if needed.

Premises would be obliged to display specified signage describing the new scheme, and a new offence of failing to display the signage would be created. I am confident that the new arrangements would help to protect law-abiding licensees and would complement the new PSNI test-purchasing power, which is due to come into effect in 2009.

Finally, the new Bill will introduce more appropriate accounting requirements for registered clubs. The PSNI has acknowledged that the financial mismanagement that existed previously in some clubs is no longer in evidence, and it has, therefore, recommended that a modernised approach be taken in recognition of the work that clubs have done in recent years to improve their accounting practices. The new provisions will take account of the differing circumstances and requirements of small, medium and large clubs and will go some way towards easing the bureaucratic burden on such clubs.

I mentioned that those issues have been consulted on already; in fact, they have been consulted on twice. In November 2005, my predecessor sought views on a package of policy proposals, which included closure powers, penalty points, more flexible accounting for clubs, and a voluntary, rather than a mandatory, proof-of-age scheme. In December 2006, my predecessor consulted on a draft Order that would have introduced closure powers, penalty points and amended accounting provisions. However, the restoration of the Assembly meant that in the event, that draft Order was not enacted. The policy and legislative consultations showed overwhelming support for closure powers and penalty

points. They also demonstrated widespread support from the PSNI, health interests, licensees and others for a mandatory proof-of-age scheme.

The consultations showed that opinion was split evenly on the proposals for clubs' accounting provisions. In light of those results, I do not believe that further consultation on the provisions of my draft Bill will be necessary. Indeed, such consultation might unnecessarily delay important measures that will provide greater safeguards for the community. In that respect, I am fully cognisant of the debates that have taken place in the Assembly, not least the debate that we had last week on the issue of alcohol abuse. I believe that stronger enforcement measures for liquor licensing are required.

Given present laws for more effective enforcement of the law, the Bill is likely to be broadly welcomed. The closure powers will bring us into line with what exists in Britain, and the proof-of-age provisions will be similar to those that exist in Scotland and the South of Ireland. The penalty-points and club-accounts provisions will be unique to Northern Ireland. With the Executive's agreement, I hope to see the Bill proceed in the present legislative session and come before the Assembly in early summer 2009.

The second stage of my planned reforms, which involves more fundamental changes, will take place once the review of public administration is complete and a new system of local government is in place. At that stage, my intention will be to simplify and harmonise controls on the sale and supply of alcohol. I aim to do that by transferring responsibility for liquor licensing and the registration of clubs from the courts to the newly formed district councils. I am confident that that will increase the system's efficiency, effectiveness and accountability and make it more responsive and accessible to local residents, planners, decision-makers, and those on which local economies rely, including the licensed-hospitality, retail and other business sectors.

At the same time, I will underpin that new regime by introducing six new statutory licensing objectives. Those objectives are the promotion of public health; the promotion of public safety; the prevention of crime and disorder; the prevention of public nuisance; the protection of children from harm; and the fair treatment of all stakeholders. Those objectives will form the basis for consistent central and local government work on policy, legislation and procedure.

As a further streamlining measure, I propose to abolish the present 12 licence categories in favour of a dual system of personal and premises' licences. Under the proposed new system, each council will be responsible for drawing up a statement of licensing policy for its area. They will also be responsible for decisions on the grant review and the renewal of premises' licences and

clubs' certificates and the conditions that are to be imposed on them.

In carrying out their remit, councils would be required to consult residents, police, licensees, retailers and other businesses in their area, as well as those responsible for environmental health, planning and health and safety issues. Councils would be supported in their work by central guidance, produced by my Department, in order to promote clarity and consistency.

12.15 pm

The changes that I have in mind for the second phase of the process formed part of the November 2005 policy consultation that was carried out by my predecessor. Around 60% of respondents were opposed to transferring responsibility from courts to councils, 32% were in favour, and 8% were neutral. The vast majority of respondents favoured the introduction of licensing objectives. There was roughly a 50:50 split among the licensed trade, political parties, councils and health groups on the abolition of licence categories. A good proportion of those organisations wanted to keep pub and off-licence categories, but to abolish or simplify the rest. Those are my proposals for legislative reform in the short and longer term.

Before taking Members' questions, I wish to address the issues of surrender and the review of public administration. Last December, my Department provided the Social Development Committee with a paper summarising the results of a business impact assessment. I commissioned that assessment to ascertain the financial implications of abolishing the surrender provision, which requires a licence for a pub or off-licence to be handed to a court — surrendered — before a licence for a new business of either type can be granted. Over time, that practice has reduced the number of pubs and off-licences in Northern Ireland, and it prevents additional ones from starting up.

The business impact assessment debunked some of the claims that were made during the debate on my predecessor's proposal to abolish the surrender principle. It also demonstrated that it was not possible to obtain robust evidence on which to base firm conclusions in respect of the financial effect on current licensees, potential licence applicants, or other stakeholders of retaining the surrender provision in its current form or of abolishing it en masse at a future date. I hope that Members will note that, in the absence of a robust evidence base, and after reflecting on one of the final debates that took place in the Transitional Assembly in January 2007 on a cross-party basis, I have decided to take no action on the surrender principle.

My proposal to transfer responsibility for the licensing regime from the courts to district councils does not fall within the ambit of the review of public administration, since it does not involve the transfer of functions from

my Department. Nevertheless, I would like my reform proposals to be capable of being implemented in a way that respects the arrangements and structures that are planned for local government after 2011. The devil is almost always in the detail, and I am open to views on how best we might prepare to deliver changes, in harmony with the councils and other stakeholders, and to monitor and review them over time.

Finally, I ask Members to note that I am committed to ensuring that the law in this area complements my departmental, social and regeneration objectives, and that it is durable, far-sighted and fit for purpose. I am committed to working with my Executive colleagues to ensure that the law supports the wider Government agenda. In the immediate future, I look forward to working closely with Minister McGimpsey and the ministerial subgroup on children and young people to ensure that liquor licensing legislation contributes positively to combating the harm caused to our young people by alcohol abuse.

I am committed to seeing legislation put in place as swiftly as possible in order to introduce strong enforcement measures to more effectively promote and, if necessary, compel compliance with the law for the benefit of responsible retailers, young people and, ultimately, our community at large. I have, therefore, made a formal bid to have my Bill included in the current legislative session, and I have submitted a policy memorandum to the Executive, seeking agreement for my proposals.

That paper was to have been considered at the Executive meeting scheduled for 30 October, which did not take place. Current circumstances notwithstanding, I hope to see those much-needed measures introduced without delay.

I thank Members for their attention and am happy to take questions on the issue, which is important, not only for the House, but for the people of Northern Ireland. I look forward to receiving Members' support.

The Chairperson of the Committee for Social Development (Mr Simpson): At its meeting on 25 September, the Social Development Committee considered the Minister's proposals for liquor licensing. The Committee largely welcomed the proposals for new closure powers for the police; a system of penalty points to be levied by the courts on those premises that break the law; a statutory proof-of-age scheme; and revised accounting requirements for registered clubs.

Only a week ago, some Members, including me, spoke about the substantial social and health issues that are related to alcohol. Therefore, I ask that the Minister respond to the suggestions made by the Committee in respect of limiting so-called proxy purchases, when an adult purchases alcohol on behalf of underage drinkers. The Committee suggested that

legislation be put in place to allow the PSNI to ban those adults from particular off-licences and supermarkets. Will the Minister indicate whether she will address that issue in her new proposals?

The Minister for Social Development: I thank Mr Simpson, and the members of the Committee, for giving me a fair hearing and for giving me what could, I suppose, be classified as passive support. As I said to the Committee that day, I am always anxious to hear the Committee's views, and I did hear its views on that particular occasion.

For the first time in local licensing laws, I intend to specify, in statute, the forms of identification deemed acceptable as proof of age for the purposes of licensing and club laws. I am doing that because I am very conscious of the debates that have taken place inside the Chamber, in the wider community, in district councils, in district policing partnerships and in community safety partnerships. People want stronger enforcement powers around the issue of alcohol and liquor licensing, and around the issue of alcohol abuse. I have an open ear to everything in that respect.

Ms S Ramsey: Go raibh maith agat, a Cheann Comhairle. As the proposer of one of the motions mentioned, I welcome the Minister's update as a positive step forward. I welcome the powers for the police and the courts to immediately shut down premises, but does that include off-sales? We are all aware that in some communities, off-sales are at the heart of the hot spots where we seem to be fighting a losing battle. Is there any update on putting the names of off-licences on plastic bags? That might not seem a big deal, but everybody in the Assembly supports that, and it would be another step forward in tackling and combating underage and on-street drinking.

The Minister for Social Development: I thank Ms Ramsey for welcoming the proposals; I do recall her motion back in April in respect of this issue. I want to ensure that the strongest enforcement powers are placed in legislation. That is what Assembly Members, district councils and the wider community are looking for. I feel that those measures will be stronger than the labelling of plastic bags. Therefore, notwithstanding Ms Ramsey's point, I urge Members to support those measures.

Closure orders by the courts relate to likely, rather than actual, disorder in an area and may apply to several licensed premises.

Mr B McCrea: The Minister will be aware that I have spoken on this matter on several occasions. She must be congratulated for proposing these new measures. I particularly welcome her determination to enhance enforcement. Can she explain to the Assembly how she plans to deal with the difficult fact that 80% of alcohol is purchased not in pubs and clubs, but from off-licences

or through proxy purchases by other people? Although she aims to strengthen enforcement, has she any thoughts on how she might encourage responsible drinking in regulated licensed premises?

The Minister for Social Development: I thank Mr McCrea for his kind words. He refers to the issue of penalty points and enforcement measures against people in the licensed trade who do not adhere to the principles to which we would all like them to adhere.

Unlike in England and Wales, where no such power exists in liquor licensing, Northern Ireland already has a precedent for penalty points. Registered clubs may receive points for financial offences, for example. An accumulation of 10 points can lead to a club's registration being cancelled. Perhaps some Members were not aware of that.

The question is how penalty points will be linked to closure orders. A conviction and fine for failure to comply with a court's closure order may incur three or four penalty points. More serious offences, such as failure to comply with either a police closure order or a court decision following a closure order will automatically lead to an endorsement of five or six points. I do not believe — and I am sure that no one else in the House believes — that a licensee wants that sort of endorsement on his or her licence. It is not good for business. We all want to encourage licensees to act in the best possible faith on behalf of Northern Ireland's wider community.

Mr A Maginness: I congratulate the Minister on the introduction of what is probably the most radical shake-up of licensing laws and controls in Northern Ireland in recent years. In particular, I welcome the introduction of penalty points and the simplification of licensing laws that is long overdue. I also welcome the proposed transfer of responsibility to local Government. It is important that local people have a say in local licensing control and management.

I understand that the Minister has said that consultation has taken place on those matters with previous Ministers — direct rule Ministers, it must be said. Can she assure the House that she will continue to consult with the most relevant bodies — representatives of the licensed trade, the PSNI and local councils — before any of those measures are finally introduced by legislation?

The Minister for Social Development: I have no problem with listening to the views of the Licensed Vintners Association, the PSNI and district councils, because liquor licensing is very much a fluid situation — I hope that Members will pardon the pun. It is, therefore, important to be cognisant of all views.

Ms Lo: Like other Members, I congratulate the Minister for bringing forward new proposals for the reform of liquor licensing; in particular, the proposal for new closure powers to tackle underage drinking.

12.30 pm

The Minister has, I hope, addressed the issue of surrendering licensing once and for all, because there is no need for any more pubs and off-licences. I want to ask the Minister about the mechanism for monitoring and inspecting licensed premises for infringements that are liable for penalty points. How will penalty points be accrued, and who will monitor the premises?

The Minister for Social Development: I thank Ms Lo for her support. Perhaps I should explain the background to penalty points, some of which I outlined in my answer to the Chairperson of the Committee for Social Development. The concept of penalty points is not new in Northern Ireland, where it already exists for financial offences in the legislation for registered clubs. By extending the provision to licensed premises and applying it to most offences, I hope to ensure that premises that flout the law face more than just a fine.

The courts will have some discretion for relatively minor offences, but more significant cases, such as two or three offences of underage sales within three years, will automatically result in the suspension of a licence or club certificate for a minimum of one week and a maximum of three months. Thus Members can see that the measures are not only particularly hefty but punitive. The public in Northern Ireland sent out a loud and clear message that they want the Assembly to act and to introduce stiffer liquor-licensing legislation.

Mr Hilditch: The DUP joins other Members and most people in welcoming the beginning of work on licensing, particularly the enforcement provisions and the issue of surrender — of course, this morning, it is a case of no surrender for the Minister. However, many problems exist for those who make a living from the industry. The extremely cheap products that are on sale in supermarkets have a negative impact on society, and other jurisdictions are examining that issue. Is the Minister similarly minded to examine that situation? The legislation will not have any effect on their continued sale.

The Minister for Social Development: Naturally, I will consider all issues that have an impact on liquor licensing. I am committed to maximising the contribution that legislation, in conjunction with initiatives by Executive colleagues and others, can make to tackling alcohol abuse. In response to Mr Hilditch's point, other Ministers also have responsibilities, because alcohol abuse affects the health and well-being of individuals. It is important that all Members understand that tackling alcohol abuse is a cross-departmental and cross-ministerial issue. My remit only covers liquor licensing and its impact on the wider environment.

Mr F McCann: Go raibh maith agat, a Cheann Comhairle. I also welcome the Minister's statement. The Committee for Social Development gave her its full support at a meeting.

However, councils have expressed some concerns and fears that when the legislation becomes their responsibility, they will spend their lives in court, defending cases brought against their decisions. Given that legal proceedings can be hugely costly, can the Minister ease the mind of councils by offering financial support?

The Minister for Social Development: Thank you, Mr McCann. Liquor licensing sits easier with local government, because there is a greater knowledge of related issues at that level.

Although the courts have significant experience of, and expertise in, liquor licensing, the transfer of the licensing system from the courts to district councils will allow the public to approach the licensing authority more easily and will facilitate increased transparency and accountability. Moreover, the transfer will permit better local planning and control, and will rely on local advice, support and expertise. As Members know, the transfer will take place during the second stage of the reforms, once the review of public administration has established the new councils. The funding matters will be addressed later.

Mr Craig: I warmly welcome the proposals to transfer licensing control to local councils. That measure will increase local accountability and give local communities a greater role. However, the transfer will cause legislative issues and give rise to legal challenges. Will the Minister assure the House that she will give councils strong legislative controls to ensure that they will not experience a legal quagmire when making decisions?

The Minister for Social Development: I agree; licensing control is more suited to local government than the courts. I understand that local government will face new challenges, and I empathise with their situation. I have no doubt that, as before, local government can meet those challenges. As Mr Craig and Mr McCann said, a considerable workload will result from the transfer.

Mr P Ramsey: I welcome the Minister's statement. It is timely, given last week's debate on alcohol misuse. The Minister's leadership will contribute greatly to addressing harm reduction, and her key objectives focus on public health, promotion of public safety, crime and disorder, and prevention of public nuisance. All those measures will be well received by the voluntary and community sector and by families in Northern Ireland who have been affected by alcohol misuse and abuse.

As the Minister said, the Department for Social Development cannot singularly make a difference to harm reduction; other Departments must buy in. Should the Executive take greater control of the issue of harm reduction? Will the Minister explain why the police and the courts have been given more powers to close licensed premises?

The Minister for Social Development: I will address the general issue before answering Mr Ramsey's specific question. I agree that there is need for cross-ministerial and cross-departmental buy-in, and, as I said at the outset, I am committed to maximising the contribution that liquor-licensing legislation — in conjunction with initiatives by Executive colleagues and others — makes to tackling alcohol abuse. Minister McGimpsey's cross-departmental forum addresses that topic.

Mr Ramsey asked why the courts and the police have such sweeping powers to close down premises. The Secretary of State has the power to reduce opening hours or to close down premises in order to preserve public order. Our society is moving towards a more normal mode and model of democracy, and now is the right time to transfer that power to the custodians of licensing law — the courts and the police.

Mr Hamilton: At the start of her statement, the Minister mentioned that liquor licensing had to be addressed with haste. Despite her rush, will she assure the House that she sought and received approval from the First Minister and the deputy First Minister to make her statement? Given that she did not seek approval from the Office of the First Minister and deputy First Minister to make her statement on the conflict transformation initiative — and I believe that she is in court tomorrow because of that — does she agree that seeking and receiving approval is desirable?

Mr Speaker: Order. It is important that the Member asks questions about the statement.

Mr Hamilton: My question relates to the statement.

The Minister for Social Development: As I am sure the Member is fully aware, I sent three specific letters to the Executive about this matter. The bottom line is that the Executive should be meeting and discussing these issues.

Some Members: Hear, hear.

The Minister for Social Development: It is up to those who are blockading the Executive to ensure that Executive meetings take place on the issues that matter to people, such as those older people who arrived at the Assembly today, and those who are looking for leadership on liquor licensing and alcohol abuse.

I first presented my proposals to the Committee, and on foot of that, I supplied an Executive memorandum to my colleagues requesting that they consider those proposals. I then wrote to the First Minister and the deputy First Minister requesting permission to make a statement in the Assembly today. I sent that letter two weeks ago, but as yet, I am unaware of having received any response from the First Minister and the deputy First Minister. I find that extremely disappointing.

Given the urgency of the issue and the debates that have taken place in the Assembly, I then wrote to the

Speaker, knowing his particular difficulties with the matter. I am glad that he kindly agreed that I could make my statement. I appreciate that all the proposals are subject to Executive agreement, but the bottom line is that the Executive must meet this week to address the urgent issues that face the people of Northern Ireland. The Member knows that I cannot comment on the other issue that he raised this morning, because to do so would be sub judice.

Mr Shannon: I thank the Minister for her statement, about which I have a couple of questions. She stated that she has decided to take no action on the surrender principle at the present time. That may raise a question in the minds of some of those who have the value of a licence. Will the Minister confirm today that she intends to consult fully when the opportunity arises?

The statement also mentioned councils, and other Members spoke about the role of councils. Will the Minister confirm that her intention is to ensure that local councils, which will have responsibility for licensing laws, will have the necessary resources to ensure that those laws are enforced? Will she also confirm that the new proposals will not put the burden on councils again where council officers and finances are concerned?

The Minister's statement also referred to the issue of proof of age. Unfortunately, it seems that, although that issue is specific to pubs and clubs, and so forth, it has not filtered through to supermarkets. The Challenge 25 scheme that ASDA operates is a voluntary programme, but does the Minister intend to introduce a similar scheme to all shops, thereby ensuring that proof of age is necessary?

The Minister for Social Development: I am mindful of the Member's comments about the surrender issue and of the comments of those who are involved in the licenced trade. I am also mindful of the points that were made in the Transitional Assembly in January 2007 on that issue. Given that there was no robust evidence base on which to base conclusions about the impact of the surrender principle, I have, therefore, decided to take no action on the matter. I know how pressed people are at this time.

I will also be mindful of the Member's comments about other premises and about councils' functions and budgets.

12.45 pm

Mr Spratt: I welcome the Minister's statement, particularly the six statutory licensing objectives. The prevention of crime and disorder and public nuisance are linked because much antisocial behaviour undoubtedly comes from the blue-bag brigade. The hands of the PSNI are tied unless officers actually see people consuming alcohol; they cannot deal with the issue otherwise.

As the second reform stage progresses, will the Minister take the opportunity to study the legislation and ensure that it is robust, so that all the enforcement agencies can very clearly deal with this scourge on society that causes great grief to communities in all parts of the Province?

The Minister for Social Development: I take the Member's points on board. I stress again that this is a cross-ministerial, cross-departmental issue that also involves statutory agencies. I also point out that the PSNI supports the proposed changes. Following my predecessor's review, on the basis of which my own review was developed, the PSNI endorsed the broad package of short- and long-term measures that were proposed as being responsible, proportionate, balanced and forward-looking.

More recently, officers worked closely with my officials to develop and agree the detail of the proposals for enforcement and those clubs that will be contained in the first new Bill. We will also discuss measures for the second reform stage, which will deal with the review of public administration and the transfer of responsibility from the courts to the councils. Therefore, responsibility, at that stage, will rest with the councils, which will interface with the PSNI.

EXECUTIVE COMMITTEE BUSINESS

Pensions (No. 2) Bill

First Stage

The Minister for Social Development (Ms Ritchie): I beg to introduce the Pensions (No. 2) Bill [NIA 2/08], which is a Bill to make provision relating to pensions; and for connected purposes.

Bill passed First Stage and ordered to be printed.

Mr Speaker: The Bill will now be put on the list of future business until a date for its Second Stage is determined.

PRIVATE MEMBERS' BUSINESS

Community Use of Schools Premises Bill

Second Stage

Mr McNarry: Following a meeting with the Committee for Education on 12 November 2008 — and a follow-up meeting with a senior departmental official — some key developments have emerged that present a welcome opportunity for the Department of Education, the Committee and me to consider new and appropriate action that is relevant to the Bill. The Committee Chairman is willing to co-operate on the matter, for which I thank him. I ask that the House allows me to choose another day on which to move the Bill. The Second Stage of the Community Use of Schools Premises Bill is not moved today.

Mr Speaker: The Second Stage of the Community Use of Schools Premises Bill is not moved.

Executive Committee: Requirement to Meet

Mr Speaker: I have been advised that there will not be an Executive response to the motion. That being the case, I will not call — *[Interruption.]*

Order, order. That being the case, I will not call any member of the Executive to speak in that capacity. If any member of the Executive indicates that he or she wishes to speak during the debate, he or she will be called as a private Member and should contribute from the Back Benches.

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

Sir Reg Empey: I beg to move

That this Assembly requires the Executive Committee to meet immediately, in accordance with the Pledge of Office and the Ministerial Code.

In addition, Mr McGimpsey and I accept the amendment tabled by Lord Morrow, as it is, largely, a statement of fact.

It is 151 days since the Executive Committee has met. That is almost five months since the Government of Northern Ireland have been able to meet and agree on a collective approach to the ever-growing array of socio-economic problems that accompany the economic downturn. It is amazing to think that the world has changed dramatically during that time, yet the Executive have been unable to fulfil their remit, or address key issues that are of concern to the House or to the general public.

Devolution was supposed to make a difference to all the people of our Province. A recession does not distinguish between unionist and republican or rich and poor, nor does it distinguish between constituencies, political parties or Departments. The recession is affecting all of Northern Ireland, and all our people. Indeed, the demonstration outside this Building this morning is proof positive that that is the case.

At this critical time, the one thing that we need above all else is hard evidence that Ministers and MLAs are getting to grips with the problems, addressing the pressing issues, and, within legislative remits, providing solutions. A situation in which the Assembly seems detached, ineffective and unco-operative is leading to media cynicism and unprecedented public disenchantment.

The First Minister recently told his party conference:

“how this Executive deals with the present economic crisis will be the yardstick by how devolution as a whole will be judged”.

The reality, of course, is that there is not even a yardstick. How can the Executive deal with the present economic crisis when they are not even meeting? How can Michael McGimpsey and I fulfil the terms and conditions of the Pledge of Office, when we are not allowed to sit at the Executive table? To put it bluntly, how can anyone — in the House or among the general public — have confidence in a Government that have not met since 19 June 2008?

The Ulster Unionist Party has waited and waited. We were informed that consequences would follow if the Executive did not meet. We were told that parties were continuing to meet behind the scenes in order to sort out their difficulties. However, after 151 days of non-meetings, our patience — like that of the general public — has run out. That is why we have tabled this motion.

The motion is a genuine attempt to air the frustrations felt about that ongoing absurdity. It is incumbent on the First Minister and the deputy First Minister to explain to the House why the Executive are not meeting. Only they, acting jointly, can convene meetings of the Executive. Therefore, we hope that the motion will concentrate minds, and if the ongoing inter-party talks are about to produce an outcome, I trust that the House will be informed of that today.

Sinn Féin alleges that it has a deal on the devolution of policing and justice that was not honoured. I do not know with whom it has such a deal, but perhaps that party will enlighten us on that today. However, the House and the public are entitled to know what is so important to Sinn Féin that the possible devolution of policing and justice trumps the need to address and resolve the immediate, and potentially devastating, impact of the economic crisis.

This debate presents the First Minister and the deputy First Minister with the opportunity to explain to the rest of us why our Government have been placed in suspended animation, because the ongoing and long-drawn-out stalemate is making a mockery of the DUP claim that it had brought an end to stop-go devolution.

Whatever solution is found to the present impasse must not be another fudge to get us out of the latest hole. Northern Ireland needs stability. It needs an Assembly and an Executive Committee that are meeting and working in harness, and a mechanism to deal with the inevitable hiccups that arise in politics. It does not need months of stalemate.

Mutual veto was never supposed to be used as a tool for holding the Executive Committee to ransom. There is an undercurrent that revolves around the Office of the First Minister and deputy First Minister (OFMDFM). There is a public and a political misunderstanding of the role of that office and its occupants, which has

contributed to what has become a rather immature trial of strength.

