
Northern Ireland Assembly

Monday 21 June 2010

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

Members observed two minutes' silence.

Matters of the Day

Saville Report

Mr Deputy Speaker: Mr Raymond McCartney has sought leave to make a statement on a matter that fulfils the criteria set out in Standing Order 24. I will call Mr McCartney to speak on the subject for up to three minutes. I will then call representatives from each of the other parties, as agreed with the Whips. Those Members will also have three minutes in which to speak on the matter. There will be no opportunity for interventions, questions or a vote on the matter. I will not take any points of order until the item of business has been concluded. If that is clear, we will proceed.

Mr McCartney: Go raibh maith agat, a LeasCheann Comhairle. I want to extend our continuing solidarity and support to the Bloody Sunday families and to all those who seek truth and justice. Tony Doherty, whose father, Patrick, was one of those murdered, said on the steps of the Guildhall last Tuesday that he had been waiting 38 years to hear the words “unjustified and unjustifiable”. The truth had finally come home. He spoke on behalf of the families, of all those who marched on Bloody Sunday and of all those who campaigned to have the truth set free. The Saville report lays bare the great lie of Bloody Sunday, when the British military, political and judicial establishment came together to turn those without blame into the accused and to exalt and honour those responsible for murder and perjury.

Last Tuesday, without equivocation, the dead and the wounded were exonerated, their innocence declared. Those responsible, the British Parachute Regiment and its masters, were deemed guilty and dishonoured. Those of us in the Guildhall and in Guildhall Square witnessed and shared in the triumph of justice

over injustice. We stood in admiration of those families as they displayed great generosity in moments of great emotion. That generosity was epitomised by their response to the British Prime Minister, David Cameron, who had apologised without equivocation for the British Government and state. Their generosity was reciprocated by Bishop Ken Good, the Moderator of the Presbyterian Church, Norman Hamilton, and the President of the Methodist Church, Paul Kingston, when they met the families at the Bloody Sunday monument on Wednesday morning. Many others, including the First Minister, may have held a different viewpoint but now accept the findings of Saville, and that is how it should be.

The Saville report concluded that those who marched for justice and civil rights on 30 January 1972 were vindicated. The closing words of Tony Doherty’s address echoed the words on one of the panels in the Museum of Free Derry that tells the story of Bloody Sunday:

“No one who struggles for justice is a stranger here. No one who dies in the struggle for justice is forgotten here.”

Mr Campbell: The events of 30 January 1972 were, undoubtedly, a tragedy for those who lost their lives and their families. Several months ago, before the Saville report had been published, I expressed that position during an Adjournment debate. That was the one point of unanimity that spanned the political spectrum. For many years, some of us have questioned the wisdom of setting up the Saville Inquiry to investigate an incident of some 30 years’ vintage. The fact that it cost nearly £200 million is deplorable and scandalous. Unfortunately, Saville did not lay out in detail why troops were on the ground that day — Saville did not, but we will.

There are those, some of whom are in the Chamber today, who are trying to rewrite history.

They try to suggest that the violence that lasted for some 30 years started with Bloody Sunday. They do so in an attempt to confer some form of bogus legitimacy on their campaign of murder, which preceded that day and continued long thereafter. We will continue to ensure that the truth is told about the violence that engulfed our country for so long.

The truth is that murder, mayhem and terror were rife before 30 January 1972. In the two and a half years that preceded that day, one hundred people were murdered across Northern Ireland. In the four weeks before that day, in Londonderry alone, violence was carried out by the various factions of the IRA. There were nine separate bomb attacks on commercial and security force premises, six separate shooting incidents, including an 80-minute gun battle, and a number of gelignite and nail bomb attacks. Much of the city lay in ruins; we did not need Saville to tell us that.

There was also the despicable and cowardly murder of two policemen. One of the weapons used that night was a sub-machine gun. I have repeatedly said — it remains the case more than 30 years later — that we will probably never know the truth of all that transpired on that day. Long before the Saville Inquiry, one participant sought refuge in not answering questions and did so again while in the witness box. Almost all of us want to move on and put the past behind us, and we must do that. However, some people seem unable to own up to the many bloody days of their past.

Sir Reg Empey: Last week's publication of the Saville report was ultimately about the families who lost their loved ones on 30 January 1972. The conclusions reached by Saville will, I hope, bring closure to those families after 38 years. It should also bring closure to wider society. Those who have sought to use those events to justify terrorism were refuted by Saville's findings, above all by his judgement that neither the Westminster Government nor the Stormont Government intended the Army to use lethal force on that day.

The bloodiest year in the history of the Troubles was 1972, when 496 people lost their life. Behind that statistic, sobering as it is, are many hundreds of families whose lives were cruelly shattered by the violence that was unleashed on our society. Without detracting from the loss of the Bloody Sunday families, it would be an

injustice for the House not to acknowledge that many more families in Northern Ireland carry the scars of their loss, and, in recent days, they have felt abandoned and forgotten.

