
Northern Ireland Assembly

Tuesday 16 March 2010

The Assembly met at 10.30 am (Mr Deputy Speaker [Mr Dallat] in the Chair).

Members observed two minutes' silence.

Ministerial Statement

North/South Ministerial Council: Environment Sectoral Format

Mr Deputy Speaker: The Speaker has received notice from the Minister of the Environment that he wishes to make a statement.

The Minister of the Environment (Mr Poots): In compliance with section 52 of the Northern Ireland Act 1998, I wish to make the following statement on the tenth meeting of the North/South Ministerial Council in environment sectoral format, which was held in the Custom House, Dublin, on 5 March 2010. The statement has been agreed with the Minister for Social Development, Margaret Ritchie MLA, who also attended. The Irish Government were represented by John Gormley TD, Minister for the Environment, Heritage and Local Government, who chaired the meeting, and I, as Environment Minister, along with the Minister for Social Development, represented the Northern Ireland Executive.

Ministers had a meaningful discussion on the targets for the transposition of the waste framework directive, which is due to be transposed into national law by the end of the year, and on waste policy developments in each jurisdiction. The directive requires a significant increase in reuse and recycling rates for a wide range of waste streams, most notably household waste and construction and demolition waste. Ministers noted the challenges posed for both Administrations in transposing the directive.

Ministers welcomed a presentation by the chairperson of the North/South market development steering group (NSMDSG) and proposals for a joint work programme to be implemented in the short to medium term, which will help to create synergies between the market development programmes in both

jurisdictions and exploit economies of scale in the market for recycled materials. Ministers noted that the group is focusing initially on the markets for bulky waste, such as furniture and electrical goods, on quality protocols for dealing with various types of waste and on case studies on recycling best practice.

The Council received a progress report on the repatriation of illegally dumped cross-border waste. Ministers noted the steps taken to date to ensure the removal of waste from the first two sites at Slattinagh, County Fermanagh, and near Trillick, County Tyrone, in line with the framework agreement. They also noted that work on the site is expected to start by the end of September or in early October 2010.

Ministers welcomed the continuing joint concerted enforcement actions to target shipments of waste and noted that future action is planned.

The Council received a progress report on work by the Environmental Protection Agency (EPA) and the Northern Ireland Environment Agency (NIEA) on developing a common set of environmental indicators and on research. A paper on environmental research outlining future joint action, focusing on agreed key thematic areas and strategic co-operation, will be presented to Ministers at their next meeting.

Ministers also noted that the EPA and NIEA are working together to facilitate contacts and formal linkages between environmental researchers in each jurisdiction to encourage access to EU funding, with particular focus on the INTERREG and seventh framework (FP7) programmes. That work is being taken forward in association with Enterprise Ireland and Invest Northern Ireland, which support FP7 participation in Ireland and Northern Ireland.

The Council noted that the river basin management plans in Northern Ireland were published in December 2009 and that local

authorities in Ireland are adopting those plans. The Ministers welcomed a presentation by the Northern Ireland Environment Agency and the Department of the Environment, Heritage and Local Government on the river basin management plans and the programme of measures for their co-ordinated implementation, including the wider environmental issues that will need to be addressed. The Council agreed to meet again in environment sectoral format in October 2010.

Mr Ross: I thank the Minister for his statement. He mentioned illegal waste, which is clearly important not just for the Environment Committee but for the wider public. One of the concerns is that the courts system and enforcement methods are perhaps not as good as they should be in dealing with those who have been found guilty of illegal dumping. Has the Minister had any conversations with the courts to ensure that those people are fined? Secondly, given the high profile of illegal waste dumping, will he indicate whether there has been a decrease in the number of incidents of illegal dumping since it has become such a high-profile activity?

The Minister of the Environment: I am introducing a new waste Bill to the House, and, in my opinion, that will certainly give the courts greater flexibility and allow for heavier fines to be imposed on those who illegally dump waste. I think that we can meet that challenge, and I trust that the courts, which have their independence, will deal forcefully with individuals who break the law in that way. Indeed, many of those people are making huge profits from doing so.

It is our view that there are fewer incidents of people being involved in commercially illegally dumping waste. I certainly believe that a lot of the cross-border activity that went on for a number of years has diminished greatly in recent years. There has been a significant reduction in that type of activity.

Mr McKay: Go raibh maith agat, a LeasCheann Comhairle. How significant a challenge do the waste framework directive and NILAS targets pose to both jurisdictions? Are examples of good practice being exchanged between both Departments and Ministers? Are more materials being recycled this year than last year in all 26 local councils in the North? I know that, in my council area of Ballymoney, more materials are

being added to the blue waste stream. Is that being replicated across the North?

The Minister of the Environment: The targets for the waste framework directive are challenging, and I sometimes think that they could be even more challenging. There is a 50% target for recycling our household waste by 2020 and a 70% target for recycling construction and demolition waste. I think that those targets can be met. Last year we recycled 34.4% of our household waste, which is a rise on the 1999 rate of 4.9%. Once again, I pay tribute to the public for rising to the challenge. If we can continue to keep the focus on those issues, we can continue to develop recycling. I encourage people to go to the website www.rethinkwasteni.org, where they can identify how they can better handle their waste streams. That new website, which has recently been launched, will encourage further recycling of waste.

It is clear that in Northern Ireland, year on year, we are continuing to push up our recycling towards the target that has been set. We should set out to overachieve and try to exceed the targets, because recycling makes sense environmentally and financially. Considerable savings are to be made from recycling, and a considerable number of jobs are to be created in and supported by the recycling industry. Some 3,000 people are employed in the recycling industry in Northern Ireland.

Mr Beggs: I welcome the Minister's statement. Can he advise the House on the movement of the Republic of Ireland's Environmental Protection Agency and the Northern Ireland Environment Agency towards a common set of environmental indicators? Will those indicators remain common to the indicators that are used in England, Scotland and Wales? It is important to understand how our regulatory regime is working and how effective it is in comparison with other parts of the United Kingdom.

The Minister of the Environment: The environmental indicators will be fairly common to those that are being set and expected of us by various EU directives. In that respect, we will continue to work not only with the Environmental Protection Agency in the Republic of Ireland but with the relevant environmental agencies in the devolved institutions. Meetings between those agencies take place regularly to ensure that the environmental standards that we adopt are

similar to those adopted across the rest of the United Kingdom.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his statement. He referred to a presentation by the chairperson of the North/South market development steering group and to proposals for a joint work programme to be developed in the short to medium term. Can the Minister give some indication of the level of co-operation and the initiatives and measures that his Department has taken in conjunction with DETI and, in the South, the Department of the Environment, Heritage and Local Government and the Department of Enterprise, Trade and Employment to advance the green economy, which is seen as one means of creating jobs during the credit crunch?

The Minister of the Environment: Considerable work has been done with DETI, particularly on the renewable energy sector. Northern Ireland has vast opportunities to harness renewable energy, including wind, tidal and wave energy. The SeaGen project, for example, is supported by ESB Independent Energy, and many other generating companies outside Northern Ireland are involved in it. DETI and DOE have been involved in it. DOE has asked marine scientists to investigate the work that is being done there, because it is believed that, if tidal generation can work in Strangford Lough, which is one of the most sensitive marine environments, a tidal generator can be put almost anywhere. Intense work has been done on that scheme.

More widely, DETI has a set a target in the strategic energy framework for 40% of electricity to come from renewable energy sources by 2020. That will require the assistance and co-operation of the Department of the Environment, and it is critical that, in all that we do in Northern Ireland, Departments do not operate as silos or have silos within them. A collectivity and a connection is required between Departments and between the sections within Departments so that everything is drawn together to act for the common good. I firmly believe that reducing our carbon footprint and increasing the amount of energy that we can gain from renewable sources is for the good of everyone.

10.45 am

Dr Farry: I thank the Minister for his statement. I wish to pick up on the previous question and answer. At a future North/South Ministerial

Council meeting in environmental format, do Ministers intend to discuss the harmonisation of the planning and regulatory framework, particularly for renewables? That is necessary to ensure that investors have a common area on the island of Ireland in which to invest, rather than the lack of economy of scale forcing them to make choices and lose opportunities. Approximately what proportion of the recycling market will be taken up by bulky goods, and, bearing that in mind, was consideration given to trying to advance broader all-island co-operation on recycling?

The Minister of the Environment: Northern Ireland has its own set of planning policies and guidelines. Those planning policies are neither British nor Irish: they are, as they should be, Northern Irish. The more local we make the planning policies, the better we can meet local market requirements and needs. Given that certain decisions made during direct rule did not benefit the planning system in Northern Ireland, fundamental changes must be made. We need a much more robust planning system that is responsive to the needs of renewable energy, business development and so forth. Whatever those needs happen to be, we must press ahead and respond to them. I will, therefore, jealously guard the independence of the Northern Ireland planning system.

As for potential joint initiatives, there has been fairly in-depth consideration of producing an all-Ireland paper mill. However, as the correct market conditions do not exist at present, we do not propose to proceed. A great deal of the paper that is gathered for recycling currently goes to Dollingstown, where the Huhtamaki factory employs 200 people and produces 50% of the egg cartons for all of the UK and Ireland. Waste that previously went to landfill sites, where it produced methane and leachate, is now recycled over and over again for the public benefit, and jobs have been created. Furthermore, down South, considerable work has been done to address the issue of bulky goods. We hope to learn from some of that work and develop our own approach.

Mr I McCrea: I thank the Minister for his short statement this morning, and I particularly welcome the detail on tackling waste. Given the fact that his time was, no doubt, wasted by travelling down South to bring back such a short statement to the House, does he agree that the issue of North/South bodies should

be revisited? Does he also agree that such meetings should be called only when there is an appropriate agenda, as opposed to one on which his report does not run to even one and a half pages?

The Minister of the Environment: Given that my Southern counterpart and I represent Environment Departments, there would be considerable benefit in using technology and modern communication systems to hold discussions. Face-to-face meetings are not always necessary, and I am happy to utilise telecommunications. I offered to do so for the next NSMC meeting, and we will see whether my offer is taken up. Perhaps I am greener than the other Ministers who attended the last meeting. I encourage others to take the opportunities to reduce their carbon footprint and to engage in meetings in a more environmentally sustainable way.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. First, I refer specifically to the part of the Minister's statement that deals with the illegally dumped waste at sites in County Tyrone and County Fermanagh. That waste originated in the South but was dumped, for example, in Trillick. The Minister said that work will begin on the site to remove the waste by the end of September or the start of October 2010. Will he detail the preliminary or preparatory steps have been taken so far?

Secondly, I know that the Minister's statement is on the environment sectoral format. However, I wonder whether road safety typically features at meetings of that character. If it did not feature on the agenda of this NSMC meeting in environmental sector format, does it normally feature?

Thirdly, the meeting was chaired by John Gormley, who is in a bit of political difficulty at the minute. Did the Minister notice whether John Gormley was troubled or whether he was in good form?

The Minister of the Environment: Being the sort of Minister that I am, I will seek to answer all three questions.

Mr Gormley seemed to be in fine form, and he had a good vegetarian lunch after the meeting. He was particularly interested in talking about the processes of incineration and acid hydrolysis, which is a new system by which one can claim chemicals, particularly from wood-based products and items that

are high in cellulose. He was in good enough form. I, however, was not in very good form, because the waste material at Slattinagh and Trillick was supposed to have been taken away by now. That has been put back to September or October. I get impatient about such things, and I expressed my irritation that that has been put back again. A procurement exercise was engaged in and was advertised in the European journal. We are now told that, given the sensitivities of moving the material, the disturbance to the site and the potential for environmental damage, more work needs to be done. I pressed members very heavily to ensure that that work will start in the autumn. I do not want any further delays. The waste should not have been there in the first place, and it needs to be removed in a way that is for the good of the environment.

I do not like to rebuke other Members. However, perhaps Mr McElduff did not pay any attention last week to the Minister with responsibility for roads when he made his NSMC statement. Perhaps Mr McElduff does not pay any attention to that Minister. Road safety was dealt with at the previous NSMC meeting, at which Conor Murphy took the lead and which he spoke to in his statement on NSMC issues to the House. I encourage the Member to pay attention to the Regional Development Minister in future.

Mr Bell: I turn to accessing European funding, and I refer to my local government role as chairperson of the European working group and as a member of the Committee of the Regions and the Special EU Programmes Body. There are opportunities under the seventh framework programme (FP7) and through the inter-regional programme. I agree with my colleague Mr McGlone that there are opportunities, particularly in a recession, to look to areas in which European funding can be brought to Northern Ireland, not only to develop best research practice but to bring funds to Northern Ireland. Will the Minister ensure that every penny that we can bring down from Europe to improve environmental policy — in actual pounds, shillings and pence — will come to Northern Ireland, so that we will never be left in the abysmal situation in which we would have to send back to Europe some of the money that we had the potential to bring to Northern Ireland?

The Minister of the Environment: In environmental research, there are substantial benefits to having sound evidence-based data,

and that is fundamental to making effective decisions in both jurisdictions. We will continue to co-operate with the Environmental Protection Agency in the Republic to help us implement EU environmental legislation, to improve clarity on the state of the environment and the impact of mitigation measures and to ensure high levels of efficiency.

Each jurisdiction already reports to Europe through the use of common indicators on biodiversity and climate change to reflect the condition of our environment. In addition, both agencies must assess the vulnerability of the environment to climate change and are required to take its potential impacts into account when implementing the water framework and other relevant directives. The money that Northern Ireland and the Republic draw down from Europe on those issues will largely be spent in the respective jurisdictions. However, that money can be better used when we collaborate to enhance our interpretation of the directives, the environmental indicators that identify the environmental issues in Northern Ireland and what is expected of us. That is in the interests of both jurisdictions.

Mr Elliott: I thank the Minister for his statement. Mr McElduff asked about the repatriation of waste from Fermanagh and Tyrone to the Republic of Ireland. Why has there been such a delay with that? Furthermore, why are Northern Ireland taxpayers footing the bill for 20% of that repatriation?

The Minister of the Environment: The repatriation of that waste is being led by Dublin City Council. The Member's party does not have any political colleagues on that council, and no party in the Chamber has much representation on it any more. I have expressed my unhappiness at the speed at which it is being handled, and I do not want any further delays on that issue, because it is critically important.

Northern Ireland taxpayers are not paying for 20% of the repatriation costs. They are not paying for any of the costs of repatriation but are contributing 20% towards the cost of excavating the site and putting the site in order, with the South paying the remaining 80% of those costs. The South is paying all the costs of repatriation.

It was deemed that Northern Ireland had some responsibility for the waste that was coming across the border because we had not kept a

close enough eye on the situation, and I agree with that. As an Assembly Member, I wrote to the then direct rule Minister Angela Smith, who was not remotely interested in dealing with the issue, and, ultimately, I took the issue to Europe and got the response that helped to kick-start the current process. We have a responsibility because we did not rigorously enforce waste management and allowed a great deal of illegal tipping to occur. However, the vast majority of the costs for the repatriation of the waste are being covered by the Irish Government through Dublin City Council.

Mr McDevitt: I welcome the statement and the Minister's commitment to renewable energy, a low-carbon island and more research into sustainability. Will the Minister tell the House what conversations have taken place at an NSMC level on potential research into climate change and its impact on the island of Ireland? Furthermore, what proposals, if any, has the NSMC to introduce an all-island strategy to address the short-, medium- and long-term implications of climate change across the island?

The Minister of the Environment: There are no current or future plans for engagement in that area. Sustainable development is headed up by the Office of the First Minister and deputy First Minister, and we fully co-operate with that Department on it. It is in everyone's interest and covers a wide range of issues including climate change.

Mr Gallagher: I was touched by the comments of Barry McElduff. Does the Minister agree with me that they probably have something to do with the fact that Mr McElduff's party, like the Green Party, are very small in number in Dáil Éireann?

11.00 am

Furthermore, I welcome the Minister's report on the situation at Slattinagh in Garrison and Moneygar in Trillick. He said that he battled strongly for a date for work to start on those sites. That is the first time in the Assembly that we have heard about a start date, which is welcome because many people have been concerned about the situation for years. The Minister said that those sites were the "first two sites" —

Mr Deputy Speaker: Will the Member get to his question?

Mr Gallagher: Will the Minister name the other sites that are due for similar treatment?

The Minister of the Environment: I do not intend to be drawn into slagging off other political parties in the Chamber about their lack of representation in the Dáil or the fact that their representation dropped by 20% at the last election. I will not engage in that sort of activity today. *[Interruption.]*

Mr Deputy Speaker: Order. We are talking about the repatriation of waste only this morning.

The Minister of the Environment: That is a European issue, and with Sinn Féin having lost its European seat south of the border at the last election, I am surprised that its Members want to raise the issue.

As for the repatriation of waste, a further 18 sites have been identified. Some people have raised concerns with me that there may be other sites. I encourage any Member or member of the public with information about waste from the Republic of Ireland being dumped here illegally to inform us so that we can pursue the people responsible. If there are sites on which waste has been illegally dumped of which we are not aware, I ask that people ensure that we get information about them. We need to ensure that such waste is properly dealt with and that the environment is not damaged by the resultant leachates and methane.

Private Members' Business

European Funding

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 in which to propose and 10 minutes in which to make a winding-up speech. One amendment has been selected and published on the Marshalled List. The proposer of the amendment will have 10 minutes in which to propose and five minutes in which to make a winding-up speech. All other Members who are called to speak will have five minutes.

Mr F McCann: I beg to move

That this Assembly recognises the important contribution that European funding makes to communities; and calls on the Minister of Finance and Personnel to ensure that all stakeholders are involved in setting the priorities for any future funding from Europe.

Go raibh maith agat, a LeasCheann Comhairle agus a chairde. I support the motion and the amendment.

European funding has been a lifeline to a number of organisations and groups down through the years, particularly those from the community and voluntary sector. It has made an important contribution to the delivery of much-needed front line services in local communities and has created real benefits on the ground. It has always been important that local key delivery organisations and all those who work at a grass-roots level in communities are part of the decision-making process when priorities for funding, such as that from Europe, are set. That is more important now than ever before, as we see a squeeze in public funding and the phasing out of European regional aid beyond 2013.

The strategic aims of Peace I and Peace II were to promote reconciliation, deliver projects that would underpin peace and reconciliation objectives and create the conditions in which the transformation of society from conflict to peace would be achievable. The benefits of that European funding can be seen at interfaces, where it has allowed relationships to be built by people and communities that live along divides. That has produced dividends by maintaining relative peace for many years. We now need to build on that.

Local district partnerships, funding bodies and Departments were all responsible for planning and organising the delivery of projects. Throughout Peace I and Peace II, European funding made a positive impact on communities in the North and the border regions.

No matter where we go, projects thrive, delivering much-needed services to communities. Many areas had no infrastructure, community or other, and it was Peace I and Peace II that allowed much of the infrastructure to grow. Services such as local youth clubs, crèches, community health facilities and bigger economic projects for the community not only delivered employment but built capacity for thousands of people across the North and in the border areas.

As I said earlier, the European Union has been a major player in funding community and voluntary organisations, through schemes such as the European social fund, Peace III, and INTERREG IVa, IVb and IVc, to name but a few. Some organisations and groups have claimed that the process is over-bureaucratic and that that has caused some problems. However, there are other concerns, as the situation with INTERREG IVa suggests. INTERREG IVa is a cross-border programme that focuses on developing a dynamic economy, supporting infrastructure and promoting innovative ways in which to address specific cross-border problems. Applications and multi-annual plans (MAPs) were submitted to the Special EU Programmes Body (SEUPB) in 2007 and 2008, and in January 2009, groups received indicative letters of offer. In June 2009, SEUPB informed the cross-border local authority groups that the review of the Treasury green book would need to be taken into account during any assessment of applications from the respective groups.

The main feature of that was the need for the groups to submit business cases for each individual element of the MAPs. SEUPB undertook to issue a template for the required business case by the beginning of September 2009. At a subsequent meeting with SEUPB on 3 September 2009, the groups were informed that it had reviewed the entire application process, individual applications were now required and a business case template would not be forthcoming. The cross-border organisations and the lead implementing councils have been working with the project teams, which comprise nominated officers from each participating council, to collate detailed

information and to translate each element of the MAPs into individual project proposals.