On the one hand, some believe that the role of First Minister is superior to that of deputy First Minister, and, conversely, some believe that the role of deputy First Minister is inferior to that of First Minister. That is emphatically not the case — certainly not in law. The First and deputy First Ministers occupy coequal positions. However, I suspect that there are people connected with both parties who believe in the politics of hierarchy. I feel sure that the Secretary of State could resolve that misunderstanding.

The real victims of the debacle include the business community, the farming sector, pensioners, savers, building workers, local entrepreneurs, small-shop owners, and people on low incomes — the list goes on and on. They must all be confident that we — as elected Members of the Assembly — are doing everything that we can to protect their interests and to reflect their concerns. We spent 30 years in the search for devolved Government so that we could do that, and we must prove that devolution is making a difference for the better.

We all participated in the successful investment conference in May, which had a full turnout of chief executives from across North America. The investors were told frequently and at some length — particularly by the deputy First Minister — that we now had stable Government and that investing here was a wonderful opportunity for them. How hollow that rings today. We have let the investors down, as well as ourselves. We are squandering the opportunities that were created at that conference, and for what?

If it is the case that we are reaching the end of an impasse, a massive job of work will have to be done to recover from it. Many months have been wasted. When the impasse is over, we will have to take stock to ensure that we learn how to avoid a recurrence. Whatever the difficulties may be between the parties and the Northern Ireland Office, it must be possible for the Executive Committee to meet. If the difficulties are to do with side deals or understandings between them, let those be sorted out in their own time and their own place.

Why should the general public be subjected to the spectacle of the Assembly being prevented from doing the job for which it was elected? I know that Members from all parties want to do more, and to respond to the needs of their constituents. We saw this morning's demonstration at Parliament Buildings — we were all out there wishing to support those people. However, we cannot do our job properly and deliver for those people unless the Executive meet. All this time has been wasted, and an enormous amount of scepticism has been generated in those who thought that we had settled our differences.

The issue will take time to resolve, even if a resolution is found in the short term. We must find a way to avoid the situation occurring again, because who is to know what will cause the next crisis, or what issue will provoke someone to lift the ball and leave the pitch? We must find a mechanism that will last and will stand up against the inevitable crises. Many of us are aware that we are a laughing stock in the media because we have not been able to do our jobs properly.

Not a single Member is comfortable with that situation. We should never have been put in this position, and we must avoid being put in it again. Regaining the credibility that we all want the Assembly to have among the general public will be a mammoth task. Large amounts of taxpayers' money are being paid to keep this place going. The taxpayers are entitled to the service for which they are paying; that is, effective and functioning Government.

People having a political problem with a particular issue should not jeopardise the day-to-day workings of the Assembly. It is inevitable that people will have problems, but a way must be found to avoid that resulting in an impasse. Meanwhile, if we have done anything to concentrate minds or to bring people to a focus, let us take credit from that and hope that we are successful.

The Executive should be meeting to deal with the outstanding issues. Work could be done on issues such as planning and the investment strategy in order to help people such as those who demonstrated outside Parliament Buildings this morning.

Those are the type of matters on which we should focus our minds and our attention, instead of squandering month after month in endless stalemate and wrangling. I commend the motion to the House.

1.00 pm

Lord Morrow: I beg to move the following amendment: At end insert

“; recognises that the DUP, UUP and SDLP Members of the Executive have been willing to meet at any time to discuss any items; condemns efforts to prevent Executive business taking place; and greatly regrets the resultant impact on the electorate during challenging economic times.”

I welcome the fact that Sir Reg Empey and Mr McGimpsey have agreed to support the amendment. If the motion had been more concise and direct, no amendment would have been required. After reading the motion, I thought that Sir Reg Empey and Mr McGimpsey were beating themselves up unnecessarily, because they are not the guilty ones in this matter. Therefore, I am glad that Sir Reg Empey recognises that the amendment is appropriate. Furthermore, although I recognise that two Ministers' names are associated with the motion, I want to place on the record that they speak in this debate as MLAs.

Members on this side of the House can find no reason why the Executive have not met during the past five

months. Many opportunities to meet have been missed, and many matters of concern to society that could and should have been dealt with have not been properly addressed because the Executive have not met. If the Assembly is to mean anything to the people who sent us here, it must impact positively on those constituents' lives. Stymieing Executive business does not raise the confidence of the community at large — rather, it compounds the already difficult and frustrating economic situation in which we find ourselves.

As other Members have said, it is five months since the Executive's last meeting in June, while, to all intents and purposes, Assembly and departmental business has continued. Nevertheless, the Executive's failure to function has left a void in devolved Government, and responsibility for that dereliction of duty rests solely with one party — Sinn Féin.

The DUP has stated frequently that there is no legal, moral or political reason why the Executive have not met in the past five months, while the global economic slowdown has begun to have a real impact of the lives of people in Northern Ireland. During those months, hard-working families, pensioners and business owners expected the Executive to meet and do all in their power to lessen the effects of the economic crisis on the community that we are here to represent.

Today, Members witnessed the frustration of those who represent senior citizens as they highlighted elderly people's concerns about their ability to pay to run their homes. It is often said that, for those people, it is now a question of whether to heat their homes or to eat. Although the Assembly should be addressing such matters, respective Ministers are doing their best to address people's concerns on a raft of matters, such as the elderly and the future for jobs. For example, last Friday, Minister Foster acted decisively to address urgent concerns about the Presbyterian Mutual Society.

The Member who proposed the motion was correct to say that the Pledge of Office and the ministerial code oblige Ministers to work within the Executive. However, the motion fails to mention the fact that many Executive Ministers have been prepared to fulfil those duties. The motion might lead one to believe that fault lies at every Minister's door, and that is regrettable, because the fault does not lie there, or at the doors of the Ministers who tabled the motion.

Along with the Ulster Unionist Party and the SDLP, the DUP has stood ready, at any time since June, to attend an Executive meeting. The fault for the Executive's failure to function cannot be justifiably laid at those parties' doors. In the summer, the First Minister made it clear that he is prepared to call an Executive meeting at any time and, after the summer recess, DUP Ministers were prepared to cut short their holidays in order to facilitate a meeting. Moreover, after the summer

recess, the First Minister made it clear that those who were failing in their duties under the ministerial code and the Pledge of Office could attend a meeting with an open agenda to discuss any matter for which the Executive are responsible.

Hence, again, we fail to understand why the Executive were not meeting, and nor do we understand some of the reasons that were given for the Executive's not meeting.

The DUP did not create any blockage to prevent the Executive from meeting in order to discuss fuel poverty, the rising cost of living or the financial problems, which are the issues on the lips of everyone in the Province. Those are the issues that the community wanted Ministers to be discussing, and which Ministers should have been discussing in recent months.

The Assembly should deal also with the alleged reasons why the Executive have not been meeting. It is alleged that some people, in some way, were not being treated as equals. However, that stance will not stand up under scrutiny. It is said also that policing and justice must be devolved. The DUP has an election manifesto in which its position on that issue is clear: policing and justice will be devolved when there is sufficient confidence in the community to permit it to happen. That is a DUP manifesto commitment, but it should not be used to hold every other issue to ransom. Efforts to find agreement on the devolution of policing and justice should take place alongside — not instead of — discussions to solve the real problems in people's lives here.

Future meetings of the Executive will, as in the past, be on the basis of power sharing and equality, despite reports to the contrary, which are only an attempt to distract people from the important issues, and which have not been discussed since June.

I hope that the Executive will meet again soon and that all aspects of devolution will be working for the benefit of the people of Northern Ireland. Three parties have always been prepared and willing to step up to those challenges, and I hope that that will be reflected in the Assembly today — by not only those parties, but by those parties that are not represented in the Executive and who want to see it meet. The parties that are not represented on the Executive have not been part of the process that has seen the people of Northern Ireland deprived of a vital aspect of devolution, which could have been used for the betterment of the lives of everyone in the Province over the past five years.

I commend the amended motion to the House, and I trust that the Assembly — to a man and woman — will give it its full support. The Assembly and the community expect the Executive to meet immediately to discuss the issues that are affecting people's lives. The Assembly must commit itself to doing what it is supposed to be doing: working on behalf of its constituents and bettering the lives of the people of Northern Ireland.

Ms Ní Chuilín: Go raibh maith agat, a Cheann Comhairle. I congratulate O'Donovan Rossa GAC for winning the all-Ireland club senior camogie championship final and bringing the cup home for the first time in 42 years.

With regard to the motion and the amendment, there has, in recent months, been an understandable focus on the absence of Executive meetings. The motion and the amendment draw further attention to that, but both fail to draw attention to the real problems facing the Assembly. The problem is not that the Executive have not met, rather that there are some people in these institutions who think that the only agenda is theirs and theirs alone. Some Members have yet to come to terms with what partnership Government really means. In fact, some Members who are charged with the responsibility of Government have yet to come to terms with the requirement upon them to deliver for all sections of our community.

The basis on which an Executive should operate, and on which Ministers should carry out their responsibilities, is derived from the Good Friday Agreement. For those who came late to its acceptance, or those who may have forgotten its content, let me remind you of some of its fundamentals. The Good Friday Agreement commits us to work for the achievement of reconciliation, tolerance and mutual trust. It also commits us to the protection and vindication of the human rights of all, and to partnership, equality and mutual respect. The Pledge of Office requires Ministers to discharge, in good faith, all the duties of office, to serve all the people equally, to promote equality and to prevent discrimination.

Therefore, the House should not be considering whether the Executive will meet this week, next week or the week after, but whether, when they do meet, it will be on the basis of genuine partnership Government.

Will we have an Executive that will govern according to the criteria agreed and enshrined in the Good Friday Agreement, or will we have an Executive that will fulfil all their commitments in that agreement and the commitments made at St Andrews, which include equality of services and investment to be delivered on objective need, the Irish language Act, and policing and justice?

Sinn Féin's questions for the Executive must be answered by all individual Ministers, including the proposer of the motion. Sinn Féin Ministers have made clear their commitment to deliver for all — not just some — sections of the community.

Perhaps the two Ministers who sponsored the motion will take this opportunity to clarify where they stand on the real problems that we face; perhaps they will remind us later whether they had previously sponsored a motion promoting equality; perhaps they will tell us

whether they support Irish-language rights and what they have done to advance and protect those rights.

Mr Elliott: Will the Member give way?

Ms Ní Chuilín: No; the Member will not give way.

Let us not forget that it took almost 16 months to set up the institutions agreed under the Good Friday Agreement in 1998. The UUP blocked their operation, despite arguing for them in the Good Friday Agreement. Of course, we had several suspensions, all of which followed UUP attempts to advance its electoral successes.

In recent months, Sinn Féin has been trying to bring about a situation where there is a fully working Executive based on genuine partnership. It wants to achieve that on a basis that will benefit all sections of the community. It is better that we make such advances, take our time and get it right.

Ministers have full Executive authority in their respective areas of responsibility. The Programme for Government has already been agreed by the Executive and endorsed by the Assembly. Perhaps Ministers will share with us how they have factored in the outcomes of equality impact assessments, and so on, for which they are responsible. Let us not get distracted from the real issues. We must concentrate on resolving the problems, rather than party-political posturing. Go raibh maith agat.

Mr Durkan: I had sought to express the SDLP's support for the motion as tabled by Sir Reg Empey and Michael McGimpsey in their capacities as MLAs rather than as Ministers, because, on 16 September, the SDLP tabled a motion that was passed unanimously, which set out the need for an Executive meeting and several issues that it wanted to see addressed at that Executive meeting. As well as the issues of the economic downturn, fuel poverty, and the delays in advancing change in post-primary education, the motion also addressed the issue of the devolution of policing and justice. It was deliberately constructed so that it was capable of attracting all-party and unanimous support, which it did.

Even though there has been frustration since then because the motion was not acted on by the Executive, the SDLP would have preferred the motion today to attract all-party support. That is why we would not have been minded to support the amendment, if it had been put to a vote. In the circumstances, it appears to be gratuitously partisan.

It is also somewhat disingenuous of the DUP to table an amendment that aims to say that everybody else is OK and that the problem lies with Sinn Féin. It is grand for the DUP to say that. However, the reality is that the DUP is quite prepared to cook up all sorts of things with Sinn Féin at the expense and to the exclusion of the rest of us. We saw that happen with the Commission

for Victims and Survivors, where a decision was made in Stormont Castle and railroaded through the Chamber by accelerated passage without a Committee Stage or consideration of any opposing view. The same parties were in cahoots again, colluding and conniving with regard to the Local Government (Boundaries) Bill; the decision was made in Stormont Castle and railroaded through the House.

1.15 pm

More latterly, I expressed concern, which other parties in the Chamber supported, about the fact that a draft Budget will not be laid before the Assembly — as the law requires — before the commencement of the next financial year. There will not be a draft Budget that the Committees can consider properly and that can be subject to consultation. The Executive, which is a dysfunctional Executive that do not meet, seem to have made that decision. The Executive have been derelict on the issues that everyone says are so urgent. Those issues are the reasons why we need a draft Budget for the next financial year.

The presumptions and assumptions on which the Programme for Government and the supposed three-year Budget were based have travelled a long way south with the changes that there have been in property valuations and assumptions on asset sales. There is also pressure on several Departments' budgets. The so-called efficiency savings — which we were told would be merely cuts in bureaucracy and reductions in Government overheads — are now translating into cuts in front-line services, cuts in the community and voluntary sector and cuts to various statutory agencies.

We are in an Assembly pleading for an Executive to meet. However, the same Executive that are not meeting have somehow managed to engineer a bypass of the Assembly's statutory budgetary role. The Assembly is supposed to be the Budget authority, and I hope that those interests and rights will be asserted. The Assembly is supposed to be working to full accountability and scrutiny, which are meant to be part of the devolution dividend. The Executive are supposed to meet competently and deal with cross-cutting issues comprehensively. However, we are in no position to hold the Executive to account when parties wilfully allow the Executive to arrogate the roles, responsibilities and functions of the Assembly to themselves.

I think that the Executive will meet soon. People have appointments in the United States, so they will want to ensure that the Executive are meeting when that time comes. Similarly, the BBC's 'Question Time' will come from Northern Ireland on 4 December, and people will not want that programme to be viewed by a UK audience at a time when the Executive are still not meeting. For their own reasons, people will ensure that the Executive meet. I wish that they would ensure that

the Executive meet because of the interests and needs of families, firms and public services, which are hurting and badly in need of leadership.

Mrs Long: I support the motion and the amendment, although I have reservations about the amendment, which I will address later.

When the First Minister took up his role earlier this year, he said that there was going to be a battle a day. We all took that to be a grim statement of reality rather than an aspiration for his time in office. The situation seems to have moved from close-quarter combat to long-range warfare by mail. That is unfortunate for the public's perception of the Executive, the Assembly and all the structures.

It is more than 150 days since the Executive last met. I cannot think of another profession in which people could refuse to do part of their job and continue to draw their full salary. At a time when many people are losing their jobs or being put on short-time working, it is particularly insulting that the well-paid Executive are refusing to do a crucial part of their job.

Ministers, particularly those from the main parties, have been quick to try to justify the state of affairs by using the argument that they are still working in their Departments. However, no one denies that that is the case. Equally, no one denies that there are some willing Ministers who are effectively being locked out of, and prevented from going to, the Executive.

However, all Ministers would acknowledge that there are many areas — such as education, where nothing but chaos is happening — where either policy change or legislative change is required. There are also cross-cutting themes such as child poverty, fuel poverty and delivery of the shared future strategy that we were promised in the Programme for Government. The impasse means that nothing is being brought to fruition. In her ministerial address this morning, Margaret Ritchie talked about the Executive's failure to meet and about the difficulties that that is creating for her in her attempts to implement the measures for which we and the public are clambering.

Executive meetings are not only required by the Pledge of Office and the ministerial code, and for effective and efficient Government, but they are demanded by voters who elected Members to the Assembly and who expected better than they have got.

It is a cliché to say that patience is running out with the current farce but, to be frank, it is also a fact. There is a legal and, more importantly, a moral obligation, not least in the current difficult financial context, on the Executive to meet and to work through the difficulties — the existence of which no one denies. However, those difficulties must be worked through in a mature, political way, instead of the current stand-off. There is nothing that can justify one party holding the structures

to ransom in the way that Sinn Féin has over the summer and autumn. Therefore, the Alliance Party supports the amendment.

That support is offered with a health warning. I am not sure whether it is possible to wash one's hands of a problem and point one's finger at the same time. The closest thing to that has been seen this morning. The DUP has made much over recent weeks and months of the strength of its position. There has been talk of vetoes and of triple and quadruple locks — all of which is true. That position is extremely strong and it was agreed at St Andrew's. All parties know that. However, that position is strong only for as long as partners in Government are willing to put up with it. The practical and political reality is that people must be kept together if partnership is to work. I do not say that in order to excuse, in any way, the behaviour of Sinn Féin over recent months, but to acknowledge the reality that, unless there is some generosity of partnership, even in a mandatory coalition, partnership will not survive. That generosity has been lacking on both sides.

Lord Morrow mentioned the need for an agenda, and the notion that an open agenda would not be sufficient. I believe that the truth was leaked almost by accident in the Committee for the Office of the First Minister and deputy First Minister. It is not about the agenda. Sinn Féin wants the DUP to agree papers and positions on an agenda, and that cuts out the SDLP and Ulster Unionists. From my perspective, that does not represent partnership either.

The current impasse proves that mechanisms cannot replace goodwill, trust and co-operation. It also shows that the Assembly's structures do not deliver for those who want to efficiently and effectively administer the status quo, such as the DUP, or for those who advocate change, which is prevented by tribal voting blocs and vetoes that bar change that is not wanted and fail to deliver change that is. Most of all, the impasse fails to deliver for a public that is tired of crises that are manufactured by those in comfortable positions.

Mr Simpson: I support my party's amendment and I welcome the fact that the Ulster Unionist Party has agreed to support it.

The original motion failed on a couple of points. The first test is one of accuracy. The fact that the Executive have not met for some months has caused much public comment and speculation. Some Members have, incorrectly, spoken of a "stand-off" or of an "impasse" that involves the DUP and Sinn Féin. That may be an easy attitude to adopt, but it is not a proper reflection of reality. The bottom line is that Sinn Féin has refused to attend Executive meetings because the DUP will not agree to its political wish list.

It must be remembered that the DUP wants to see movement on issues that are of great importance. The

DUP wants to see an end to the mandatory coalition and a move to a voluntary coalition; it wants to see the standing down of the so-called IRA army council; a reduction in the number of Departments; a resolution to disputes over parades and a new beginning to parading in Northern Ireland; and a significant reconfiguration of the equality agenda. All those issues concern my party.

However, at no stage has the DUP refused to attend Executive meetings until its issues of concern were satisfactorily resolved. At no stage have we threatened the devolved structures unless our demands are met. Although the Ulster Unionist Party shares many of our concerns, at no stage has it refused to attend Executive meetings or threatened the institutions in the same way as Sinn Féin. I will be kinder to the SDLP than Mr Durkan was to the DUP. Like Sinn Féin, the SDLP would like to see the early devolution of policing and justice powers. However, the SDLP has never refused to attend Executive meetings or threatened the devolved structures.

The DUP, the SDLP and the UUP have not prioritised their party wishes above the current economic turndown; rising fuel, energy and food prices; the problems in the housing market; the difficulties faced by the financial institutions; spiralling costs for senior citizens and the low paid; the financial constraints that are felt by people on benefits; or the future of our children. Sinn Féin alone has decided on that course of action. All the other parties are ready to attend an Executive meeting, are prepared to work through their issues of concern and are prepared to prioritise other pressures. Sinn Féin stands alone in refusing to do that.

Sinn Féin may welcome the priority that the DUP and other parties have given to the concerns of the public, in the same way that it has prioritised the devolution of policing and justice powers. If so, Sinn Féin should admit that, so that we can move forward.

By failing to identify Sinn Féin — and its pursuit of the course of action on which Mr Adams has set it — as the problem, the motion not only presents an inaccurate picture of the current state of affairs, but lets Sinn Féin off the hook. That allows Sinn Féin to evade the public pressure or censure that its actions deserve, thereby prolonging its selfish and destructive activity.

The Executive must meet immediately to address the issues of pressing importance to the public, such as those that prompted senior citizens to gather outside Parliament Buildings this morning, and the difficulties that businesses face.

Mr McLaughlin: Go raibh maith agat, a Cheann Comhairle. I wish to begin with a positive statement: in full accordance with the Pledge of Office and the ministerial code, the Executive will meet. My party will insist on that, because it is the absolute requirement of the Good Friday Agreement and the St Andrews review. *[Interruption.]*

Mr Speaker: Order.

Mr McLaughlin: Partnership and equality must be at the heart of government. No one can deny that Sinn Féin and the DUP are negotiating very serious issues, or that we are committed to finding resolutions to those issues, which have obstructed the functioning of the Executive and the Assembly in the manner set out in the Good Friday Agreement.

It is testimony to their commitment that both parties have made it clear that they will engage in discussions until solutions are found. We are both focused on a sustainable future for the power-sharing Assembly and the Executive. Therefore, solutions will emerge.

Mr B McCrea: Will the Member explain why negotiations are taking place exclusively between his party and the DUP? Would it not be better for his party and the DUP to meet in the Executive so that all four parties that are represented in the Executive can discuss the issues and find a way forward? Why is the Member's party trying to find a solution in a purely bilateral manner? That is the key to the impasse. Will the Member explain why his party has adopted a partisan approach?

Mr McLaughlin: I will address the issue that the Member raised.

I have listened carefully to the speeches so far, and they are simply a continuation of the mischievous and counterproductive approach adopted by the UUP and the SDLP. There has been no acknowledgement of the seriousness of the unresolved issues, and there have been no solutions to address the issues. Furthermore, there has been no acceptance by the other two members of the Executive of their failure to address the issues when they had the opportunity. That is a genuine point, which fair-minded people — including those fair-minded people in the unionist community — will acknowledge.

1.30 pm

Following up on the Member's line of thought, I recall the paralysis in OFMDFM during the Trimble/Mallon/Durkan era, and I recall Seamus Mallon's resignation, followed by his humiliating non-resignation. I also recall the silent and sullen Mark Durkan, who had an opportunity to resolve the issues on the basis of equality and partnership; however, that did not happen. That is really the answer to the question. The DUP and Sinn Féin —

Mr Durkan: Will the Member give way?

Mr McLaughlin: No, I have already given way, and the Member has had his opportunity to speak.

The Ulster Unionist Party and the SDLP clearly did not have the backbone to address those issues.

Mr A Maginness: On a point of order, Mr Speaker. Is it in order for one Member to level an accusation at another Member in the Chamber and then to refuse him or her an intervention to rebut that accusation?

Mr Speaker: Order. It is for a Member to decide whether he or she accepts an intervention. Mr McLaughlin refused to accept the intervention, so the Member should not persist.

Mr McLaughlin: The Ulster Unionist Party and the SDLP clearly did not have the backbone to address those issues, but, as Ian Paisley once remarked, that was then and this is now.

All parties have been called on to make difficult and painful decisions, and some measures that we have taken in recent years have cost dearly, with the disagreement and resignation of some colleagues. Sinn Féin could have made the case that sufficient confidence did not exist in our community in respect of policing and justice, but we resisted that argument — which was made — and took a decision at a special Ard-Fheis to move decisively to engage and to play a key role in building that confidence.

That is what leadership is about, and it is the type of leadership that is required from all parties. Such leadership will bring forward solutions, and it will permit the Assembly and the Executive to meet as soon as possible, on the basis of partnership and equality.

The motion and the amendment fail to acknowledge the Good Friday Agreement, which is the foundation stone and model for this Assembly. Indeed, the amendment —

Mr McClarty: Earlier in the debate, the Member and his party colleague mentioned the Good Friday Agreement, but Members opposite keep telling us that the Good Friday Agreement is dead and gone. Will the Member clarify the position?

Mr McLaughlin: The parties must overcome many hurdles, one of which is the acknowledgement that the Good Friday Agreement was reviewed at St Andrews, but it is alive and well. The motion refers to the Pledge of Office and to the ministerial code, but where are they prescribed if not in the Good Friday Agreement? Let us not waffle, and let us not attempt to confuse our own leadership. *[Interruption.]* The Good Friday Agreement exists. All members of the Executive — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor.

Mr McLaughlin: All members of the Executive are required to observe the principles of the Good Friday Agreement. That is the basis on which the Executive will get back to work, so let us accept it. Let us get on with it, and let us give the leadership that is required.

Dr W McCrea: It is good to be able to bring some realism to the debate. We have heard much spoken, and, a few moments ago, a little mischief being played by Mitchel McLaughlin, who was trying to take the spotlight off Sinn Féin's refusal to meet in the Executive.

Let us attach the blame for the impasse to where it belongs. It is solely Sinn Féin's fault that the Executive are not meeting. That party is unwilling to face the realities of the situation. Its Members talk about stand-offs, impasses, and all the rest.