All applications have now been submitted to SEUPB for the next stages of the approvals process. However, SEUPB has suggested that a number of projects will be rejected. That is an area of concern that needs to be dealt with. Decisions that will result in applications being refused need to be transparent and open to scrutiny. Some groups are unhappy with how INTERREG IVa has dealt with the process.

We still do not exploit the other available funding streams in the way in which we could. The banks have failed to draw down moneys from the European Investment Bank, and there has been a lack of tapping into the joint European resources for micro to medium enterprises (JEREMIE) and joint European support for sustainable investment in city areas (JESSICA) initiatives.

The Europe 2020 strategy, which has been published, will be signed off at the European Council's meeting in Brussels in June, and member states will have an opportunity to have an input. Discussions on the future scope and shape of the EU budget between 2013 and 2020 will be high on the agenda this year. That is why we need to start the consultation process with stakeholders now.

Eurocities, which is the network of the largest European cities, is an important consultative body for EU institutions. It is developing a lobby paper on the potential shape of future EU funds and is making the case for a strong city dimension, given that 80% of Europe's population lives in cities, and cities are the source of most poverty and need. Moreover, given that less funding will be available and the available funding must spread further, Eurocities believes that EU funding should be people-focused and place-focused. We should adopt an integrated local development approach to funding similar to the old Urban I programme for west Belfast and the Shankill that targets places and focuses on need, as opposed to the whole NI programme, for which there would be designated EU funding areas. That is an important point, because it means that future priorities would be based on need.

The future cohesion policy is also important. Funding should be for all regions in Europe, not only the poorest, because all member states, regardless of their GDP, have poor pockets. GDP

should not be the main factor in determining funding. We need to be part of the debate now.

It is important that the Department of Finance and Personnel (DFP) begins consultation with stakeholders sooner rather than later. Funding priorities need to be based on objective need, not on the priorities of particular Departments. It is clear that other cities and regions in Europe are developing think pieces and early plans for the areas on which they feel that they should spend future EU funds. Some positive overtures have been made that suggest that the North could be eligible for Peace IV funding if a strong enough case were made and if the will were there to promote it.

Mr Attwood: I beg to move the following amendment: Insert at end

“; believes that opportunities for inter-jurisdictional EU funded projects have not been fully developed; and further calls on the NSMC and BIC to assess and identify where such funding opportunities exist including in the economic, education and innovation sectors.”

We support the motion and welcome the support of the Member who proposed the motion for the amendment.

The amendment is very specific. The SDLP's view, which is shared by more people than just us, is that the North is lacking when it comes to accessing European R&D moneys, particularly those that are accessed through joint inter-jurisdictional bids. We need to correct that.

When I last spoke in the Chamber in the presence of the Minister of Finance and Personnel, it was to make certain points about ways in which to develop and accelerate North/South co-operation for the benefit of people on both sides of the border and for all the citizens of the island. I made the point that there was a senior person in an economic agency on the island who believed that Ireland had only 10 years to make North/South co-operation work to its full potential, otherwise Dublin would lose out and Belfast would lose out more. On that occasion, I told the Minister that I would tell him privately who that person was, with the intention, as I saw it, that a conversation could take place between the Minister and that person so that he could more deeply and fully understand the significance of what that person was saying. I repeat that offer to the Minister today.

The Minister of Finance and Personnel

(Mr S Wilson): You have not told me.

Mr Attwood: I said that I would tell you privately if you asked. I repeat that offer today.

In my view, unless the Northern Ireland Government accelerate the North/South opportunities that exist, as that person said, Dublin will lose out and Belfast will lose out more. The nature of the global market is such that we are going to experience competition not just from the Far East and China but from South America, where a billion people are positioning themselves in that market through their Governments. That will mean that, on the far side of the recession, the global market will pass us by, whether we like it or not.

The motion identifies one of the opportunities that exist, and one opportunity on which, as the SDLP sees things, we are failing to act. A €50 billion fund for research and development is available under the seventh framework programme, to which the Minister's colleague Mr Poots referred in his statement. However, bids to that fund must come from more than one member state. Therefore, such bids must be inter-jurisdictional in nature. The Irish Government set a target of accessing €600 million from that €50 billion fund. To maximise the opportunities so to do, they appointed staff in every Department to identify and work up proposals whereby the Irish state, with other member states, would access that fund. To date, the Irish Government have been successful in 60 different projects.

The question, therefore, arises: what have our Government been doing to access moneys from that fund? Have Departments appointed anyone to work up proposals to access that sort of funding? As far as I am aware, they have not. Have our Government set a target similar to that set by the Irish Government to access, say, €200 million? As far as I am aware, they have not.

When it comes to developing projects in order to access that €50 billion programme, there is only a handful of projects for which the Irish Government have been able to get a partner in the North, be it a private business partner or a university. The Northern Ireland Government have worked on less than a handful of projects.

11.15 am

We have the situation in which there is a €50 billion programme. The Irish Government have a target for what they want to access from that programme. They are looking for partners and are finding them in other member states, but not in the North. Meanwhile, in the North, very little has been happening with respect to working up bids for the same programme.

Mr Savage: Will the Member give way?

Mr Attwood: I will give way in a second.

Those, unfortunately, are the facts. The SDLP probed the matter and that is the evidence that was found. It is corroborated by our Government's own publications. In 2008, the Northern Ireland Executive published the 'Priorities for European Engagement'. That document identified that the seventh framework programme for R&D was one of their priorities, and outlined what those priorities would be. I urge Members to read it, because it is far from impressive. It outlines the key stages and milestones, the timeline, and the update position over a certain time frame.

If one examines the original programme alongside the updated report that was published at the end of 2009, one will see that, lo and behold, the document published in 2008 and the report published in 2009, giving the update on those priorities, were exactly the same. There was nothing new in the updated report; it just regurgitated what had been said a year previously, except that it was worse than that. One of the small priorities that our Government had set in accessing the seventh framework moneys had been delayed because there were issues around a recruitment competition to appoint a member of staff to represent us in Europe. The consequence was that that would not be done until August 2009: I wonder whether it is still to be done. That suggests to me that when the Irish Government were gung ho for accessing that money, and have tried to do so through 60 different projects, and when they are looking for partner organisations in the North, our Government, in their own publication, came up with something that frankly adds up to very little.

I think that there is a pattern. When our Government engage with Europe, they tick boxes; they do not actually get their heads around how to access the moneys. We have an opportunity to access €50 billion, and the

Irish Government are crying out for partner organisations, universities or private businesses in the North with which to work, yet we have had only a handful of six or seven projects to access that money in the past couple of years. That is why the SDLP's amendment is so specific. It states that money is available and that we are not doing enough to access it.

I will give way.

Mr Savage: I agree with the Member. I have had some experience of this. There are many projects in Northern Ireland that firms want to progress. However, every time firms meet with people to discuss the projects, it is like hitting a stone wall. Nobody wants to know. Some of the people involved are in very high places. I do not want to name names, but I could do so and embarrass them.

The last time that I met with one of the firms, it was to get word back inside a few weeks. That was four months ago, and it has still not heard anything. However, this can be done, and I am glad to hear that from my colleague from South Belfast.

Mr Deputy Speaker: That is a very long intervention.

Mr Savage: There are many European funding opportunities for small businesses in Northern Ireland, but they do not get any encouragement.

Mr Attwood: I thank the Member for those comments, and I will buy him a satnav.

The Minister knows that that is not good evidence.

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

Mr Attwood: I ask the Minister not only to respond at the end of the debate but to ask Invest NI and the Department of Enterprise, Trade and Investment (DETI) to explain that disturbing amount of evidence.

Mr Deputy Speaker: Your time is up.

Mr Attwood: There is much evidence of the lack of access to moneys that are readily available.

Mr Deputy Speaker: I remind Members that interventions should be succinct and to the point.

I call Mr Peter Weir, the Deputy Chairperson of the Committee for Finance and Personnel.

The Deputy Chairperson of the Committee for Finance and Personnel (Mr Weir): Although I am the Deputy Chairperson of the Committee for Finance and Personnel, I will not speak in that capacity.

I welcome the debate on EU funding, which is an important subject. However, as I listened to the exchange between Mr Attwood and Mr Savage, I wondered whether the debate has enough men with no name to fill several Clint Eastwood movies. I will try to keep my remarks focused.

Mr Shannon: 'The Good, the Bad and the Ugly'.

The Deputy Chairperson of the Committee for Finance and Personnel: I will not attempt to identify anyone in the Chamber in any of those capacities.

The DUP supports the motion and the idea of trying to ensure the maximum level of consultation. All of us, from whatever direction we approach the issue, want to ensure that we get the maximum amount out of Europe and that we have the maximum amount of spend to benefit our communities. As regards the amendment, we see merit in anything that boosts and maximises inter-jurisdictional and inter-regional EU funding. I do not necessarily go along with some of Mr Attwood's almost apocalyptic references or the suggestion that we should rush headlong towards North/South arrangements.

Mr Savage: Will the Member give way?

The Deputy Chairperson of the Committee for Finance and Personnel: I will give way briefly if I will be able to speak again before my five minutes are up.

Mr Savage: The firm that I mentioned did not seek money, but it wanted help to research and develop its project. The problem is that the people who should be providing access to the funding do not have a clue what they are talking about.

The Deputy Chairperson of the Committee for Finance and Personnel: I assume that the Member is not referring to the Chamber when he talks about people who do not have a clue what they are talking about.

I say to Mr Savage and others that I want the maximum amount of inter-jurisdictional assistance possible, whether that takes the form of advice or financial help. My concern is that the Members opposite have a narrow focus.

There is a whole host of inter-jurisdictional relationships within the British Isles, and there is a whole host of North/South and east-west projects that can be undertaken. We should not close our minds to projects that involve Northern Ireland and other European regions.

Mr McDevitt: Does the Member not accept that regardless of what inter-jurisdictional drawdown we look at, we still underperform as a region? I agree with him that we should look to co-operate and draw down money from everywhere possible.

The Deputy Chairperson of the Committee for Finance and Personnel: I will leave it to others to assess underperformance, but we should always look to perform better. A number of years ago, when I was first elected to my local council, I was involved with the Connect project, which comprised a number of councils in the greater Belfast area. It ran a range of exchange programmes with Stockholm in Sweden, Rybnik in Poland and Vilnius in Lithuania. That was a good example of people working together across different countries. We must take a wide view on the matter.

I am a convinced unionist from a party that includes some members who are sceptical about Europe. Nevertheless, we should acknowledge that major financial benefits have flowed from Europe. The amount of public sector funding that we received from Europe dwarfs anything that we received from anywhere else in the world. I congratulate our Members of the European Parliament, from whatever parties across the political spectrum, on the important role that they played in helping to secure those funds.

However, there is no doubt that there have been problems with some of the funding, and, as has been indicated, those are likely to worsen over the next few years as pressures increase. Because the European Union has expanded into eastern Europe, it has become ever more difficult for us to make our case. The wealth of Northern Ireland, and even of the Republic of Ireland, compares favourably with that of former communist countries where the standard of living is a lot lower. There is no doubt that we will be up against an increasingly tight financial regime. The market seems to be expanding ever eastwards.

Mr A Maginness: I accept the Member's point; he is absolutely correct. However, we need to

target more carefully the programmes from which we seek European funding.

The Deputy Chairperson of the Committee for Finance and Personnel: The Member makes a valid point. We must ensure that we get the maximum bang for our buck. The Member, as Chairperson of the Enterprise Committee, along with me, as Deputy Chairperson of the Finance Committee, recently met representatives of SEUPB to try to push those sorts of issues. I am concerned about indications that there will be a high failure rate in respect of the submissions that we have made. That was presented as the norm throughout Europe.

It is questionable whether we have spent all that money as wisely as we should over the years. When Peace money initially arrived in Northern Ireland, there was a sense that we did not know what to do with it. That led to issues of imbalance and the funding of projects that were not sustainable. That is why there must be co-ordination, led by Government Ministers, to ensure that European money levered into Northern Ireland is spent strategically. As the proposer of the motion indicated, the concerns of the community must be taken on board. When good projects can be funded at a local level, we must ensure that that money reaches them.

I support the motion, and my party will not divide the House on the amendment. I add one caveat: to ensure that projects operate perfectly, let us remember that they are designed on a Europe-wide basis.

Mr F McCann: On a point of order, Mr Deputy Speaker. I should have declared an interest as a member of Belfast City Council and the West Belfast Partnership Board.

Mr Deputy Speaker: That has been noted.

Mr McNarry: Among the European bodies that help to develop EU policy is the European Committee of the Regions, known as COR. Two years after COR policies become directives, the Westminster Parliament enacts them as UK legislation. Some 75% of all our legislation now has its origins in the European Union.

You would think, Mr Deputy Speaker, that people who are nominated to represent Northern Ireland on COR would never miss an opportunity to put our case, to stand up for Northern Ireland and to look after our interests. However, you would be wrong. When my party colleague

George Savage was a representative on COR, he attended almost 100% of meetings to stand up for Northern Ireland. However, when power shifted, information from the time informs us that, in the three years to May 2009, the DUP's Edwin Poots attended only nine out of the 17 plenary meetings of the Committee of the Regions that he might have attended, and just five out of 16 Commission meetings.

The DUP's Lord Morrow attended only one out of eight plenary meetings and one Commission meeting out of 18. In the same period, the Sinn Féin Minister Conor Murphy attended only one out of 11 plenary meetings and not a single one of 12 Commission meetings. Councillor Bernice Swift, the other Sinn Féin representative, attended not a single plenary meeting out of 10 and not a single Commission meeting out of 11. Therefore, to call for greater community involvement in the framing and development of European Union policy is nothing less than the most rank hypocrisy from Sinn Féin.

In January 2009, the Office of the First and deputy First Minister gave a typical one-line answer to a question that my colleague Danny Kennedy asked.

He asked who was directly responsible and accountable for implementing policies and legislation originating from Europe. The one-line answer stated simply: each Department is responsible and accountable for the implementation of European policies and legislation that fall within its devolved responsibilities. That curt and off-hand reply simply demonstrates additional dysfunctionality when the Executive even get round to thinking about Europe.

European Union funding programmes and policies need to be pursued proactively by the First Minister and deputy First Minister. We need to beef up our attitude to Europe, especially at this time of economic downturn. We need to get the best out of Europe for our people. We spend £769,000 a year on our Brussels office. The Assembly needs to know that that expenditure provides a value-for-money return.

11.30 am

I repeat my party's call of April 2009 for the creation of a dedicated Stormont Committee on European affairs to give a proper focus and to co-ordinate the Province's European Union funding initiatives and policies. That

would enable us to use Europe far more and become an active part of European Union policy formulation, which would ultimately create active financial and policy support here for the Assembly. The Executive and their work would all combine. That would make it vital that not only our Departments but our Committee of the Regions representatives liaised effectively with the Stormont Committee.

I support the motion. However, on behalf of the Ulster Unionist Party, I cannot support Sinn Féin's temerity in saying that it contributes to and does the real work associated with the European Union.

Mr F McCann: It is easy to stand up and quote attendance records and statistics. Perhaps the Member should look at attendance records in his own party. However, that hides the fact that Sinn Féin has played a vital and crucial role across all aspects of European funding and all partnership boards in delivering not only projects but European funding straight into local communities.

Mr McNarry: I do not deny the role that Sinn Féin claims. I can equally claim it for my own party, as, I am sure, could Members of other parties. I quote statistics as the facts that we receive through asking questions about people's attendance. The Ulster Unionist Party's attendance, when the party had the opportunity to be there, was exemplary. I already illustrated that George Savage had an almost 100% attendance record, and, if someone wants to challenge that, then let them challenge it. However, our party is not represented at the Committee of the Regions any more. Sinn Féin and the DUP are there representing the Northern Ireland Assembly.

Mr Bell: On a point of order — please keep me right on this, Mr Deputy Speaker.

Mr Deputy Speaker: I will.

Mr Bell: I will have to be good and careful. Being a member of the Committee of the Regions yourself, Mr Deputy Speaker, you know that four Members are currently on the Committee of the Regions for this mandate as full members: Francie Molloy and myself as full members, and John Dallat and Arnold Hatch as alternate members. Therefore, the Member's statement that his party is not represented on the Committee of the Regions is — am I allowed to say this? — factually incorrect.

Mr Deputy Speaker: That is a point of information.

Mr Bell: Sorry.

Mr McNarry: I am glad that I was not accused of misleading the House. It is rather early in the morning to get expelled. The Member got away with it all right yesterday; unlike the rest of us, he was able to be home for tea.

Mr Deputy Speaker: Bring your remarks to a close, please.

Mr McNarry: Thank you, Mr Deputy Speaker.

Dr Farry: I declare an interest as a member of the Community Relations Council and of North Down Borough Council. The Alliance Party supports the motion and the amendment.

There is a tremendous opportunity for Northern Ireland in Europe, where there is a lot of goodwill towards our society. Rightly or wrongly, the way in which we have tried to manage a divided society and overcome a legacy of violence is recognised as a success story, and we can tap into that. However, due to the ongoing enlargement of the European Union and other funding priorities, our opportunity is time-limited. Indeed, it is right that people in Europe should expect Northern Ireland society to be maturing, normalising and moving to a situation in which it is less dependent on financial assistance.

In addition, we must recognise that all three of our MEPs have adopted an anti-Europe stance, which, no doubt, confuses the issue, particularly when we are trying to court the European Commission through the Barroso task force. Given that the UUP has hitched its wagon to the reactionary right-wing grouping in Europe, there is no point in it getting on its high horse. It is hard for the elected representatives of the various parties, through different wings, to court and condemn the Commission at the same time. I took some consolation when Peter Weir said that the DUP has only some Euro-sceptic members, and we await enlightenment about who the progressive members are.

The key issue is not how efficient or otherwise we are at distributing money or, indeed, at balancing funding communally. There is a danger in talking about a shared-out future rather than a shared future; we should be arguing about the overall size of the cake rather than the relative size of its slices. We should be developing our economy and society on the basis of outcomes

and looking at the difference that European funds have made and can generate in the future. In particular, we should look at peace and reconciliation, the development of a shared society, improving the competitiveness of the local economy and improving GVA through convergence.

I welcome the focus of the Peace III programme, which is more focused than its two predecessors. However, achieving good relations is about more than simply distributing funds; it lies in policy, and I welcome the fact that we are getting round to having our own policy in Northern Ireland to underpin what is happening elsewhere with funding. Until now, that has been a missing part of the jigsaw. Indeed, it is ironic that we rely on international and European funding, whether from the European Union, IFI or NGOs, to do a lot of our domestic good relations work.

With respect to competitive issues, we have the various structural funds at our disposal, and we are advantaged by those. The SDLP amendment fits that context, because it reflects the wider economic drivers that the UK Treasury asks us to consider. Again, Northern Ireland has been hampered by a lack of clarity in our domestic economic policy. I appreciate that the Programme for Government deals with the economy at a high level and, more recently, we have had the Barnett review; however, Northern Ireland does not have a formal regional economic strategy, and, in effect, that has been set to one side.

We must also recognise the different contexts in which state aid comes up, and we should learn to be more creative in how we address competing issues. It is not simply about getting money in to keep structures as they are; we should be looking to rebalance and modernise the economy. Sometimes, state aid works against that.

Finally, I shall focus on convergence. I appreciate that convergence is not a formal goal of the programmes for which we are currently eligible. Nonetheless, it is an issue, and there is evidence that Northern Ireland has not seen convergence at UK level or at the wider European level. I appreciate that the Executive have UK-wide convergence targets, which are not going terribly well. Indeed, the latest figures from the Minister suggest that we are going backwards in that area. We should also be looking at having a European-level convergence target, and we have an opportunity to do so through NUTS, although

I appreciate that that methodology is, to a certain extent, a hostage to fortune.

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

Dr Farry: We need to look at how other jurisdictions have used structural funds better than Northern Ireland to close the convergence gap.

Mr Shannon: I support the motion and the amendment. Discussion of European funding always reminds me of a remark made by Dr Paisley: we may not always enjoy being part of Europe — our fishermen, farmers and others would be better off without its stringent and sometimes useless rules — but, while we are, we need to milk the European cow. I suspect that that saying will go down in history.

Enough money is paid and business redirected to Europe to demand that our MEPs and MPs ensure that we get our fair share back. At present, that is not the case. Changes must be made, and we must be more proactive.

A know at mae pairtie's MEP Diane Dodds bes waarkin hairds fer oor faschermen an' fairmers ettlin tae bring sim' wit an' guid sense tae EU regulations hooiniver thon wul bae a lang an' haird battle sweeled ap i European tape an' bogged doon i daftness.

I am aware that my colleague Diane Dodds MEP is working hard for our fishermen and farmers in an attempt to bring some sanity and common sense to EU regulations. However, her battle will be long and arduous, wrapped in European red tape and mired in insensibilities and idiocy. While our MEPs battle the tide, it is up to all Members to ensure that the help that we can give is delivered to those who need it most. That is a job not just for the Finance Minister but for all Departments.

I recently called on the Minister of Agriculture and Rural Development, Michelle Gildernew, to release European Fisheries Fund money for the fishing industry and, subsequently, for fishing communities in Northern Ireland. Some €36.2 million was made available for the fishing sector, and I asked why no funding had been released here despite the fact that, in Scotland, three tranches of money had already been given to fishermen. Minister Gildernew has confirmed that the delays are over and that 28 applications are about to be released, involving

some £3.5 million. Selection panels were convened before Christmas, and 12 successful projects have been offered investment worth some £1.1 million.

Why was there such a delay in achieving that? That money was needed most in recent times of hardship, when it was critically important to make EFF money available. The release of EFF money is vital so that our fishing industry, which is already on the ropes after the Brussels quota reductions, can benefit from available moneys. It does not make sense for EFF moneys to sit in a drawer while the fishing industry is crying out for help. However, things have moved on, and that is good news. I am aware of the work that has been put in, but each Department has a clear responsibility to tender for funding and to use it when they get it. It is not enough to ask for the money and then sit on your hands for months, deciding what to do with it.

Community groups do not get the fair share of funding that they deserve, particularly those that are able to use grants straight away, which is why the system must change from the ground up and not simply in the Department of Finance and Personnel. With respect, there must also be change in the Department for Social Development. The Minister could and should have in place an easier way to apply for funding that would enable all community groups to fill in the relevant forms, get the money quickly and allocate it to the correct bodies within a decent timescale, rather than waiting and wasting the money, which happens quite regularly.

Normal people consider a lot of the hoops that must be jumped through in respect of Europe ridiculous. Unfortunately, that is necessary if we are to secure anywhere near the amount of funding to which we are entitled. If the money is there, let us get it. To get what we need in a timely manner, each Department must take stock of what is available, how it can be used and how to apply for it before the Department of Finance and Personnel is approached. That means that the Department for Social Development must look at communities where, for example, Peace III funding has been used to establish the shortfalls and what can be done to ensure that, next time round, there is no possibility of such shortfalls. The Agriculture Minister can find out how many farmers missed out to ensure that she has enough funding for the next round. The next step is to establish where our farmers have missed out due to mistakes in form filling and

arrange a service to help them with that to ensure that those problems do not reoccur during the next funding tranche.

The Department of Finance and Personnel can meet its undoubted responsibility only when all other Departments also pull their weight. I prefer to drink good British milk, and I am sure that many in the Chamber like to do so as well.

Mr Deputy Speaker: Draw your remarks to a close, please.

Mr Shannon: When that choice is not available, I have no problem with milking the European cow for all that I can get. I urge all Ministers and their Departments to do the same.

11.45 am

Mr Molloy: Go raibh maith agat, a LeasCheann Comhairle. I support the motion and the amendment. I declare an interest as a member of the Committee of the Regions and a rural local action group. The debate on setting priorities for European funding is important and timely. The Barroso report highlighted a number of funds, other than Peace and rural funding, that were available to the Assembly and Departments. The concern that I raised in Committee on several occasions was that perhaps not all Departments are maximising opportunities by applying for funding and trying to draw down the maximum amount.

The OFMDFM report highlights the fact that the Executive and Departments here need to focus and maximise their efforts to draw down available funds. During the Committee for the Office of the First Minister and deputy First Minister's inquiry into European issues, some of the evidence highlighted the fact that the European Investment Bank was there to support businesses and ensure that they could draw down money.

Mr Leonard: The Member spoke about maximising effort. Does he agree that the Ulster canal project would bring a great deal of benefit? Although we appreciate that there is much objective need in communities to be met, there is still space for European funding for the Ulster canal project. Does the Member agree that that would be a good example of the Minister of Culture, Arts and Leisure working with his colleague the Minister of Finance and Personnel to seek European funding to deliver that important

project, which would deliver the Coleraine to Limerick waterway vision?

Mr Molloy: Yes. That is a good example of how money could be drawn down. In fact, European funding could be used to change Lough Neagh from private to public ownership. That has been an issue in the development of Lough Neagh over the years. The infrastructure that needs to be put in place for the Ulster canal, whether that be roads, waterways or leisure facilities, will be there for the long term, long after Peace and rural funding are forgotten. The South of Ireland has been very effective in building roads infrastructure with European funding. That is important.

It is also important that we identify opportunities for businesses to be supported by the European Investment Bank, especially since they cannot currently get resources from banks. We need to question the British Treasury: is it blocking opportunities to draw down funding because it sees match funding as an obstacle? Some obstacles may have to be removed before businesses can draw down available funding.

We need to maximise the resources that we have here. The Minister may think that to have the North and South working in partnership erodes the border and calls into question the constitution. Across Europe, however, bordering countries work together to maximise European funding and undertake projects in which they co-operate across those borders. That has not, in any way, called into question the constitutionality of any of the countries. We need to get over that issue.

Mr McDevitt: Will the Member give way?

Mr Molloy: OK.

Mr McDevitt: I thank Mr Brolly for giving way. Does he agree that the Lisbon agenda is critical to further cohesion in Europe and that a fundamental objective of the Lisbon agenda is to break down borders in Europe? Will he now correct his party's position on that treaty, which is so central to the future development of the European Union and the drawing-down of funds for this region in the years ahead?

Mr Molloy: Mr Brolly left the Assembly some time ago, but I am still here. The Member has identification problems.

We need to maximise the cross-border dimension so that there is a mutually beneficial

situation. Members have asked whether we need a European Department or subcommittee here. We need some means of focusing the Executive and Assembly in order to maximise the European funds that can be drawn down.

Attendance at the Committee of the Regions by its members was raised. Many of its members may have realised that the Committee of the Regions did not have much authority to do anything. Hopefully, under the new regime, the Committee of the Regions will have more say and accountability and will be better able to hold the Assembly of European Regions to account on how it delivers funds. Subsidiarity, where decisions are made at the lowest level of government, is important.

The Assembly and the councils have important roles to play. We must examine whether we need a subcommittee or a European Department to focus on drawing down and maximising funds and, as Mr Savage said, to provide support and guidance to businesses. We must also consider how to open up opportunities to maximise the funding that can be drawn down to enable communities and businesses to provide entrepreneurial skills and research and development.

Mr Elliott: At the outset, I wish to put on record the benefits that some European funds have brought to Northern Ireland. It has been highly encouraging for rural communities, and I have also seen the benefits to urban communities. Over the past number of years, particularly during the 2000 to 2006 cycle of funding, around £1.74 billion of European funding has been invested in this area, which has been extremely beneficial.

I will focus on community development and economic development, because there are huge benefits for those areas. Some areas focus on community development and others on economic development. However, had it not been for the structural funds, some of the benefits from economic development here would not have materialised.

With regard to community development, there are times when many of us question the validity of some of those applications and query the money that goes to those that are not sustainable. Over the years, we witnessed projects that started off in good faith but were unable to continue because of poor management and other issues that were outside

the control of the hard-working volunteers. That is one area in which I want to see improvement, where there is support —

Mr F McCann: I totally agree. One of the points that I tried to make at the start of my contribution was that many groups went through a bureaucratic nightmare when trying to deliver on various projects. They spent most of their time trying to deal with bureaucracy in the Department of Finance and Personnel and other structures that were put in place. That bureaucracy put them off and made some of them fold.

Mr Elliott: I thank the Member for that intervention. We are almost on the same wavelength. More help and support must be provided to voluntary and community organisations, particularly to those that are starting up. Often, new groups know of opportunities for funding but do not realise the work that is entailed in securing it. Sometimes, however, securing funding is the easy part, and the continuous delivery of the project for a number of years thereafter is the difficult part. Such organisations need the additional help, support and expertise that have, at times, been missing. However, to be fair, most of the relevant agencies now realise that and are starting to help some of those organisations. For others, it is, unfortunately, a bit too late.

Many projects have been extremely successful on the economic development front. However, that is a different field, because the people involved are geared up to run a business. I am thankful that most of those businesses, with a few exceptions, have been sustained. I want to see more of that economic development helping a wider circle of people.

I have no difficulty, in broad terms, with cross-border projects, provided that they are administered and developed on a fair and equal basis. However, that has not always been the case, particularly with ICBAN. It is extremely unfortunate that unionists from various councils have been kept off the ICBAN board by members of the SDLP and Sinn Féin. We have pleaded with those parties in an attempt to redress that imbalance. Unfortunately, they have not taken up our offer to try to create a fair and equal balance. Sometimes, that is what makes unionists suspicious of the cross-border element of some of those mechanisms. When there are cross-border mechanisms,

I want to see measures in place that will ensure that unionists have reasonable and fair representation on them. I do not think that that should be a big issue for the parties, because the councils in the Republic of Ireland that send their representatives to those cross-border bodies will, obviously, have people from a nationalist persuasion. The number of unionists involved is small and amounts to a minority group. Therefore I cannot see why Northern Ireland councils cannot be given fair representation on those cross-border bodies.

I support all the European funding projects. During compilation of the Committee for the Office of First Minister and deputy First Minister's report on its inquiry into European issues, I learned that many people, particularly from a European perspective, indicated that Northern Ireland has not always taken full advantage of its opportunities in Europe. It was highlighted that the National Assembly for Wales has done extremely well; it has been successful in accessing many more resources and funds than we have. We need to look at this issue with some urgency, because the next round will be commencing soon.

Mr O'Loan: I support the motion, as amended. I concur with the comments made by Alex Attwood, when moving the amendment, about the detail of utilising opportunities for EU funding of inter-jurisdictional projects. European funding issues and mechanisms are complex, and it is partly for that reason that many in the Chamber and outside it have not engaged fully with the possible opportunities for our economy, particularly at the design stages, when we are setting the broad themes of the European scheme. In recent times, in fact, some people have been quick to dismiss the benefits of North/South co-operation in attracting investment to Ireland. We need to be careful that that lack of engagement on EU funding issues and North/South co-operation as part of that does not have an adverse effect on our economy, as, I think, is happening.

We are a small region in Europe, and it would be reckless for us to seek to stand alone. Only if we put ourselves on an all-island basis will we be able to compete successfully at a global level. The SDLP believes strongly that the Northern Ireland economy will perform best when our long-term strategies for economic development are in harmony with those in the South. All Members will have noted the rebirth

of the proposal for a joint corporation tax with the South.

The SDLP was disappointed with the part on North/South co-operation in the recent independent review of economic policy. In that report, the potential for North/South co-operation was downplayed on the basis of the competitive aspect of the relationship between Invest Northern Ireland and the IDA in the South. There is a degree of competition involved, but it is unwise to neglect the possible upside of collaboration in this issue. We need to ensure that the prospects for collaboration between business development agencies, North and South, are utilised. There are different models through which that might be done, and I am open to discussion around them. However, work needs to start. There has been talk for years, but no progress has been made.

Investment on either side of the border will contribute to improving the all-island economy, and it is misguided to suggest that working together on this issue would be of no importance. That is particularly important when one considers that the financial support that we receive from the EU will diminish in coming years, because EU funding will take the form of support for co-operative work between two or more jurisdictions and will be available on that basis only. It is, therefore, imperative that serious thought is given to the potential for cross-border co-operation in every sector.

There is also the possibility of opportunities in other EU states. I declare an interest, having recently been appointed honorary consul for Romania. Romania has the offer of no less than €32 billion in EU funding between now and 2013.

It actively seeks partners in spending that money. That is a major opportunity for Northern Ireland. I have no doubt that similar opportunities exist in other new EU states.

12.00 noon

One stream of INTERREG funding caters specifically for cross-border innovation. Given the mantra that the economy is the priority in the Programme for Government, I urge OFMDFM and the Assembly to do all that they can to utilise opportunities that Europe provides in that area.

The Irish Government plans to intensify efforts to create a rich environment for research and innovation, which they plan to market

internationally as the "innovation island". Obviously, the innovation-island concept will work and succeed as an international marketing tool only if the North and the Assembly play a full part in that. My party supports that vision strongly. Northern Ireland's incredible potential for successful innovation in the green-technology sector can place it in a strong position for the future.

Finally, I ask the Executive not to lose sight of key lessons from the 'Comprehensive Study on the All-Island Economy', which was published in October 2006. Much of that study is still of value and, if applied through joint working, could ensure that Ireland, North and South, is best placed to take advantage of future opportunities.

Mr Deputy Speaker: Bring your remarks to a close, please.

Mr O'Loan: It is essential for future prosperity that the entire island becomes an innovation island, as has been described.

Mr Bell: Northern Ireland is a success story in Europe. It is important that we pay tribute to people in Europe who have taken genuine interest in Northern Ireland and have put up the money to match that genuine interest. That money has made real differences, not only in my community in Strangford but throughout Northern Ireland. It would be extremely foolish of the Assembly not to support the motion and the amendment. The Assembly can be critical, but in a constructive manner. It should be a critical friend of Europe.

Mr Elliott: Does the Member accept that there needs to be ongoing fairness and equality between unionists and nationalists, particularly on cross-border bodies when they are established?

Mr Bell: I support fully that constructive contribution from Mr Elliott. I will develop that point later in my speech.

The Assembly must always look for a factual basis to what it does. Therefore, let us look at the United Kingdom. The latest research and evidence base that I have been able to track down is a report on structural funds that was published in February 2010. What does it tell us? It tells us that Northern Ireland has received an allocation of €472 million. The breakdown of allocations per capita throughout the United

Kingdom is as follows: England, €91; Scotland, €122; Wales, €114; and Northern Ireland, €248.

We may not always get it right. However, we cannot shy away from the fact that Northern Ireland has received funding of €248 per capita while England and Scotland have received €91 and €122 per capita respectively. Although I agree with Mr Elliott's comments about the Welsh Assembly Government's innovative use of European money, particularly for social housing, Wales has received funding of €114 per capita while Northern Ireland has received €248 per capita. We are doing something right, and we have developed European opportunities well.

The Assembly needs to move on with the European growth and jobs strategy. That is what matters. If the House cannot develop constructively, on a cross-party basis, and deliver real economic growth and jobs, it should not be here. Huge opportunities exist in education and training; employment and social policy; fisheries and regional development; and enterprise and environment. The Assembly must maximise those opportunities for Northern Ireland.

Northern Ireland set a good example in the Committee of the Regions, which was mentioned earlier. My friend from Strangford mentioned a previous mandate of the committee, which is now history. The committee has a new mandate.

What happened? Francie Molloy of Sinn Féin and I had the opportunity to take both our seats and the alternate seats, as in the previous mandate. What did we do? Francie Molloy and I gave up our second seats to ensure that Deputy Speaker John Dallat and Councillor Arnold Hatch from Craigavon Borough Council got a guaranteed, full alternate seat. That ensured that the four main parties in the House were represented on the Committee of the Regions.

I can speak only about my own attendance at the Committee of the Regions, although I know that others' attendance rates are excellent. So far, the DUP has had a 100% attendance rate. God granting me good health, I will continue to have a 100% attendance rate. The DUP is fully committed to the Committee of the Regions and will play its full role in it. Indeed, the DUP has exceeded 100% attendance, if it is possible to do so — the Finance Minister can keep me right on that. One of the UK delegation could not attend a particular event, so the DUP not only fulfilled all of its responsibilities but took on the role of a UK member.

Mr Neeson: Does the Member accept that, in the first mandate of the Committee of the Regions, the DUP alternate member made one appearance?

Mr Bell: All of the DUP members of whom I am aware have made more than one appearance. We have heard in the debate that Northern Ireland has received €472 million. Are we going to move forward or are we going to play party politics? If Mr Neeson wants to play party politics, perhaps he should look first at his own attendance at the Council of Europe. With respect, people in glass houses should not throw stones.

All sections of our community must develop the growth and jobs agenda of Europe. We have a narrow window of opportunity. The US economic envoy, Declan Kelly, emphasised that last night, as has Mr Attwood today. There is a decade in which we can achieve success. It is now up to all of us, collectively and in a shared way, to follow the example that we set in the Committee of the Regions and to maximise the potential of Europe, not for us, but for those who really matter, the people of Northern Ireland.

The Minister of Finance and Personnel:

Before I respond to the debate and outline the Department's position on the future of EU funding, I must point out that I am one of the House's Euro-sceptics; indeed, some might say that I am an extreme Euro-sceptic. That said, I recognise that although Europe has done a lot of damage in Northern Ireland — we have heard that time and again from all parties — we have also benefited from some of the EU funding programmes. Over the period 2007-2013, about £1 billion of European funding will have been received from various sources.

The debate ranged wide, and as usual, Mr Deputy Speaker, you indulged Members and allowed them to be wide-ranging. However, the motion is about future funding and consultation on that funding. I have no hesitation in saying that, in preparing our programmes and setting priorities for future EU funding, we will consult widely with the relevant bodies in line with our public expenditure and legislative requirements and those of the EU.

I remind Members that we are not talking about money that we will spend next year, the year after or even the year after that. It says something about Europe that Northern Ireland will not benefit from one penny of the money

that we are today debating until 2015. The wheels of Europe grind exceedingly slowly.

The funding and the consultation that we are talking about —

Mr F McCann: I do not disagree with the Minister. Some of the debates and arguments that we had during council meetings were about planning long-term strategies. The wheels of Europe may grind slowly, but we must prepare now to ensure that we are able to tap into that funding.

The Minister of Finance and Personnel: That brings me to the point that I wanted to make. Many Members said that the consultation must be about particular projects, almost to the extent of projects that they want for their constituencies. However, we should not look that far ahead. At this stage, the consultation will focus solely on the general thrust and principles of how the money will be spent. It will not get down to the level of individual projects, about which I will talk later.

The parameters for funds will be laid down by Europe and the UK Government, and there will be cross-border constraints. A range of various constraints will be placed on community groups, and rules on employment, the economy and the environment will be laid down. Once we know what funds are available, we will start to delve into the details. At that stage, we will have the consultation to which many Members referred, because that is when it will really matter to the groups and people who will be affected.

As far as the timetable is concerned, in 2010, we expect the publication of a number of Commission documents that will have an impact on future EU funding. The documents will include Europe's EU 2020 strategy and the outcome of the EU budget review. They will give us an idea of the total amount of EU money that will be available, whether we will be eligible and what Europe's spending priorities will be.

The main issues in the budget review are: the future of the CAP, to which Mr Elliott, who has now left the Chamber, referred; whether all member states and regions, or only the poorer ones, should benefit from structural funds; what priority should be given to environmental funding; and the UK rebate, which will have an impact on other aspects of our spending. The EU 2020 strategy will replace the Lisbon jobs and growth agenda, and we expect that we will

be required to spend most of any competitive EU money to get in line with that strategy.

We have only limited influence on the final outcome of those issues. We can feed into the UK position on the debates, and we can make our views known to others in Europe, but the final positions will be decided by the 27 heads of state at the European Council. As far as the structural funds are concerned, in the spring of 2011, we expect the Commission to bring forward its first proposals for the budget post-2013. Those will be debated with member states in the context of the overall priorities.

At this point, we still do not know how much money we will have or the detailed conditions that will be attached to it. If we assume that the arrangements will be the same as those for 2007-2013, the UK will know, in the spring of 2011, how much it will receive in total, but it will then have to decide how that is allocated to each region. The Executive will determine how the additional spending power will be allocated in line with the Departments' spending priorities, and there will be the necessary consultation with the various stakeholders.