The DUP has taken the stance that there must be public confidence before policing and justice powers can be devolved. I thought that that was also the stance that the Ulster Unionist Party and the Alliance Party were taking. Therefore, the idea that the problem is somehow down to the DUP's unwillingness to meet is false.

Perhaps Mark Durkan will take that point on board. It appears that, although he began his speech by trying to give the impression that he was supporting the motion and demanding that the Executive meet, as usual, Mark was looking over his shoulder at Sinn Féin and attempting to find an excuse for the Executive not meeting. Sinn Féin, and Sinn Féin alone, is the party responsible.

Mr Durkan: Will the Member give way?

Dr W McCrea: No. The Member was not good on his feet when he was speaking, so it is no use my giving him a second bite of the cherry.

Sinn Féin knows full well that, as far as policing and justice was concerned, the British and Irish Governments sold it a pup at St Andrews. Either it had bad negotiators present, or its members were simply sucked in because they wanted to move forward and form an Executive here in order to keep Northern Ireland stable. For years, Sinn Féin had a policy of regarding Northern Ireland as a failed political entity, but it wanted to ensure that it would be more stable in future.

Whatever the reason, we know that Sinn Féin accepted the reality, and the British Government enshrined it in legislation. That is not wishful thinking on my part — there is a triple lock in place, which is based on confidence. It is in law.

In the past, Sinn Féin/IRA used threats and intimidation. It used the bomb and the bullet, and all the rest. It no longer has those weapons in its armoury, because the events of 9/11 finished all that. It knows fine well that the world would not accept its returning to the way things were. However, Sinn Féin has not got away from its old habit of intimidating and threatening, so it is doing so in another way. Sinn Féin is saying that, if we do not agree with it and allow its manifesto commitment — on which it bluffed the people — to proceed, it will pull the rug from under everyone else's feet by preventing the Executive from meeting.

When one speaks to the public, one hears no demand for the immediate devolution of policing and justice powers. However, the public demand that the Executive meet to deal with issues that affect the economy, energy, fuel prices, the housing market and spiralling costs for low-paid workers.

The elderly people who gathered outside Parliament Buildings earlier today were not there to ask us to bring about the devolution of policing and justice powers. I mingled at the bottom of the steps with those people, who represented a cross section of the community. Not one person came up to me and said that he or she wants us — the elected representatives of the people — to secure the devolution of policing and justice powers. What people did say was that they want the Executive to meet to deal with the problems that the public are facing.

The Ulster Unionist Party should stand alongside the DUP on the issue. We will not be intimidated or threatened into accepting the devolution of policing and justice powers.

Some Members: Hear, hear.

Dr W McCrea: When confidence exists in the community, we will consider those powers being devolved. The Democratic Unionist Party will not agree to something for which no such confidence exists.

We should put the blame where it belongs. Therefore, SDLP Members must stop looking over their shoulder at Sinn Féin. They must stand on their own feet and condemn Sinn Féin — “Ourselves alone” — because it alone has kept the Executive from meeting. The Ulster Unionists, the Alliance Party and every other party should unite today to tell Sinn Féin that there is no excuse whatsoever for the Executive not meeting. The Executive must meet to deal with the day-to-day, bread-and-butter issues that the people are crying out to have resolved.

Mr Speaker: The Member's time is up.

Mr McGimpsey: I am grateful to the Business Committee for granting leave to the Assembly to debate this motion. It is a simple motion, and one with which the majority of people in Northern Ireland clearly agree.

I was asked to serve as a Minister in the Executive in May 2007, and I subsequently signed up to the Programme for Government and the Budget in good faith and in anticipation of our embarking on a further new beginning for Northern Ireland. After all, that was what we were promised by the DUP and Sinn Féin at St Andrews.

One of the crucial aspects of that proposed new dispensation was an end to stop-start government; rather, we would be able to deliver efficient, effective and joined-up government that would be more

receptive to the needs of local people, and more successful in delivering for local people.

As one who has served in the Executive, I have endeavoured to make those changes in my Department. The Programme for Government states:

“We are conscious that you have put your trust and confidence in us as an Executive to deliver a shared and better future for you.”

It goes on to outline principles that the Executive should collectively live by. These include:

“providing good leadership and working energetically in the interests of everyone”,

“working in partnership as an Executive”,

“raising standards” and

“delivering fair outcomes and social improvements”.

Such sentences seem shallow, given the events of the past 151 days. Indeed, in light of the self-constructed impasse that exists between Sinn Féin and the DUP, I have to ask the First Minister and the deputy First Minister whether they can honestly contend that those principles have been honoured. Can they categorically state that we have acted in a way that respects the trust that the public have put in us over the past five months?

The reality and the public perception are clear — because the Executive have not met for 151 days, people are suffering unnecessarily. As Ed Curran asks of the First Minister and the deputy First Minister in today's ‘Belfast Telegraph’:

“have you no shame as people go to the wall?”

There are approximately 60 papers outstanding and waiting to be discussed by the Executive. In the area of health, papers are waiting to be cleared that deal with the sexual health promotion strategy, the report of the Assembly's Committee for Health, Social Services and Public Safety on suicide and self-harm, a paper regarding ongoing support for families in Northern Ireland, and a paper on the abolition of prescription charges. Those are all important matters; indeed, many deal with people's lives and livelihoods. I am also aware that the Minister for Social Development has had to delay the implementation of measures to combat fuel poverty. In addition, uncertainty remains over post-primary transfer arrangements, and the future of the Maze site. Is this how we envisaged devolution — withholding help from those who need it most?

Many of us remember the optimistic words that were uttered by the deputy First Minister on devolution day in May 2007, when he pledged to work together for all. Such an occasion created a real sense of hope, but the behaviour of republicans over the past six months has been shameful. Their attempt to block progress and create stagnation, and their constant refusal to hold any Executive meetings, smacks of hypocrisy.

Mr Elliott: Does the Member agree, having talked about republicans holding the process to ransom, and in light of a recent BBC documentary on how republicans planned and plotted the Maze escape, that they are now plotting the downfall of the Northern Ireland Assembly?

Mr McGimpsey: That is an interesting question, and is one that we could deliberate on, but following last year's Dáil elections, it seems to me that Sinn Féin has nowhere to go other than Northern Ireland and Stormont.

We remember standing in this Building eight years ago, when the then Secretary of State, Peter Mandelson, stepped in to restore direct rule, following the refusal of republicans to honour their commitments on decommissioning. Who can forget the howls from Mr Adams and Mr McGuinness on that night, when they demanded that devolution should return to Northern Ireland, and said that it was their democratic right to exercise good government?

Mr Speaker: The Member will have an extra minute to speak, in return for taking an intervention.

Mr McGimpsey: Today, instead of demanding devolution, Sinn Féin is refusing to implement it.

The public has, quite rightly, been asking what has been going on. Since the summer, the world economy has lunged from crisis to crisis. Last week, we heard news that house repossessions have gone up by 93%. Major companies are shedding jobs across the UK, and the construction industry is in deep recession. Yet, while the rest of the world has mobilised, government in Northern Ireland has stood still.

As someone who campaigned tirelessly over many years for peace and the primacy of politics, I want to see government working in Northern Ireland. I am passionate about this country and about making it vibrant and successful. I am passionate about delivering a world-class Health Service for the people of Northern Ireland, and I am passionate about good government.

1.45 pm

Regardless of the outstanding political issues that exist, there is no excuse for blocking the Executive. The forum for such issues is the Executive table, and to discuss those issues there would be an act of good government, it would be an act of responsible government and it would be what the people of Northern Ireland deserve. The time for parallel negotiations is over, and the time for good government is here.

Mr A Maginness: The events that took place outside the Assembly Building this morning were a scandal. Five hundred senior citizens were here to protest about the lack of action on their plight, and representatives from political parties were outside talking to those people. The First Minister and the

deputy First Minister, however, did not attend. That was a scandalous insult to those people, who are under pressure. Equally scandalous is the fact that the Executive have not met for 151 days. Sinn Féin has boycotted Executive meetings, and those meetings have been blocked by the intransigent attitude of the DUP on the transfer of policing and justice.

Mr McLaughlin said that the Good Friday Agreement is alive and well. The Good Friday Agreement is alive, but it certainly is not well. It is not well because of the constant erosion of that agreement by Sinn Féin and the DUP. Sinn Féin entered into a scandalous deal at St Andrews by which it eroded the substance of the Good Friday Agreement. It has now tried to claw back its position by standing on principle on the transfer of policing and justice and saying that that had been agreed at St Andrews. The two Governments regarded it as a target date, but that had not been agreed by the DUP. At St Andrews, the SDLP warned Sinn Féin that a date had not been agreed.

Other deficiencies in the St Andrews Agreement are only now becoming common currency as deficiencies. Sinn Féin tries to pretend that that agreement contains no deficiencies, but it walked into that agreement, it played its cards badly, and it negotiated a defective deal. Sinn Féin is now constantly trying to make up ground on that defective deal, and the people of Northern Ireland are now paying the price. That price is a Sinn Féin boycott of Executive meetings, which prevents Executive and Government decisions from being made. Sinn Féin is doing that to save its political face.

Sinn Féin should be honest and say that it made a mess at St Andrews and that it wants to renegotiate in order to restore the Executive and the authority of the Assembly and to defend the nationalist interest in the Assembly and the Executive. It has signally failed to do that, and its people on the streets realise that Sinn Féin is a political failure. They realise that Sinn Féin has failed them, that it has failed to deliver in Government and that it has failed to deliver in the Assembly. Its continued, stubborn boycott plays into the hands of the most intransigent elements in the DUP. How can political progress be made in the Assembly or in society if there is nothing but ill will — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor. Members should not try to speak from a seated position.

Mr A Maginness: How can political progress be made in the Assembly or in society if there is nothing but ill will and insults across the Chamber and outside the Chamber? Recently, the leader of Sinn Féin gave a speech in New York in which he referred to the DUP as "the Afrikaner wing of unionism".

How can Sinn Féin expect to build trust and confidence with the leading unionist party in the Executive, in the Chamber — and, for the moment at

least, in society — when it insults people? Likewise, how can the DUP expect to build confidence with Sinn Féin when it continually makes insulting and outrageous comments? How is it possible to create goodwill and to work together in a spirit of reconciliation when one party mentions some old hatred or grudge that hurts and injures the other's political sensitivity?

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

Mr A Maginness: The DUP, and Sinn Féin in particular, must get back to work, deliver governance, and represent the interests of all people in Northern Ireland.

Mr G Robinson: It will be of no surprise to Members that I support the amendment. Paragraph 1.4(a) of the ministerial code, which sets out the terms of the Pledge of Office, states that Ministers have a responsibility:

“to discharge in good faith all the duties of office”.

It is obvious to everyone in Northern Ireland that Sinn Féin's Ministers are not living up to that part of their Pledge of Office. In accordance with paragraph 4.1(a) of the ministerial code, Ministers must hold Executive meetings. Perhaps that is too simple an idea for the Members on the Benches opposite to understand. That is a pity because every other Minister and party in the Assembly understands what it means without difficulty. Perhaps if the ministerial code were written in another language, Sinn Féin's Ministers would better understand it.

Paragraph 1.4(c) of the ministerial code states that Ministers must serve all the people of Northern Ireland. It does not say anything about delivering a narrow political agenda that is aimed at keeping the hardliners in Sinn Féin happy. Paragraph 1.4(c) also mentions the promotion of equality and the prevention of discrimination. However, at present, every person in Northern Ireland, including every member of Sinn Féin, is being discriminated against and is being subjected to inequality because Sinn Féin is having a tantrum and has discovered that democracy means not getting what it wants all the time.

Recently, one of my constituents said that Sinn Féin cannot abide democracy because it cannot dominate. As a result, the most vulnerable in society are being denied help, as demonstrated by the pensioners who protested here today. Programmes that could encourage and support the Northern Ireland economy are being stifled. Sinn Féin is looking even more ridiculous than it did three months ago. The ministerial code clearly states that Ministers must:

“be accountable to users of services, the community and, through the Assembly, for activities within their responsibilities”.

Every Minister, except those who belong to Sinn Féin, has lived up to that. The members of Sinn Féin

who block progress must be held accountable for their inaction and the problems that they have caused and will continue to cause.

The ministerial code also mentions the promotion of good community relations. This debate has brought together Members who represent the vast majority of the people in Northern Ireland and who wish to promote good relations, while Sinn Féin sits in the corner in a huff and sucks its thumb.

If I had my way, the Ministers opposite would be stripped of their Ministries and salaries so that they could be given to those members of parties in the Assembly who want to do the jobs that they, and every other Member, were elected to do — to govern Northern Ireland.

However, if what I am told by my constituents is correct, there are some in Sinn Féin who want to see devolution work. To those Members sitting on the Benches opposite who want to see the Assembly work, I say: stand up and be counted. Do not support the blockers — the Sinn Féin leadership — who are on a three-legged political donkey that is going nowhere fast. Show the band of ancient warriors hiding in your midst that they are not following the right leader or path. Follow the leader who will guide the party to providing a positive contribution to the future of Northern Ireland, and do the business that all Members were elected to do. I support the amendment.

Some Members: Hear, hear.

Mr I McCrea: I welcome the debate. I thank the proposers of the motion for accepting the amendment tabled by Lord Morrow. I also welcome the Alliance Party's support for the amendment. I hope that the SDLP stops hiding behind Sinn Féin and will apportion the blame to that party alone. I also urge the SDLP to support the amendment.

It is important that Members recognise that the fault for the Executive not meeting belongs to one party alone, which refuses to take its seats. That party is Sinn Féin. Since the last meeting of the Executive in June, the DUP, UUP and SDLP Ministers have been willing to meet, as other Members have said. Sinn Féin, however, has sought to stall the governmental process in Northern Ireland.

In my day-to-day contact with constituents, I am receiving the very clear message that people want the Executive to meet. Those constituents are feeling the pinch of the current economic climate, and are looking to the Executive for assistance. Although the economic situation is a global problem, and not unique to Northern Ireland, it is still the responsibility of the Executive to do all within their power and remit to ease the financial burden that so many people throughout the Province are experiencing.

As people worry about financial pressures and future employment, it is unacceptable that the Executive have not met since June. However, when many people make that comment, they fail to apportion the blame to the correct quarter: Sinn Féin. By blocking Executive meetings, Sinn Féin is failing thousands of people. At this difficult time, Sinn Féin should be playing its full part in making governance work in order to assist people throughout Northern Ireland.

Along with many other MLAs, I talked on the steps of Stormont this morning with our senior citizens about their concerns over the need for action by our Government. The message is clear: the Executive must meet to help them. The Executive must meet to ensure that those people can put food on their tables. I have also met many young people and people with families who have told me how they are struggling to put food on the table, and how energy price rises are pushing them closer to fuel poverty.

I do not believe that the situation in my constituency of Mid Ulster differs radically from the situation anywhere else in Northern Ireland. I would be very surprised if our absentee MP for Mid Ulster, the deputy First Minister, is hearing a different message. Our most vulnerable citizens are all facing the same difficulties, regardless of political viewpoint or religion. Sinn Féin must stop putting party politics before its own people. The Executive could take many positive steps if only Sinn Féin would allow that body to function. The message is very clear both from this House and from the people of Northern Ireland: it is time for Sinn Féin to get back to work. I support the amendment.

Ms Purvis: Where does one begin when expressing what is wrong with this situation? There are many options. I am sure that, by the end of the debate, we will have a healthy catalogue of missteps, errors and absurdities to describe what is going on. I will try not to throw my own hyperbole and exaggerated outrage into the discussion; it is too easy a target.

Let us try to focus on what might be positive about the situation. Negotiation is a good thing — it improves communication, resolves conflict and is a lot better than fighting. It is good that we have moved from conflict to negotiation in Northern Ireland but, unfortunately, negotiation has created some bad habits among the political leaders of the Province. Perhaps that is because we have been somewhat successful, but, for some reason, we do not seem to be able to stop negotiating. We negotiated and signed an agreement, we had a “hand of history” moment, and, within six months, we are back at it again, trying to renegotiate what we have just negotiated.

Although we seem to have an exceptional understanding of what it means to negotiate, no one seems to have fully grasped what it means to implement — to

turn what is written in a document into living reality. Did we never fully understand that that was the next step after CNN, Sky News, the Nobel Committee and everyone else had gone? Did no one grasp that we were supposed to implement what we had agreed? Why, whenever something goes even slightly wrong, do we retreat to the trenches? After 10 years, are we really so insecure in our own abilities, and so completely incapable of solving the problems that affect any system of governance, that all we can do is adopt a fighting stance or, as Sir Reg Empey said, pick up our ball and go home? Are there no other options in between those two extremes?

2.00 pm

We have made it past the primary stage of figuring out how to live, work and govern together; it is time that we moved onto the secondary stage. My suggestion to the DUP and Sinn Féin is that if the dialogue in which they claim to be engaged is not working, open it up and let more parties in. We are all in this together, so let us have some collective responsibility for resolving the issues. Creative ideas come from larger groups more often than from smaller groups. We are all here to solve problems; that is what government is supposed to do.

Let us be honest about what dialogue can and should achieve. I will not die in a ditch over exactly what the PUP thinks academic selection should look like, if it means that we can get over the hurdles and deal with the problems that there are. Neither will Sinn Féin over the Irish language Act, neither will the DUP over what happens at the Maze. The stalemate over policing and justice is not instilling confidence in anyone, nor is it showing that we have the political maturity to deal with such an important and sensitive issue all on our own.

I join with the authors of the motion, and other Members, in encouraging our colleagues in the Executive to meet and to show the people of the Province the respect and due diligence that they deserve.

Mr Poots: I welcome the fact that the debate is taking place. Sir Reg's comments about Martin McGuinness's hollow words at the economic conference ring true. We can identify for the wider public where the problem lies in all this. The problem does not lie anywhere in the Chamber, with the exception of with the Members opposite: Sinn Féin.

In response to the debate, Cárál Ní Chuilín blamed others, talked about partnership, about delivering for all sections of the community, about equality and mutual respect, and those are some issues that I wish to home in on.

There is an equality issue. In education, many children coming into primary 6 do not know what will happen to them next year; that is an equality issue that

needs to be resolved. There are 28 schools waiting for capital programmes to commence; that is an equality issue. Michelle Gildernew has not sought funding for farmers, and has not put a case to the Department of Finance and Personnel for weather aid; that is an equality issue. There are pensioners standing outside Stormont today who cannot afford to heat their own homes. However, there are ideas on the table that may be able to help them; that is an equality issue.

There are 8,000 construction workers currently unemployed. If Ms Ni Chuilín thinks that an Irish language Act is more important than those construction workers, perhaps she might ask them whether they want to sign on in Irish, or have a job to go to. I think that the majority of construction workers, Protestant and Catholic, unionist and nationalist, would want a job, and would want people to quit fussing about trivial things that are of no consequence to them.

As an organisation, the GAA has been calling for planning policy statement 14 (PPS 14) to be dealt with and reviewed. The only thing holding that back is Sinn Féin, in not allowing Executive meetings to take place. That issue could and would be dealt with, if Executive meetings were taking place. To the supporters of the GAA who want that sorted out, the message is this: Sinn Féin will not let it be sorted out. Let the message go out clearly to the nationalist and the republican communities; on all those issues, Sinn Féin is holding back.

Given the current circumstances, it is critical that the Executive meet. On a daily basis people are losing their jobs, companies are paying off employees, and companies are going into liquidation. What are we as an Assembly doing about that? There may be some limitations on what we can do; we are a devolved local Assembly and not a national Parliament. Nonetheless, there are actions that could be taken and should be taken, if the Executive were meeting. It is critical for us to respond positively, rightly and properly, to the economic crisis that is taking place in our country.

The DUP does not oppose the devolution of policing and justice; it never has. That is not the case. The DUP supports devolution of policing and justice, but only under the correct terms and conditions, which will be when the community has confidence. Let it be clear that the DUP will not hold back devolution of policing and justice for one day longer than is necessary; nor will it allow itself to be fixed to a timetable or deadline that is unattainable. The position must be balanced. The DUP will take such a balanced position in order to deal with the situation.

Therefore, for Sinn Féin to prevent Executive meetings exclusively because of policing and justice is wrong. It is a boycott that should not take place. It appears to emanate from a section of Sinn Féin that is

deeply unhappy about how matters have panned out for their party, largely as a consequence of the election that took place in the Republic of Ireland, the party's failure to advance there, and the coming apart of its agenda. It now appears that Gerry Adams has taken up the role of former First Minister David Trimble, which is to say:

“Stop the world. I want to get off.”

He wants to stop the Assembly because he has no part to play and his negotiations at St Andrews have failed to deliver for his community.

Mr Paisley Jnr: Does the Member agree that a clear message must ring out from the Assembly that there will be no trade-off on the basis that if an Executive meeting takes place, there will be devolution of policing and justice? Those two issues are not for trading. An Executive meeting must take place because one is needed immediately.

Mr Poots: An Executive meeting must take place because that is the right thing to do. Likewise, policing and justice must be devolved because that is the right thing to do, but only in the right and proper way. Those two issues should not be mixed. They must be kept separate and dealt with appropriately. That is the DUP's position.

Gerry Adams has become the David Trimble of Sinn Féin — the guy who negotiated a wonderful deal, but who does not want to go through with it. Gerry Adams is the bearded David Trimble. That is not a positive position. If Sinn Féin wants to go ahead and pull the Assembly down, it will never achieve devolution of policing and justice, which will continue to be dealt with at Westminster. It will also fail on many other issues: PPS 14, an Irish language Act, and so on. That will be to Sinn Féin's detriment.

Mr Kennedy: It is a matter of great regret that neither the First Minister nor the deputy First Minister has seen fit to grace the Chamber with his presence; even a decorative presence would have been helpful. Neither have they sent the junior Ministers or, indeed, any officials to the Chamber.

The Executive's failure to meet for 151 days, which represents 22 weeks or almost half a year, is deeply unacceptable and irresponsible. It brings the entire democratic process into contempt. Certainly, it devalues the Assembly's work and makes it a laughing stock in the eyes of the public. It shows contempt on the part of Sinn Féin.

I must say that I have been underwhelmed by the presence of Sinn Féin members during this important debate. During most of it, only three Sinn Féin members — one ninth of the party's Assembly group — saw fit to present themselves. That shows Sinn Féin's contempt for the Assembly, the Executive and,

indeed, the public. It also shows its contempt for other parties in the supposed multi-party coalition, which makes its profession of shared government ring hollow in people's ears.

All this is happening when the country is in the grip of a recession of a depth and intensity that has not been witnessed since 1929. It looks ugly, and it is ugly. The public's priority is the recession. Its priorities are different to those of Sinn Féin. What use is the devolution of policing and justice, or an Irish language Act, to someone who is in danger of losing his or her job, house and livelihood?

Today's motion comes after a long period of restraint from the reasonable parties in the Assembly. We have watched with increasing incredulity as the Executive notched up week after week of inactivity. I am surprised that, despite Sinn Féin's provocative behaviour, the Assembly has tried to muddle through. Individual Ministers have tried to get on with their jobs, Committees have continued to work hard and the Assembly has debated issues that are important to the public. The criticism of the Assembly must be refuted in the strongest possible terms, so that the public understand that some of us want to do a job for them and to improve the lot of people during the recession. Some of us want to protect the weak and the vulnerable, and we genuinely care for our people.

Today's motion comes at the end of a long period of frustration. We have tried to carry on with as much business as possible. We have tried, but we have been blocked from doing our jobs. I wonder at the non-tabling of a motion before now to reduce the pay of those Ministers who prevent the Executive from meeting.

To be specific about the situation, paragraph 1.4(a) of the ministerial Pledge of Office states that Ministers must:

“discharge in good faith all the duties of office”.

According to paragraph 1.4(cb) of the Pledge of Office, such duties include:

“to participate fully in the Executive Committee, the North-South Ministerial Council and the British-Irish Council”.

It is clear, therefore, that Sinn Féin Ministers have broken the Pledge of Office. Those are the facts, and that is the situation.

Paragraph 2.4 of the ministerial code states that Ministers have a:

“Duty to bring matters to the attention of the Executive Committee”.

That duty applies to any matter that:

- “(i) cuts across the responsibilities of two or more Ministers;
- (ii) requires agreement on prioritisation;
- (iii) requires the adoption of a common position;
- (iv) has implications for the Programme for Government;

(v) is significant or controversial and is clearly outside the scope of the agreed programme”.

Again, the ministerial code has been breached. The Assembly must know today whether the embargo on Executive meetings is to continue, end or, at least, end soon. If the negotiations are productive or are nearing completion, we need to know now. In a time of deep economic uncertainty, Sinn Féin must realise that to deal best with the deteriorating financial situation, the country needs institutional stability at the very least. Sinn Féin must accept that it cannot remain in a state of continuous negotiation, and it cannot subject the Province to a state of permanent revolution.

In opening the debate, Sir Reg Empey reminded the Assembly that the Province, the Executive and the Assembly need stability, not stalemate.

Lord Morrow was grateful for the motion — eventually — and the UUP will accept the amendment in that context.

Sinn Féin representative Carál Ní Chuilín reminded Members that she wanted to implement the Good Friday Agreement, but what about the St Andrews Agreement? No Sinn Féin Member here today has explicitly stated with whom or what it made agreements and about what. The Assembly needs to know.

Mr McFarland: Was the Member struck by an interview given by former Taoiseach Bertie Ahern to ‘The Irish Times’ some weeks ago? He said:

“Paisley could never have made the move he made unless there was an acceptance that policing was going to work. And the Shinners could never have made the decision unless there was an acceptance of the devolution of policing. That was the quid pro quo”.

Mr Ahern went on to say:

“I did that bit of the negotiations myself with Ian and Gerry Adams, and it was the quid pro quo.”

Does the Member not find the current confusion strange? If the deal was done at St Andrews, is it the case that the DUP hierarchy is not telling its ordinary members what happened there, or does the confusion lie with Sinn Féin?

2.15 pm

Mr Kennedy: I am grateful for the Member's contribution. Those questions —

Rev Dr Ian Paisley: On a point of order, Mr Speaker. Is it in order for a Member to make an untrue statement in the House? I told the former Taoiseach that I repudiated his comments, and he has not opened his mouth since.

Mr Speaker: It was a political comment, to which Dr Paisley has had time to respond.

Mr Kennedy: It appears that one must choose whom to believe. *[Interruption.]*

Mr Speaker: Order. The Member has the Floor and is making a winding-up speech.

Mr Kennedy: Mr Durkan, rightly, reminded the House that the Executive's current problem is that, rather than being a four-party mandatory coalition, it is, effectively, a two-party political carve-up. That fact causes significant problems.

Naomi Long mentioned the outstanding impasse questions that arise from St Andrews. The public and Members of the Assembly need clarity on that matter as quickly as possible.

David Simpson told the House that Sinn Féin's political wish list had not been agreed. However, his party promised the country a new, fairer and better deal. The new deal has been replaced by an old impasse.

Mitchel McLaughlin became a prophet and told the House that the Executive will meet. Furthermore, he said that the Ulster Unionist Party and the SDLP had had their chance in power and will not be given another one. The people will cast their verdict. Dr McCrea — and I am sorry that he has left the Chamber — reminded Members of the triple lock negotiated by the DUP. That triple lock has been replaced by gridlock.

The Ulster Unionist Party does not think that now is the right time, or that there is sufficient community confidence, to devolve policing and justice. I agree with Michael McGimpsey that it is a disgrace that approximately 60 papers require Executive clearance. Lingering doubts remain in the Assembly as to whether the two largest parties have the wherewithal, commitment and political acumen to govern on behalf of all the people of Northern Ireland. Earlier today —

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

Mr Kennedy: Earlier today, pensioners came to the gates —

Mr Speaker: The Member's time is up.

Mr Kennedy: On a point of order, Mr Speaker. Mr Poots was granted an extra minute in which to make his winding-up speech on behalf of the DUP.

Mr Speaker: If a Member has 10 minutes in which to make a speech, no extra time will be granted.

Mr Kennedy: On a further point of order, I remind the Speaker that, as well as the intervention, I gave way and lost time as a result of points of order.

Mr Speaker: All Members should know that the clock stops for points of order. Therefore, Members do not lose time.

Mr Kennedy: I will wind up quickly — *[Laughter.]*

Mr Speaker: Order. The Member's time was up quite a while ago. The Member should take his seat.

Mr Kennedy: I commend the motion.

Mr Speaker: Order. The Member must take his seat.

Mr Paisley Jnr: On a further point of order, Mr Speaker. Although the clown of the Assembly behaves in a way that brings the Assembly into disrepute, is it appropriate to, on three occasions, question the ruling of the Speaker on a single matter?

Mr Speaker: Order. Let me answer that point of order first. There are many Members who, on occasion, challenge the authority of the Chair.

Mr McClarty: On a point of order, Mr Speaker. Is it in order for a Member to refer to another Member as "a clown"?

Mr Speaker: I have always reminded Members in this House to be mindful of their language. The comment that was used is not unparliamentary.

Question, That the amendment be made, put and agreed to.

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly requires the Executive Committee to meet immediately, in accordance with the Pledge of Office and the Ministerial Code; recognises that the DUP, UUP and SDLP Members of the Executive have been willing to meet at any time to discuss any items; condemns efforts to prevent Executive business taking place; and greatly regrets the resultant impact on the electorate during challenging economic times.

Mr Speaker: Order. As Question Time commences at 2.30 pm, I suggest that the House take its ease until that time.

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

2.30 pm

Oral Answers to Questions

OFFICE OF THE FIRST MINISTER AND DEPUTY FIRST MINISTER

Executive's Failure to Meet: Community Relations Impact

1. **Mr Savage** asked the Office of the First Minister and deputy First Minister what assessment it has made of the impact on community relations of the failure of the Executive to meet since June 2008. (AQO 1101/09)

The First Minister (Mr P Robinson): The Office of the First Minister and deputy First Minister (OFMDFM), through the good relations panel, has developed a wide range of indicators to measure progress in the area of community relations. We will shortly be publishing the updated indicators, which will show marked improvements in almost all areas. Those indicators are a robust measure of the hard work carried out across Northern Ireland to address the issues of sectarianism and racism, and are a demonstration of real and meaningful achievements.

I assure the House that considerable good work in the area of good relations continues, with financial and other support from OFMDFM. I thank the very many statutory and voluntary good relations and community organisations throughout Northern Ireland for their ongoing efforts, which have contributed hugely to the relatively peaceful times that we have enjoyed. I also commend those working very hard in hot-spot areas, and in and around interfaces, for their contribution to the peaceful summer period.

Last year, the Department spent £6 million supporting good relations work across all 26 council areas. This year, we will spend £8 million, including £1 million directed specifically at supporting minority ethnic groups and vital initiatives aimed at tackling sectarianism and racism. Although there are many issues to address, our previously published good relations indicators report confirms many positive trends that reflect real improvements in the nature of society. The fact that we have already begun to deliver the additional funding secured in the Executive's budget means that vital work on the ground, and with new communities, is better resourced than in recent years.

The Department's work has demonstrated its commitment to building cohesive, inclusive communities. Our work on the cross-cutting good relations policy is central, pivotal and directional, thereby ensuring a shared and better future for all our people.

Mr Savage: Will the First Minister update the House on the current situation in relation to the cohesion, sharing and integration strategy? Furthermore, will he identify areas where difficulties have arisen?

The First Minister: The draft strategy has gone through many iterations, and has been improved during each of those iterations. It is at a very advanced stage, and I have had an opportunity to see the report.

It might be worthwhile to explain — particularly to those members of the OFMDFM Committee who will be eager to receive it and who will be first to indicate that it is long overdue — that the report is not a two- or three-page document. When completed, the document will in fact be somewhere between 150 and 200 pages long. It is, therefore, a very substantial piece of work and deals with many issues in much more detail than the term “strategy” would suggest.

As I have said, the document is at a very advanced stage and good progress has been made with it. The deputy First Minister and I discussed the issue last Friday, and it is very much in the in-tray of issues that we are dealing with at the moment.

Mrs Long: The First Minister said that the document has been through many iterations and has improved each time. Given that — in that context — I can barely contain my excitement, will he give the House any indication as to when the OFMDFM Committee might actually see the document?

The First Minister: The Committee will be the first to see the document, and I hope that that will be very soon. It is, as I said, in its final stages.

Others have made commitments to present the report to the Committee, but I am not going to get hung up by making such a commitment. The matter is being dealt with expeditiously, and I hope that the document will be with the Committee very soon.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. Will the First Minister comment on the recent spate of attacks on, for example, St Malachy's GAA Club in Edendork, Father Rock's GAA club in Cookstown, County Tyrone and also on a number of Orange Halls in the Pomeroy —

Mr Shannon: Is Pomeroy in your constituency?

Mr McElduff: Pomeroy is not in my constituency, but I am happy to mention both Pomeroy and Coagh, in the constituency of Mid Ulster. Will the First Minister make a statement to the House today on attacks on GAA clubs and Orange Halls?

The First Minister: The deputy First Minister and I strongly condemn the attacks, both those on GAA clubs and those on Orange Halls. I am sure that everyone is reminded of the Minister of Culture, Arts and Leisure's reference to cultural vandalism. However, the attacks are much more than that — they cause, and are intended to cause, divisions in local communities, they raise suspicions and try to set us back from the path that we are on. Everyone will want to isolate those who are involved in such foolish behaviour, and I am sure that the whole House will join us in condemning those activities and in calling for them to stop immediately.

Next Executive Meeting

2. **Mr Hamilton** asked the Office of the First Minister and deputy First Minister for its assessment of when the Executive will next meet. (AQO 1092/09)

The First Minister: The next Executive meeting is scheduled to take place on 27 November. However, in circumstances where agreement to hold an Executive meeting is reached, it could take place sooner.

Mr Hamilton: I thank the First Minister for his brief response. The First Minister will be well aware that it has been more than 150 days since the Executive last met, and that, in that time, the economic situation has worsened, we are in the midst of a financial crisis, unemployment has risen, energy prices have gone up and many people are facing a winter of fuel poverty. What does the First Minister believe the Executive's priorities should be when they next meet?

The First Minister: The Member for Strangford has set out our priority very clearly. However, it is worth pointing out that that has been our priority, because the deputy First Minister and I have had a series of useful meetings with a wide range of sectors, including the business community, the banks and lending societies, voluntary and community organisations, the energy regulator and energy companies, and the trade union sector.

From those meetings, we gathered a considerable and weighty document that deals with the credit crunch and measures that are being taken by Ministers in various Departments. Even though the Executive have not been meeting, Ministers have been working in their Departments. The document, which we are now considering, deals with not only what Ministers have been doing and are intending to do, but it contains other proposals that will help us to alleviate hardship. The first item of business that the Executive will, substantially, want to address will be to take those proposals forward with regard to a financial hardship package.

Mr McNarry: In view of public concern and in light of continuing deadlock in the Executive, will the First Minister acknowledge that a meeting of Committee Chairpersons and Deputy Chairpersons in order to identify an agenda for action to counteract the impacts of the economic downturn would be a positive and useful first step towards putting an economic reconstruction programme in place?

The First Minister: I welcome a co-ordinated approach by the Assembly, regardless of whether the Executive are meeting. As First Minister, I am always reluctant to attempt to give guidance to the elected body, and I attempt, as much as possible, to separate the role of the Executive from the Assembly in that respect. However, if the Assembly was prepared to have such meetings and to offer such advice, no one in the Executive is too proud to accept and consider that advice. Such an undertaking would be useful because the approach in dealing with the credit crunch and related financial hardship issues over the ensuing months and, I suspect, years will need the support of everyone in the House, and everyone pulling in one direction.

Dr McDonnell: Will the First Minister inform Members of the steps that his office is taking to ensure that the next Executive Committee meeting will not be cancelled at short notice?

The First Minister: Detailed discussions have been taking place over many months in order to resolve outstanding matters. Such matters have been with this community for a long time, and they long pre-date my time in the Office of the First Minister and deputy First Minister. Those matters go to the heart of the difficulties in our society, and although some newspapers might take a simplistic approach to them, if the deputy First Minister and I can make progress, without the assistance of outside resources, on those matters that have held the community back for such a long time, the solutions are much more likely to stick in the long term and to demonstrate a way forward for the whole community.

Development of Maze Site

3. **Mr Poots** asked the Office of the First Minister and deputy First Minister to detail options for the future development of the Maze site. (AQO 1181/09)

The First Minister: We realise the direct impact that a redevelopment of that size would have on our society and, in particular, on the Member's constituency. Consideration is being given to the master plan. However, in the event that there is no agreement to its implementation, we believe that any option must exploit fully the site's potential and satisfy the commitments that have been given to stakeholders, including

sporting bodies. The site has enormous regional significance, and it is too valuable to be left undeveloped.

Mr Poots: I thank the First Minister for his response, particularly his reference to the site's enormous significance. Given that significance and given, in particular, the current economic conditions in Northern Ireland, will he assure Members that he and the deputy First Minister will move as quickly as possible to ensure that development on the site begins soon?

The First Minister: The Member is right to point out that, apart from the site's regional and local significance, when the construction industry is on its knees, our ability to direct such construction projects would benefit that industry significantly. This is one of the many issues to which I was referring when the Member for South Belfast asked about outstanding matters that must be resolved.

The deputy First Minister and I have been discussing this issue, and we are working our way through matters that relate to it. In order to make progress, it is my desire and that of the deputy First Minister to see those matters resolved as speedily as possible.

Our ministerial colleagues must first come to a decision about the current master plan — particularly with regard to the private-sector bid — and they will want to take account of OFMDFM's report and the Department of Finance and Personnel's (DFP) report on the business case. If there is a wish to continue with the current bidder, the matter must go to the Executive for approval. If approved, and before entering into a formal development agreement with the bidder, a period of clarification would be required to address matters concerning costs, timescales and legal points. If there is no agreement to approve that bid, we must consider how the master plan might be amended or changed.

Mr McCartney: Go raibh maith agat, a LeasCheann Comhairle. Will the First Minister outline the amount of capital that would be required, particularly for the construction industry, if the site is developed under the master plan? What impact would such an investment have on the construction industry?

The First Minister: Without knowing precisely what will be built on the site, it is difficult to estimate potential construction costs accurately.

The three sports — whether they are to be satisfied on the Maze site or off it — will require funding for an arena, or for improvements to existing arenas. There will be a considerable amount of capital expenditure involved in that and a large volume of work for the construction industry.

2.45 pm

Aside from the sporting element, the proposal included significant works on the site, which would involve tens of millions of pounds. It is, therefore, a

considerable project in construction terms, and not only will it be important for the local community, but it will be a site of regional significance.

Mr Lunn: Will the First Minister agree that the Maze site will be less attractive to potential investors if it proceeds without the national stadium? In the present economic conditions, and given the lack of business confidence, it may, in fact, not be viable.

The First Minister: That is a depressing outlook, especially from a Member who represents the area in which the Maze site is located. He suggests that the people of Lagan Valley cannot support a major regional development in their area without the inclusion of a soccer, Gaelic and rugby stadium. Some people would see that as a loss-leader, but regardless of whether the stadium is built, there is the opportunity for a lot of useful development on the site. Many bidders will be interested in the site — even if it does not proceed on the basis of the current master plan.

Inward Investment: Job Creation

4. **Mr McLaughlin** asked the Office of the First Minister and deputy First Minister, in light of the inward investment commitments to create a minimum of 6,500 jobs, how many of these jobs have been realised. (AQO 1119/09)

The First Minister: The Programme for Government sets out the Executive's ambitious target to secure inward investment commitments, promising over 6,500 new jobs by 2011. The corresponding 2008-09 target is to secure inward investment commitments offering 2,200 new jobs. Every inward investment project has a long lead-in time of between 18 and 24 months, during which time initial visits are made, investors make decisions, announcements are made and, ultimately, the project is implemented.

Notwithstanding that, results based on inward investment projects approved in the first half of this year have been encouraging and anticipate the promotion of 1,131 new jobs. That represents over half of our target for this year. That early success reflects the efforts of the Executive and, in particular, the Department of Enterprise, Trade and Investment through Invest Northern Ireland, in promoting Northern Ireland as an attractive and viable location for new inward-investment opportunities.

Mr McLaughlin: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answer. I acknowledge the difficult economic conditions but welcome the confirmation that inward investment was achieved. Given the commitment to address regional disparities, will the Minister inform the House of the total number of jobs delivered outside

the Belfast metropolitan area since the Programme for Government was agreed?

The First Minister: I will be happy to ask the Minister of Enterprise, Trade and Investment to provide the Member with those exact figures. We are well on target to achieve the objectives that we set out in the public service agreement; we said that we would achieve 70% or 75% within a 10-mile radius of the areas of deprivation. Statistics show that we have done better than that to date. However, I will supply him with the precise information on the Belfast area in due course.

Mr Durkan: I welcome the First Minister's responses. In the current climate, what sectors are the Government here targeting for inward investment? How much of the current pitch is based on offering firms a means of reducing their own costs in the current climate? Does such a concentration bring with it a danger of joining the race to the bottom, a basis on which we were told in the Programme for Government we would not compete for jobs?

The First Minister: Let us be clear. The Programme for Government seeks economic growth, targeting particularly high-value-added jobs. However, high-value-added jobs in Northern Ireland cost less to a company than they would were those same high-value-added jobs elsewhere in the European community. We should not exclude ourselves on the principle of selling Northern Ireland as a low-cost base for jobs in IT, business and the financial services sector. Our selling point is strong, compared to the cost in Dublin, where, I am told, it would cost about twice as much to set up a similar business. There are distinct advantages in the current climate when chief executives are looking — more than at any other time — to the cost base of their company. It is bound to be to their advantage — and to ours — if the work can be carried out in Northern Ireland at a lower cost.

Mr Neeson: How has the First Minister and his office followed up the US investment conference, and have there been any positive results?

The First Minister: That is a matter for all our related Ministers, and several Ministers have carried out follow-up functions. The Minister of Enterprise, Trade and Investment has returned recently from a follow-up mission to Silicon Valley in the United States. At the invitation of the Lord Mayor of London, the deputy First Minister and I attended an event in the —

Mr Durkan: Mansion House. *[Laughter.]*

The First Minister: Mansion House — thank you — which included not only the American ambassador and dignitaries on that level, but several businessmen. Two local company directors gave a strong testimonial of the workforce of Northern Ireland, the benefits of investing in Northern Ireland and the success that they

had had. We are following up all the leads. Apart from what Ministers are doing, Invest Northern Ireland is following up every single person who travelled to Northern Ireland to see whether it can assist with any of the decisions that they have to make about investment.

Workplace 2010

5. **Mr Irwin** asked the Office of the First Minister and deputy First Minister if difficulties with the Workplace 2010 programme will have implications for the delivery of the Investment Strategy.

(AQO 1091/09)

The First Minister: The Executive's investment strategy will continue to be delivered to the fullest possible extent. We inherited historic levels of infrastructure investment in Northern Ireland that were totally inadequate for the goal of fostering a modern, prosperous and fair society. As a response, the Executive set out a comprehensive and coherent strategy for addressing the legacy of decades of underinvestment from direct rule. In our first year, net capital expenditure was £1.2 billion, with which we succeeded to deliver new capital investment of almost £1.4 billion with the help of capital receipts, and we are working to deliver even more. However, we must operate within finite capital budgets, which are affected by the amount of capital receipts available.

The difficulties with Workplace 2010 are unfortunate, and the receipts and efficiencies anticipated from the programme would have been welcome now. However, we must leave nothing to chance in a project of that size. Where we have decided to work in partnership with the private sector, value for money for the taxpayer is an important concern.

I understand from the Minister of Finance and Personnel that the potential for two of the final bidders to come under common ownership has major implications for the procurement process. In the circumstances, we could not proceed at this time. We will continue to focus on delivering new investment to the maximum extent possible for this year, and the years to come, with what remains a substantial level of funding available under the investment strategy. We must keep a sense of perspective and not lose sight of the fact that the investment strategy is for the long term.

Members will understand that Northern Ireland is not immune to the present worldwide financial difficulties. We in the Executive are determined to do all that we can to find our way through these challenges.

Mr Irwin: I thank the Minister for his reply. What are the public-expenditure implications of the suspension of the Workplace 2010 programme?

The First Minister: I recall from my days in the Department of Finance and Personnel that it was provisionally estimated that £175 million would come from Workplace 2010. Therefore, that is the size of the gap.

I also recall from my experience in the Department of Finance and Personnel that much more than that was underspent in each financial year. The Minister of Finance and Personnel, with the deputy First Minister and I, will closely examine any Department that has an underspend at the end of the current financial year. We are encouraging every Department's accounting officer, and every Minister, to ensure that Departments will not have money left on capital-spend projects at the end of the current financial year. It is vital that that money is used not just to deliver the infrastructure project, but that it works for the jobs of the people of Northern Ireland, particularly in the construction industry.

Mr Kennedy: I am grateful to the First Minister for his earlier response. The Committee for Finance and Personnel has been told that there will be a shortfall of approximately £175 million as a result of the delays in the Workplace 2010 programme. There has been a £194 million miscalculation in respect of the sale of land at Crossnacreevy, and more than £100 million is required for back pay for local civil servants. There has also been a shortfall due to the delay in water charging. Given all that, can the First Minister confirm the true extent of the apparently ever-increasing black hole in the Executive's finances?

The First Minister: It is unhelpful for people to talk about black holes. Indeed, those people would probably not know a black hole if they saw one. There will be Budget pressures and underspend in any financial year. The job of the Finance Minister and the Executive is to ensure that we deal with one by adjusting the other. If financial hardship requires the Finance Minister to recommend a change to the Budget arrangements, he will do that. He will present those recommendations to the Executive and then to the House.

Discussions on capital-spend proposals are ongoing, but several Departments have indicated that it is unlikely that all the intended projects will be carried out. Some money was handed back in the June monitoring round, and I expect more money to be handed back in the December monitoring round. There will be no black hole in the Executive's finances. The books will add up, and some people will have to eat their words.

Ms Anderson: Go raibh maith agat, a LeasCheann Comhairle. Will the decision to suspend Workplace 2010 have an adverse, knock-on effect on the relocation of public-sector jobs, as recommended by Professor Bain? Obviously, I am concerned about the north-west, especially Derry.

The First Minister: It is important to point out that Workplace 2010 has been suspended and not abandoned.

In the early part of next year, the Finance Minister and his Department will carefully examine what has transpired in respect of the two bidders. Bids have been received from each, and immediate steps were taken to ensure that there was no cross-contamination between those two companies with regard to the bids. It has been emphasised to the bidders that they are legally required to abstain from discussing bids on Workplace 2010.

Therefore, although Workplace 2010 has been suspended, it could still go ahead. As the Member indicated, the suspension will have implications, not least for the dispersal of public-sector or Civil Service jobs. However, the review of public administration (RPA) requirements for new buildings can be taken forward with one eye on the Bain Report on the dispersal of public-sector jobs.

Therefore, we can consider where new jobs are required and how they can best be dispersed. Both those projects are being taken forward in tandem, and the Bain Report will, unquestionably, come before the Executive for decisions at an appropriate time.

3.00 pm

AGRICULTURE AND RURAL DEVELOPMENT

Single Farm Payments

1. **Mr Molloy** asked the Minister of Agriculture and Rural Development what action she is taking to address the disallowance of £28.5 million imposed by the EU Commission following an audit of single farm payments between 2004 and 2006. (AQO 1116/09)

The Minister of Agriculture and Rural Development (Ms Gildernew): First, I was horrified when I found out about the proposed correction. I do not accept that the threat to European funds is anything like the level suggested by the European Commission, and the proposed correction is completely disproportionate. I will do everything in my power to prevent that money being lost.

In answer to the question, I have taken a number of steps to address the issue. I have spoken with the Chairperson of the Committee for Agriculture and Rural Development, Dr William McCrea, to the Ulster Farmers' Union (UFU) and to NIAPA (Northern Ireland Agricultural Producers Association). I appreciate the support that they have given to me. I have written to the three MEPs and invited them to meet me in order to brief them and to ask them to consider making representations on our behalf. Most

importantly, and in line with Commission protocols, the next stage in the process is to take our case to the conciliation body. That request is being worked on by my officials and must be submitted by early December. That submission will restate the view that any risk to the fund is negligible, and it will contend that the proposed disallowance is completely disproportionate and must be eliminated.

Finally, my Department has checked with the Department for Environment, Food and Rural Affairs (DEFRA) and has been assured that provisions of £11 million are being held on our behalf. DEFRA will use that to offset any correction that is eventually made. That is helpful, but the fundamental principle does not change, and I will do all that I can to prevent money being lost.

Mr Molloy: I thank the Minister for her reply. Will she explain what the conciliation body can do?

The Minister of Agriculture and Rural

Development: The conciliation body provides an independent examination of any correction proposals between member states and the Commission on the clearance of accounts. The body has only an advisory role, and the Commission auditors need not abide by any recommendations. After the case is submitted, it takes the conciliation body from three to four months to report back to the Commission. The disallowance process is put on hold until conciliation is completed. Therefore, I anticipate that any disallowance will not be applied until the 2009 financial year.

Mr Elliott: I thank the Minister for that answer. Bearing in mind the Department's current stringent inspection regime, will she confirm that she will not impose even stricter rules and regulations on Northern Ireland's agriculture industry and inspection regime?

The Minister of Agriculture and Rural

Development: I have been consistent in my message: the Department must co-operate with farmers and work better with them. However, the issue of the Commission and its examination of how we conduct our business must be dealt with. Quite a bit of the disallowance concerns GIS (graphic information system) and mapping systems that farmers have been asked to help to correct.