I now come to some of the points that were raised during the debate. Mr McCann talked about the benefits of Peace funding, especially to community groups. I must warn the Assembly that there is no guarantee of any Peace money in the next round of funding. Indeed, those who are familiar with the background to Peace III know that there was a fight for it. Given the priorities in the European budget, the fact that there will be many other claims on that budget and the way in which the situation has developed here in Northern Ireland, there is no guarantee even of an acceptance of the need for Peace IV.

We should put that marker down at the start. Good arguments have been made about the work that has been done with the Peace money, and those are the types of matters that the Assembly will want to feed up to UK Government level.

12.15 pm

The Member also mentioned INTERREG IVa. Not so long ago, I answered questions on that matter in the House. The programme was slow in taking off, but we are meeting our targets, offers have been made, and we are sure that we are going to spend the money from INTERREG IVa and that there is no danger of missing out on that.

Mr Attwood, in proposing the amendment, spoke about the importance of inter-jurisdictional spending. I have made it clear in the House that I have no ideological difficulty when there is money that can benefit both sides of the border, when it improves infrastructure, or when it means that we can draw down additional finance because we work with other member states, whether it is the Irish Republic or any member state, or, for example, Scotland on inter-regional matters. I have no difficulty with claiming that money.

Mr Attwood particularly addressed the seventh framework programme. He may have been a little too pessimistic about the work that has been done on that. First, it is not the responsibility of DFP, but of DETI. Perhaps some of the concerns that he raised would have been more appropriately raised with the Committee for Enterprise, Trade and Investment or the Minister of Enterprise, Trade and Investment. Secondly, DETI has done a considerable amount of work on that programme. We have already drawn down over €16 million, with 51 participants, including companies, universities and other organisations. I accept what the Member said in that there appears to be a difference between the total amount of money that we have drawn down and that drawn down by the Irish Republic, but it should be remembered — I am not trying to make excuses — that many of the research and development programmes, for example, are more suited to large companies than small or intermediate enterprises. Therefore, it may have been easier, because of the industrial infrastructure in the Republic, to draw down some of that money.

DETI has sought to help small companies by giving them grants to work in collaborative networks, which, in turn, allows them the benefits of economies of scale to apply for funding. Mr Attwood, quite rightly, identified an important source of funding. That fits in with the Programme for Government aim of developing the private sector to deal with and introduce the high-value end of the market. If there are opportunities that we are missing, we should, of course, take them, but the Member painted a rather bleak picture, as if nothing is being done. When we do not do things right, of course we should highlight that, but we should not talk the Assembly or Departments down if they are doing their job.

I see that Mr Attwood has just returned to the Chamber as I move on from dealing with his

contribution. He does that all the time; he asks questions, but he does not want to hear the answers to them.

Mr Attwood: Will the Minister give way?

The Minister of Finance and Personnel: I would have given way if he had had the courtesy to be present in the Chamber while I was addressing the points that he made. He has had his chance to speak. I responded, and he was not here to listen to me, so I will not indulge him again, other than to advise him that some of the issues that he raised are more appropriate to DETI, and he should, therefore, raise them with that Department.

Mr McNarry, who is also not in the Chamber, spoke about the importance of COR and the work that it has done. He always finds a way of getting just enough truth into his speech to raise doubts in people's minds, while ignoring some of the most salient facts, which perhaps would have made the story appear totally different.

Mr McNarry played up the importance of the group of which my friend Mr Bell is a member. Mr Bell made it clear that Mr McNarry conveniently forgot that, to ensure that there was a representative voice on the Committee of the Regions and so that no one could say that all the people and interests of Northern Ireland were not represented, the DUP and Mr Molloy of Sinn Féin magnanimously gave up places so that the SDLP and the Ulster Unionist Party could have an input. I am sure that those parties have played their part well in the recent discussions.

Mr Farry said that convergence was not a target. It is stated as an overall target in cohesion policy, although it is not stated by how much or that 100% of income across the region must converge. The focus is for regional economies to reach their full potential. Mr Elliott lamented that Wales is eligible for funding for which Northern Ireland is no longer eligible. That is not a sign of failure but of success: we have gone above 75% of average GDP and therefore no longer qualify for some of the funding. We should not be crying about that. Despite what Mr Farry said, there has been some convergence, and a price is to be paid for that achievement.

I shall not respond to the comments of other Members, as the clock is against me. The issue is important, and, despite my Euro-scepticism, I share the view of my friend from Strangford Mr Shannon that we should milk any money that is available from Europe. If there are more

effective ways of milking that money, we should ensure —

Mr Deputy Speaker: Draw your remarks to a close, Minister; your time is up.

The Minister of Finance and Personnel: We should ensure that we do so to maximise the economic benefits for the people of Northern Ireland.

Mr A Maginness: Not since John the Baptist started his mass baptisms in the River Jordan have there been so many conversions as in the Chamber today. The Euro-sceptic Minister of Finance and Personnel has mellowed on Europe and European funding; Mr Fra McCann has become almost a Euro-zealot; and even Mr Bell has shown signs of conversion, which is quite exemplary. Perhaps his membership of the Committee of the Regions has mellowed him.

The debate has been good, because there has been considerable consensus on the motion and on the amendment. It is interesting that unionist colleagues support the amendment in the main and see value in inter-jurisdictional co-operation and working together in Europe for economic development. The SDLP wants to encourage that, and we want much more of it.

In response to what the Minister said apropos Mr Attwood's comments, the South has an ambitious target of €600 million. That is to be commended; it is rightly ambitious, and we should also be rightly ambitious. We must approach European funding in a skilful, targeted and strategic way. Hitherto, we have not been doing that.

We must employ the best expertise in seeking European funding. Given that the big funding is over, as the Minister and others rightly said, and that we can no longer rely on other forms of funding, we must be targeted in our approach and employ people in the Departments who have the required expertise to access funds from the various programmes in Europe. Matters will not be made easy for us, given that any additional funding will effectively dry up after 2012 and that we will face other difficulties in respect of state aid, so we must be clever, ambitious and targeted in our approach. That is what Mr Attwood and rest of the SDLP have been saying, and that is what, in fact, the Government in the South are doing. I am not saying that they are exemplars in that regard, but we can certainly learn lessons from what they are doing, and we exhort the House to do that.

There is no harm in Members of this House together with Members of the Oireachtas considering European funding and European issues to see whether we can maximise the value of the funding that exists and maximise European co-operation not just between the Republic and Britain but throughout Europe, because there is a lot to be said for that. We can develop good and lasting partnerships with countries such as Poland and Romania, which my colleague Mr O'Loan mentioned, and the time is ripe to do that. Unfortunately, I do not have time to cover all the interesting points that were raised about Europe.

I emphasise that we must revisit the whole issue of corporation tax, because that has implications for us in Europe. We should attempt to harmonise levels of corporation tax on this island. I know that there are consequentialists involved in doing that, but we must do it in order to really move the economy from the position in which it finds itself. I will give way to the Minister, because I see that he is pondering my remarks.

The Minister of Finance and Personnel: I was pondering the Member's remarks, because the issue of corporation tax has come up time and time again. Will the Member indicate where his party stands on the issue? If — that is a big if — we succeed in persuading the Treasury and the new incoming Administration to change the rate of corporation tax, the Northern Ireland Budget and public spending could be hit with costs of up to £400 million. Is he happy enough to lose that money, which will simply give shareholders bigger dividends while we run the risk of jeopardising some public spending programmes?

Mr A Maginness: That is an interesting discussion, but I will not go into all the details now. Of course, any reduction in the level of corporation tax would lead to the Budget and public spending being downsized in the first number of years, but I do not think that the hit would be as high as £400 million. The estimated hit is about £200 million, which is manageable. There are ways of doing that.

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

Mr A Maginness: I commend the amendment and the motion to the House.

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

Mr P Maskey: Go raibh maith agat, a LeasCheann Comhairle. Today's debate has been interesting and a bit more peaceful than the last debate in the House yesterday, and I appreciate that.

The Minister of Finance and Personnel: Maybe.

Mr P Maskey: Maybe.

We tabled this important motion about setting priorities for European funding in the future because we wish to address the uncertainty that exists about that. After listening to the Members who spoke during the debate, I think that all parties will support the motion and the amendment. I think that Members who sometimes table amendments to motions that already are quite clear do so simply for the sake of it. However, in this instance, we are willing to support the SDLP's amendment.

12.30 pm

Fra McCann started the debate by mentioning the work that has been carried out at interfaces and how European money has helped address many issues affecting interface communities all over the North of Ireland. It is a very important and positive step, and it is one that, I dare say, would not have been taken had European funding not been in place. Interface areas, and, indeed, the entire community in the North of Ireland, would be worse off if it were not for that funding. That is something that must be looked at through forward work programmes and funding for communities, because we are not there yet. There are still many issues at interface areas, as we see throughout the North on many weekends. Work at interfaces is very important and must be considered with regard to European funding.

The work of the partnership boards in Belfast — and I will restrict my comments to a few seconds — has been very proactive, and tremendous efforts have been made. Tom Elliott said that he had concerns about bad management in some community organisations. However, the level of scrutiny under which some community organisations are put, and the level of auditing that goes on, is unbelievable. I am the Chairperson the Public Accounts Committee, and I can tell the Member that some Departments are not put under as much scrutiny as some community organisations. That is possibly hindering community organisations and holding them back, and is, therefore, something that must be looked at.

The second Member to speak was Alex Attwood, and he mentioned North/South opportunities and co-operation. That is very important, and it is something that Sinn Féin is calling for very much. A €50 billion fund has been set up, and the Irish Government have developed 60 different projects. However, I do not believe that any targets have been set by DFP at this stage. That issue needs to be addressed. The Finance Minister looks very lonely over there, as all his colleagues from the Benches around him have done a runner. I am not sure whether that is because he is a Euro-sceptic or because they are all sceptical of him. Perhaps that is something that his party colleagues will address at a later stage.

The Minister of Finance and Personnel: They know that I can look after myself.

Mr P Maskey: Fair enough.

Peter Weir was the third Member to speak. He began by saying that the debate was similar to the Clint Eastwood film, 'The Good, the Bad and the Ugly'. As Fra McCann was the first Member to speak, does that mean that he was "The Good"? Alex Attwood was the second Member to speak: does that mean that he was "the Bad"? Peter was the third Member to speak, so everybody can have their own opinion about that. *[Laughter.]* Perhaps Peter will look in the mirror and argue his case.

I see that David McNarry has come back into the Chamber. I do not think that he can be proactive or enthusiastic about any motion because he always has something to criticise. He spoke about attendance at meetings of the European Committee of the Regions and other issues. However, when it comes to future funding, I do not want anyone from the right wing of the Conservative Party arguing on behalf of the community sector in the North of Ireland.

Mr McNarry: You wait your time.

Mr P Maskey: You have aligned yourself with that group in Europe and in England. That is something for you to address and something that your voters will have to address. Perhaps you will get a wake-up call after the elections.

Mr McNarry: That is quite intimidating, Mr Deputy Speaker.

Mr Deputy Speaker: Order. This chit-chat across the Floor will have to stop. Members should make their remarks through the Chair please.

Mr P Maskey: I am not sure who is being intimidated. If the Member is saying that I am intimidating somebody, perhaps you should make a ruling, a *LeasCheann Comhairle*. I do not think that I am intimidating anybody. I am making a winding-up speech on a motion that Sinn Féin put forward on a very serious issue and, therefore, one which we take very seriously. In no way am I intimidating anyone in the Chamber. There needs to be some explanation about that. However, that is Mr McNarry for you.

Jim Shannon talked about milking the European cow. Sammy Wilson said that although he is a Euro-sceptic, if there is a cow to be milked, he is there to milk it. Perhaps that is not the term he used, but that is certainly how it came across. For a Euro-sceptic, milking the European cow certainly takes the biscuit.

The Minister of Finance and Personnel: Is that a biscuit and milk?

Mr P Maskey: You can dip it in your coffee later on, as long as there is milk in it.

The important point to come from today's debate is that planning ahead means that there are better outcomes. If we plan ahead, get our acts together and allow ourselves plenty of time, we will be able to make good choices in the future.

The point was raised during the debate that we must be ambitious, and I agree that we must be very ambitious. It has been pointed out in the past that the money from Europe that was spent here could have been spent more wisely and in other areas, and that may be the case. Francie Molloy spoke earlier about the roads infrastructure in the South of Ireland, which is absolutely tremendous and has helped the entire infrastructure and many of the communities there. Perhaps we should be more strategic when considering future funding priorities.

Some of the funding that we have received from Europe in the past has come from the peace and reconciliation fund, and that funding may or may not be available in the future. However, I can assure the House that our own MEP Bairbre de Brún, like many other MEPs, has fought very hard to ensure that that source of funding continues.

Community groups, particularly those in interface areas, continue to undertake the hard task of filling in European funding applications, and that process must be streamlined. Most organisations spend months on funding

applications, meaning that they are not able to deliver on the ground. If the bureaucracy surrounding those applications can be changed it will allow more time for that work to be delivered, to the benefit of all.

An element of cross-border co-operation is very important in accessing European funding, and we should talk to our neighbours. I am aware of a tourism initiative in Belfast, which was successful in obtaining European funding because it made joint funding applications and arrangements with counterparts in Scotland and the South of Ireland. That is the route that we should take in the future.

Today's debate is concerned with addressing the issue of European funding as a matter of urgency; putting in place criteria templates for funding; setting our priorities to ensure that we get the best outcomes; and ensuring that the entire island of Ireland moves forward in a more positive manner in relation to funding. We should use the funding well and use it now.

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

Main Question, as amended, put and agreed to.

Resolved:

That this Assembly recognises the important contribution that European funding makes to communities; and calls on the Minister of Finance and Personnel to ensure that all stakeholders are involved in setting the priorities for any future funding from Europe; believes that opportunities for inter-jurisdictional EU funded projects have not been fully developed; and further calls on the NSMC and BIC to assess and identify where such funding opportunities exist including in the economic, education and innovation sectors.

Mr Deputy Speaker: The Business Committee has arranged to meet immediately upon the lunchtime suspension. I propose, therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm.

The sitting was suspended at 12.38 pm.

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

2.00 pm

Presbyterian Mutual Society: Treasury Committee Report

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

Mr Cree: I beg to move

That this Assembly notes with concern the conclusions of the House of Commons Treasury Committee report 'The Failure of the Presbyterian Mutual Society' and, in particular, the conclusion that "the Department of Enterprise, Trade and Investment should have taken a lead in identifying the problem, and in seeking a solution"; and calls on the Minister of Enterprise, Trade and Investment to advise the Assembly of the reasons why it has not been possible to achieve a positive resolution to date.

I understand that the Enterprise Minister will not be able to attend the debate because she is in Washington. I hope that the Finance Minister will be here to respond on her behalf and on behalf of the Executive. I look forward to hearing what he has to say, because he has been very vocal on the matter.

The Treasury Select Committee, as well as others who have looked into the matter, is scathing on a number of issues. Chief among the people and groups that should have acted better are the Department of Enterprise, Trade and Investment (DETI), the Presbyterian Mutual Society (PMS) and its directors, and the Presbyterian Church in Ireland.

DETI's role is deserving of scrutiny. In a somewhat breathless defence of her Department following the publication of the Committee's report, the Minister said:

"It is not the role of the Registry to comment on the business performance or decisions of a corporate entity ... The Department of Trade and Investment had no reason to question the validity of the accounts, which were unqualified for audit purposes."

Essentially, the argument that she was making, which she repeated at the ETI Committee's meeting on 25 February 2010, was that the Department's role was to look at the PMS's accounts, to file them and to forget about them. In the Department's view, its role was to keep the PMS on a list of similarly registered bodies, to ensure that it still qualified to be on that list and to make sure that it filed returns on time. Therefore, the Department felt that no other action was necessary. However, the Department's corporate plan from 2002 stated:

"DETI is responsible for regulating Credit Unions and Industrial and Provident Societies in Northern Ireland."

The PMS is registered as an industrial and provident society. We now know that the use of the word "regulating" was misleading, if not downright untrue. However, the wide perception in Northern Ireland was that if a body was compelled to lodge accounts with a Department, someone would at least open the cover sheet of those accounts and have a look inside.

The Treasury Select Committee's report states:

"If the Chairman of the Northern Island Assembly Committee on Enterprise, Trade and Investment believed the PMS was regulated, it is no surprise that ordinary people made the same assumption."

The Chairman at that time was the Member for Foyle Mr Durkan.

The difference between registration and regulation is huge. DETI does not seem to have considered changing the status of the PMS between its registration in 1982 and its near collapse in 2008. The question must be asked: did no one in DETI ever consider whether legislation that was introduced in 1969 was still adequate for regulating a society with assets and liabilities that ran into many millions of pounds?

One of the most troubling matters is the question of how the PMS should have been registered in the first place. During the Minister's evidence session with the Committee for Enterprise, Trade and Investment in February, I asked whether the PMS's own rule book precluded it from registration under the 1969 legislation by virtue of the fact that it did not exist for community benefit. Moreover, the 1969 Act precludes businesses from registering as a co-operative if they make profit mainly for the payment of interest or dividends on money that has been deposited. Therefore, the society was

not a bona fide co-operative. In response, the Minister and her officials were adamant that their legal advice and the Department's opinion was that the registration was correct. The basis of that opinion, which appeared to be read from a prepared answer, was that the society was to function primarily as a source of credit for members at a reasonable rate of interest. On reflection, I am not satisfied with that answer.

The society's members were, on the whole, savers rather than borrowers. The society was largely a body whose function was to carry out business for the purpose of paying interest on its members' deposits. It conducted regulated activities without the necessary authorisation or exemption. It is worth noting that a 'News Letter' report on the crisis from 12 November 2008 states:

"Its activities consist of receiving money from shareholders – on which it pays a dividend –, making loans to churches and private individuals, and making investments in commercial property in England and Scotland from which it derives a rental income."

That supports the view that, by virtue of section 3 of the Industrial and Provident Societies Act (Northern Ireland) 1969, the PMS was not eligible to be registered under that legislation.

It could transpire that the society was a bona fide co-operative in 1982. However, it had not been for some time. DETI officials would have realised that if they had bothered to read the returns that the society submitted. DETI had a duty to review whether the society was eligible to be registered as an industrial and provident society, especially during the rapid expansion period after 2002.

The PMS and its board also deserve criticism. The society carried out regulated functions although it was not registered with the Financial Services Authority (FSA). I firmly believe that it was registered as a co-operative in error for a considerable period. The society failed in its duties to members through inadequate governance of its affairs. It is ironic that in the PMS's final report, the director stated that he did not expect any significant changes to the society's activities in the forthcoming year. Similarly, the Church did not act as it should have. It has, at least, a moral responsibility to assist Presbyterians who have possibly lost their savings, because the Treasury Committee found

that the Presbyterian Church had encouraged its members to save with the society.

I want to outline the Prime Minister's duty on the matter. In September 2009, he told his party conference:

"we nationalised Northern Rock and took shares in British banks, and as a result not one British saver has lost a single penny."

The Government's guarantee to banks and other financial institutions caused the run on the PMS. Members of the Presbyterian Mutual Society rightly questioned the Prime Minister's bold claim.

In December 2009, in response to a House of Lords question for written answer, Lord Myners replied:

"The Ministerial Working Group on the Presbyterian Mutual Society will take account of all of the Government's previous interventions in the financial services sector when deciding how to respond to the problems facing investors in the Presbyterian Mutual Society."

That is a step in the right direction. The Government have a duty to honour their own statements, and I am glad that Lord Myners has stated that the ministerial working group will take that into consideration. However, I am not heartened that that duty will include the working group, which has done little or nothing thus far.

The situation has been characterised by Government inaction.

Lord Morrow: Perhaps the Member will enlarge on where the error was made, as he sees it. My understanding is that the PMS was formed in 1982, which was a long time before there was devolution in Northern Ireland. Does the Member agree that it is a wee bit rich of the chairman of the Treasury Committee, Mr McFall, to allocate blame, bearing in mind that he served here as a Minister? Furthermore, does the Member accept that there were many people who had opportunities during direct rule to put right the wrongs that he perceives existed, and those that actually did exist, for many years?