The Commission considers that too much leniency has been shown in other areas of delivery to farmers. Therefore, we must work with farmers but acknowledge that the Commission takes a dim view of straying outside the regulations. That working relationship must be built on, and it is an area in which the Department has been strong — in building new relationships with Europe in the hope that farmers will not be treated any worse than they already are. The Department wants to work with farmers in order to ensure that they receive the best possible service. Unfortunately, Commission

rules must be adhered to, although the Department works around them as best it can.

Mr Burns: Does the Minister accept any responsibility for the errors that resulted in £28.5 million being lost to farmers, or does she totally blame the farming community?

The Minister of Agriculture and Rural

Development: I am not blaming the farming community. I am not saying that at all. However, farmers can help to convince the Commission that the Department's mapping system is accurate. I want farmers to check maps in order to ensure that they are correct and to tell us straight away whether there have been any changes to fields, particularly if they build a lane or there are ineligible features such as buildings or scrub.

Some 5,000 farmers have helped us by reporting map changes this year. That is positive, and we want it to continue. The Department does not blame farmers for the disallowance.

Little Acre Open Farm

2. **Mr B McCrea** asked the Minister of Agriculture and Rural Development if she will review animal welfare legislation in light of recent events at Little Acre Open Farm. (AQO 1141/09)

3. **Mr McCallister** asked the Minister of Agriculture and Rural Development if her Department is reviewing its inspection procedures in light of recent events at Little Acre Open Farm. (AQO 1108/09)

The Minister of Agriculture and Rural

Development: With your permission, a LeasCheann Comhairle. I will answer questions 2 and 3 together.

I intend to review animal welfare procedures and legislation. In May 2008, I provided answers to the Assembly about animal welfare issues on a farm in Katesbridge, County Down, which had attracted significant media attention. At that time, I commissioned an independent investigation into the events at that farm. I expect to receive the report when the legal obstacles are considered and removed. After I consider the outcome of the investigation, I will begin a review of procedures, which will take account of recent events at Little Acre Open Farm.

Since assuming office, I have met a wide range of animal welfare interest groups to hear their views on the current legislation first hand. I have also considered replies to an earlier Department of Agriculture and Rural Development (DARD) consultation exercise on animal welfare. Based on those comments, I have asked my officials for a detailed policy paper by the end of the year, which will take into account the

positions in the South and in Britain. After that, I will decide what new legislation is necessary.

Mr B McCrea: I thank the Minister for her answer, and I am grateful for her acknowledgement that there has been some failure in the procedures and inspections. Will she agree that informing the public about the new proposals — when they are published — is important, and that perception, in particular, is often more of a problem than reality?

The Minister of Agriculture and Rural Development: The primary responsibility for the welfare of an animal on a farm rests with the farmer. Within the resources available to me, my Department carries out inspections and checks on the standards of animal welfare on farms. Those inspection procedures and checks are led by professional and experienced veterinary surgeons.

We will consult widely on the issue and publish the consultation on the Department's website, which will allow people to read it at their leisure. As I have said previously in the House, we want the legislation to be fit for purpose and up to date, but we do not want to pre-empt the outcome of the review — we must get the legislation right

Mr McCallister: How does the Minister explain the disparities between the findings of her departmental inspectors at the farm and those of the police and the USPCA? Does she agree that her Department made mistakes on the enforcement of animal welfare at Little Acre Open Farm?

The Minister of Agriculture and Rural Development: When people see TV images of squalor, filth and rotting carcasses on farms, it is understandable that they are concerned that animals are suffering. However, that alone is not sufficient evidence that an offence has been committed. Veterinary surgeons are required to be objective in assessing the evidence before them and reaching a judgement about what constitutes abuse. Inspectors can only report what they find on the day of inspection. It is also important to appreciate that animals can become sick and die quickly, which is not proof of abuse or an offence under the legislation.

My officials have been to Little Acre Open Farm nine times in the past two years to follow up complaints from members of the public and to monitor the health and welfare of animals on that farm. Although advice was given on overcrowding and better management, no serious welfare issues were uncovered during those visits. The most recent visit to the farm was for routine animal disease testing, not an overall inspection. However samples were collected, and the pigs and cattle that were presented for testing were deemed to be well kept and healthy.

Mr Wells: Will the Minister accept that the legislation on animal welfare has been on the statute books for 38 years and is completely out of date? The example of Little Acre Open Farm has highlighted two basic flaws in the legislation. First, practices that are considered cruel by modern standards by most reasonable people are not covered by the legislation.

Secondly, a departmental inspector can look at an animal and realise that, within a few hours or days, cruelty will be inflicted on it. However, that cruelty has not yet occurred, so the Minister's officials can do nothing about it. It is time that her Department got its act together —

Mr Deputy Speaker: Your time is up, Mr Wells. You have asked your question.

Mr Wells: It is time that her Department got its act together. New legislation must appear on the statute books as soon as possible.

The Minister of Agriculture and Rural Development: The Department consulted on proposals for new animal welfare legislation in late 2006. That exercise was carried out under a different Administration, so I wish to take time to consider fully the responses received and to hear, at first hand, animal welfare stakeholders' views. That I have been doing for the past 12 months, and discussions have been very useful and informative. It is important that animal welfare legislation across the island of Ireland be broadly compatible, as it will be a major component of the all-island animal health and welfare strategy. However, we do want to bring existing legislation up to date.

The Department can serve a reactivation notice if an animal appears to be suffering. Therefore, there is legislation that we can, and do, use, but we want to bring it up to date.

Mr McKay: Go raibh maith agat, a LeasCheann Comhairle. The Minister said that the Department consulted on proposals for new legislation in 2006. Why has that legislation not been introduced?

The Minister of Agriculture and Rural Development: It is important to get the legislation right. We want to take time to consider the responses that we received to the previous consultation from stakeholders. We want to ensure that we do not have a knee-jerk reaction but that we get legislation that it is fit for purpose.

Felling of Woodland Trees

4. **Mr Lunn** asked the Minister of Agriculture and Rural Development to outline a timescale for the introduction of licences for the felling of woodland trees. (AQO 1136/09)

The Minister of Agriculture and Rural

Development: It is anticipated that a new forestry Bill, which will contain provisions that deal with licences to regulate the felling of trees and the regeneration of woodland, will be ready for introduction to the Assembly later in this legislative session — most likely after the Easter recess.

The proposed licensing system will apply to owners of woodland of 0.2 hectares or more. Landowners will be required to apply to the Department for permission to fell trees in their woodland, and permission will depend on the applicant's having a simple forest-management plan of felling and subsequent regeneration of trees. The plan is designed to be reasonably straightforward for landowners to complete but detailed enough to encourage them to think sufficiently about their management objectives for the woodland.

The proposed licensing system will allow Forest Service to determine whether the landowner's proposals for felling and regeneration meet sustainable forest-management standards, as determined by the UK Forestry Standard and associated guidelines.

Mr Lunn: Given that this is the only place on these islands that does not have a licensing system, and given the pressure on our remaining native woodland, does the Minister agree that a total ban on unlicensed tree felling is now vital and extremely urgent? Will she assure us that she will use her powers to introduce such a ban as quickly as possible?

The Minister of Agriculture and Rural

Development: Our intention is to protect areas of woodland rather than individual trees, which are covered by other forms of control, such as tree preservation orders, under planning legislation. Forest Service recently developed a strategy for the management of departmental woodland, which was identified on the ancient woodland inventory. Management of that woodland will be reviewed as part of normal forest planning. That review will consider the ecological potential of the woodland, as indicated by the presence, or the absence, of ancient woodland remnant features, which reinforce habitat networks. That assessment will form the basis of whether to, and where to, restore native woodland.

Mr Cree: Will the Minister assure us that if a licensing scheme is introduced, bureaucracy will be kept to a minimum and that the scheme will not be characterised by DARD red tape?

The Minister of Agriculture and Rural

Development: Woodland has a minimum area of 0.2 hectares. What constitutes woodland excludes parks, gardens, orchards and fruit trees, and the area aligns with the minimum area of woodland for which financial support is entitled under the Department's woodland-grant schemes. However, as I said, I will try

to keep bureaucracy to a minimum in order to ensure that the scheme is so simple that it encourages people to preserve and to plant trees.

3.15 pm

Dr McDonnell: The Minister referred to an area of 0.2 hectares; in plain-man's language, that sounds like about half an acre. Will she assure the Assembly that she does not intend to include a member of the farming community who might wish to fell a tree or two on his or her own land among those who will be compelled to get a licence for the felling of trees? I refer to a tree that might be creating an obstruction or must be felled in the interests of public safety.

The Minister of Agriculture and Rural

Development: As I have already said, the legislation is not about protecting individual trees; there are other means by which to do that. If a tree is creating a problem or a health hazard, it must be removed. The measures are about encouraging landowners to regenerate woodland if they must fell trees. A farmer might not plant a tree exactly where he or she cuts one down, but he or she should replace the trees that were cut down in order to maintain levels of forestation. The area of 0.2 hectares is a bit more than half an acre. However, we are talking about areas of woodland rather than individual trees.

Bluetongue

5. **Mr Ford** asked the Minister of Agriculture and Rural Development for an update on her Department's provisions to combat bluetongue. (AQO 1137/09)

9. **Mr McCarthy** asked the Minister of Agriculture and Rural Development to outline how quickly her Department will be able to vaccinate against bluetongue if there is an outbreak. (AQO 1138/09)

The Minister of Agriculture and Rural

Development: With your permission, a LeasCheann Comhairle. I will answer questions 5 and 9 together.

My Department continues to monitor the bluetongue situation across Europe. We also monitor local midge activity and wind-plume information, as well as undertaking surveillance for the disease. A significant part of that surveillance targets imported animals, which are isolated and restricted until they have been post-import tested for all strains of bluetongue and until we are satisfied that they do not represent a threat.

We provide regular information to the agriculture industry on the risks and the actions that it should take. I have continually urged those involved in the importation of cattle and sheep to think carefully and to consider the potential consequences of bringing bluetongue here. I am pleased to say that industry representatives have supported me by reiterating that message.

My Department continues to work in partnership with key stakeholders here, through the bluetongue working group, on preparedness to deal with the threat of the disease. We have developed contingency plans in the event of a bluetongue outbreak on the island of Ireland, including the sourcing of sufficient vaccine to provide emergency supply for up to four separate outbreaks of bluetongue in the North. Although that vaccine is now available, the decision when and how best to vaccinate will be informed by the veterinary advice at the time.

Mr Ford: I thank the Minister for her response, and I am sure that we all agree with her pleas to farmers to refrain from importing animals and welcome the response that that has had. However, in light of the increasing threat of bluetongue, as the weather in northern Europe becomes colder, what discussions is the Minister having with her colleagues in other regions of these islands and elsewhere in Europe to ensure that we receive the maximum information possible from those who are already fighting the disease?

The Minister of Agriculture and Rural Development: I have discussed the matter at length with colleagues in other areas. My officials are working closely with officials in the South, given that the threat is to the island and that the whole island is, at present, bluetongue-free. I have had discussions with other Ministers. My most recent discussion was with the Secretary of State for the Environment, Food and Rural Affairs, Hilary Benn, on the levels of vaccination. That is very important, because high levels of vaccination across the water will protect us further. We are communicating at ministerial level, but officials are discussing the matter weekly and daily to ensure that we are best protected against that awful disease.

Mr McCarthy: I welcome the Minister's response. The fact that the ban — if that is a better description — is on her mind is consolation to the people of this island. Will she give the Assembly an indication of whether, or when, a ban might come about?

The Minister of Agriculture and Rural Development: I am not sure what ban the Member means.

At present, the authorities in England, Scotland and Wales are vaccinating livestock, and we are considering the post-import testing of animals brought from those regions. We are also mindful of the fact that the disease could be imported into Britain from other parts of Europe. After the incident in Antrim last year, we worked closely with the European Commission to strengthen our import controls, which I believe to be proportionate to the level of threat.

Dr W McCrea: At last week's meeting of the Committee for Agriculture and Rural Development, members were told that seven animals had been

imported into Northern Ireland from bluetongue-infected areas. The Department has not imposed a ban, and relies simply on the farming community to refrain from importing animals from such areas. Does the Minister not accept that failure to implement a ban would have very serious implications for the industry in Northern Ireland should bluetongue enter the Province?

The Minister of Agriculture and Rural Development: As I already said, we lobbied the EU Commission to strengthen bluetongue controls in the wake of evidence from the north Antrim case earlier this year. I am content that the legislation that is now in place will help to protect the industry here. I was quite surprised that the EU Commission went as far as it did; the initial soundings were that it was not in favour of changing its position.

We are still bluetongue-free; we do not accept imported animals from bluetongue-infected areas unless they have undergone the strict pre-movement testing requirements. The import requirements that apply here are much stricter than those that now apply to imports from infected areas on the Continent into the protection zone in England, Scotland and Wales. We also have a robust post-import testing regime for all susceptible animals that come here, with the exception of those that come from the South.

Although I took pre-emptive action to spread certain imports before those tighter controls came into effect, I cannot risk the good relations that we have in Europe by introducing unilateral measures that are not proportionate to the risk. Therefore, we must go back to the importers and ask them to be responsible. I have continually urged the industry not to import animals that may have been exposed to disease, and my message has not changed. We have been monitoring the number of animals that are being imported from the Continent and from the protection zone in Britain. I am pleased to see that, by and large, the industry is heeding the advice not to import from high-risk areas. We must work with the industry on that issue, and it must help us to mitigate the threat of bluetongue.

Rev Dr Robert Coulter: Does the Minister believe that an efficient amount of veterinary and administrative human resources would be available at short notice to deal with an inevitable increase in sampling and with public concerns?

The Minister of Agriculture and Rural Development: We have a contingency plan in place, which would have an impact on the circumstances that the Member mentioned. We will consider other courses of action, such as asking private veterinary practitioners, to help out with any increase in sampling. We will use whatever resources are available to us to try to stall the spread of the disease, if it affects us.

We will also consider other factors, such as vaccination areas, the time of year at which outbreaks have occurred, and vector activity. It is a live situation, and we will make decisions based on the risk at the time, and how to deal with it. We will put all available resources into tackling bluetongue; we are aware of its economic consequences, particularly in France this year. It is a horrendous disease, and we do not wish to put any further economic burden on our farmers.

Flooding: East Belfast

6. **Mr Newton** asked the Minister of Agriculture and Rural Development what steps she is taking to address the potential for flooding caused by overflowing rivers in East Belfast. (AQO 1065/09)

The Minister of Agriculture and Rural Development: Having seen the impact of flooding in August 2008, I sympathise fully with the current concerns of those people who are affected in East Belfast. I am pleased to confirm that Rivers Agency has completed a comprehensive study of the complex Loop River system, and has identified a viable flood alleviation scheme. Rivers Agency will press ahead with detailed design and public consultation, and will enter into contract arrangements, as soon as is practicable, that will allow works to commence in the 2010-2011 financial year.

In the meantime, Rivers Agency, in co-operation with Roads Service, plans interim works to reduce the risk of flooding from the Loop River until the scheme is in place. Those works will be implemented as soon as is practicable. A feasibility study into flood alleviation from other East Belfast rivers, including the Knock River, is ongoing, and a report is due in February 2009. Rivers Agency will continue to maintain the Knock and Loop River systems, which are largely designated for maintenance by Rivers Agency at public expense.

Mr Newton: I thank the Minister for her reply, and I look forward to the work being completed.

Why did she refuse to meet residents and business owners of the Castlereagh Road area adjacent to the Loop River bridge, who have been flooded twice in 14 months, given that other Ministers who had cross-departmental responsibilities in the matter, were available to meet East Belfast residents who suffered flood damage? Furthermore, will the Minister agree that one of the major advantages of the devolved Assembly is access to Ministers for MLAs and their constituents, which gives confidence to those who need reassurances in times of adversity?

The Minister of Agriculture and Rural Development: Having looked again at the letter, my understanding is that that request was made by the

Member, as opposed to members of the business community and the public.

The severity of the flooding in August 2008 led to many requests from MLAs, including Mr Newton, for site meetings; therefore, I had to prioritise such requests. I visited farms that had been affected, and I am content that Rivers Agency officials, who have specialist knowledge of the watercourses, have been meeting residents and business owners who have been affected by flooding in East Belfast. Those officials have been updating them on progress regarding investigations on drainage improvements in the area.

Mrs Long: I thank the Minister for her answer and for her response to my letters on flooding in the area. There does not seem to be a joined-up method for the Rivers Agency to respond to the Planning Service when new applications go through the system for future development in locations that have been subject to repeat flooding, either from culverts or from rivers. What proactive measures is the Minister taking to ensure that rivers and culverts are properly considered in the planning process?

The Minister of Agriculture and Rural Development: The Member is aware that my Department launched the flood maps last week in conjunction with the Minister of the Environment, Sammy Wilson. Planning Service can now use that tool. Ultimately, however, it is the responsibility of Planning Service to make those decisions. Rivers Agency will try to give Planning Service the information that it requires, but the decision on planning approval does not rest with my Department.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. Does the Minister agree that her Department and, where applicable, the Department of the Environment (DOE) should lead by example in reducing the risk of damage to property, dwellings, crops and infrastructure by improving their designated rivers and watercourses now that those updated maps are at their disposal? What cross-departmental co-operation is likely to be initiated on foot of the accurate information now available to both Departments?

The Minister of Agriculture and Rural Development: The recent launch of the strategic flood risk maps and the development of a more extensive series of maps in the coming years, as part of the implementation of the European floods directive, should give the public an insight into the flood risk of their area. Therefore, it should also be possible for the public to increase the resilience of their properties to flooding, and the availability of those maps will enable Rivers Agency to prioritise flood-alleviation works.

We also want the maps to be used as part of the decision-making process, and they will be useful in

helping us to decide where to put strategic resources into flood protection. The maps are used to assess flooding from rivers and the sea; they do not take into account other flooding incidences, such as very heavy weather similar to that of August 2008 or floods that run off from roads. Only so much can be done at a time, and the strategic flood risk maps are for rivers and the sea.

Farmers: Financial Assistance

7. **Mr Savage** asked the Minister of Agriculture and Rural Development if a business case has been presented to the Department of Finance and Personnel for financial assistance for farmers affected by the flooding on 16 and 17 August 2008. (AQO 1098/09)

11. **Mr McNarry** asked the Minister of Agriculture and Rural Development what is the financial estimate for damage caused by the flooding of 16 and 17 August 2008 to recently constructed slurry stores. (AQO 1102/09)

20. **Mr P J Bradley** asked the Minister of Agriculture and Rural Development to explain her decision to exclude the cost of land taken in conacre when calculating the accumulative loss sustained by potato, cereal and grassland farmers, as result of the flooding in August 2008. (AQO 1125/09)

The Minister of Agriculture and Rural Development: With your permission, a LeasCheann Comhairle. I will answer questions 7, 11 and 20 together.

My Department assessed the case for Government intervention in response to the August flooding in accordance with the Government guidelines that are required by DFP and advised me of the outcome before approaching DFP. The Government guidelines are quite constraining, because they focus on the net impact at aggregate level and do not address the plight of individual businesses. As the absolute numbers affected by the flooding and the scale of the damage were relatively modest when viewed against the economy as a whole, the analysis concluded that, under the Government guidelines, there was not a case for intervention.

I accept that outcome, but it is right to recognise that flooding has caused hardship for many individual farm businesses, particularly potato growers. Therefore, I want to make hardship payments to those farmers, and my officials have agreed with DFP the procedure that is to be followed. Accordingly, I have instructed officials to prepare a scheme, and I have written to Executive colleagues to set out my arguments for support and to seek their comments prior to consideration at an Executive meeting. I hope that colleagues will share my concern and support our proposals.

I am not in a position to provide an estimate for damage caused to slurry tanks due to flooding on 16 and 17 August 2008. I am aware of two farmers who have notified the Department that their tanks were damaged. I have offered the advice of the Department's structural engineer to agree remedial works, and he is consulting with the engineer of one of the applicants.

I confirm that the cost of land taken in conacre has been included in calculating the losses that growers have sustained. An estimated average cost of conacre — £800 for each hectare for potatoes and £250 for each hectare for cereals — was added to the initial estimates.

3.30 pm

DEPARTMENT OF CULTURE, ARTS AND LESIURE

Re-Imaging Communities Programme

1. **Mr Easton** asked the Minister of Culture, Arts and Leisure what plans he has to continue the successful work of the re-imagining communities programme, which is funded by the Arts Council. (AQO 1070/09)

The Minister of Culture, Arts and Leisure (Mr Campbell): In the September monitoring round, my Department secured £500,000 of additional funding in order that it could continue to carry out the successful re-imagining communities programme. The Arts Council will distribute that funding through an open-grants process. In addition, several feasibility studies have been carried out, and it is envisaged that further re-imagining communities projects will emanate from those. I am pleased to report that the Kilcooley project, which is in the Member's constituency, received almost £59,000. The Arts Council uses that project as a model of best practice, and it will be used as a blueprint for future re-imagining projects across Northern Ireland.

My Department is awaiting the outcome of a recent bid to the Department of Finance and Personnel, through the strategic stocktake exercise, for additional funding for the re-imagining communities project over the next two financial years — 2009-10 and 2010-2011.

Mr Easton: I thank the Minister for his response. Can he tell the Assembly what level of funding North Down has achieved through the re-imagining communities programme? Will he continue to support the excellent work that is being done by the intra-community cohesion project in the area?

The Minister of Culture, Arts and Leisure: My understanding is that since the commencement of the re-imaging communities programme, North Down has received almost £59,000. Other constituencies have done better, but some have done worse. The re-imaging communities programme is a demand-led project. Some communities will feel that they have made sufficient progress through different projects or that they do not need a re-imaging programme. However, some communities that need a re-imaging programme have not yet applied for grant assistance.

Through the publicity that the Member's question will generate, I hope that those communities that have not yet applied for grant assistance through the re-imaging initiative do so and that they are successful in improving their locality.

Ms Lo: Although I support the programme, does the Minister recognise the difficulty that people have with openly sectarian murals? Furthermore, does he agree that the ultimate objective of the programme should be the complete removal of such openly offensive images?

Some Members: Hear, hear.

The Minister of Culture, Arts and Leisure: Part of the rationale behind the initiative is to try to remove the type of murals that the honourable Member mentioned. Several key factors must be considered when examining that issue. First, the community in which the offensive mural is located must support its removal. Secondly, resources and support, through programmes such as re-imaging communities, must be available to assist in the removal of such offensive murals. Thirdly, the critical issue for most of the areas concerned is that an offensive mural or slogan be replaced with a mural with which the community is happy and content. Fourthly, it is important that offensive murals are replaced with ones that give the community a sense of local identity. If that happens, it is a win-win situation for all the community

Local Music Festivals

2. **Mr Kennedy** asked the Minister of Culture, Arts and Leisure what plans he has to extend and develop local music festivals. (AQO 1076/09)

The Minister of Culture, Arts and Leisure: My Department is committed to the development of local festivals, including music festivals. It also supports a wide range of festivals through the community festivals fund and funding that is dispersed through the Arts Council.

Since the beginning of the year, the community festivals fund has been devolved to local councils, which are best placed to respond to the needs of local communities. The fund has a £450,000 annual budget,

and many festivals supported through the fund have a significant musical element to their programmes. The fund will continue to assist such festivals to develop and maintain their long-term sustainability.

In 2007-08, the Arts Council made approximately £1 million in awards to festivals across Northern Ireland, which focused exclusively on music or had a major musical component as showcases of local and international performance. The Arts Council will continue to assist to showcase festivals in order to highlight the excellence of Northern Ireland music at home and abroad.

Mr Kennedy: I am grateful to the Minister for his reply. Given that local music festivals can be used to create and improve community relations, does the Minister have plans to extend and expand musical festivals, particularly those emerging from the Ulster-Scots tradition, and country and western, so that people can engage at a grass-roots level in a neutral environment?

The Minister of Culture, Arts and Leisure: The honourable Member tempts me to go down a route that I would love to go down, and would if I had much more than 24 minutes available to me.

I am supportive of the promotion of such festivals. I attended a similar type of music festival in Dungannon earlier this year with my honourable friend Lord Morrow. The festival was very successful and featured a crossover of the types of music that went from Ulster to the United States of America. That is the type of festival that I am keen to see promoted.

On that note, I was concerned to learn last week that the BBC, for the first time in recent years, removed from its schedule the broadcast of the 'Country Music Awards' from Nashville. The programme has always been broadcast to British audiences, but for some reason this year was not. It ought to be, because many such music festivals are supported by communities across Northern Ireland, and should continue to be supported.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. I am speaking in the capacity of an individual MLA when I ask the Minister to engage formally with the leading promoters of Irish traditional music in Ulster, which is, of course, Comhaltas Ceoltóirí Éireann. They organise fleadhanna at community, county and provincial level. I was surprised that the Arts Council said at the Committee for Culture, Arts and Leisure meeting last week that it has never formally engaged with Comhaltas Ceoltóirí Éireann other than a few small awards through 'Awards for All'. I ask the Minister and his Department to meet formally with Comhaltas Ceoltóirí Éireann to consider Irish traditional music and the organisation's place in festivals or fleadhanna. Go raibh maith agat.

The Minister of Culture, Arts and Leisure: The Member has alluded to what I assume, to paraphrase him, is a lack of communication between the Arts Council and the body to which he referred — *[Laughter.]* — which I am not going even to attempt to repeat, because I do not understand the name. I would ask him to establish whether that body has written to the Arts Council to request a meeting to see where Irish traditional music can be catered for, and I would be interested, and surprised, if there was a negative response. Any such approach should be made to the Arts Council and to local councils, which are now responsible for the community festivals fund, and would consider any approach made to them.

Mr McCausland: I thank the Minister for his answer. Will he outline the rationale behind the transfer of the community festivals fund to local authorities?

The Minister for Culture, Arts and Leisure: I hope that I have the support of virtually everyone in the House when I say that community festival funding ought to be devolved down, as close to the grass roots as possible. That is where the applications, primarily from local groups or localities that want to promote particular types of festivals, are from. The better place to assess the viability of such festivals, their promotion, and their development is among local councils. That was the rationale.

The Tourist Board felt that community festival funding did not readily fit within a tourism development remit. Under the RPA, it was agreed that that should not transfer to the Tourist Board, but should go to local government. It is still in the early stages; we are only into the first year of the assessment of local government promotion of community festivals. Let us see how that works over the first two or three years. I trust and hope that it will be a success.

UTV Cuts

3. **Mr McKay** asked the Minister of Culture, Arts and Leisure what steps he is taking to offset the cuts proposed by UTV in response to the Ofcom Public Service Broadcasting Review. (AQO 1201/09)

The Minister of Culture, Arts and Leisure: My Department is considering the recommendations outlined in 'Ofcom's Second Public Service Broadcasting Review Phase 2: Preparing for the Digital Future', the closing date for which is 4 December. I have met officials from Ofcom Northern Ireland to discuss the implications of that review here. I am aware that the outcome of the review may have significant implications for UTV, and have discussed the proposals with the firm's managing director.

I appreciate that UTV is a private company and will make commercial decisions to ensure its long-term

sustainability. However, the leaders of the main political parties here have asked UTV to suspend any internal restructuring until the consultation on public-service broadcasting has been completed, and pending meaningful consultation with the trade unions.

UTV has extended the deadline for voluntary redundancies, and has recently commenced negotiations with the National Union of Journalists and the Broadcasting Entertainment Cinematograph and Theatre Union. On 20 November, managers from UTV will attend a meeting of the Culture, Arts and Leisure Committee and provide the Committee with an outline of their plans.

Under Private Members' Business, a motion has been tabled to discuss Ofcom's recommendations, and a debate is scheduled for 24 November. However, as broadcasting is a reserved matter, the motion has not been assigned to any Minister. I have agreed to a future meeting with Linda Fabiani and Alun Ffred Jones, my ministerial colleagues in the Scottish Government and the Welsh Assembly Government, to discuss broadcasting issues in light of the Ofcom review.

Although broadcasting is a reserved matter, I am committed, in so far as I can be, to encouraging the production of high-quality broadcasting in Northern Ireland, which reflects local needs and requirements. In responding to the consultation on the public-service broadcasting review, my Department will endeavour to encourage the best way forward for local viewers and broadcasters.

Mr McKay: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his comprehensive answer. Does he back the calls for UTV to suspend its voluntary redundancy scheme until the outcome of Ofcom's review is known?

The Minister of Culture, Arts and Leisure: As I said, my understanding is — and I think that it is public knowledge — that each of the leaders of the main political parties has asked UTV to suspend any internal restructuring until that consultation process has been completed. Given that broadcasting is a reserved matter, I feel that I cannot make any further comment, other than to draw the attention of UTV to the statement signed by the four leaders.

3.45 pm

Mr McNarry: I thank the Minister for his responses. Ofcom's review gives UTV the right to cut its regional news broadcasting by half in order to save money. Given that the embedment of peace and normalisation of society in Northern Ireland are so closely linked to news and current affairs, what change of mind by UTV does the Minister consider to be attainable in the public interest?

The Minister of Culture, Arts and Leisure: I understand the concern, not only that which has been expressed by Members during Question Time and on other occasions in the House but that of the viewing public. My difficulty is that the matter is reserved. I understand that the Committee for Culture, Arts and Leisure is due to hear UTV's proposals. I urge UTV to examine closely the letter that has been signed by political leaders and to listen to the proposals and suggestions that Members have made constructively in the Chamber.

Mr P Ramsey: Does the Minister share the general public's concern that UTV's product offering, the brand and the excellence of its current affairs programmes will be devalued because of the reduction in local content that it has proposed? Does the Minister agree that, in light of proposed cutbacks that are planned by UTV, now is the time for the establishment of a broadcasting commission as a way forward to discuss matters such as redundancies, broadcasting and communications?

The Minister of Culture, Arts and Leisure: I am actively examining the possibility of a broadcasting commission. I acknowledge the Member's comments on the quality and duration of UTV's output. I trust that UTV will listen actively to the debate and to the issues that honourable Members have raised.

Multi-Sports Stadium

4. **Mr P J Bradley** asked the Minister of Culture, Arts and Leisure what financial, economic and social criteria he used in making his decision on the proposed multi-sports stadium. (AQO 1194/09)

8. **Mr Cree** asked the Minister of Culture, Arts and Leisure to detail the impact of the failure of the Executive to meet since June 2008 on his plans for the proposed multi-sports stadium at the Maze. (AQO 1207/09)

16. **Mr Lunn** asked the Minister of Culture, Arts and Leisure what he plans to do with his paper on the proposed multi-sports stadium, given the continuing impasse in the Executive. (AQO 1169/09)

The Minister of Culture, Arts and Leisure: With your permission, Mr Deputy Speaker, I will take questions 4, 8 and 16 together.

Previously, I advised the Assembly that the outline business case on the proposed multi-sports stadium, which is publicly available on my Department's website, sets out the financial, economic, social and other factors that are associated with the stadium that will be taken into account as part of the decision-making process on the project.

I have also advised that, as part of that decision-making process, the outline business case, together with the corresponding business case for the Maze project — for which OFMDFM is responsible — have been closely examined by their respective accounting officers. In addition, DFP has had the opportunity to examine both business cases. The First Minister, in his former role as Minister of Finance and Personnel, provided advice to ministerial colleagues on his assessment of the stadium and the overall Maze project.

When I became Minister, I emphasised that I wanted to resolve the stadium issue, not least to provide much-needed clarity for the sporting bodies involved and to enable them to plan for the future confidently. That remains my priority.

As I highlighted during Question Time in October, I am ready to present a paper to the Executive in accordance with the protocol to which I ought to adhere in order to progress a solution for appropriate and suitable stadium provision in Northern Ireland. Progress is, however, being frustrated, as everyone is aware, by the fact that the Executive have not met since June 2008. An Executive meeting must take place if I am to dispel the uncertainty that has surrounded the issue for too long.

Mr P J Bradley: I thank the Minister for his answer. I understand that uncertainty exists on the issue. Will the Minister confirm whether a new multi-purpose stadium will be ready for use before and during the 2012 Olympic Games?

The Minister of Culture, Arts and Leisure: Last week, I raised that very matter with Lord Coe when he visited Northern Ireland. He has agreed with me and confirmed the ongoing position, which is that, provided suitable stadium provision exists, he will do everything in his power to ensure that whatever Olympic activities can avail themselves of it will do so.

Mr Cree: Will the Minister provide assurance that money that is earmarked for the proposed stadium will not be lost should it be decided that it will be relocated elsewhere?

The Minister of Culture, Arts and Leisure: I can give that assurance.

Mr Hamilton: The Minister is in regular contact with the heads of the three sporting organisations involved in the process. Will he outline to the House any alternatives that those organisations have suggested?

The Minister of Culture, Arts and Leisure: As the honourable Member said, I have had discussions with the three main sporting bodies, during which they restated their original position. Should that project not proceed, however, they said that they will work with the Government and other stakeholders to find a solution

that will provide long-term stability, acceptability and sustainability for their respective sports.

North West 200

5. **Mr Storey** asked the Minister of Culture, Arts and Leisure to detail the work carried out in conjunction with the Minister of Enterprise, Trade and Investment to promote the North West 200 over the next 3 years.

(AQO 1179/09)

The Minister of Culture, Arts and Leisure: I and my colleagues in the Department of Enterprise, Trade and Investment recognise the contribution of the North West 200 to a range of Government objectives that transcends the traditional departmental boundaries.

The event promotes Northern Ireland internationally, generates significant economic benefit beyond the north coast to the entire region, and stimulates participation and interest in motor sport. The club delivers key messages on road safety during race week and throughout the year, and the event supports high levels of volunteering and associated skills development: for example, in stewarding and first aid. The event develops opportunities to showcase and support entrepreneurs in the arts and creative industries through the provision of artisan stalls in the coast road shopping village. Efforts are being made to introduce more environmentally friendly accommodation and to promote and market a greener race and visitor experience.

The race organisers have reached a critical milestone; the event has grown to such an extent that a strategic and co-ordinated approach to its management is now deemed necessary. Officials from the Department of Culture, Arts and Leisure and the Department of Enterprise, Trade and Investment have been working closely with the Coleraine and District Motor Club and Coleraine Borough Council to support the club in its efforts to secure the event's future sustainability and growth.

The measures to be adopted include a three-year funding package to be delivered by my Department and the Tourist Board. The package is designed to respond to the developmental needs identified by the club and its main partners, including an upgrade of the event's web presence, the identification of key partners across the public sector and the appointment of a business development/events manager. Advertisements for that post appeared in the 'Belfast Telegraph' on Friday 7 November and in the 'Motorcycle News' on Wednesday 12 November.

Mr Storey: I thank the Minister for his answer. Given that next year is the 80th anniversary of what can only be described as the jewel in the crown of

Northern Ireland's tourist industry, I welcome the Minister's announcements today.

Will the Minister assure me that the effort to build on the mammoth success of the North West 200 will continue? Will he further assure me that all the issues that have been raised with him and the Minister responsible for tourism, Mrs Foster, will be continually examined over the next three years, so that the progress that has been made can be built on and the continued success of the event ensured?

The Minister of Culture, Arts and Leisure: The North West 200 is one of the most prestigious events in Northern Ireland. It regularly attracts well in excess of 150,000 visitors each year. I, the Department, and I hope every Member of the House, want to build on its success and progress further to make it — as good as it is — even better in the future.

Mr K Robinson: I thank the Minister for his comprehensive answers to the previous questions. Many people who travel to the North West 200, in their wisdom, use the east Antrim coast road. The North West 200 is a headline event; over two million people worldwide log on to its website to watch the race. What steps has the Minister taken, or will he take, to use the Internet as a promotional tool for major events in Northern Ireland?

The Minister of Culture, Arts and Leisure: The Member rightly mentioned promotion via the Internet of events such as the North West 200. In the past year, Members saw that event in particular utilise the Internet by providing live online coverage. That was extremely productive and useful, and significant numbers of online viewers were recorded.

The Internet has successfully promoted events such as the North West 200 and, therefore, is an invaluable tool that will be used to promote future events.

Mr Paisley Jnr: The North West 200 is a magnificent sporting event that, as the Minister said, attracts tourism to the region and boosts its economy. There are other motorsport tourist attractions. Will the Minister confirm whether Rally Ireland has been cancelled in 2008? Has it been relocated to Dubai? If so, will he outline whether resources that have been allocated to Rally Ireland can be reallocated to other motorsport events that are indigenous to the Province?

The Minister of Culture, Arts and Leisure: The Member alludes to various four-wheel promotional events. Discussions between my Department and events organisers are under way, with a view to holding such events in Northern Ireland. We have an excellent track record of successfully promoting such events, and I hope that we can do so in 2008 and in subsequent years.

European Charter for Regional or Minority Languages/Irish Language Strategy

6. **Mr A Maginness** asked the Minister of Culture, Arts and Leisure for an update on the progress made in the implementation of the European Charter for Regional or Minority Languages in Northern Ireland. (AQO 1193/09)

7. **Ms Ní Chuilín** asked the Minister of Culture, Arts and Leisure what progress has been made towards a strategy for the enhancement and promotion of the Irish language. (AQO 1192/09)

The Minister of Culture, Arts and Leisure: With your permission, Mr Deputy Speaker, I will take questions 6 and 7 together.

The UK Government signed up to the European Charter for Regional or Minority Languages in March 2000 and ratified it in March 2001. Since then, the UK has submitted two periodical reports to the Council of Europe — in 2002 and 2005 — that detailed the progress made on implementing the charter. On both occasions, the UK and Northern Ireland were deemed to be in partial or full compliance with each article of the charter. The third UK report, which was compiled by the Foreign and Commonwealth Office, was due on 1 July 2008. I have approved an Executive paper that outlines Northern Ireland's input to the UK report and explains the progress made between 2005 and 2008 on implementing the charter in Northern Ireland. I will present that paper to the Executive at the earliest opportunity.

On 16 October 2007, my predecessor stated to the Assembly that a strategy for regional minority languages would be prepared and submitted for Executive approval. My Department has had discussions on the development of the strategy, which will address the needs of the Irish and Ulster-Scots languages. I am pleased to report that a framework is emerging on which to build that strategy, and I expect to present a paper to the Executive in due course.

Mr A Maginness: I thank the Minister for his reply. I am unsure whether the July 2008 report has been completed. Will the Minister clarify? Will he assure the House categorically that he is fully committed to promoting all indigenous languages in Northern Ireland?

The Minister of Culture, Arts and Leisure: Given his revelation of the past few days, I will resist the temptation to accuse the Member of adopting a bare-faced approach.

As the relevant Minister, I provide input to the UK report; however, the Executive must clear that paper. As Members know, there has not been an Executive meeting, and I trust that all Members know who is

preventing those meetings. As soon as it is practical and possible, the July report will be completed, approved by the Executive, and input to the UK report will be submitted.

I am committed to ensuring that no language or cultural outlook is disadvantaged in Northern Ireland. In the past, Ulster Scots has suffered vis-à-vis the Irish language. At a recent meeting, I made it clear — beyond any doubt — to the leader of Sinn Féin that those days are over.

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

4.00 pm

PRIVATE MEMBERS' BUSINESS

Varney II Report

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

Dr Farry: I beg to move

That this Assembly calls upon the Executive to provide a full response to the recommendations of the Varney II Report.

We are meeting in the midst of a global economic crisis, and over the past 12 months or so, we have seen not just a credit crunch, but the collapse of the world financial and banking system, a slump in the local housing market, problems in the wider property sector, increasing food costs, rises and major fluctuations in energy costs, and a collapse in consumer confidence.

In the recent past, there have also been record levels of inflation, and an increase in unemployment. To be fair to the Executive, the resolution of those problems lies beyond the scope of a devolved Administration. Indeed, the resolution of many of those problems lies beyond the scope of national Governments. Such problems must be addressed globally, and, in that context, we can all welcome the outcome of the G20 summit, which took place over the weekend in Washington DC.

Nevertheless, there are two distinct measures that the Executive should take in the present context. The first is to help to manage Northern Ireland through the current difficulties. To that end, several ideas have been floated in respect of the timing of major public-sector contracts. Secondly, the Executive should be working to rebalance and modernise the Northern Ireland economy so that it is best placed to take advantage of the economic recovery when it occurs. The Varney Review II should be considered in that context.

The steps that have been taken by the Executive so far in that regard have been disappointing. The Executive have taken actions that are populist, rather than making targeted interventions to address the needs of particular consumers who are more likely to spend money, and, therefore, boost the economy, or to rebalance the economy through investment in modernisation. Furthermore — I say this with some

regret — despite the economy nominally being placed at the heart of the Programme for Government, an over-arching strategy for the economy in Northern Ireland, with the level of detail that the business community would expect, is absent.

I appreciate that the eventual publication of a regional economic strategy — I stress the word “eventual”, because we have been waiting for a new draft since January 2007 — may address some of the issues that have been raised by Sir David Varney, but we expect a detailed and dedicated response to the report from the Executive.

Both the Varney Review I and the Varney Review II were commissioned by the Treasury with great fanfare, and their ability to help our situation was talked up. However, since both were published, last December and last April, they seem to have dropped off the agenda — one never hears about them any more. That is a very strange set of circumstances. There must be an obligation on the Executive to provide a detailed response, stating which recommendations they accept, which they do not accept, and how they intend to implement aspects of the report. It has fallen to the opposition, in the form of the Alliance Party, to facilitate debates on both the reports, including today's debate on Varney II.

We should thank Sir David Varney and his team for the report, but we must also appreciate its limitations, and the widespread criticisms that have been voiced by a number of business organisations in Northern Ireland, such as the Business Alliance. Such criticisms have also been voiced by economists, through the Economic Research Institute for Northern Ireland (ERINI), and by individuals such as Sir George Quigley, Neil Gibson and John Simpson.

There is little dispute about the overall vision for Northern Ireland — more skilled, highly paid jobs; a shift towards the knowledge economy; more emphasis on exports and expanding beyond our domestic market; and better integration into the global community. However, the question is how we get from a to b.

The Varney I report considered the potential changes to the overall macroeconomic framework in which Northern Ireland operates, but it ruled out any meaningful change. However, in recognition of Northern Ireland's particular competitive disadvantage on the island of Ireland, a wide range of economists and business leaders argue that a differential rate of corporation tax is the single tool that would be most likely to facilitate a step change in Northern Ireland's economy — but the Executive have gone quiet on that matter. Varney considered the measures that lie within the control of the Northern Ireland Assembly and suggested that those are used to the maximum extent,

but did not address the fundamental framework in which Northern Ireland operates.

The Varney II report does not contain a silver bullet that would turn the Northern Ireland economy around. If one studies the fine detail of the report and Sir David Varney's subsequent comments — most notably in evidence to the Finance and Personnel Committee — it is evident that he does not envisage any meaningful gross value added (GVA) conversions between Northern Ireland and the UK average. That analysis is backed up by Neil Gibson.

UK regional policy remains focused on recognising the greater south-east of England as the driver of the overall UK economy, with the other regions left to share in the wealth. However, that is not a sustainable situation when nine of the 12 UK regions rely on fiscal transfers from the centre, with only three being left to contribute.

The current downturn in the financial sector could mean that the GVA gap between the UK average and Northern Ireland will be narrowed in the short term. However, that might not reflect an improvement in the absolute position of Northern Ireland — it might only signify a change in relative positions. We must be wary of a false-positive outcome in that regard.

The Varney II report fails to properly acknowledge the reality of an all-island dimension to our economy. There is plenty of talk about co-operating with the Republic of Ireland, but that is on the basis of two separate economies rather than how Northern Ireland fits into the context of a potentially integrated market and zone of competition. Furthermore, that co-operation would be on an uneven playing field. Rather than being able to compete with the Republic on equal terms, we would be relegated to taking any surplus capacity with respect to foreign direct investment — essentially, the overspill.

Varney makes a number of direct competitiveness comparisons between Northern Ireland and the Republic of Ireland. Surprisingly, he mentions almost everything good that is happening in the South of Ireland, but he does not note the different tax regimes. Interestingly, he cites the example of the National Competitiveness Council in the Republic of Ireland and calls for the establishment of a similar body in Northern Ireland. However, if we were to create such a body in Northern Ireland, it would inevitably advocate a differential rate of corporation tax. We can call that the Varney paradox.

There is also little acknowledgement of the impact that the legacy of the Troubles has on Northern Ireland's economy. The economic costs of a divided society extend the problems of labour-market mobility, an aspect of which is the large number of people who are economically inactive. That problem has not been

properly cited. Divisions also create investment disincentives and contribute to the brain drain. Divided societies, and those that do not cherish and respect diversity, find it difficult to attract and retain the best and the brightest.

Despite Varney's strong emphasis on public-sector reform, there is little acknowledgement of the financial costs of a divided society in relation to the unnecessary duplication of resources and the associated opportunity costs. Fundamentally, we cannot build the economy without working towards a shared future.

Many have also been very critical of the lack of new thinking in the Varney II report outside the current dominant orthodoxy of the key economic drivers — enterprise and entrepreneurship, skills, research and development, and infrastructure. Those are reflected in UK Treasury documents, past Northern Ireland economic documents and the Programme for Government. There is a desire for a greater sense of imagination.

Moreover, and somewhat surprisingly, there is little discussion of the potential for the green economy in Northern Ireland. The Alliance Party is not alone in seeing the opportunities from a successful marriage of economic development and the protection of the environment, most clearly seen in the current advocacy of the green new deal by the incoming Obama Administration in the United States.

Our Executive must challenge the Varney recommendations in at least four respects: the wider UK regional policy; the need to discuss with the Irish Government how better to create a level playing field on the island of Ireland; addressing the economic and financial aspects of division; and the promotion of the green economy.

However, even in the framework provided by Varney, there are major challenges for the Executive. We must look at the reform of the public sector and attempt to grow the private sector relative to the public sector. In relation to enterprise, we must create a proper entrepreneurial culture in Northern Ireland where risk-taking is valued rather than punished. We must also place more emphasis on employers taking the lead in skills development, as we are not training enough people to play a role in the global economy, which is to our disadvantage.

If we continue with the same approach, we will arrive at the same outcome; therefore, we must change things fundamentally. The Assembly must send out the message that we do not find the Varney II report to be sufficiently radical to address the challenge of growing the Northern Ireland economy.

The Chairperson of the Committee for Finance and Personnel (Mr McLaughlin): Go raibh maith agat, a LeasCheann Comhairle. The eventual outcome of the two reports by Sir David Varney and his

Treasury team was disappointing to say the least, as they — perhaps unsurprisingly — put a particular interpretation and slant on the evidence provided. However, the body of evidence collected from key stakeholders on the nature of our local economy and the challenges that it faces is a useful and abiding consequence of the Varney work. Indeed, it should prove of considerable assistance to the Executive. In that regard, I wish to highlight the considerable work undertaken by the Committee for Finance and Personnel in respect of both Varney reviews.

In late May 2007, the Committee made a submission to Varney's first review, which focused on tax policy. The main thrust of that submission was to refer the review team to the recommendations and substantial evidence base contained in reports by the economic subgroup of the Transitional Assembly. Subsequently, Committee representatives met the Varney review team and agreed a formal submission following the review's call for evidence. In that submission, the Committee concluded that the Treasury had the expertise and the resources to address the legal and administrative barriers to a competitive corporation tax in this region. Furthermore, it concluded that the real issue was whether the political will existed in the British Government to recognise our unique circumstances and to acknowledge that its one-size-fits-all approach was inappropriate for this region's economy. While recognising the value of additional fiscal incentives and other measures to boost our economy, the Committee saw those as a complement rather than as an alternative to a competitive rate of corporation tax.

The Committee held an oral evidence session with Sir David Varney and his team on 14 June 2008. That session covered a wide range of areas and, in order to inform the Committee's position in advance of this session, written critiques of the Varney reviews were received from representative organisations and experts. Furthermore, the views of the other Statutory Committees were sought to ensure that respective Committee remits were observed.

Arising from that exercise, the Committee questioned Varney and his team on a diverse range of issues, including the evidence for some of his conclusions. Among the questions put on the economic and fiscal position were what reduction Varney expected to see in the gap in gross value added per head between here and Britain if all the recommendations of the second report were implemented, and why the recommendations of the reviews did not include a measure of their expected impact. The Committee also asked what new thinking was employed in the second review, given that it was organised around the five drivers framework. That framework had been used in all regions for at least the past decade and had produced

no evidence that the economic performance of poorer regions had changed significantly.

Varney was also questioned about the adequacy of the resources available to the Executive and on how the British Government should help the Executive by providing incentives linked to reform. Finally, he was questioned on the assertion in his second report that the tax system here is competitive both internationally and in relation to Ireland. Needless to say, several of the Committee's questions went unanswered.

The record of that session, together with copies of all the stakeholder critiques of the Varney reviews, is on the Assembly website. I expect that many of the issues that stakeholders identified will continue to represent the core challenges that face our economy.

4.15 pm

Last June, DFP officials advised the Committee for Finance and Personnel that it was intended that a co-ordinated Executive response would be prepared that would highlight the flaws in Varney's policy analysis. My Committee will undoubtedly wish to pick up on that in its upcoming session with DFP officials, during which the progress of the review of the regional economic strategy will be discussed.

Speaking on behalf of my party, we share the clear perspective that the first Varney report was disappointing and that the second was worse and assisted neither the Assembly nor the Executive in their task of rebuilding the local economy. The motion is fair enough, although I note the absence — perhaps deliberate — of any timescale for producing the desired response. Therefore, in its own way, the motion remains aspirational, but it is, nonetheless, an aspiration that my party will support.

Mr Hamilton: I welcome the debate, which is timely, given that we are in the midst of a global financial crisis, with unemployment rates rising, the construction industry on the brink of collapse, and energy costs going up, thereby affecting our competitiveness adversely. Therefore, any opportunity to discuss economic matters should be welcomed. Although we are focusing on the Varney Review II, perhaps that can be examined in the wider context of turning our economy around in the longer term.