Mr Cree: Thank you for that. I have already made the point about the 1982 registration and, indeed, the Government's involvement, which has not been blameless.

As I said, the situation has been characterised by government inaction: inaction, first, by DETI,

in not being as accurate in its registration duty as I had hoped that it would be; inaction by the PMS board on reviewing the legality of its activities; and inaction by the working group while it waited for everyone else to do something first. The Minister of Enterprise, Trade and Investment outlined the role of the Executive as:

"standing ready ... from the time that the order was made allowing the Administrator to be appointed".

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

Mr Cree: On 19 October 2009, the First Minister said:

"We are doing all that we can." — [Official Report, Bound Volume 44, p 174, col1].

Mr Deputy Speaker: Time is up.

Mr Cree: Similarly, the then Secretary of State advised that he would follow events closely. However —

Mr Deputy Speaker: Time is up.

Mr Cree: I took an intervention.

Mr Deputy Speaker: An intervention only applies to a five-minute speech, not for a 10-minute speech.

Mr Cree: That is something that might need to be looked at, Mr Deputy Speaker.

Mr Deputy Speaker: That may be so. Those are the rules.

Mr Cree: That is the last time that I will let Lord Morrow in, then.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr A Maginness): The inquiry was set up by the Treasury Committee largely because the PMS ministerial working group had promised to report fairly soon after its formation. A report was due on 1 October 2009, but was subsequently pushed back to 12 November 2009 and then to 10 December 2009, and the related briefing was postponed indefinitely. There was a lack of progress on the part of the ministerial working group, and it appears that the Treasury Committee's report was commissioned as a response to that.

The report considered the Financial Services and Markets Act (2000) (Exemption) Order 2001, which provides for industrial and

provident societies (IPs) to be exempt from regulation provided that deposits are in the form of withdrawable shares. The report notes:

"only one third of the money held by PMS appears to be in this form."

It goes on to say that the Financial Services Authority investigated the PMS following the collapse and concluded that it was conducting regulated activities. The report that the PMS presented to the DETI Registry of Credit Unions and Industrial and Provident Societies makes it clear that the PMS was conducting activities that were over and beyond the form of withdrawable shares.

2.15 pm

The report from the Treasury Committee considered the co-location of registration and regulation functions in GB in the FSA. It states that that means that the registrar is well placed to draw the attention of the regulator to registered bodies, which appears to be straying into regulated business. It does not state that the FSA does that as a matter of course. Paragraph 32 of the report quotes the FSA as saying:

"Our mutuals registration team examines each society's rule book both at the time of first registration and when applications to register subsequent alterations to rules are received."

The Minister's press statement said that the report:

"did not disclose that the PMS was accepting deposits in the form of loans nor did they disclose the purpose for which loans were being advanced to members."

It went on to state:

"For the Treasury Select Committee to suggest DETI had access to all relevant information to form a view on whether the PMS was accepting deposits is beyond belief and untrue."

However, the report states that the society was dealing in mortgages and that it had investment in property to the tune of £129 million on 31 March 2008, and £140 million in the preceding year. Advances on mortgages totalled £174 million and £144 million in the preceding year.

The Minister said that the Department was not in a position to identify that unregulated activity, but that is exactly what the report states. It was sufficient for alarm bells to ring, and the Treasury Select Committee said that the Department

should have been in a position to identify that and take action. After that happened, the Department took action to assess risk, but the Treasury Committee asked why the Department, which was able to take that action in the aftermath of the incident, could not have done so prior to the event. Clearly, alarm bells could have rung at that stage.

Mr Deputy Speaker: Bring your remarks to a close.

The Chairperson of the Committee for Enterprise, Trade and Investment: One does not blame the Minister, but there were deficiencies in the way that the Department conducted its affairs.

Mr Simpson: There are many aspects to the ongoing and prolonged crisis in the PMS. When the society went into administration in October 2008, after a dramatic run on its resources that was caused by the Government's decision to guarantee deposits in conventional banks, it had an immediate and very human impact. Upright, hard-working people found themselves in a crisis that was not of their making. My party took immediate action to try to create some stability and to allow room for a solution to be found.

Following an approach by the directors of the PMS, my colleague Minister Arlene Foster made an order under insolvency legislation to give the society the option of going into administration. That procedure prevented the immediate sale of the assets belonging to the society and provided an opportunity for an administrator to manage its affairs with a view to safeguarding its assets and funds and to preserve the interests of its members. The Minister has worked tirelessly, as have the First Minister and the Finance Minister, to bring the crisis to a satisfactory conclusion.

The Presbyterian Mutual Society working group was set up as a result of DUP pressure. It consists of representatives from Whitehall, the Financial Services Authority, DETI and the Department of Finance and Personnel (DFP). It is continuing to work hard to seek a resolution.

Along with colleagues, I am a member of the Committee for Enterprise, Trade and Investment and the Northern Ireland Affairs Committee at Westminster, both of which discuss the matter regularly. I must say that there is disappointment at the judge's recent decision, which stated that those who deposited £20,000

or less will not be classed as creditors. That is not good news at all.

We were all frustrated and annoyed when we read the House of Commons Treasury Select Committee's report. It has not helped the search for a solution, which must be our priority. I agree with the wording of the motion when it states that it "notes with concern" the report's conclusions. However, I suspect that my grounds for concern are not quite the same as those of the Members who proposed the motion. The Treasury Select Committee's Chairperson, John McFall, seems to have been intent on finding a scapegoat. He blames DETI for a failure to plug the gap and the working group for not making enough progress. I believe that that is a cheap and easy way out.

Indeed, Mr McFall must be careful, because he is on thin ice. He has close associations with the Province, having served here as a direct rule Minister. He points the finger at the Department of Enterprise, Trade and Investment, but until the late 1990s, he was in charge of the Department that had those responsibilities. As Mrs Foster said, her Department did not have any legal authority to "go behind the backs" of professionals who were responsible for running companies.

Mr Durkan: Will the Member give way?

Mr Simpson: I will give way as long as I am given an extra minute.

Mr Durkan: I thank the Member for giving way. The negative attention that the Member is giving to the Treasury Select Committee and particularly to its Chairman, John McFall, is unfair. The report sought to bring sympathy to the plight of PMS savers, and it has done that. It also sought to inject urgency into the situation. The Member seems to be making the same mistake that others made in attacking a report that is there to help.

Mr Deputy Speaker: The Member will have an extra minute.

Mr Simpson: I know where Mr Durkan is coming from. I realise that he has a personal friendship with the Chairman of the Treasury Select Committee and, therefore, we should not rattle any cages. At the end of the day, however, the report did not give us any resolution to the matter. It blames everybody and their grandmother, but it does not give us any direction.

We should note that the Treasury has never identified any systematic weaknesses in the current DETI functions. Mr McFall is unfair in his criticism of the working group. Progress is being made, but due diligence is needed. Rather than blaming DETI and the working group, it is a great pity that the report does not identify a viable resolution, which is what we all want.

A pertinent question is raised in the motion: why have we not achieved a positive resolution? However, it asks that question of the wrong person and the wrong Department. Although we must all seek to play a full part in the search for a resolution, the buck stops ultimately with the Westminster Government. We need action now. The power and responsibility rest firmly with Her Majesty's Government, and they must rise to the challenge.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. Like other Members, I welcome the opportunity to speak in this important debate. The debate should not be about who is or who is not to blame; it should be about trying to get people's money back, particularly those who had life savings in the society of less than £20,000. A solution needs to be found, and the savers whom I have just spoken about did nothing wrong. They put their savings into the society, but they have no redress to get that money back. That is what we should concentrate on.

The Treasury Select Committee report sets out that the society's collapse occurred following a run on its deposits at a time when people everywhere were concerned about the collapse of the whole banking system. Indeed, people were withdrawing their money because they felt that it was not safe.

The Treasury Committee interviewed some members of the society who said that they had adhered to the savings policy. Up to one third of savers had adhered to the ceiling of £20,000 worth of shares. They were unaware that the society had invested their money in property development and that their savings were not safe. The onus was on the organisation to ensure that its members' interests were protected, either through its own protection scheme, as operated by similar societies, such as the credit unions, or the financial services compensation scheme.

In the case of the Presbyterian Mutual Society, the responsibility for registration lay with the

Department of Enterprise, Trade and Investment, but the Department had no function in regulating the society. Therefore, there was no legal responsibility on the Department to advise that society to move into regulation. We heard that reiterated at a Committee meeting by the Minister and her officials at the time.

However, the society engaged in investment activities without the necessary authorisations. I will focus on that point. The society's assets grew from £24 million in 2002 to £309 million in 2008. As was said in Committee, the Department had no legal obligation, but it would have had access to the society's annual accounts and to the number of shareholders involved. Someone should have been alerted to those facts. The maximum shareholding of £20,000 was not being adhered to and almost two thirds of the society's investors were making loans to the PMS.

As mentioned, the society is now in a position whereby its creditors, or those who made loans to it, will get their money back first. That is most unfair on the other savers, some of whom are elderly people who put their life savings into the society.

It is not a matter of who is to blame for the collapse of the society. What is important now is that those savers who did nothing wrong and simply invested in an attempt to help their Church should get their money back. That applies particularly to those elderly people who invested £20,000 in the society. Processes should be put in place to ensure that this type of thing does not happen again.

Mr Neeson: I welcome and support the motion. The PMS has been a major issue for the Committee for Enterprise, Trade and Investment for some time. For various reasons, a large number of east Antrim residents invested all their savings in the PMS. I have been contacted by many distraught people who now suffer misery and pain. They believed that the PMS was an institution similar to a credit union. They believed that their money was as safe as houses, not realising that their money was invested in houses.

I welcome the report from the Treasury Committee. I was pleased to give evidence to it when it sat in Parliament Buildings. I have a great deal of respect for its Chairman, John McFall, whom I knew well when he was a Minister in Northern Ireland. Contrary to

comments made by other Members, he is an honourable man and remains dedicated to the people of Northern Ireland. The criticisms of his report by the Minister of Enterprise, Trade and Investment and others distort the whole issue. The report was fair, and it was delivered much earlier than I expected. One of the major issues that we must consider is that the PMS's balance sheet for 2008 should have set alarm bells ringing.

I quote from the report:

"The case of the Presbyterian Mutual Society has demonstrated, once again, how little information was available to ordinary people about the organisations to which they entrusted their money. We consider that in future there has to be far clearer information given to those who make savings and investments about the way in which organisations are regulated, and the extent of any guarantee provided."

Furthermore, there is great dismay and uncertainty among PMS savers over the delay in publishing the report from the working group that the Government set up last year, and I totally agree with what the former Chairman of the Committee for Enterprise, Trade and Investment said about that. That report should have been delivered by October 2009.

Many people here ask why, if the Government can help Dunfermline Building Society savers, they cannot help people in Northern Ireland. There is further dismay at Judge Donnell Deeny's recent ruling that those who saved £20,000 or less in the PMS were shareholders and could not be classed as creditors. They are, therefore, not entitled to share in the £20 million of income that the society has generated since going into administration in 2008.

Mr Simpson: The Member accepts the Treasury Committee report, but does he agree that, although it contains criticism, the report offers no direction and no solution to the matter?

2.30 pm

Mr Deputy Speaker: The Member has an extra minute.

Mr Neeson: The report was fair, and it represented an honest attempt to help those who had put their savings in the PMS. The Treasury should have acted by now, and there is an onus on it to do so. The Government certainly could have done more by now. In fact,

we all believed that, as part of the Hillsborough settlement, the Government would assist those who had invested in the PMS. That did not happen, and I deeply regret that.

The Executive recently put forward three options. The most favoured of those was a takeover by another bank. We would all like to see that happen. Unfortunately, it has not happened yet. In the meantime, however, a hardship fund should be established for those who are struggling, and that, too, was one of the options. It is also worrying that the role of the administrator has been extended to 2015. That does not clarify whether there will be any early solution. I recognise that the PMS lacked regulation. What is important, however, is that what happened with the PMS should not be allowed to happen to any other society in Northern Ireland.

Mr Donaldson: Like many Members, I have constituents who have savings with the Presbyterian Mutual Society. I am sure that we have all met some of its savers. There is great anguish and frustration and some anger, all of which is understandable. Good people invested their money in good faith in a society that was linked to their Church, and they had every reason to believe that their savings were in a safe place.

The motion refers to the Treasury report, which criticises the Department of Enterprise, Trade and Investment and claims that the Department should have taken a lead in identifying the problem. We must look first at the Department's legal responsibility, which clearly does not include regulation. Whether we like it or not, that is the reality and was the reality at the time that the PMS went into administration. Let us recall that, by putting legislation through the Assembly in record time, the Minister of Enterprise, Trade and Investment, through her swift response, provided the basis on which the PMS was able to go into administration. If the Minister had not acted so quickly, the PMS savers would be facing a serious crisis because, at that time, there was no proper basis on which the PMS could have gone into administration. Therefore, when we criticise the Department, it is worth bearing that in mind.

I agree with the Member for East Antrim that there are flaws in the system that must be addressed and that we must learn lessons from what happened with the PMS. To ensure

that that does not happen again, there must be an urgent review of the regulatory system in Northern Ireland for friendly societies, co-operatives and savings vehicles such as the PMS.

It is wrong to simply lay the blame at the door of the Department, which fulfilled its legal responsibility. I remind the proposer of the motion that the PMS was formed in 1982, so we should not look only at the Department's role in recent years; we should look at the role that it played throughout that period. It is worth bearing in mind that, when Ian Pearson, who is now a Treasury Minister, was the Minister of Enterprise, Trade and Investment, he initiated a review of friendly societies and co-operatives in Northern Ireland. It is also worth bearing in mind that Sir Reg Empey, the leader of the party whose Members tabled the motion, was the Minister of Enterprise, Trade and Investment for a lengthy period, and he did nothing about the regulation of the PMS.

If we are to talk about the history of the situation, let us at least be honest and open about it and recognise that others had their hands on the tiller when the Department looked at the annual reports of the PMS. If we are going to apply blame, let us be fair, even-handed and not selective about it. I am not interested in the blame game. I am interested in ensuring that we get a result for PMS savers, and that is what we need to focus on.

The Treasury Committee's report is an attempt to pass the buck to the Northern Ireland Executive. That is wrong; the Treasury also has a responsibility here, and it should take on that responsibility. In any solution that may be forthcoming, the Treasury, along with others, should contribute to the establishment of a fund to help the PMS savers who find themselves in this plight.

I say to the proposer of the motion that I know from contact with Ministers that every effort has been made to find a solution. Banks and other financial institutions have looked at the PMS, and we need to acknowledge that efforts have been made to find a way forward. It is not true that nothing has happened.

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

Mr Donaldson: I just hope that we can come together today and agree to find a solution to help those who are in need.

The Deputy Chairperson of the Committee for Enterprise, Trade and Investment (Mr Butler):

Go raibh maith agat, a LeasCheann Comhairle. By and large, I support the motion. I take on board the points made by my colleague the Member for Lagan Valley. He had some criticisms, which I understand. His final point was about how we might arrive at a solution to the problems with the Presbyterian Mutual Society. As Jeffrey Donaldson said, we have all been lobbied by people who had savings in the Presbyterian Mutual Society, and, at the end of the day, 9,000 or 10,000 people who had £20,000 or less in the society are suffering, so we must find a solution for them.

The Minister of Enterprise, Trade and Investment is not here to defend herself because, understandably, she is in America. Lessons must be taken from the report, which covers issues of regulation and registration. In a strict legal sense, the Minister is probably right: her Department's only role is in the registration of the Presbyterian Mutual Society and other provident societies. However, in the report, John McFall and his colleagues expressed concern about the need to address that regulatory gap. In future, there must be a unified system, a regime that enables the Assembly, the Treasury and the FSA to plug that gap. That is one of the lessons that must be learned, even though DETI says that, strictly speaking, it had no lawful right to intervene or to check whether the Presbyterian Mutual Society was involved in activities governed by regulations.

I welcome the report's mention of problems associated with the role of credit unions. It also recommends a Treasury review of insolvency laws. The judge's powers were probably limited in the recent court case concerning the Presbyterian Mutual Society. Many savers will be discriminated against because creditors must be paid first. Therefore, I hope that recommendations for action in respect of insolvency laws will be taken on board.

The prospect of the taxman coming after Presbyterian Mutual Society savers has been raised with the Committee for Enterprise, Trade and Investment and, I am sure, with other Members. However, the people who are being pursued cannot get access to their savings, which are tied up by the administrator.

Mr Donaldson: Is the Member aware that the Minister for Social Development has ruled that

PMS savers who cannot access their savings will not have those savings taken into account in calculating their entitlement to tax credits, pension credits and other benefits? Does he join me in welcoming that ruling?

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

The Deputy Chairperson of the Committee for Enterprise, Trade and Investment: Yes. The Minister's interventions in a number of cases were raised in Committee, as was the fact that she had written to HMRC on the issue. I welcome that, and I know that the Committee has also taken up the matter.

I am sure that the Minister will respond, but it is unfortunate that the working group has not yet pointed the way forward for the PMS issue. The working group comprises the First Minister, the deputy First Minister, Treasury officials and the Minister of Enterprise, Trade and Investment. Had that group reported by now, the Treasury Committee report might not have come out. However, the working group's recommendations on how to deal with the whole issue, particularly for savers, may provide some light at the end of the tunnel.

In broad terms, we should learn lessons from the experience of the Presbyterian Mutual Society. Although I understand the Minister's defensiveness — she is not here to defend herself — we should look beyond that to what the Assembly can do. To be fair, everyone here — all the political parties, the First Minister, the deputy First Minister and Minister of Finance and Personnel — have been doing all that they can on behalf of the many savers who have money tied up in the Presbyterian Mutual Society. That is what we should do.

Mr Bell: The subject matter of the debate is difficult because I am conscious that many families across Strangford placed their faith not only in their Church but in the Presbyterian Mutual Society to deal with critical financial aspects of their life. Some people lodged their redundancy money, and others who came to my North Street office placed their pension money in the society. I am talking about real people who will get no second chance if this matter is not resolved. People get only one pension and one pension payout. Many people who invested their money in good faith and in the expectation that it would be handled well are very worried at the minute. I know of one gentleman in

Ballywalter who invested all his money in the society. He now struggles to buy the basic groceries that we take for granted. The House must recognise people's concerns.

2.45 pm

In many cases, the report generated more heat than light. I was always taught to bring solutions rather than problems, and people in Strangford and right across Northern Ireland are looking for solutions. The Chairperson of the Committee for Finance and Personnel led this House correctly — I hope that I can say that — when she said that there was no legal regulation on the Minister. I am proud of Minister Foster for what she has achieved. She would be here today to stand over a very honourable record, but she is in America to fight for jobs for our children right across Northern Ireland at a critical time. We wish her well. She is a high-calibre Minister who moved with all urgency and due diligence to bring to the House the legislation that has provided the only sense of hope. The House should stand with her and commend her.

There is a saying in Strangford that, if a person points a finger, three fingers point back at them. Fingers were pointed in poorer parts of this report, but I could not help but think that three fingers were pointing backwards at John McFall, Ian Pearson and Sir Reg Empey. Those three fingers point back at any criticism that is given.

I do not know what planet some people are on when they talk about the people with less than £20,000. The vast majority of the people whom I have the privilege of representing have less than £20,000. For those whose money is genuinely tied up and who find themselves being pursued by the Inland Revenue for tax, there needs to be a sympathetic approach. Equally, there is a need for the Treasury to step up to the plate. We want a solution, not an identification of the problem. We all understand what the problems are. It would be good if the House could bring cross-party consensus to the Treasury.

Genuine people, through no fault of their own, placed their faith in a society and trusted others who they believed had greater financial acumen than they to manage their funds. We will not get a second chance. We need a solution. People who are living out their retirement will not get a chance to live these days again. They should not have to live in financial hardship. It is incumbent on the Treasury to step up to the plate. It should

not shirk the challenge. It should not point the finger but should provide answers. It should not generate the heat that the report did but should provide light and give whatever can be given back to the genuine people to improve the quality of their lives.