Varney's second report is listed on the Order Paper as Varney II, making it sound like some sort of movie — 'Varney II: The Revenge'.

Dr Farry: Sequels are always worse.

Mr Hamilton: Yes; that is exactly the point that I was going to make — the law of cinema is that sequels are always worse, with the notable exception of 'The Godfather: Part II'. Varney II does not buck that trend in any way, so I will not go into some sort of

Kermodean rant about movies and where Varney would fit in.

The second report did not do what we may have wanted it to, not only in its recommendations, but in what it says about policy implementation and where the Treasury might have stepped in and helped in some way. That does not mean that there is nothing of merit in the report — it gives a useful, if not entirely original, diagnosis of the economic problems and shortcomings in Northern Ireland, and it offers some possible solutions. Those solutions include some obvious examples that anyone who had been tasked with such a report would have produced. They include investing in infrastructure, skills development, the education system, innovation, and so forth.

At the risk of sounding like John McCain, those are the fundamentals of our economy that need to be strong if we are to be —

Mr Shannon: He is the wrong man to copy.

Mr Hamilton: I used that in a slightly different context than he did, but, hopefully, with a different result.

Anyone reporting on Northern Ireland's economy would produce such issues about fundamentals; however, Varney also gave some specific examples of steps that we should take in order to enhance our economy. If we, as a devolved region, want to turn our economy around, it is important that we do not always seek to rely on others, whether we want to achieve a corporation tax cut or when giving a knee-jerk response that says that everything should be done on an all-Ireland basis.

The second Varney report contains many sensible suggestions that could have a positive effect on our economy if they were implemented. Those may not be the entire solution to our problem, but they would at least have some positive impact. Some of those are being acted on already by some Ministers, such as the work towards ensuring better public-asset management or expediting the business-planning system, which involves major strategically or economically important investments being pushed through the planning system more quickly than they would be at present.

The Minister of Enterprise, Trade and Investment has begun a review of Invest Northern Ireland. That is important, given that it involves considering whether Invest Northern Ireland is fit for purpose in the current global economic situation.

Most importantly, many difficult matters must be considered, including public-sector reform; the public-sector pay premium, which was discussed at length in the report; whether the number of Departments that we have is sensible for our economy's competitiveness; and structural changes to the Health Service. Such sensible suggestions are worth

examining, and Ministers are already acting on them. They may make some positive difference.

The reason why the Executive have not produced their response to Varney II has been stated, and everyone knows that that is one of several matters that has become stuck as a result of the impasse.

The Minister sought responses to Varney II. Nevertheless, the fundamental lesson to be learned from the report is that if we are to make our economy fit for purpose, we must realise that our economic destiny is in our hands. Devolution is not about depending on others but about implementing the changes that we can deliver, in the hope that our economy can be turned around.

Mr Cree: Anyone who reads the Varney II report in light of the economic developments that were in train at the time that it was published will appreciate that much of it is already dated and that, on several fronts, it has been superseded by events. Indeed, one might say that the object of the exercise was to get over the fact that the much-vaunted £1 billion economic package was not delivered. That is bad news for the DUP, because it exposes yet another failure of the St Andrews Agreement and, doubly so, because we are approaching six months without there having been an Executive meeting. I hope that they will meet this Thursday.

Mr Hamilton: Will the Member give way?

Mr Cree: No.

Undoubtedly, the greatest problem facing Northern Ireland is the impact of the worsening global slowdown. Daily, we hear of businesses that are in trouble and announcements of major job losses. At a time when foreign firms are shedding jobs and retrenching, we cannot avoid the whirlwind — demand is dropping and supply is hastily adjusting. Varney II was produced in the context of a vibrant demand that no longer exists.

The Executive's most important task is to get to grips with the economic and social hurricane that is battering us. Therefore, in order that Ministers can act as a team and deal with the consequences, it is imperative that the First Minister and the deputy First Minister ensure that the Executive resume regular meetings. The deepening crisis is so great that only with a concerted effort can we hope to contain the situation and, where possible, make some headway.

The spotlight will fall on the Department of Enterprise, Trade and Investment, which must help to stimulate the economy in order to create jobs to make up for those that are being lost. The construction industry is already in deep crisis, and, given that the housing boom was greatest in Northern Ireland, so the bust will be all the more dramatic here. However, is

the Department doing what is required? Is it even pointing in the right direction?

Much stock has been placed on inward investment, and, undoubtedly, we have done well from that in the past. However, firms that benefited from generous grant regimes and other advantageous measures are already rationalising — a euphemism for packing up and leaving. That is not only happening in Northern Ireland — there are reports of foreign firms withdrawing from the South, quoting the difficulties in doing business there.

The decline in the value of the pound compared with other currencies is one factor in our favour, because, where markets still exist, our goods and services have become more competitive. The Minister of Enterprise, Trade and Investment must rapidly realign her approach in order to meet those fast-changing circumstances.

Demand will continue in some areas of economic activity, and Northern Ireland can participate in, and benefit from, them. Despite the Minister of the Environment's scepticism, the market that is based on decarbonising energy is vibrant and will continue to grow. Is the Minister of Enterprise, Trade and Investment pursuing such opportunities with the necessary vigour?

Under the Minister for Employment and Learning's guidance, our universities and colleges of further education are hotbeds of innovation and talent. The aspects of Varney II that deal with the Department for Employment and Learning are widely accepted and are being fully implemented. Indeed, two weeks ago, the Minister for Employment and Learning announced a £14.5 million investment in research relevant to the economy.

Are we tapping that created potential? There is a case to be made for guiding money into promising ideas and young people to produce cutting-edge goods and services now that will be ready for the market when demand returns. There is still private money in Northern Ireland, and we should facilitate the flow of capital into that sort of future. Are the Department of Enterprise, Trade and Investment and Invest Northern Ireland looking with intent in that direction?

We need to have a fully functioning Executive; the fiddling has gone on for too long. It is time for the First Minister and the deputy First Minister to get a grip on the situation. Furthermore, the Minister of Enterprise, Trade and Investment must move rapidly to face the realities of the deepening crisis and find ways that facilitate opportunities so that the economy can move forward.

The Ulster Unionist Party supports the motion, but any response to Varney II must be a response to the current economic crisis, however starkly it contrasts

with the optimism and improbable expectations of Varney II. That should help to concentrate minds on where we are and what we need to do.

Mr O'Loan: The essential question of the debate is: are we fated to be a relatively impoverished region of the United Kingdom? There is a lot of evidence to suggest that we are, and the challenge is to break out of that. The proposer of the motion, Dr Farry, is correct to ask for a response to the recommendations of Varney II.

A large part of our trouble stems from the fact that we are not in control of all the levers; we are merely a devolved region. We have little or no control over taxation, the welfare system and business regulations. None of us is likely to forget Varney's earlier dismissal of equalising the rate of corporation tax on this island, which many thought could be the significant trigger for real improvement.

The situation is worse than that. I am sceptical of the Varney II process. For instance, it was wrong, psychologically, for us to go to Westminster for answers. It was systematic of our wider lack of confidence; we always look to someone else — often to London — for answers. There is an innate conservatism here, and I mean no offence when I say that it is particularly prevalent in unionist parties. If I am right in that, it has the potential to be damaging.

There is a second lesson to be learned from the fact that we do not hold all the levers. Those that we do hold, we must use well. Stephen Farry said that, above all, we must have a cohesive society and a political system that shows a united lead, but that will only get us to an equal place on the starting grid.

It is shocking to see how much the economic climate has changed since the publication of Varney II in April; times now are more harsh and uncertain. However, now is not the time to falter; this is the time to build for the future and to prepare for the time when the current difficulties are over.

Most people have been underwhelmed by Varney. It appears as if he has given us back our Programme for Government. It is hardly surprising that he discusses the drivers of productivity, and his five models for analysis are skills, enterprise, competition, investment and innovation. We know about those, but we must learn how they can be used to get us to a new place. There is not much of the "how" in Varney.

We must take seriously his call for public-sector reform. I do not swallow all that he says hook, line and sinker, but there is a need for debate about the role of the private sector in delivering public services. NI Water receives a bad press, but it has done good things.

The response to the 3% efficiency savings does not auger well for upgrading the quality of public services.

Too often, our organisations and large parts of our political system have to be dragged in the direction of efficiency. Neither are the Assembly's methods or performances a model of efficiency. For instance, what kind of message in efficiency terms does the creation of four Commissioners for Victims and Survivors for Northern Ireland send to the public?

It is easy to do the nice things, such as providing free prescriptions and free travel at 60, but we have not tackled the hard bits.

4.30 pm

Varney II refers to the potential for Northern Ireland as part of the UK and as part of the island of Ireland. Many people talk about the best of both worlds: I am not so sure. However, we are where we are, and we must use the opportunities that we have.

Varney II points out the way for North/South links and, if we are to get anywhere, we must free ourselves on that regard and move away from scoring political points on either side. Again, I wonder whether the unionist parties are up for that. Put the test there: what will actually work? We must reach a new level of all-island thinking on infrastructure, energy, acute health provision, higher education and research. I do not see that sort of thinking in what the Executive are doing.

Varney II refers to copying the National Competitiveness Council in its annual reports. We must look behind the headline and see that that country saw that the ability to compete in global markets was central to its improvement.

I can make only a brief comment on what is a large debate. Much more needs to be said about small and medium-sized enterprises (SMEs), skills, innovation and research and development. However, I hope that when the Executive produces their new economic strategy we will see something new.

Mr McQuillan: My starting point must be Sir David Varney's belief that the Executive have been right to adopt economic development as a cornerstone for future success and prosperity for Northern Ireland. I also welcome the fact that the new regional economic strategy is being prepared, and that it will be based on the Executive's priorities, rather than on that inherited by direct rule. That necessary move will help to ensure that lowering unemployment and economic inactivity will remain obtainable objectives for Northern Ireland. To do that effectively, we need a well-trained, adaptable workforce who are willing to work — a description that accurately describes our workforce and employment pool. We must remember that Northern Ireland has been successful in attracting foreign investment recently. Despite the current economic downturn, I am confident that prospective employers will recognise that that is one element in their decision-making that is taken as read.

It is also essential to recognise the fact that Northern Ireland is not yet in recession. If we look back to 1991 and the UK-wide recession, Northern Ireland's economy continued to grow, which was due, in part, to the size of the public sector. We should all be grateful for the economic cushion that that gives us. Although we all aspire to reduce the size of the public sector, that can be achieved only by expanding the private sector. That is why the change from direct rule to Executive priorities in the regional economic strategy is so important.

All is not doom and gloom for the employment situation in Northern Ireland. Although my constituency has experienced some devastating job losses, unemployment for Northern Ireland as a whole has dropped by 3.8% in 10 years. As the Executive will now be setting the regional strategies, I am hopeful that the level of employment will remain high, and that the 20.4% who are classed as economically inactive will be reduced towards the UK figure. An essential part of that will be capital spend programmes of infrastructure that will benefit the hard-hit construction industry, but only if one party in the Assembly holds Executive meetings and does the job that it was elected to do.

To achieve continual growth in the level of employment, we must rely on agencies such as Invest NI to aid the search for new employment. That is why my East Londonderry colleagues and I are to meet Invest NI representatives to address the problems in our constituency. Such meetings will play a vital role in developing my constituency and any investment for the future.

I appreciate that the Minister of Enterprise, Trade and Investment is progressing a strategic review of Invest NI and, hopefully, a stronger body will emerge. That was a recommendation of Varney II and, I believe, was in hand before Varney II was published.

I welcome Varney II. It has been a useful tool in reassuring the Executive that the priorities set out in the Programme for Government are correct, while some of the recommendations that it contains are already under way. I can only hope that other Members, and the press, realise that the only block to the policy in the Programme for Government, and support for Varney II, comes from one party in the Executive that is so focused on its own agenda that, unlike other parties, it is prepared to sacrifice Northern Ireland's future by holding back necessary and urgent policy implementation. I support the motion.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. Several economic challenges were identified in the many submissions made to both Varney I and Varney II. It was clear that there was a

need for innovative fiscal measures to be introduced if those challenges were to be met.

Stakeholders and Departments made several submissions to the review that recommended the introduction of a differential rate of corporation tax in the North along with other business tax incentives. Despite that, Varney I ruled out a cut in corporation tax.

It was argued that the fiscal freedoms required to set our own funding priorities would be an essential component in developing a plan of action to tackle deprivation and disadvantage and to ensure long-term economic development. Varney II focused on the incentives for growth and made several recommendations. However, that was also disappointing, not least because it stopped short of developing an all-island economy.

The global economic recession and credit crunch — and the impact that the subsequent increases in the costs of food, fuel, electricity and gas have had on households and businesses throughout the North — have created an urgent need to consider innovative ways of stabilising the economy. Our lack of fiscal power curtails what we can do. However, there are measures that we can take, and I hope that the Executive's response to Varney II will reflect that.

We must examine how public money is being spent and how we can protect existing jobs in the construction industry and elsewhere. Public procurement guidelines in the delivery of works, services and goods offer a unique opportunity to create employment for the most deprived and disadvantaged people in society. Embedding social clauses into all public procurement contracts can help to tackle poverty and need. It can also ensure that local SMEs and social-economy enterprises are able to compete with larger companies in securing procurement contracts.

There is a huge challenge to develop areas of the economy that can provide sustainable growth and tackle poverty and disadvantage, such as regional investment inequalities. Several projects could be implemented without further delay by individual Ministers and Departments. For example, an immediate decision to proceed with the Long Kesh/Maze project would unlock millions of pounds to the local economy and inject optimism into the construction sector. The implementation of planned public capital-build projects, which have been budgeted for in the various Departments, would also help to create and sustain employment in the construction industry.

For a variety of reasons, privately funded investment opportunities, which require no public funding, are being held up at planning stage. That is despite there being a real opportunity to create employment and offset some of the problems that are

associated with the economic slump. The planning system must show more urgency in removing obstacles to applications so that projects can proceed in a reasonable time frame.

Varney also mentioned enterprise. The development of local businesses and social-economy enterprises is crucial to the strengthening of enterprise. Varney II recommended that a review of Invest NI should be carried out. The economic downturn means that the foreign direct investment, which it was hoped would result from May's investment conference, may not be fully realised. However, that creates an opportunity to redirect that money from Invest NI's budget to local SMEs and social-economy enterprises. The development and growth of local SMEs and social enterprises will bring economic and social benefits by securing employment and encouraging investment. Innovation and the development of SMEs must be encouraged.

Certain initiatives should be implemented to create a single inward-investment organisation and to take a step towards more effective marketing. Those initiatives include the common marketing of the island of Ireland to investors — in key areas such as agriculture and tourism — and merging Invest NI and IDA Ireland. Varney also refers to a skills deficit. Improving basic skills and developing employer-led training through quality apprenticeships are essential measures that could ensure that people have the necessary skills and training that will allow them equal access to any jobs that are created.

The worldwide economic recession limits what we can do. However, we can implement innovative measures and take bold decisions that will have some impact on stabilising the economy and tackling disadvantage and need. Go raibh maith agat.

Mr Weir: Private Members' motions in the Assembly are sometimes criticised as having relatively little impact. However, in considering the motion, I read reports at the weekend of the death of a public figure called Mr Varney, and I wondered whether the motion had had a dramatic effect on the health of the author of the Varney II report. It turned out that it was the sad death of the 1970s sitcom actor Reg Varney. Members can rest assured that Mr Varney is alive and well. However, the health of his report is subject to greater misdiagnosis.

A week is said to be a long time in politics. Since the publication of the Varney II report, which coincided with the first signs of global economic problems, the world economy has rapidly changed. As a consequence, much of the report has been overtaken by events. The state of our economy must be approached with a sense of realism. On the one hand, everything in the garden should not be regarded as rosy; however, the black pessimism that has been heard from the

Ulster Unionist and SDLP Members who spoke first must be avoided. They painted a very black picture. One hopes that the Samaritans is not recruiting anyone from either of those parties today; they would have a detrimental affect on Northern Ireland.

Compared with some years ago, there are good signs in the economy. Unemployment figures are lower than the United Kingdom average.

Mr O'Loan: Mr Weir was critical of the Varney II report, which, with the best advice from the Civil Service here, struggled to come up with remedies; yet he dismisses that report. He may also choose to comment on the statistic that almost everyone quotes: we are sitting at 80% of the average GVA output of the UK, and nobody is suggesting that that will alter in the foreseeable future.

Mr Weir: If the Member had allowed me to continue, I would have commented on that. Elements of the report are disappointing. Given the disappointments of Varney I, which failed to grasp the nettle of corporation tax, the level of expectation for Varney II was limited.

Provided that we are not slavish, seeking advice from outside Northern Ireland must be regarded as a strength rather than a weakness. The opportunity to have a fresh pair of eyes take a look at the Northern Ireland economy, albeit through the spectacles of Treasury orthodoxy, as in the Varney II report, must be embraced. On the positive side, Varney II affirmed that the Executive were pointing in the right direction. On a cross-party basis, a lot of work suggested in Varney II has commenced and is going in the right direction by DFP, DETI and DEL. A degree of comfort must be taken from the fact that the Varney II report found that the economy was in reasonably good health.

There is a lot of common sense in the report; for example, improving the skills gap, considering training and the need for a reform of the Planning Service, which will be conducted by the Department of the Environment in order to ensure that businesses are granted approvals. All that may be common sense, but it is worth having it pointed out again, because we can lose sight of that common sense. There was also much work on foreign investment at the time of the US/Northern Ireland investment conference, and subsequently. Some people may begrudge the efforts of the Minister of Enterprise, Trade and Investment, but she has been in the United States in an attempt to gain investment for Northern Ireland, whereas others, particularly in the media, are keen to criticise the Northern Ireland economy.

There are flaws in the report, not least of which is the fact that some of it has been overtaken by events. Public-sector reform is a useful exercise, but it must be in the context of ensuring that there is growth in the private sector, which is far too small.

Given land prices at present, the emphasis on a vigorous asset-disposal sale in Varney II seems to have been overtaken by events.

4.45 pm

I welcome the motion, and the Executive should meet as soon as possible to consider Varney II. The report is only one piece of information, and it would be foolish for us to follow all its recommendations slavishly, but elements of it have merit. The Departments that are the economic drivers in the Executive should take note of that and deliver us from the current situation caused by the credit crunch.

Mr McNarry: Most Members recognise that the Varney II report is a sticking plaster to cover the Government's refusal to reduce the rate of corporation tax in Northern Ireland, which would put us on a level playing field with the Irish Republic. It was always suspected that the Government would refuse to agree to that reduction, because it would have led to a chorus of demands from other regions — most notably Scotland — for a similar reduction.

To some extent, the fixation on corporation tax became a virility test for the Executive at the time — it was worth the effort, but, unfortunately, it failed. The focus should have been broader and on other models that might have reduced the taxation burden. Although it is easy to say now, a small-business rates-relief scheme and a radical simplification of the research and development tax-credit system should have been top of the list.

Although attracting foreign direct investment must remain a matter of significance for the Assembly and the Executive, surely it is time to recognise the innovation and enterprise of many of Northern Ireland's SMEs. Supporting and enhancing an SME-driven knowledge-based economy must become a central aim of the Northern Ireland Administration.

Varney II asserts:

“Northern Ireland, as part of the UK, has a competitive tax system both internationally and in relation to Ireland”.

That assertion must be continually challenged by the Executive. At the time, Sir George Quigley said:

“This assertion is made despite the fact that the headline rates for the UK and the Republic are, respectively, 28% and 12½% and that the gap in the effective average tax rates in 2005 was 14 percentage points. The gap will have reduced slightly with the subsequent reduction in the UK's headline rate from 30% to 28% but it remains crucially significant for an investor seeking to maximise his post tax return. Indeed the rate of return to US-owned companies on their investments in the Republic is almost 20%, which is around three times the rate of return in the UK. The tax wedge on labour for 2006 (ie the gap between what the employer pays and the employee receives) was under 15% of average earnings in the Republic (which has the smallest wedge in the OECD) whereas the UK wedge was just under 30%. The greater the size of the tax wedge, the greater, obviously, is the pressure on pay levels, pushing up the employer's costs.”

That lack of competitiveness is at the heart of the problems that we face in attracting inward investment and in providing good-quality jobs for our people. The lack of a competitive tax edge must make the work of Invest NI considerably harder. I could never see the benefit of Northern Ireland going on joint trade missions with the Irish Republic when, because of its tax advantage, the Irish Republic was bound to snap up any available inward investment and jobs.

In a new and much more challenging economic climate, the questions that Varney was meant to address remain — they remain with us, they remain necessary to the solution and they must be urgently answered.

I commend the Alliance Party for tabling the motion, which has allowed us — as parties, MLAs and, particularly, servants of our country — to do our best to wrestle with the problems that people face on the shop floor and that employers face daily. I support the motion.

Mr Paisley Jnr: I, too, support the sentiment of the motion and congratulate the Member for proposing it. It is important and timely that we discuss the issue, but we all know why the Executive have been unable to provide a full response to the recommendations of Varney II. We hope that the Executive will meet very soon, as the First Minister indicated today, and we hope that the issue will be resolved.

We agree with many points contained in Varney II. Indeed, it confirmed that the Programme for Government's focus on economic development has been fully endorsed, and that is crucial. The report also identified key moves that could be made and services in the public sector that could be privatised. However, most of us recognise that since Sir David Varney put pen to paper, the economic climate has changed. Indeed, many of those opportunities will have to go on the long finger.

The report also indicated that the research and development tax-credits scheme could be explained better by Her Majesty's Revenue and Customs and Invest Northern Ireland, to improve the take-up rates. That is all very promising stuff, but, like most people, I recognise that the economic climate has changed.

It was bad form for the Member for North Down Mr Cree to say that it was bad news for the DUP. The fact is that the economic climate in which we now find ourselves, with people losing their jobs and the economy getting it in the neck, is actually bad news for everyone. Everyone loses out. Sound economic guidance and policies need to be deployed, rather than party political points being made.

Although Sir David Varney has received some praise, like most people, he did not foresee the crippling credit crisis that has hit the United Kingdom, Northern Ireland and most of the Western World.

At times, it seems that some people are in denial that this is not really Northern Ireland's fault, and neither it is — it is a global issue. However, the fact is that some local measures could and should be taken. Last week, the Prime Minister indicated that taxes could be cut and expenditure increased on a UK-wide basis. We would benefit from those measures, and we should encourage the Prime Minister to urgently introduce them.

The public need to hear that the much-promised public expenditure programme will actually start and that the £2 billion to be spent this side of the comprehensive spending review period is actually spent. We encourage the building sector in particular to get on with that.

Secondly, this is now the perfect opportunity to hear from the national Government and for Sir David Varney to put his money where the Government's mouth is and move on a cut in corporation tax.

People say that every cloud has a silver lining. Perhaps, in the current cloud, we could re-examine the issue of corporation tax and lower the rates on a UK-wide basis. The sooner that that impediment to investment is dealt with, the better for everyone.

A salient lesson to be learned from the current situation is that banks cannot be allowed to become the largest estate agent in Northern Ireland. If that happens, there will be vast repercussions for everyone. People will go out of business, and, indeed, Taggart Holdings, which was a huge property development company, has already gone out of business. The banks now own those properties, but only because the Government have given them a huge loan of billions of pounds. The banks will have to come up with some creative measures to prevent people from saying that they are becoming the largest estate agent in Northern Ireland.

Finally, the banks have a responsibility to state how they plan to help the small business sector, which is the most significant sector in Northern Ireland's economy. If the backbone of our economy is the small business sector, or the small farmer, I want to know how the banks are going to facilitate them during the credit crunch. I do not want to hear about people going out of business and banks seizing their properties to sell at a later date.

We know that the economy cannot rest on its laurels; we cannot pretend that it will not be badly hit. The fact that we are over-reliant on the public sector is no cushion to the current economic blow. Now is the time to kick-start the economy urgently.

I have one final message to the media. I hope that the media will start to report the situation more sensibly and move away from sensationalist, anti-business reporting in which they almost celebrate the fact that firms go out of business.

Mr Deputy Speaker: The Member must draw his remarks to a close, please.

Mr Paisley Jnr: That sends a terrible message about the economy, and I hope that the media learns from the lessons.

Mr Shannon: I support the motion. I congratulate Sir David Varney on producing a report that is thought-provoking, which was probably the purpose of the exercise. Many of the report's conclusions are ones to which many will have come via their own trains of thought. Although some people will not agree with everything in the report, there are many things with which they can agree.

We have one of the finest education systems in the UK, which produces superior GCSE and A-level grades. Those results indicate superior levels of literacy and numeracy. We have micro-economic stability as part of the UK. Those things should signpost good economic prospects. There is no doubt that we have good prospects – the issue is turning them into reality for the people of the Province. That reality is, in turn, becoming harder to achieve by the day as we look ahead to a grim few months in the current downturn.

Now is definitely the time for the Assembly to send a message to the people of Northern Ireland that there is light at the end of the tunnel in which we seem to be, that the Assembly is aware of the situation in which they find themselves — every Member who spoke underlined that point — and that we are working to ensure that there is economic stability and hope.