Mr McFarland: I declare an interest: my mother is a saver with the PMS. This is a vexed issue in which 10,000 or so savers, many of whom are small savers, find their life turned upside down through no fault of their own. They are unable to access their money. In many cases, that has caused deep hardship. This is a serious issue.

The original rules of the game stated that people were allowed to have up to £20,000 in the society. Many of the savers cannot understand when the rules changed. We know from evidence that some savers have up to £1 million in the society. That is confusing. The crisis was set off by the Prime Minister and the rescue of the banks and the guarantees for banks and building societies. That resulted in people hurriedly withdrawing their money from the PMS, leaving it with no funds. Therefore, there is an onus on the Prime Minister and the Government to examine whether their actions precipitated the run on the PMS.

The second issue is whether the PMS and DETI understood what was going on. The society was out of control and operating well beyond the boundaries of financial regulations. If anyone wants proof of that, they can look at the accounts. In 2002, the society had assets of £24 million, and by 2008 it had assets of more than £300 million. It is surprising that no one wondered what was going on. Recently, I studied the accounts for 2006-07 and 2007-08, and the administration costs alone had increased from £400,000 to £1 million. The bad debt provision had moved from about £3,000 up to £556,000, which is an increase of £553,000. You would have thought that someone who read those accounts might have realised that there was something going on.

I am also disappointed by the Church's reaction. Although it was not legally responsible for the society, every year at the general assembly, the Church and all the members extolled the virtues of the PMS and encouraged Presbyterians to invest their savings in it. The Church's initial reaction to the crisis was not good and did not show it in a good light. In fact, it is fair to say that its members felt abandoned — so much

for pastoral care. When people got into difficulty, their Church said it had nothing to do with it. Furthermore, the behaviour of some individuals, particularly the speed with which they took their money out of the PMS, does not show Christian values in a good light. The expression "Do unto others as you would have them do unto you" comes to mind. What do we do about this situation?

Mr Cree: Does the Member agree that the returns from the PMS last year show that it has potential, that it is an ongoing project and that the solution is for a bank to take over the assets and liabilities of the PMS, with a guarantee from the Treasury, the Executive and perhaps the Church?

Mr McFarland: I agree with my colleague. The Government now own several of the banks, and one would have thought that the Prime Minister, perhaps accepting some responsibility for setting the ball rolling, would consider asking one of the banks to take on the PMS and provide a degree of stability. Perhaps the Treasury could guarantee part of it, and the Executive might turn their mind to providing a partial guarantee to bring some stability to the situation. Indeed, given the Church's initial reaction to the situation, it might consider setting up some sort of fund as a safety net.

Unfortunately, the whole debacle has resulted in simple, innocent folk, who thought that they were doing the right thing by looking after their savings, being seriously disadvantaged and, in some cases, ending up in severe hardship. Surely it is not beyond the bounds of reason for our Government, the Government in London and others, to get their act together and bring some closure to the matter soon, so that people know where they are and can access their savings. I support the motion.

Mr Durkan: I support the motion and join other Members in hoping that we have a unanimous outcome today. However, that cause is not helped by the debate being used to target criticism unduly at the Treasury Committee's report.

For a long time, all that the frustrated and exasperated PMS savers have been hearing from the powers that be in London are statements calling them investors or statements implying that it is the fault of the PMS and that the Treasury has no liability. It has been said that the Treasury cannot do anything because the PMS is not on a par with other cases.

Then we had the Treasury Committee come to Northern Ireland, at the request of a number of us, and produce a report that provided sympathy and understanding for the savers of the Presbyterian Mutual Society and tried to inject some urgency into the situation — urgency that was directed at the Treasury.

What we have here today and what we had in reaction to the Treasury Committee's report is a misguided reaction by the Department, because it felt that there was undue or misplaced criticism of it in relation to the background to the PMS collapse. Since the Department and civil servants felt a bit sensitive about some of that, Ministers focused on that aspect, rather than trying to use, as a case in aid to the Treasury, the important, positive and timely aspects of the Select Committee's report.

The Treasury Committee received evidence here from Ministers about the ministerial working group, and it is clear that the Treasury Committee was not particularly enthused or excited by what it heard about the work of the group. It is also true to say that the many members of the PMS who were in the Public Gallery that day were not particularly encouraged or impressed by what they heard from the ministerial working group. However, I hear Members say today that the ministerial working group is making progress. That has been said before, but let us look for that progress, rather than attacking a Treasury Committee report that is helpful to us.

When the powers that be in London have been dealing with this issue, they have come up with layers of obfuscation, the first of which is to blame the PMS and say that there were flaws with it. They referred to the fact that the FSA said, as a result of its investigation, that some illegal activity had been carried out by the PMS. Therefore, they point out that mistakes were made by the society. They also point to the question of the regulatory flaws or what some might call regulatory failure.

There was a twilight zone between the registration roles being conducted by the Department, which everyone, including the Department, was calling regulation. When we first brought the Department before the Committee for Enterprise, Trade and Investment, we called it in as regulator, and it was describing itself in those terms as well. That was another reason given by the Treasury as to why the collapse was nothing to do with it.

One must remember that in all other savings collapses and potential collapses, whether in building societies or banks, there was institutional failure by the bank or building society. There was misjudgement, misinvestment and sins of excess. No saver had to pay the price for those institutional failures, but we are being told that that has to happen with the PMS. Similarly, in every one of those other situations, the Treasury Committee, among others, found that there were regulatory oversights, flaws, failures and twilight zones.

The Treasury Committee's findings in relation to wider regulatory issues came forward in similar tones to those which the Treasury Committee has referred to the Department of Enterprise, Trade and Investment. The Department, therefore, should not be so sensitive. Some Members could say that they were personally criticised in the report, because the Treasury Committee said that the Assembly or the Committee should have, perhaps, known. Perhaps that is true. If we are out to help the PMS savers, perhaps we should roll with the punches and take the case where it needs to be taken and not be fighting here.

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

Mr Durkan: In his opening remarks, Mr Cree made all his points about the Department as a corporate body. Not once did he criticise any Minister personally. I certainly will not criticise the Minister.

Mr Deputy Speaker: Question Time begins at 3.00 pm. The debate on the report on the Presbyterian Mutual Society will resume at 3.30 pm, when Mr George Robinson will be called to speak.

The debate stood suspended.

3.00 pm

Oral Answers to Questions

Finance and Personnel

Departmental Solicitor's Office: 'Spotlight' Programme

1. **Mr A Maginness** asked the Minister of Finance and Personnel why it is not appropriate to provide details of the instructions that his Departmental Solicitor's Office sent to counsel requesting provision of an opinion on allegations raised in the BBC 'Spotlight' programme of 7 January 2010. (AQO 945/10)

The Minister of Finance and Personnel

(Mr S Wilson): I refer to my responses to the questions for written answer of 2 March 2010, 20 February 2010 and 15 February 2010, in which I informed Members that advice was sought in relation to the allegation in the 'Spotlight' programme that the First Minister acted in breach of the ministerial code, the ministerial code of conduct and the Pledge of Office and that it was not appropriate to provide details of the instruction given to counsel.

The Member will be well aware that the relationship between an individual and his legal adviser has long been recognised as requiring confidentiality; not only on advice that is given but on the exchange of information between client and lawyer and that it attracts legal professional privilege. That enables free exchange of information and applies equally to instructions and advice. It ensures trust between adviser and advised. Those are important principles and qualities that protect that relationship. They apply to the Government and to private individuals equally.

The Member will recall the words of a former Lord Chief Justice of England who said that if a balancing exercise with regard to disclosure were ever required in the case of legal professional privilege, it was performed once and for all in the sixteenth century and that, since then, it has applied across the board in every case, irrespective of the client's individual merits.

Apart from principle in that case, an additional factor that weights the balance against

disclosure is that there is a police inquiry into aspects of the allegations that were made in the 'Spotlight' programme. In all those circumstances, it is inappropriate to waive legal professional privilege and to provide details of instructions that were given.

Mr A Maginness: I thank the Minister for his reply. Of course, I, and all Members in the House, accept that any opinion or instructions are privileged. However, given the gravity of the situation and the personality who is the officeholder, the First Minister, it is fit and proper for that privilege to be relaxed. The First Minister said that he is willing to have that opinion and the instructions that went with it revealed at some stage. At present, it seems unbelievable that it could not be released. I ask the Minister to ask the First Minister to waive his privilege in that matter.

Mr Deputy Speaker: Before the Minister replies, I ask Members not to walk in front of a Member who is speaking in the Chamber.

The Minister of Finance and Personnel: I want to make it clear that the matter is not just about the First Minister waiving his privilege; it is about professional legal privilege that Departments seek regularly. I am sure that, occasionally, the Member has been asked to give clients advice and that he is aware that, for the most candid advice to be given, it is important that legal professional privilege be protected.

Indeed, one could argue that if legal advice could be disclosed in a case as important as that, it could be disclosed in every other minor case in which legal advice is given. The Member knows that if that were the case, Departments would not receive the quality of legal advice that they require; the entire basis for legal professional privilege would be reduced, and that that would be detrimental.

Mr McCarthy: Will the Minister advise the House how much the legal advice cost the taxpayer?

The Minister of Finance and Personnel: I cannot answer that question because, to date, no bill has been received from the barrister.

Mr Cree: My question is along similar lines. Will the Minister confirm whether the First Minister obtained the legal advice from the Departmental Solicitor's Office, which was, presumably, paid for by public funds? If so, is that not a matter

of public information to which the public is, therefore, entitled?

The Minister of Finance and Personnel: If the Member had done some research before asking that question, he would have known that legal advice is not covered by the Freedom of Information Act 2000. The very reason that it is not covered by the Act is that there is a need for professional and legal protection, and I have outlined why such advice is privileged. Of course that advice is paid for by Departments out of the public purse. The purpose of non-disclosure is to ensure that advice that is sought and given is not disclosed and that full and frank advice can be given to Departments and Ministers. They can then make up their minds on the basis of that advice.

Departmental Budgets

2. **Mr Craig** asked the Minister of Finance and Personnel what mechanisms his Department has in place to ensure that Departments spend their budget allocations and that there is no money returned to central government. (AQO 946/10)

The Minister of Finance and Personnel: It must be recognised that the Department of Finance and Personnel (DFP) is not responsible for managing individual Departments' budgets. Indeed, any attempt by me or my Department to micromanage in that way would be resisted by all Ministers. However, measures are taken to try to ensure that Departments do not overspend or severely underspend but rather spend according to the plans for which the money was given.

First, quarterly in-year monitoring rounds provide an opportunity for Departments to surrender to the Executive resources that are not required. Those resources can then be allocated elsewhere, and the Executive discuss those matters four times a year. Secondly, Departments are fully aware of the risk of surrendering reduced requirements too late in the year; for example, money surrendered in the February monitoring round may not be able to be spent and could be lost, if not for ever, at least in the short term, if it becomes part of the EYF stock. Thirdly, Departments are required to provide a monthly out-turn and forecast information that shows actual spend against forecast expenditure. That information usually gives a good indication of whether

there will be problems with underspends or overspends. Finally, each Department has a DFP Supply team to work closely with it. That team performs an ongoing challenge function by asking the kind of questions that need to be asked about a Department's spending to ensure that it is not heading towards an overspend or an underspend.

I hope that my response assures the Member that we try to monitor without interfering.

Mr Craig: I thank the Minister for his comprehensive answer. He touched on some issues that I want to raise. In the February monitoring round, many Departments, including the Department for Social Development (DSD), ended up with massive amounts of money that needed to be spent in a very short period. Does the Minister advise other Ministers as the year goes on, and in the third quarterly monitoring round, that they are badly underspending some of their budget?

The Minister of Finance and Personnel: I expressed some concern about Departments leaving it to the final monitoring round of the year to declare underspend. Too many Departments did that, and I named them in the House to shame them. Some 25% of reduced requirements were declared in the final monitoring round, which, of course, left little time for other Departments to spend the money.

I think that the Member is referring to money that was returned to DSD as a result of the underspend on swine flu. Each Department was given an option: if it could not spend the money to which it was entitled to have returned to it as a result of the underspend on swine flu, it could say that it could not spend it in this financial year. That money will be taken from the DHSSPS budget in next year's June monitoring round, which means that the Department would have had nearly a full year to spend it. The Minister for Social Development indicated that she could spend the money in the remaining months of this financial year, which is why she got some of it back.

Mr McElduff: Go raibh maith agat, a LeasCheann Comhairle. I draw to the Minister's attention the tendency of the Department of Culture, Art and Leisure to return money unspent in the monitoring rounds. Can he speak directly to the Minister of Culture, Arts and Leisure about funding for sports and arts projects that are ready to go ahead? For example, they own, or have a long-term lease on, land or premises, and planning permission

is in place to make use of capital money that is sometimes sent back to the centre.

Mr Deputy Speaker: We need a question.

Mr McElduff: Will the Minister have a word with the Minister of Culture, Arts and Leisure about the tendency to send money back when it can be spent legitimately on capital projects for sport and the arts?

The Minister of Finance and Personnel: The Member is a diligent Member in the House, and he raises questions regularly. However, I would have thought that the best place to ensure that money is not sent back to the centre is in Committee. If money is sent back to the centre, it is not simply because a Department decided not to spend it. It is what is regarded by the Department as a reduced requirement: in other words, the money was allocated for certain projects and could not be spent because the projects no longer existed or there had been a change of policy. The Member is an assiduous Committee member, and I am sure that he is quite capable of bringing the Minister and his officials along and giving them a good grilling on the issue.

Mr O'Loan: My question is in a similar vein to those asked previously. Has the Minister established why there was such an abnormally and unexpectedly high surrender of money in the February monitoring round? I believe that he had difficulty in giving away some £5 million of capital money, which is a rare event. How confident is the Minister that those redistributed funds will be spent usefully?

The Minister of Finance and Personnel: The redistributed funds that have been allocated were allocated only on the basis that Ministers indicated that they could spend those funds towards the end of the year. Indeed, Ministers knew that there would be sanctions and penalties if they were unable to spend the funds. Why did some of the returns come so late? There were two reasons. First, some issues are demanded, and Departments do not know until the last minute that there is no demand. Indeed, if they did not hold on to the money, they would be unable to meet the demand, and Members would criticise them for that. Secondly, if Departments hold on to money and the demand does not materialise, they have to return the money late in the day, which is forgivable.

However, it is not forgivable when Departments do not look ahead and see that they will be unable to spend money. Some Departments were guilty of that, and they have been notified. For example, the Departments knew that money would not be spent on staffing or on particular projects, and they could have seen ahead from one quarter to the next and taken action, but they did not do that. Those are the types of issues that I want Committees to pick up on when they scrutinise the spending of Departments.

Contracts

3. **Mr W Clarke** asked the Minister of Finance and Personnel whether he can provide an assurance that any contracts secured by his Department through public procurement tenders will be measured in terms of value for money and social outcomes. (AQO 947/10)

The Minister of Finance and Personnel: The Northern Ireland procurement policy is delivering best value for money. The Central Procurement Directorate (CPD) measures value-for-money gains achieved when each contract is awarded. In the 11 months to February 2010, CPD recorded value-for-money gains of £21 million: in other words, it examined projects and thought that they could be done better. That compares with £17.5 million for the entire previous year. Therefore, there has been some improvement as far as value for money is concerned.

Departments must determine the sustainable and social impact that they wish to achieve from their programmes and projects. The role of procurement professionals is to facilitate the delivery of those outcomes via the procurement process, ensuring that it is compliant with EU and UK law. For example, since 2008, social clauses have been included in construction projects where appropriate: for every £2 million spent, one apprentice should be employed; and for every £5 million spent, one long-term unemployed person should be taken on. Those are the guidelines, and they have had an impact on projects.

Mr W Clarke: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his response. That is the point that I was trying to make. Will his Department and the Central Procurement Directorate actively promote the use of social clauses by other Departments and make it compulsory for them to do so in relation to

long-term unemployed apprenticeship schemes by building such clauses into contracts?

3.15 pm

The Minister of Finance and Personnel:

As I said, that is already being done with construction projects. I should have some figures here somewhere about some of the projects where that has happened. For example, it has happened in my constituency at the Northern Regional College skills centre at Newtownabbey. That project has led to one long-term unemployed person and four apprentices being employed. Two long-term unemployed people and five apprentices have been employed in the OMAC theatre in Belfast as a result of clauses that were built into the procurement contract there.

It is a bit more difficult to promote the use of social clauses with service contracts, because they tend to be smaller and more fragmented by their nature. However, we are looking at how we can build in some social requirements to those contracts as well.

Mr K Robinson: Given that we are a small-business economy, what progress can the Minister ensure is made to make sure that public procurement tenders are more accessible to small firms across Northern Ireland?

The Minister of Finance and Personnel: A number of things have been done. Again, I have to give caveats to all my answers by indicating that we have to comply with EU law in particular, much as it sticks in my gullet to say that. Given the regulations that are laid down as a result of EU legislation, especially on procurement, we cannot discriminate in favour of small local firms. However, we have tried to do things in a number of ways. For example, we have encouraged consortia of firms to apply for contracts and we have looked at the supply chain to try to ensure that small firms have an input, even where the huge contracts are concerned. The Construction Employers Federation in Northern Ireland has been very helpful in giving us some useful guidelines on how we can do that.

Of course, there is always a balance to be struck in getting economies of scale; we can have huge procurement projects and break them down into smaller contracts. We have done that with cleaning contracts, for example, in that we regionalised some of the contracts so that small

local firms could apply, rather than the project being Northern Ireland wide. We have done the same with some consultancy projects. A mixture of things can be done, but it all has to be in the context of some very detailed procurement law.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. Bearing in mind the answer that the Minister has just given, what is his assessment of the recent report from the Finance Committee on public procurement? He talked about compliance with EU laws, but has his Department had any communication with the Department for Regional Development (DRD) through the Departmental Solicitor's Office about the widely reported incident involving Northern Ireland Water?

The Minister of Finance and Personnel:

First, we had a long debate on the Finance Committee's report on procurement in the House, and I congratulated the Committee on that report then. It was a balanced report; it was not one of those that sought only to pick holes and to get a cheap headline. It is a useful piece of work that Departments can work on. Of course, all its delivery is not for DFP, because it affects other Departments. As I indicated, although I may have some sympathy with some of the report's recommendations, I am not sure that it is possible to implement them. However, I also indicated that I am considering it and that I will come back to the Committee. We may even have another debate in the Assembly on it.

Northern Ireland Water and DRD have their own centre of procurement expertise (COPE). The matter is really a responsibility for the Minister for Regional Development, and, of course, he has acted by giving notice to a number of the directors already.

Dormant Bank Accounts

4. **Mr Boylan** asked the Minister of Finance and Personnel to explain the reason for the delay in introducing the dormant bank accounts scheme. (AQO 948/10)

The Minister of Finance and Personnel: The dormant accounts scheme is not an Executive scheme; I think that Members know that.

The timetable for the release of funds to the Big Lottery Fund, and, ultimately, the opening of the applications, is affected by a number of factors beyond the Executive's control. Steps are to be taken to set up the reclaim fund, and

the UK Government are working with the banks, the building societies, the Financial Services Authority (FSA) and the Co-operative Financial Services (CFS) to ensure that the reclaim fund is in operation as soon as possible. If the work on the reclaim fund proceeds as planned, it is expected to be operational later this year. Surplus funds will then be transferred to the Big Lottery Fund, which is the nominated distributor.

My Department also has to carry out work. We have conducted the consultation, and, shortly, I hope to bring the proposed spending priorities to the Executive for consideration. Once we have adopted the spending priorities, they will be passed on to the Big Lottery Fund.

Mr Boylan: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his response. If any moneys can be acquired, will they be used for additional services rather than to replace or supplement funding that is already in place?

The Minister of Finance and Personnel: As I said, I will bring a paper to the Executive on the priorities and the criteria. We undertook a consultation on which we received fairly good feedback. The Executive will either adopt my proposals or change them. I have no doubt that, once that happens, a debate will take place in the House on the dormant bank accounts scheme, given the interest in it. I am sure that the Committee for Finance and Personnel will want to bring departmental officials or me before the Committee to talk about the scheme, so ample opportunity will be available to discuss in the Assembly the way in which the fund will be distributed, as should be the case.

Mr Storey: I thank the Minister for his answer. Given the concerns that many faith-based organisations have about accessing funding, particularly from lottery sources, will the Minister reassure the House that he will continue to support the introduction of a scheme that will be to the advantage of faith-based organisations and make it easier for them to access money that they so desperately need?

The Minister of Finance and Personnel: I am well aware of the fact that many faith-based organisations do excellent work in difficult areas with difficult groups, especially with young people, for environmental and social purposes, for which the money is intended. In the consultation, we asked what could be done to help faith-based groups to apply. That does not mean that we can make funds available

exclusively to faith-based groups, because we must comply with legislation.

However, we have ensured that, although the funds are being distributed through the Big Lottery Fund, it will be a totally separately branded operation. In the past, many faith-based groups faced the impediment that all the money from the Big Lottery Fund came from what they regarded as gambling, and they did not want to touch it. The branding issue should no longer be a difficulty for faith-based groups, and, as I said in my answer to Mr Boylan, ample opportunity will be available for the Assembly to have an input into the final criteria. I am sure that Mr Storey will wish to ensure that his views are reflected.

Rev Dr Robert Coulter: I thank the Minister for his responses. What measures are in place to ensure that former private owners, or their heirs, of assets that are seized under the dormant bank accounts scheme can retrieve those assets?

The Minister of Finance and Personnel: One of the reasons that there has been some delay with the scheme is that people's ability to retrieve funds must be safeguarded. The regulator is working with the FSA and the banks to ensure that a reclaim method is available. As more money goes into the reclaim fund, less remains to go into the dormant accounts fund.

The second major issue is the length of time that money should be held in the reclaim fund. All those issues must be sorted out, and that why there has been some delay.

10-Day Prompt Payment

5. **Mr Burns** asked the Minister of Finance and Personnel to outline the general level of compliance with the 10-day payment rule throughout the public sector. (AQO 949/10)

The Minister of Finance and Personnel: I am committed to ensuring that the 10-day prompt payment target is met as far as possible across the public sector. That is a particularly challenging target, because we must balance the need to ensure that public money is paid to those who provide goods or services against the need to ensure that invoices are properly authorised, approved and accounted for. It is, therefore, a balancing act.

The processing of invoices for Northern Ireland Civil Service Departments is carried out on a

centralised basis through Account NI, which is one of the shared services delivered by my Department. However, the process is strongly dependent on suppliers and Departments ensuring that invoices are submitted correctly. I saw some of the difficulties that can arise when I visited the processing operation. Those difficulties are not always caused by the Departments. In fact, they are sometimes caused by the suppliers. Separate and more disparate arrangements are in place in the wider public sector, for which I am not responsible.

Mr Burns: Will the Minister tell the House whether there is any substance to the rumours that some arm's-length bodies, such as the health trusts, are not making a serious attempt to achieve the 10-day target? Does he have any figures on that?

The Minister of Finance and Personnel: The wonderful file that my officials gave me contains many answers. As the Member was asking his question, I flicked over the page, and it just so happens that I found the very figures that he requested. The first part of his question was whether the health trusts are trying to achieve the 10-day target. I cannot comment on whether the health trusts are making an effort to do so, whether they have made it a priority or whether the Health Minister has given them directions on payment. The Member should, therefore, take up that matter with the Health Minister.

I do not have figures for the individual trusts. However, across the health trusts, the compliance rate for the 10-day target varies from 32% to 48%, which is considerably below the almost 60% compliance rate that Account NI achieves.

Mr T Clarke: I do not want to take away from the Minister's answer about the health trusts. However, I am intrigued by Mr Burns's question, given that it took the Department for Social Development (DSD) 218 days to pay an invoice, which is a whole lot more than 10 days.

The Minister of Finance and Personnel: I do not wish to comment on an individual invoice, and I would not like to think that that gives a clear picture of that Department's performance. The processing of an invoice involves a host of factors. Account NI has been trying to educate Departments and suppliers on how to get an invoice processed quickly. Invoices must contain all of the relevant information, and suppliers should be made aware of what information is required, such as job numbers,

so that the invoice can be processed quickly. The 10-day period is measured from the day on which Account NI receives the invoice from the Department, and about 60% of invoices are processed within 60 days. Many of those that are not processed in 60 days are returned because of inadequate information.

3.30 pm

Private Members' Business

Presbyterian Mutual Society: Treasury Committee Report

Debate resumed on motion:

That this Assembly notes with concern the conclusions of the House of Commons Treasury Committee report 'The Failure of the Presbyterian Mutual Society' and, in particular, the conclusion that "the Department of Enterprise, Trade and Investment should have taken a lead in identifying the problem, and in seeking a solution"; and calls on the Minister of Enterprise, Trade and Investment to advise the Assembly of the reasons why it has not been possible to achieve a positive resolution to date. — [Mr Cree.]

Mr G Robinson: I declare an interest as a member of the Presbyterian Church. *[Interruption.]*

Mr Deputy Speaker: Order. Someone has their mobile phone switched on. I ask all Members to ensure that their mobile phones are switched off.

Mr G Robinson: I refute all perceived criticisms of my colleague the Minister of Enterprise Trade and Investment, Mrs Foster, and her Department in their handling of the PMS situation. I know about the strenuous efforts that she and others have made to save or to rectify the situation long before now. Blaming easy targets will not solve the ongoing problem. Criticism has also been levelled at the Westminster Government, the very Government with which the Minister has been vigorously trying to find a resolution, and some could perceive that as the perfect opportunity for that Government to pass the buck to our devolved Assembly and to our Minister and her Department.

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

I had a conversation with a senior Presbyterian clergyman at a social event during the past year, and the praise and thanks that he expressed for efforts that were made by the Minister and others was genuine and sincere. In light of that, we hope that the proposers of the motion are not playing politics with a serious situation rather than making a genuine effort to help to resolve it.

We should all concentrate on the poor people who are suffering. The savers and the

congregations who entrusted their hard-earned savings to the PMS are foremost in my mind, and I hope that that is also the case with all other Members. It is for those people that a resolution must be found as quickly as possible.

The Minister and her Department have sought tirelessly to find a resolution. However, in his report, Mr McFall did not point to a resolution or how it could be achieved as a matter of urgency. Could that have something to do with the fact that, at one time, he had the same responsibility for overseeing the PMS as Mrs Foster and her Department do now?

Politicians from all parties, including our own First Minister and Minister of Finance and Personnel, have been supportive of those affected by the PMS situation and that should be welcomed. If all Members put their efforts into supporting the Minister and her Department's numerous attempts to find a resolution, it would be a big help in resolving this serious matter.

The Minister of Finance and Personnel

(Mr S Wilson): I thank all Members who participated in the debate, which could have been a difficult one. It would have been very easy for Members to have turned the debate into a point-scoring exercise, which would not have helped to advance the cause of those for whom we are seeking to find redress nor would it have done the image of the House a great deal of good, because it would simply have been perceived as jumping on others' misfortune. Therefore, I thank all Members for the way in which they approached the debate. Some things were said that I did not like, that I did not agree with and that were simply wrong. Nevertheless, everyone has approached the debate on the basis of the knowledge that they have and on the basis that we want to find an answer. If certain things must be fixed afterwards because they were done incorrectly, we must sort those out as well. However, I was pleased that the debate has not been treated as a blame-game exercise, albeit Members have been fairly forthright in where they believe things went wrong and about whom they believe should provide some of the remedies.

A number of Members were sensitive about some of the criticisms that were made about the Treasury Select Committee's report into the PMS. I spoke to John McFall before he came here, and he indicated that he wanted to help.

However, like all politicians, he could not resist the opportunity of a good headline, which meant pointing the finger, and it is unfortunate that parts of the report reflect that. I have said that to him privately in the House of Commons, so it is not a criticism of which he is unaware.

Two issues were raised today that are worthy of consideration. First, how did we get to this situation? It is important to reflect on that question for a moment or two, because although there may be repercussions some time down the line, we should be asking what we can do to avoid the same thing happening again and asking where the mistakes and gaps were in the process.

I am not an expert on the issue. I was going to say that I am the new Arlene Foster, but she would be quite angry if I said that in the House.

Rev Dr Ian Paisley: No wonder. *[Laughter.]*

The Minister of Finance and Personnel: I am not an expert. However, from my knowledge of the matter, it is clear that DETI played the role of the registrar. As registrar, its responsibilities included receiving the annual returns from industrial and provident societies, ensuring that the information in those returns was compliant with the reporting requirements of the legislation, and ensuring that that information was made a matter of public record. It is not, and it was not, the role of the registrar either to scrutinise or to analyse the financial statements that were filed with the registry, other than to say that the information was presented in a way that conformed to the legislation.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr A Maginness): I understand the Minister's point. However, in defence of DETI officials, the Minister said that although the registrar received the report, alarm bells would not have been set ringing, even if the report had been studied notionally.

As I said in my contribution, certain aspects of the report should have caused concern. I appreciate that the registrar was not a regulator. Nonetheless, alarm bells could have been set off if the report had been looked at more carefully. The report would not have had to be analysed in depth; it could have been looked at superficially.

The Minister of Finance and Personnel: When preparing for the debate, I also asked that question. The Member asked why the Department

did not see that mortgages were involved. However, even under section 20 of the Industrial and Provident Societies Act 1965, those mortgages would have been permitted without being subject to FSA regulation that would have required security on real or personal property. Therefore, even if the mortgages had been seen, there would have been no cause for concern.

The Chairperson of the Committee for Enterprise, Trade and Investment: That is an interesting point. I could be entirely wrong, but the extent to which mortgages were lent by the society was such that anyone looking at the records must have been concerned. That is my point. It might have been legal for the society to provide mortgages, but the extent to which it provided them should have raised concern.

The Minister of Finance and Personnel: I am loath to get involved in a debate on the issue across the Floor without having full knowledge of it. However, the Act is clear that no limits are set and that an industrial and provident society is entitled to make advances of money on the security of real or personal property. Therefore, mortgages would probably not have raised concern.

The other point was that the society would have produced auditor reports, and the auditor would have supplied information to the Department. All the information that accompanied the reports showed that the accounts were not unqualified. They contained no reference to the need for regulation. The directors, who were obliged to report on business events, made no reference to the need for regulatory requirements. The directors' reports gave minimum information about the society's business activities, and the annual returns included a signed statement by a PMS officer to the effect that the company was not accepting deposits under the meaning that is laid out in the Banking Act 1987. Furthermore, the annual returns did not provide information about the frequency or extent to which the society accepted deposits or offered mortgages, or about how the funds were being invested.

I want to emphasise that in respect of all those matters, the registrar's comments on the returns, the comments of the professionals who examined them and the comments of the PMS directors did not give any cause for concern. We could argue all day about whether a mechanism should be in place. The fact is that it was not,

and, therefore, there was no reason to inform the FSA about activities.

Members have asked what has been done to help investors. We need to address that matter. I welcome the fact that, today, every party in the House has indicated that it wants a resolution. Questions have been asked, quite rightly, about why the working group has not reported.

The Treasury report is unfair. It suggests that there was some lethargy in Departments in Northern Ireland and that no action was taken. The First Minister, the deputy First Minister, my predecessor, the Minister of Enterprise, Trade and Investment, some of the best officials in my Department, the head of the Civil Service and I have all worked closely on the issue. No effort has been spared. We fought an uphill struggle because, as Members have pointed out, when the crisis began, the Treasury and the Government said that the issue was none of their concern because the society members were investors rather than savers. Technically, that is correct, and they are still investors rather than savers.

Lord Morrow: The Minister is coming to the important kernel of the matter. He said that every contributor in the House agreed on the need to find a resolution. I will draw the Minister's attention to Jennifer McCann's comments. I do not know whether she spoke in her capacity as Chairperson of the Committee for Finance and Personnel or as a private Member; that is not important. She and others said, quite helpfully, that we need a resolution. I respectfully tell the Minister that, quite frankly, every man and woman in the House expects movement and a speedy resolution to the issue. I ask the Minister to raise the matter at the Executive's next meeting.

The Minister of Finance and Personnel: That is one reason why I am encouraged by today's unanimity in the House. The working group has eventually met to work on various solutions. We faced an uphill struggle from the start. The Treasury simply wanted to wash its hands of the matter, and a commercial solution, which would have involved the banks, was sought. That involves complex legal and financial considerations, and the matter has dragged on because the banks had to conduct due diligence exercises. That was often outside the control of the working group because of the decision to seek a commercial resolution.

That difficult task of finding a resolution has engaged senior members of the Northern Ireland Civil Service and a number of Ministers, and we are working towards that goal.

3.45 pm

I am encouraged by what has been said today. The Executive's endorsement will be required to put forward a plan to the Treasury to resolve the issue. Therefore, the Treasury will be involved. I have taken on board what Members have said, and I hope that the message has gotten through. The Presbyterian Church also has a responsibility to find a resolution to the problem, and I hope that as a result of the concerted and agreed action by Assembly parties, the support of the Government at Westminster and the conversations that we have had with Treasury Ministers, we can work our way towards a resolution.

I understand the urgency. We know that the administrator is under pressure and we know about the problems that individual investors in the Presbyterian Mutual Society are experiencing. Some Members raised issues relating to tax and benefits. I must say that HM Revenue and Customs has been sympathetic where its attention has been drawn to certain cases, and it has been prepared to wait for tax payments relating to money that is tied up in the PMS. All those things need to be done.

I know that Members would love me to spill out a plan to deal with this situation. There are grave difficulties, which is why, I believe, people have expressed frustration. We are limited in what we can say publicly about the issues at hand. Although it may be good for a headline in the paper, and it may be good for a Minister's credibility to be able to say that he is doing this or that, if it does not help to resolve the situation, it would be doing a disservice.

Mr Deputy Speaker: The Minister must draw his remarks to a close.

The Minister of Finance and Personnel: For that reason, we must remain circumspect for the moment.

Mr Beggs: The debate has been worthwhile, and it has been useful to hear the contributions of Members. I declare an interest: my parents have an investment in the PMS, and as a committee member of Raloo Presbyterian Church, I believe that there is a small investment involved there.

Several constituents have told me about the distress that the current uncertainty is causing. I am thinking of one particular family who were in the process of moving home, and who, during that transaction, put the entire value of their home into the PMS. They thought that they had parked the money somewhere securely and were caught up in the situation and lost the value of their home. The situation is very serious for some people, and it must be resolved.

Presbyterians are, generally, fairly cautious investors. I thought that the PMS was largely involved in investing money to enable other Presbyterian churches to renew their premises, and I suspect that many others thought the same. Leslie Cree said that, in the early days, it could easily have been thought that the PMS followed that format and would have fitted the description of an industrial provident society or a credit union. In the early days, it appeared that the PMS was involved in that type of lending. However, it is clear that that changed. Mr Cree said that DETI had a duty other than a simple strict regulatory role. The regulator was receiving information that the society's role was changing.

Surely, DETI had a duty to review the eligibility of the society or, for that matter, other societies? After the collapse of the society, the Department was able to carry out a desk-top study of approximately 180 different societies that fitted that description. It determined that no one else was following that model, and that there was no matter for concern. Why could that type of survey not been carried out earlier?

To reiterate what a number of Members have said: this is not about trying to pin blame on one individual Minister — far from it. Collectively, we are saying that there has been corporate failing in DETI over a long period. I do not want to blame the current Minister. I do not expect her to read every annual report that comes into her Department. However, I would have thought that some official in DETI would have been carefully scrutinising what was happening.

One of the most important conclusions that Leslie came to at the end of his contribution was the idea of needing a guarantee from the Treasury for the Northern Ireland Executive. The Department of Enterprise, Trade and Investment did have a role to play, and we have to accept that. If we want a solution, we will have to contribute to that solution if we have contributed to the problem. Perhaps the Church will have to

contribute. I welcome the Minister's comments that we may be moving towards a firm proposal.

As Members are aware, Gordon Brown indicated that not one British saver had suffered as a result of the financial difficulties. I am thinking of the buy-over of Northern Rock, the Dunfermline Building Society, and the billions of pounds that went into the Icelandic banks. On that scale of things, the £100 million discrepancy in the PMS is not a huge amount of money. Where there is a will, there will be a way of resolving that.

Alban Maginness commented on the Presbyterian Mutual Society working group and how there is perception of a lack of progress there. Certainly, that is how people believe things are. Ultimately, unless there is an outcome, there will be little to show for having had so many meetings.

Members want to hear the outcome, and they want to see a firm proposal going to the Treasury. Mr Maginness also highlighted the financial reports indicating mortgage advances of £174 million and investment properties. Given the increasing valuation of property investment at that time, any reasonable investor should have been taking great care, because what can go up can only come down, which indeed is what happened.

David Simpson tried to defend the Minister by saying that the DUP had set up the working group. However, colleagues indicated to me that the working party was set up as a result of John McFall talking to Woodward in the House of Commons. At that point, it was discussed on the Floor of Parliament. Maybe the DUP is trying to claim for something else that it did not first suggest.

David also tried to put all the blame on DETI. If we proceed with that idea alone, there may be a difficult outcome. It is better that we all accept a degree of responsibility for the role that the Executive, through DETI, may have played. I accept what others have said: the Presbyterian Church, of which I am a member, gave an impression that this was a secure form of funding. The Church has to look at how it can make a contribution towards a solution.

Jennifer McCann said that we should be looking at responsibility rather than blame. However, establishing the degree of responsibility for the problem will dictate the level of responsibility to find the outcome, and it is healthy to have gone into that.

Sean Neeson from East Antrim highlighted how the 2008 report should have rung warning bells about how the society was changing. One useful feature of the Treasury's report is that it highlights the fact that during the period 2002 to 2008, there was an annual increase in turnover of 58%.

Surely anyone who was following that should have recognised that there was a danger that things would go astray. Big changes happened in that period, so it is unhelpful to try to pass responsibility to the Executive of the first Assembly. Let us accept that DETI had corporate difficulties. The situation could have been improved if a prudent civil servant had drawn the appropriate people's attention to the information that existed. However, I wish to leave those comments there.

Jeffrey Donaldson tried to say that the situation was neither DETI's fault nor responsibility. I acknowledge that the Minister of Enterprise, Trade and Investment moved swiftly to enable the society to go into administration rather than into liquidation or face some sort of emergency fire sale. Although that is correct, DETI had some corporate responsibility.

Paul Butler highlighted the individual circumstances of savers, and he discussed how the collapse has caused stress for many people who put their savings or pensions into the society. Jonathan Bell indicated that he had come across people who had put redundancy payments, pensions and money that they had gathered over many years into the society. Those people relied on that money to boost a basic pension in their latter years, and, therefore, the PMS collapse has left some people in very difficult economic situations.

My colleague Alan McFarland highlighted that significant changes had occurred in the PMS since 1982. There was previously a £20,000 limit on investments, but some investors had put almost £1 million into the society. That should have sounded warning bells about how the organisation had changed. He also expressed disappointment at how the Presbyterian Church initially reacted to the difficulty. Mr McFarland helpfully suggested that all sides must acknowledge some culpability so that everyone can contribute to finding a solution.

Mark Durkan indicated that it was not helpful simply to blame the Treasury Select Committee. I met a group of PMS savers recently, and

they were not critical of the Treasury Select Committee. They found it helpful that the Committee had shone a light on the situation by exposing it, and they also found it useful in that it provided an objective point of view and brought evidence out into the open.

I am pleased with the Minister's indication that ideas seem to be coming together.

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

Mr Beggs: We must have concern about many of the report's conclusions and acknowledge that DETI should have done more. I ask Members to support the motion unanimously.

Question put and agreed to.

Resolved:

That this Assembly notes with concern the conclusions of the House of Commons Treasury Committee report 'The Failure of the Presbyterian Mutual Society' and, in particular, the conclusion that "the Department of Enterprise, Trade and Investment should have taken a lead in identifying the problem, and in seeking a solution"; and calls on the Minister of Enterprise, Trade and Investment to advise the Assembly of the reasons why it has not been possible to achieve a positive resolution to date.