As aa' hae saed, tha rapoart is weel thought oot, an aa' haenae tiem in this Hoose tae soart oot ivery point as wuz din wi tha Business Alliance, tha Economic Research Institute O' Norn Irland an Goerge Quigley. As wi oany rapoart, ther er parts whuch aa' agree wi an yins that aa' wud tak tae task, as em shair this wull as weel be tha response o' tha Mienistar O' Finance an Personnel.

As I said, the report is well considered. I do not have the time in the Chamber to critique every point, as was done by the Business Alliance, the Economic Research Institute of Northern Ireland and Sir George Quigley. As with any report, I agree with some of its points, and question others. I am sure that that will also be the response of the Minister of Finance and Personnel.

Training and skills are more important now than ever. However, some of the first casualties of the economic situation may be the tradesmen. In my constituency of Strangford, in particular the Ards Peninsula, the threat is real and clear to tradesmen. We have been working hard to address the skills gap, because if we do not train young men and women in trades, we will, in a relatively short time, have no skilled workers.

Unfortunately, the first people to be made redundant in most businesses are the last ones in, and, in some cases, those will be the apprentices. Therefore, the Varney II report highlights that it is imperative that we encourage tradesmen to retain apprentices, and the correct way to do so. Just last week, the Minister for Employment and Learning told the Assembly about his intention to help apprentices.

However, the Minister of Finance and Personnel must examine one issue closely, and that is the suggested sale of Northern Ireland Executive land. I fully grasp what Varney intended by saying that some assets could be sold to provide a cash injection and to encourage business growth. However, it seems that the sale of some facilities, such as the ports, which are beginning to generate good income and have brighter possibilities, is not something that we should wish to do. It would be like nursing an animal through sickness and putting it down when it shows signs of getting better.

There are other recommendations, such as cutting public-sector jobs, which is something that the First Minister began to examine when he was Minister of Finance and Personnel. I am sure that that will continue as we ensure that there will be ample opportunities for people to work privately for the same rate of pay and similar pension schemes.

There is much to be considered in the report. However, it is startlingly clear that there are some things that the Assembly and the Executive cannot do by themselves. We must have financial and practical support from Westminster to ensure that Northern Ireland is not only stable, but thriving. We must encourage foreign investment through lower corporation tax and other incentives. My colleagues in Westminster work towards that at every opportunity. My colleague Ian Paisley Jnr has already mentioned corporation tax, and many in the Chamber would adhere to his view.

5.00 pm

Time does not permit me to go into further detail. However, I have every confidence that the Minister of Finance and Personnel will formulate a response to the report that will ensure that only measures that will create prosperity for the Province will be taken on board. I am convinced that the report can be the basis on which we can build a more prosperous Northern Ireland as an integral part of the United Kingdom. For that reason, I support the motion.

The Minister of Finance and Personnel (Mr Dodds): I thank the proposer of the motion for the opportunity to address this important subject, and I congratulate him on securing the debate.

Before I respond to some specific points that were raised in the debate, I will set out a few thoughts on the current underlying economic context. We are

undoubtedly facing a very difficult year. We are not in a recession at this time — an economic downturn, yes, but not a recession. The local construction and service sectors are facing difficult times, but our manufacturing sector is still registering growth in output. The latest unemployment rate of 4·1% is still well below the UK average, and is an improvement on the previous quarter. Indeed, it is still the lowest rate of all the regions of the United Kingdom.

Nevertheless, there is no doubt that recent increases in the price of energy and fuel commodities have hit local consumers and businesses very hard indeed. It is, however, important to note the recent reductions in the price of crude oil, which, it is to be hoped, will be passed on to the consumer as quickly as possible. Compared with other UK regions, we have low levels of disposable income, so the costs of energy and fuel account for a disproportionately larger share of income. Fuel poverty and hardship are real problems that the Executive will continue to address.

The global credit crunch has also left its mark on our region. No part of the world is immune to the problems that have arisen. Greater financial conservatism will mean less liquidity in our economy, with mortgages and loans more difficult to obtain. However, there is another aspect to that. Having housing mortgages at a multiple in excess of 10 times our average local salaries, which is where they were at one point, was not good or sustainable, and was a contributing factor in creating the problems that we now face. Even now, the average house price in Northern Ireland remains at seven times the average annual salary.

The recent substantial Bank of England interest rate cuts offer hope for hard-pressed homeowners, and, in that context, I urge all local banks to pass on the full 1·5% rate cut to their customers. I appreciate that housing deflation is a concern for some, particularly the construction industry, but Northern Ireland should be better placed than elsewhere because of the considerable capital spending plans that have been set out by the Executive in the investment strategy for Northern Ireland. That strategy will provide a considerable fiscal stimulus for the local economy and for local construction firms in particular.

The extent to which the local economy might contract into a formal recession is also minimised by the size and influence of the local public sector, which has been mentioned by several Members. Annual public expenditure of some £18 billion in the local economy — equivalent to some 60% of gross value added — creates considerable economic buoyancy. The fact that almost 30% of our workforce is employed in the public sector should instil greater confidence about job security than exists elsewhere.

These are challenging times for any economy. All the major economies of the world are struggling to control market volatility, and it is clear that a small and open economy such as Northern Ireland's has little or no control over the prevailing financial environment. Growing the economy, increasing productivity and improving prosperity are the keys to improving the lives and living standards of all the people of Northern Ireland.

This challenge was always going to be difficult, but the rapid deterioration in the global and national economic outlook makes it even more imperative that we have a clear view of the economic policies that are required. The key issue, therefore, is to ensure that we create a policy environment that will facilitate economic growth and development in Northern Ireland.

That growth and development will be achieved only by delivering the Programme for Government, particularly its lead priority, "Growing a dynamic innovative economy". That is, in effect, what Varney has said. His report is even more relevant in the current financial climate.

Like many others, I was disappointed that the report did not accept the need to grant some measure of fiscal dispensation to Northern Ireland, but a lower rate of corporation tax was never going to be the silver bullet or panacea for the local economy, and we emphasised that at the time. Multinational companies were never going to decide to set up here solely on the basis of the prevailing UK rate of corporation tax. As we all know, and as was borne out by the investment conference that was held earlier this year, potential investors consider a portfolio of factors.

Northern Ireland already has a good record when it comes to the factors that potential investors consider. Its advantages include our use of English; well-established regulatory and legal framework; access to markets, owing to the fact that it is located in the European Union; relatively low labour costs compared with many other parts of the EU; and a large pool of young, well-educated and skilled labour. It is important to note, therefore, that corporation tax is not the be all and end all of everything.

Mr McNarry, who has not waited until the end of the debate before leaving, said that, because it snaffled up all the foreign direct investment owing to its lower rate of corporation tax, he could not see the benefits of going on trade missions with representatives from the Republic. Of course, we know that that is not the case. Many countries levy no corporation tax, so, if it were the case that all companies and firms make decisions on where to invest based on corporation tax, why are all companies not in those countries? The reason is that those countries do not have the necessary skills.

Companies are looking for different kinds of opportunities. If one is looking for a profit centre, one will not site it in a place that levies higher rates of tax. However, if a company wants a cost-centred operation, in which costs are the most important consideration, a place such as Northern Ireland comes into its own. Property values, rental costs and available skills mean that, compared with Dublin, London and other more expensive places in which to do business, Northern Ireland is well positioned.

The simplistic nonsense about corporation tax must be hit on the head, because it talks down Northern Ireland. It is important that we talk up Northern Ireland and say that we are well positioned to attract certain kinds of foreign direct investment.

The second Varney Review was an assessment of the state of the Northern Ireland economy. It was helpful that Sir David, assisted by the Treasury's analytical resources, undertook a critique of Northern Ireland's economic-policy portfolio. A key point from the report is that Sir David Varney fully endorsed the Executive's focus on economic development in the Programme for Government. I must highlight the fact that almost all Sir David's findings relate to policies and functions that are already within the Executive's remit. It is clear, therefore, that our economic destiny lies firmly in our hands.

The Varney Review II was helpful in highlighting some of the key issues that must be considered in order to achieve the Programme for Government's economic goals. That is especially important, given the current difficult economic climate that I highlighted earlier.

Several specific economic issues were raised during the debate. The Chairperson of the Committee for Finance and Personnel, Mr McLaughlin, referred to the work that his Committee had done in providing submissions to both reviews. I appreciate the work that was done on that, and I thank the Committee for its work. Mr McLaughlin was critical of the fact that the motion did not include a timeline for the Executive to respond to Varney II. However, he will know that, although I submitted a paper to the Executive in July, and sought for it to be progressed, it has been held up by one of his party colleagues. Therefore, he may wish to take up the issue of why there is no timeline with someone other than the proposer of the motion.

Simon Hamilton and other Members spoke about the wider context, and quite rightly so. The context has moved on and, in many respects, is different to the situation that prevailed when Varney compiled his report.

Mr Hamilton also mentioned, rightly, that action is being taken on several recommendations. Other recommendations, of course, may not be appropriate.

Jim Shannon and Ian Paisley Jnr mentioned the sale of assets. We should ensure that foremost in our minds,

when making decisions on the sale of assets, is value for the taxpayer and the citizens of Northern Ireland. Therefore, we must not sell property at prices that do not yield the best value for taxpayers.

Jennifer McCann raised a point about the recommendation on the merger of Invest Northern Ireland with IDA Ireland in the South. In some respects, some recommendations are rather naive, because Invest Northern Ireland and IDA Ireland are, in many cases, in competition with each other for foreign direct investment. Just as we are in competition with regions of the United Kingdom for opportunities, we are in competition with the Irish Republic. Therefore, it simply does not make sense to suggest the merging of those two bodies.

Leslie Cree laid much emphasis on the Department of Enterprise, Trade and Investment, and I am sure that the Minister heard what he said. However, he will note the increase in manufacturing, and will have heard what I said about the nonsense spoken about foreign direct investment by one of his colleagues. He will know that the Department of Enterprise, Trade and Investment is focusing on those areas that can yield the best return for Northern Ireland through foreign direct investment and indigenous companies.

Mr Cree also laid much emphasis on the First Minister and the deputy First Minister ensuring that the Executive meet. He knows, does he not, where the blockage lies? The Member is nodding and smiling, which indicates to me that he was simply having a bit of laugh in trying to blame the First Minister and the deputy First Minister. Even at this stage, I welcome his acknowledgement about where the fault really lies for that.

Several Members raised other points, but, unfortunately, I do not have time to respond to them all. One Member mentioned the economic package and criticised my party. However, the DUP is the only party that ever sought an economic package for Northern Ireland. When other parties had the lead, they never sought such provisions for Northern Ireland. Mention was made of the budget for the Department for Employment and Learning. One of the outcomes of the discussions was the innovation fund, which, along with other measures, came about as a direct result of the Department getting extra funds. Therefore, that criticism simply does not stand up to scrutiny.

As I mentioned, in early July, I wrote to Executive Ministers inviting comments on the Varney II report in order to assist me in preparing my formal response to the Chancellor. Some of my ministerial colleagues have already acted on several of the Varney II recommendations – work that they had intended to take forward even prior to Sir David's report. For example, the Minister of Enterprise, Trade and Investment is developing a strategic review of Invest

Northern Ireland, and the Minister of the Environment is committed to quickening the pace of the planning process for economically significant applications. I, too, have begun to act on the relevant Varney II recommendations that fall to my Department, such as pressing ahead with a Civil Service efficiency and reform programme.

However, my substantial response sits in limbo awaiting clearance, because it is caught in the current impasse that has been brought about by the refusal of one party in the Assembly to allow the Executive to meet. The recommendations in Varney II have been useful. We are already actioning many of its suggestions through the delivery of the Programme for Government. The motion calls for a full response to the recommendations of the Varney II report. If we can overcome the current inflexibility in certain quarters in the Chamber, we could give that full response immediately.

Mr Neeson: I thank all those Members who contributed to the debate. I also thank the Assembly's Research and Library Service for providing a useful information pack for the debate.

I want to preface my remarks by quoting directly from the response of the Economic Research Institute for Northern Ireland:

"In the absence of a conceptual model of the economy the temptation is to fall back on prescriptions that address the symptoms. This is evident in the recommendations in Varney 2 which are largely about process and structures. There is also rather worryingly some basic misunderstandings about local structures in Northern Ireland and how these differ from the situation in Great Britain. This is most clearly apparent in the reference to local authorities and the planning system which is applicable in GB but not to Northern Ireland."

5.15 pm

It goes without saying that one of the major problems that we are facing is the failure of the Executive to meet. People are beginning to lose faith in the Assembly and the Executive, and the unfortunate thing is that we are all being tarred with the same brush. It would appear from some remarks that have been made today that there may be a meeting of the Executive sooner rather than later. It is in everybody's interest that the Executive meet sooner rather than later.

Northern Ireland has strengths. It has a young population and many well-educated school-leavers, reasonable transport and technological links, and relatively low costs. Socially, however, we cannot get away from the reality that the costs of segregation impact upon business. Those costs limit the amount of talent available to investors in particular locations. They restrict the efficiency of public services upon which businesses depend, and they continue to threaten stability. Political and economic stability are crucial if we are to attract inward investment.

Economically, we must develop new sectors — 67% of Northern Ireland's GVA is in the public sector, compared to 45% in Great Britain and 35% in the Republic. That renders us dependent on the whims of the UK Treasury, over which the Executive have no influence whatsoever. Northern Ireland needs to develop new sectors, become higher value, and become more competitive in order to increase productivity.

Politically, stability remains essential. We cannot get away from the fact that, while the Executive fail to meet, it is questionable whether some parties are serious about stability upon which real progress can be based, particularly in more deprived areas. That requires a new regional economic strategy. The last one, under direct rule, was about keeping Northern Ireland in its place. Is it not now time for a strategy made in Northern Ireland?

Varney recommends the creation of a competition analysis board to carry out an annual review. With all these commissioners being appointed, is it not time that we delivered on basic competition and productivity requirements in order to make Northern Ireland more prosperous? Key requirements include the completion of education reform, a review of Invest NI and a more sustainable transport planning system. Infrastructure and investment must be linked to help with economic development.

We must also have the courage to complete a proper reform of the public sector, and the review of public administration must not become another lost opportunity. It must include consideration of different delivery models, greater use of the private and voluntary sectors, and closure of the pay gap at high levels of the private and public sectors.

Varney made no reference to tax-varying powers. I am pleased that support for the development of tax-varying powers is growing in the Assembly. It is clear that we cannot have reform of corporation tax in Northern Ireland if we do not have tax-varying powers; that is a big handicap to reform.

The Minister said that he does not believe that we are in recession, but that we are experiencing a downturn. I agree with him. One of the big dangers for Northern Ireland is the talking up, particularly by the media, of the notion of a recession. I do not know whether other Members share my views on the very pessimistic Ulster Bank report that was published about a week ago. We must reinforce optimistic prospects for growing and developing the economy if we are to attract inward investment.

Stephen Farry referred to the need to modernise the economy; I entirely back his continued support for the reduction of corporation tax in Northern Ireland. I do not agree with the Minister when he says that the reduction of corporation tax was never an option. That

was certainly an issue, particularly in respect of the so-called peace dividend that the Prime Minister created when he was Chancellor of the Exchequer.

The Minister of Finance and Personnel: I did not say that that was never an option; in fact, I made the point that the Executive pushed for it and wanted it. I said that the reduction of corporation tax was not a silver bullet or a panacea.

Mr Neeson: I agree with Mitchel McLaughlin, who made the point that a one-size-fits-all approach is not appropriate to developing a regional economy. He also said that if the first report was disappointing, the second was worse. Simon Hamilton compared Varney II to film sequels, which are usually worse than the originals. He said that the fundamentals of the economy need to be strong.

Leslie Cree said that much of the report is already dated. In many ways, the economic downturn very much reflects that. In common with many other Members, Declan O'Loan made the point that we are not in control of all the levers. It goes without saying that public-sector reform must be taken seriously.

Adrian McQuillan said that we need a well-trained and adaptable workforce. The Deputy Chairperson of the Committee for Enterprise, Trade and Investment, Jennifer McCann, said that the Varney reviews have not produced measures to tackle deprivation. I know that Jennifer is very concerned about that, and about the development of the social economy.

Peter Weir restated the old adage that a week is a long time in politics and said that the report had been overtaken by events. He referred to the reform of the Planning Service. David McNarry described Varney II as a sticking plaster to cover the Government's refusal to reduce corporation tax. He said that the report should have examined other fiscal incentives.

Ian Paisley Jnr said that some public-sector services could be privatised, but that we are now in a different economic climate. Quite rightly, he said that the banks cannot be allowed to become the biggest single estate agent in Northern Ireland. Jim Shannon, rather optimistically, said that there is light at the end of the tunnel, and referred to the importance of training and skills.

This has been a useful debate and, in common with all Members, I look forward to seeing the response of the Executive to Varney II. Importantly, many of the issues developed in Varney I and Varney II are not new. Therefore, the sooner we get down to business, the better for all.

Question put and agreed to.

Resolved:

That this Assembly calls upon the Executive to provide a full response to the recommendations of the Varney II Report.

MINISTERIAL STATEMENT

Presbyterian Mutual Society

Mr Deputy Speaker: I have received notice from the Minister of Enterprise, Trade and Investment that she wishes to make a statement on the Presbyterian Mutual Society.

The Minister of Enterprise, Trade and Investment (Mrs Foster): With your permission, Mr Deputy Speaker, I wish to make a statement on action that my Department and I have taken to help to deal with the problems faced by the Presbyterian Mutual Society.

Members will be aware that I have given a commitment to do everything in my power to assist the society and, indeed, its members. The Presbyterian Mutual Society is a limited company, registered with the Department under the Industrial and Provident Societies Act (Northern Ireland) 1969. The fundamental difficulty that faces the society is that, like all financial institutions, it invests money that is deposited by savers and has only a limited cash reserve with which to meet demands for repayment. The crisis affecting the financial sector generally has prompted exceptional demand for repayment from members at a level that cannot be met by the society's normal cash reserves. In order to generate additional cash to repay members, the society would require time to recover money that is out on loan or to realise the property in which it has invested members' money. The society's difficulty is compounded by the fact that it is not an auspicious time in which to realise property.

The directors have requested that I make subordinate legislation that would give them the option of placing the society in administration or entering a voluntary arrangement. Although the option of going into administration or entering a voluntary arrangement was previously available to companies, it was not available to industrial and provident societies.

My Department has now exercised its powers under article 10(2) of the Insolvency (Northern Ireland) Order 2005 to make subordinate legislation enabling that particular society to enter administration or a company voluntary arrangement. Either of those options would give the society breathing space to sort out its financial affairs under the guidance of a qualified insolvency practitioner.

The Order had to be made as a matter of great urgency because the society was faced with substantial cash withdrawals; indeed, writs had been issued for the return of members' money. My Department made the Order and sent it to the society on Friday 14 November.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr Durkan): I thank the

Minister for her statement and for the courtesy of advance notification — not only of the statement, but of the steps that she has been taking, on Friday and beyond.

Obviously, Members deeply regret the situation that has arisen for the Presbyterian Mutual Society. Many Members will be concerned that other companies in similar positions face similar difficulties. They want to know, therefore, that the Minister and her Department will keep the situation under review and will work and liaise with other relevant bodies.

People will be glad that the Presbyterian Mutual Society's situation has been stabilised. However, many people who invested money in the society will also want to know their position. That includes several charitable trusts of which I am aware and which have invested considerable moneys in the society. Can the Minister take action in that regard, or must she work with other Ministers in order to get the picture about who is affected, how they are affected, and when they can expect some degree of certainty?

The Minister of Enterprise, Trade and

Investment: I thank the Chairman for his question. I have attempted to keep him up to date. The matter came upon the Department quickly last week. Last Monday, the society's directors met the Minister of Finance and Personnel and me to discuss the difficulties that they were experiencing. As a result of that meeting, we had to act as quickly as possible and seek legal advice on the implications of that action.

Before I entered the House this afternoon, I received notification that an administrator has been appointed by the Presbyterian Mutual Society. He is Arthur Boyd of Arthur Boyd and Company, the Belfast-based chartered accountants and business-recovery specialists. Mr Boyd is at pains to point out that he will be doing his best for all of the members of the Presbyterian Mutual Society and that administration is not the same as liquidation, bankruptcy or winding up; in fact, it is designed to protect companies that face liquidity problems. He is involved to act in the best interests of everyone to whom the society owes money. He is acutely aware, as are we all, that the lack of access to funds will cause hardship to some members of the society. However, his role is to act on behalf of all the members of the society, and he will develop a plan that will, ultimately, be put to them for consideration.

5.30 pm

At present, the administrator is considering whether he can come up with a rescue plan for the Presbyterian Mutual Society or, if that is not possible, an orderly winding down. As the Chairman of the Committee knows, the Department was trying to avoid a fire sale. In the interest of all the society's members, that is exactly what we did not want to happen. That has been

avoided, and it is now up to the administrator to come up with a plan to move forward.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. I too welcome the Minister's statement, and I hope that it will provide some relief to the savers who are affected and enable the society to continue. Does the legislation apply only to that particular society, or does it set a precedent for others?

The Minister of Enterprise, Trade and

Investment: I thank the Member for her question. I have received no requests for assistance from other societies. The scale of lending by, and savings in, the Presbyterian Mutual Society makes it unique, and it experienced particular problems when £21 million was withdrawn within a short period.

I want to examine the GB legislation that covers all industrial and provident societies. However, I was faced with the problems of a particular society and had to act quickly. My officials and I will now consider whether legislation to cover every industrial and provident society should be introduced, and we will consult on that in the normal way.

Mr Ford: I too thank the Minister, not only for her statement but for her speedy action. I declare an interest; the congregation of which I am a committee member has a substantial investment in the society. In that context, we will all be heartened by the words of the Minister, and I trust that her swift action will provide reassurance to investors in other mutual societies that, if necessary, similar action can be taken. Also, the Minister quoted the administrator as saying that there is no liquidation and that it is a matter of providing full protection to all concerned.

However, the Minister correctly acknowledged that now is not an auspicious time to realise investments in property. Will she give Members an idea of how much breathing space has been provided by the appointment of the administrator? By doing so, she will provide a corresponding level of assurance to members of the society that their investments can be secured over a longer period.

Mr Deputy Speaker: I ask Members to keep their questions brief, please.

The Minister of Enterprise, Trade and Investment:

My understanding is that an administrator is usually appointed for one year, but, through an application to the High Court, that period can be extended by a further six months, or whatever. The administrator works out how long he needs, as he said today, to work in the best interests of the society and its members.

Mr Hamilton: I join colleagues around the Chamber in welcoming the Minister and the Department's prompt response in seeking to resolve the problem. With the Presbyterian Mutual Society going into

administration, what is the position of its staff? Are their jobs protected?

The Minister of Enterprise, Trade and Investment: It should be recognised that it was a matter of some urgency, not only for me but for departmental officials, whom I must commend for their work.

The society has five full-time and two part-time employees, and, this afternoon, the administrator said that they will remain in place to assist him. For the moment, therefore, those jobs are safe.

Mr Kennedy: I am a clerk of session in a Presbyterian congregation that may be affected by the current situation, and I have a relatively modest personal investment in the Presbyterian Mutual Society.

I welcome the Minister's statement and warmly commend the actions of her and her officials. Furthermore, I warmly commend the actions of the board of directors of the Presbyterian Mutual Society in what is, obviously, a difficult situation. I assure the Minister that the Ulster Unionist Party — through its Ministers in the Executive or its MLAs — is keen to assist by lobbying Her Majesty's Government or the Treasury.

Is the Minister discussing the matter with the Treasury and Her Majesty's Government? Does she agree that it is vital that all members of the society remain calm and avoid panic or alarm, which might already exist? Although the Minister cannot give details, is she concerned that other organisations are facing, or will face, similar problems?

Mr Deputy Speaker: Minister, I think that there is a question in there.

The Minister of Enterprise, Trade and Investment: I think that there are a couple of questions in there. Part of the problem for the Presbyterian Mutual Society was that it was not covered by the Treasury's bank guarantee scheme. When the problem became apparent, Dr Paisley raised the matter with the Prime Minister. Therefore, the issue has been discussed at the highest level. Furthermore, my colleague the Minister of Finance and Personnel contacted the Treasury about the guarantee scheme. We will continue to lobby and maintain pressure on that matter. I thank Mr Kennedy for his comments about his own party.

Last Friday, we offered the Presbyterian Mutual Society an option, and, as I informed the House, it took that option, which will provide breathing space. It is a difficult situation for members of the Presbyterian Mutual Society who have saved all their lives and invested money, for their retirement, in that organisation. They are worried and might not fully understand what is going on. I want to tell those people that, as far as I can ascertain, the directors of the Presbyterian Mutual

Society have done everything in their power — as Mr Kennedy, rightly, said — to take prudent action. I believe that the organisation will continue to work with the administrator to provide that reassurance to its members.

Adjourned at 5.38 pm.

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