Motion made:

That the Assembly do now adjourn. — [*Mr Deputy Speaker.*]

Adjournment

Roof Extensions in North Belfast

Mr Deputy Speaker: The proposer of the topic will have 15 minutes in which to speak. All other Members who speak will have approximately 10 minutes.

Mr A Maginness: I am grateful to the House for allowing the matter of roof extensions in North Belfast to be raised in an Adjournment debate. On the face of it, it does not appear to be a terribly important or vital issue. However, it is an important and vexed issue for people in North Belfast who have extended their homes through roof extensions. Unfortunately, and largely through no fault of their own, some of those people did not apply for, or were not granted, planning permission. As a result, they face enforcement action by planners over what are termed “unauthorised developments”.

I will give a little bit of background to the issue. Over the past 10 to 15 years, a number of roof extensions have been built in areas of North Belfast such as Ardoyne, the Bone and Old Park. In the main, the reason why people have got roof extensions is that they live in two-bedroom houses. Those dwellings became inadequate for the needs of growing families and, in particular, for the needs of older families. When children reached their teens, there was a need for more room in the house. Therefore, people living in areas such as Ardoyne deemed it appropriate to extend their homes. One might ask why those homes were not extended laterally, rather than vertically; it was because of confined space. Many of those homes have long gardens, but to build the house out along the garden would have broken the line and, in addition, room to extend backwards was very restricted. The only really effective answer to the problem of finding more space was to extend upwards.

Given the architecture of many of those homes, height is limited. Extending only into the roof space would have provided only six feet in headroom, which is clearly inadequate for any normal adult. For most houses, therefore, the roof extensions had to extend beyond the ridge,

with the result that the occupants were able to gain an extra room and, sometimes, convert the roof space into a bedroom and a small bathroom. Others chose to have an additional bedroom only.

4.00 pm

Such extensions assisted enormously with meeting the needs of growing families. The costs of the extensions varied from £10,000 to £20,000. The mean figure is roughly £15,000. We are not talking about people who enjoy high incomes. Most of those people are on lower incomes. Money that they have expended, by way of a loan or through the receipt of lump sums such as redundancy payments, was used — usefully, as they saw it — to bring about an increase in the space for their families.

However, many of those who invested in roof extensions did not apply for planning permission. That has to be accepted. No one in this House will argue that those developments are not unauthorised, in the language of the planners. Most did not apply because they were ignorant of the law pertaining to such extensions and were not aware of the need to apply. The builders who carried out the work were either ignorant of the position or did not disclose the necessity for planning permission. Nonetheless, it is accepted that, in the main, those who got the extensions did so unaware of the need to submit a planning application. However, it is accepted that that was wrong and illegal.

The question then arises about what the planners do. The situation has been extant for some time. For at least 10 years, roof extensions were seen as the way for families to increase accommodation. One has to take into account the fact that that was common practice, with which the planning authorities did not interfere. Over the past year or so, however, the planning authorities have acted against those developments, with the result that quite a number of people — the figures vary from 25 to 50, but some say more — have been told to remove the roof extensions.

In a strict application of the law, that is the correct thing to do. However, the law and the planning rules must have some social objective. It is unfair in the circumstances, creates great resentment and causes great social misery if people are being asked to take down those extensions. They cost, on average, probably about £15,000. To take them down would cost

about £10,000. If the planners proceed with enforcement, those individuals face that further expense. They will also lose the initial £15,000 that was spent on creating the extension, so their overall loss is at least £25,000 and they are left with a house that is clearly inadequate for their needs.

Mr K Robinson: I am conscious of what the Member said and about how that situation has arisen historically. However, residents may face a further hurdle down the line even if the Planning Service treated the matter sympathetically. If an owner wanted to pass a house on because it had outlived its use, the building control service may have an interest in the property at that stage.

Mr A Maginness: I am grateful for the Member's intervention. Ironically, in most of those cases, the residents applied for and were granted building control. However, the Member is quite right to say that if residents were compromised by not restoring properties to their original state, their good title would be affected. In other words, they would not be able to sell their homes because no solicitor would convey a property with an outstanding planning permission issue and a continuing enforcement notice. In that situation, they would not be able to transfer good title. Therefore, even if they decided to get out of that terrible situation by selling the house, they could not sell the house because no one would buy it under such circumstances.

People are in a terrible fix. They are told by the planners that they do not have planning permission. At the same time, some applied for retrospective planning permission and were refused.

They proposed various adaptations to the original development, but the Planning Service took a fairly strict line, stating that any extension beyond the roof ridge would result in the refusal of planning permission.

I say to the Minister and to the Planning Service that there must be a common-sense solution to the problem. There must be a design for roof extensions that satisfies planners, permits occupiers to enjoy the benefit of such extensions and solves the problems of good title and enforcement notices. A common-sense solution is required, and it is not right and proper for the planners to stand on the purity of the law and simply say that those residents

have broken the law by failing to satisfy the planning requirements and, therefore, must continue in the terrible mess in which they find themselves. In such circumstances, people with little income who cannot afford to make restoration are being asked to do the impossible. A solution to the problem is possible.

I had informal discussions about the problem with the Minister and with Planning Service officials in Belfast. They are not without sympathy, but there must be a realistic, common-sense solution. We cannot simply stand on the law and apply it rigorously. The proportionate effect of the law on people's lives and on the homes in which they have to live must be taken into account. Moreover, reaching a compromise would be a good social end. I am not saying that the roof extensions should not be modified, but surely the planners could agree to a modification that would enable those people to get on with their life. They will be put to additional expense but not to the extent that I described. Therefore, in those circumstances, the planners will find a solution with which people can comply and which satisfies planning conditions.

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

Mr A Maginness: That will be the basis of a compromise.

Mr G Kelly: Go raibh maith agat, a LeasCheann Comhairle. I thank the Member for securing the debate, which is important to north Belfast residents. Although the problem has been brought forward as a north Belfast one, as planners search proactively, they may find that it extends much further.

Alban Maginness covered many of the relevant points, but I will put the issue into context. North Belfast is an area of multiple deprivation, and, by necessity, people had to expand within the confines of a one-up-one-down house to keep their children at home so that they did not have to go into hostels. The housing list in north Belfast is huge, so it is difficult to be rehoused. The issue has been ongoing for at least 18 months, and several parties, including the SDLP and Sinn Féin, have had meetings with residents and planners. I agree that the planners are somewhat sympathetic, but they, like everybody else, are bound by the law. It was good to hear Mr Maginness — a barrister — saying that maybe we might bend the law a wee bit in the

circumstances and that we should try to find a way for the Minister to do that.

4.15 pm

Householders have been told to return homes to their original condition, which is a hugely expensive undertaking. I will put that in context. Those people may have gone to a credit union, received redundancy payments or whatever. Perhaps they have been able to get some money that they must pay back. Given the nature of the estates that we are talking about — the Bone, Ardoyne and other such places — the amount of money involved is huge. That burden could not come at a worse time than during the current economic downturn. Some of the people who are affected are now losing their job as well as being told to return their home to its previous condition and to pay £10,000 or £15,000 to do so.

We have to consider how this happened. There are a small number of cowboy builders. I am not sympathetic to the view that builders made a mistake in advising residents that planning permission was not needed for roof extensions. Real builders know planning law, and, if they know the law, it is their duty to tell someone from whom they are trying to get money for renovations that planning permission is required. I do not accept that sort of excuse, and builders need to be concentrated on. The cowboys represent a small minority. There are very good builders about who put up very good extensions, but they have to pay a price. Perhaps the Minister will look at how difficult it is for them to do that under current law. An extension is done by a cowboy builder who then uses that as an example of work that caused no planning problems, even though that was because the planners did not know about it. More people then become convinced that they do not need planning permission. I have been told that one builder who is involved in extensions is moving into south Belfast, where he is trying the same moves. He must know that what he is doing is wrong.

The difficulty is that the owner is liable and will bear the expense of doing the much-needed work and returning the home to its original state. As has been pointed out, problems accumulate because roof extensions are built in the first place to deal with a lack of space. It is a cumulative and difficult problem.

I listened to the debate on the PMS and the difficulties that that issue poses for many

people. Most of that argument involves the British Treasury, but the point is to find a flexible way to alleviate hardship. I know that this issue is not on the same scale, but there is a question that we can ask of the Minister: is there a way that we and the Minister, as Members who are elected to help people, can create some flexibility to deal with roof extension issues and the planners? Can we amend the law? Is an amnesty feasible?

I understand absolutely that, if there is a health issue, if wiring is wrong and there is a danger to occupants, that cannot be allowed to continue. I also know that one of the other acceptable planning restrictions is aesthetic: the line of the houses in a given area must be adhered to and cannot be broken. However, I argue that the real issue is health and safety. As long as health and safety is not compromised, is there a less expensive way of assisting people to deal with the issue?

I understand that the Minister will not want to set a precedent that allows people or builders to think that there is an open door to allowing such work to be carried out everywhere. I do not think that anybody is arguing for that. We must create a situation that allows people to deal with the issue without getting into massive debt. We must then find a way to ensure that cowboy builders cannot tell people lies about the great extension work that they can do on their houses. In the past few weeks, my colleague Fra McCann, who is Sinn Féin's housing spokesperson, wrote to Minister Poots, as did other parties.

A number of issues are involved, one of which is unscrupulous builders. We must find some way of dealing with them. I do not know whether that can be done in these cases, but, in the future, the liability must be transferred from the homeowners to those who give false advice or pretend that they do not know planning law. We must be proactive on that matter.

The planners are sympathetic, so we should try to use that sympathy. Nobody is advocating breaking the law, but perhaps it could be amended. If some flexibility meant that people would have to spend much less than is currently the case to return their house to its former state, that would go a long way to help. Sometimes, we do not have much power to help people in such circumstances. I am sure that the Minister will speak about that. In these circumstances,

however, we can find a way to be less strict on the implementation of planning laws. People need time to get through the situation.

Ms Ní Chuilín: Go raibh maith agat, a LeasCheann Comhairle. I commend my colleague Alban Maginness for securing this important Adjournment debate. I welcome the Minister's presence and that of Members from other constituencies. Somewhere down the line, I suspect that we will all find ourselves in a situation in which we are trying to help residents to feel a sense of having received social justice. It may not be through the type of roof extensions about which we are talking or through planning, but it is something that we will face as elected representatives.

Alban Maginness and Gerry Kelly outlined the housing situation in north Belfast. The issue has been raised during other debates in the House. That area has the worst waiting list in the entire North. The particular stress in north Belfast is on family homes because families are growing. Historically, the housing shortage led many families to build up rather than move out, because moving out, to be honest, was not an option. For reasons that all our constituencies share, people rely on their extended family for support, to enable them to go out to work and so forth. On most occasions, people simply could not afford to move.

The people affected have done their best to improve their homes to accommodate their growing families. Any of us who have reared or are rearing children knows that kids need much more space as they grow up. As anyone who has memories of teenagers or kids growing up will know, that may even mean space to allow some peace of mind in the house. The issue has not arisen through people trying to make their house more outstanding than the one next door but through their attempt to accommodate the practical needs of their family.

I am sure that the Minister will remark on the fact that he received correspondence on the issue and has dealt with it recently. Gerry Kelly and Alban Maginness made a strong case about the cost to the families. It is no joke: it will cost anything from £20,000 to £30,000 to put right, and those families simply do not have that kind of money.

Mr F McCann: I have spoken to the current and previous Minister about this issue. I am sure that the point has been made to the Minister

that many of the people we are talking about are severely financially stretched. Many of them are in low-paid jobs and took out second mortgages to get the work done. Given the waiting list, their only options were to build up or move out. In the conversations that the Member and I had with some of the planners, we detected that, if they were given the option, they would be prepared to show a degree of flexibility. However, they deal purely on points of law.

Gerry Kelly and Alban Maginness touched on one of the problems, which is that builders have totally misled people. One option that we looked at in Belfast City Council was getting building control officers to ask people whether they had planning permission so that people were aware that they had to apply for it. However, that option would not affect anybody who has already built a roof extension.

Some cases that we have dealt with involve people who moved into their house when they had two children and who now have eight. They had no option but to build up. However, they face financial ruin because they will have to try to borrow money from somewhere to have the extension removed or move into a family hostel to try to get rehoused. It has a knock-on effect not only on the people who live in the house but on the pressure on waiting lists. It is not only a Belfast phenomenon or a north Belfast phenomenon. I have spoken to the Minister about it, and it stretches throughout the North. Does the Member agree with that?

Ms Ní Chuilín: "Yes" is the short answer to that lengthy intervention. Ivan Little would be proud of you for being able to say the word "phenomenon" without three or four retakes.

All joking aside, the issue that Fra raised about cost has been raised by everybody: it is a huge cost and a massive burden to put something right. We know the families involved, and we know the communities that we represent. I do not think that anybody is trying to pull a fly one. No one is trying to pull a move by saying, "It is built now; what are you going to do about it?". People are very worried. It is putting massive stress on them, and many of them have been poorly advised.

A moratorium or some other flexibility would be welcomed not just by Members for North Belfast but by everyone because it is an issue that affects many families. We are asking for a social justice approach to be taken to ensure

that the families concerned will not be further disadvantaged. Nobody is supporting them in breaking the law, but they did not know that they were breaking the law. None of us supports the idea that we should ignore an unstable extension, and that is worth repeating.

As Gerry Kelly pointed out, there have been other debates where people thought that it was totally impossible to reverse a decision or to support people who are going through a difficult time. Indeed, we discussed the Presbyterian Mutual Society earlier. However, that is what this House is for: to help people who cannot help themselves. I look forward to hearing what the Minister has to say. Hopefully, he will take a flexible and supportive approach, particularly for families who are preparing to go to court for enforcement.

The Minister of the Environment (Mr Poots): I thank the Member for North Belfast for raising the issue through the Adjournment debate. It is an issue that he has sought to address with me on a number of occasions. Other Members have also raised it with me, and I have sought to supply answers to those who raised questions individually. I welcome the opportunity to provide some background and up-to-date information in so far as that is possible.

The issue raised today is specific to the Ardoyne area of north Belfast, but it applies to other areas in Belfast, including Newtownabbey and Castlereagh. There are 70 cases of unauthorised roof extensions, more commonly referred to as dormers, at various stages of investigation. As has been pointed out, many of the occupiers extended their home in that manner without the benefit of planning approval. However, I recognise that many of them had building control approval — it is always important to have such approval — but they were blissfully unaware that they required planning approval. Perhaps the advice that they received from their agent or builder was flawed.

That is not the responsibility of the Planning Service. Nonetheless, the problem rests with us to some extent, and that has created its own problems.

4.30 pm

Conversions of roof spaces are a common occurrence, particularly in the traditional small, terraced houses in the city, where they offer the opportunity of providing extra accommodation

space for growing families. The Planning (General Development) Order (Northern Ireland) 1993 allows minor additions and alterations to be undertaken to properties without the need for planning permission. Perhaps that is where some of the difficulties have arisen. There are permitted development rights for roof-space extensions. However, as is the case with all permitted development rights, there are exceptions. One key exception is that any alteration to the roof line at the front of a dwelling needs planning permission, but some extensions to the rear do not. Therein may lie a potential solution for some of the individuals involved.

The majority of the current investigations in the Ardoyne area are for unauthorised extensions to the front of dwellings or, in some cases, extensions that span the whole of the roof. Some of those extensions are obtrusive; have an impact on the dwelling and the wider streetscape; are constructed in contrasting materials to the dwelling; and are out of keeping with the general area. That is a major issue for the Planning Service. Planning officials who are investigating those cases have had them brought to their attention by members of the public. The Planning Service has not gone out looking for them; members of the public have reported them to the Planning Service, which has followed up on those reports. Some of those people have gone through the proper procedures to gain planning approval, or, perhaps, have had planning applications for similar extensions turned down. We need to ensure that everyone involved is treated equally.

I mentioned earlier that current investigations are at various stages, and the enforcement team in the Belfast division has entered negotiations with householders to try to regularise the position and make the unauthorised structures acceptable. Pursuing formal enforcement action is not something that the Department takes lightly; it is not how we wish to resolve matters. In fact, we prefer to use it as a last resort. If there is an opportunity, therefore, to resolve the case or to make acceptable an unauthorised development, staff will negotiate and give guidance to the public. Bearing in mind what I said earlier about planning permission being required for dormers to the front of buildings but not always for dormers to the rear of buildings, there may be the opportunity to leave a lot of the internal structures intact and to put the roof back to its original condition at the front of the house

and put the dormer extension to the rear of the building. There will be an expense involved, but it would regularise matters.

There are situations in which, unfortunately, the only course of action is to request the removal of unacceptable and inappropriate development. Unfortunately, that has been the case in a number of properties in Ardoyne, as well as in other parts of the city. The Planning Service has served around 20 formal enforcement notices requesting the removal of unauthorised roof extensions. The Planning Appeals Commission has become involved, because members of the public have sought to have some other process whereby they could have their cases heard. As an independent body, it has dismissed those appeals and supported the Department's stance.

Enforcement of planning control is an integral and vital part of the planning system, and it cannot be ignored. To extend a property without regard to the need for planning permission is not within the planning law and is, therefore, wrong. Guidance is available for householders in the Planning Service's publication, 'Your Home and Planning Permission', and Planning Service staff are available to provide advice and guidance. The public should avail themselves of all such guidance when proposing to carry out a development and ensure that the advice that they are receiving from agents or builders is correct.

I have considerable sympathy for the individuals who are involved, most of whom are ordinary people with families who are, probably, on limited incomes; they simply want to ensure that their homes are suitable for and meet the needs of their families. The Department is, however, caught on the horns of a dilemma — not for the first time and, I am sure, not for the last — particularly when roof lines have been altered, which has significant impact on streetscapes.

I have sought to indicate that, wherever possible, the Department will seek to accommodate extensions through regularising the process and identifying amendments and modifications that can be made to bring them into line with planning regulations. However, in a number of cases, we will not be at liberty to do that under present arrangements. I am aware that people have spent a great deal of money on their homes and will be extremely unhappy if they have to spend a considerable amount of money to undo that work. If the Department can help, it will seek to do so.

Mr A Maginness: Will the Minister and his officials in Planning Service consider a design model that would be useful in adapting existing unauthorised roof extensions? Would that be a helpful way forward? Although I appreciate that the Minister has emphasised that negotiations have taken place between applicants and planners, to my knowledge, those negotiations have failed in most instances. Therefore, the situation will continue to fester until a model is devised that is acceptable to planners and which also accommodates those people's needs. I ask the Minister to consider that seriously. Such compromise is the only way forward in that difficult situation.

Finally, when someone who has limited or no income is taken to court and an enforcement notice is upheld, how can that person remedy the situation? What will planners do when someone says that he or she simply cannot put unfinished building work back together again? In those circumstances, how does that help to value and uphold the law?

The Minister of the Environment: Unfortunately, Planning Service cannot deal with people's personal circumstances; that is not within its gift. However, the Member makes a valid point, which is that, basically, someone can be put on the street because he or she has started work, is fined for doing so, and cannot undo that work. As I indicated, he or she might have limited income and, therefore, cannot undo the work. That person's house has no value because it is illegal to sell it. All of that is hugely problematic.

The first issue that the Member raised was whether an acceptable model could be found. I would be happy if the Member and other colleagues met senior planning officials in the Belfast division to see whether there are means of dealing with that issue. As I say, it is not my desire or that of Planning Service to deal harshly with people. We want an outcome that is to the wider community's benefit.

Although certain planning problems will be insurmountable, let us see whether we can find a way through on that matter so that people's homes, which are extremely important to them, are not removed from them as a consequence of decisions that we have taken.

At the same time, we can ensure that good planning policy prevails in the city and that streetscapes, many of which have existed for many years, are treated with respect. Let us

also send a clear signal to others who may be considering a roof-space extension that they must be sure to follow due process and carry out any work in a way that conforms to planning requirements. I trust that this debate will help to highlight the issue so that others do not find themselves in the terrible situation in which many currently find themselves. That is as far as we can go today, and I trust that the meeting that Mr Maginness suggested will take place in due course.

Adjourned at 4.40 pm.