The response in some quarters to Saville has resulted in difficult questions being posed for us as a society. Any proposal of a truth recovery exercise has been utterly compromised by the response of the deputy First Minister and the republican movement. The cherry-picking and the inability to accept key findings of Saville suggest that republicans are still incapable of coming to terms with or providing an honest account of their role in the Troubles. They campaign for more inquiries in order to provide justification for their terrorism. I do not hear them campaigning for an inquiry into the events of 27 and 28 June 1970, when the IRA killed two innocent men — Jimmy McCurrie and Bobby Neill — on the Newtownards Road in Belfast.

Last week, the Prime Minister said that there will be no more open-ended and costly inquiries into the past. I entirely endorse that view. A grievance-factory approach to the past will undermine any prospect of a shared future. Acknowledging the loss experienced by too many families during our Troubles, while paying particular gratitude for the sacrifices made by the RUC and the Army and leaving questions about the past to the Historical Enquiries Team (HET), it is time for us to move forward to build our shared future. However, that will not be done if people persist in trying to manufacture inquiries purely to justify their terrorism over 38 years. There is no justification for it; there was no justification for it; and, as far as I am concerned, I hope and pray that our Government will not concede to those further demands.

Mr Durkan: It is appropriate that we take time in this Chamber to mark the very significant publication of the Saville report and the clear, unequivocal apology that was given by David Cameron, the British Prime Minister. It is important that we do so in this Chamber, Mr Deputy Speaker, because, on 1 February 1972, this Chamber heard other words about Bloody Sunday, of which I have some samples. One Member said:

"I think the security forces were justified in taking strong action against these gunmen and these bombers and others who were out to make trouble in Londonderry on Sunday."

Another Member said:

“The paratroopers went in to make arrests after the parade ban had been defied, after the people taking part had been turned away from the barricade, after a cap had been knocked off a policeman, and they had been fired upon.”

Another Member said:

“I cannot help but say that no matter what the law had been last Sunday ... it would have ended in violence and disorder because those who are behind this campaign sought disorder and were prepared to see their own supporters die.”

He also said:

“While one should not prejudge the results of the inquiry that is unfortunately now to take place, nevertheless it can be said with some confidence that a number of those who died on Sunday were the victims of I.R.A. gunmen.”

The Chamber also heard a Member say:

“I am glad that the Prime Minister and all his supporters are behind the men of the Parachute Regiment who went in to arrest the stone-throwers”.

That Member also said of the soldiers:

“They were ordered to fire only at those who were armed or were throwing bombs, and they obeyed their orders. It gives me great pleasure—that is, if there can be any pleasure in such circumstances—to realise that the men who have been blamed throughout the world are being cleared by this House.”

It is important that this House now clears the name of those whom this House blamed on Bloody Sunday. I know that it was a different House then, but it was in speeches within the walls of this Chamber that the people who organised the march were being blamed and the people on the march — the victims — were being blamed, while the people who carried out those killings, who now stand condemned by Saville, were being praised and cleared by this House.

It is important to recognise that this is a huge achievement for the families of Bloody Sunday and all who have supported them. It is also an achievement for the wounded who fought the battle to prove their innocence. Last week was a step towards justice, but it was also a step towards reconciliation, and we saw that by the very welcome actions of the three Protestant church leaders the following day. That gesture of reconciliation, of acknowledgement of innocence

finally vindicated and of reaching to a future should inspire all of us in this House, but —

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

Mr Durkan: We should do that mindful of all the innocent victims that there have been in these Troubles, not just victims on Bloody Sunday but the many victims that there have been from Bloody Sunday.

12.15 pm

Mr Ford: There is absolutely no doubt that the events of last Tuesday were hugely significant. There was significance in the publication of the Saville report, which, as an official British government report, clearly stated that those who died or were injured in Derry on Bloody Sunday were innocent. The report may not have used that word, but it was entirely appropriate that the relatives chose to use it.

Last Tuesday was also significant because the present Prime Minister of the United Kingdom was prepared to acknowledge the wrong that was done, and he spoke in very generous terms, which I believe can help to promote the partnership and reconciliation that this society so badly needs. His comments were unlike the quotations that Mr Durkan just gave us. In a democracy, it is absolutely right that state organisations should be judged by the highest standards. Indulging in “whataboutery” does nothing to help that situation.

It is welcome that we have seen the difference that 38 years have made and what is happening in this Chamber to cement that difference into practice. Nonetheless, even as we seek to establish a different way of working in this Building, we know that, in the wake of the Saville report, other families are still suffering; they do not have the comfort that the relatives of those who died in Derry on Bloody Sunday now have as a result of a full inquiry and exoneration. The practical reality is that we will never be able to give a full process of inquiry to all those who suffered and to the relatives of all those who died. That sense of loss will not be diminished by the knowledge that others received justice.

In the wake of the Saville report, there is a clear need for us to begin to address a range of legacy issues in a way that, up to now, we have not done. That is a task for the Assembly, which represents the entire community; for civic

society, in particular the churches, and in recent days we have seen signs of that being done by the churches; and for the UK Government, who retain aspects of responsibility for dealing with the past.

Last year's report by the Consultative Group on the Past set out proposals that afford us some opportunity to deal with outstanding issues. The report focused a great deal on reconciliation and information recovery, and it is a great pity that those who took offence at a particular aspect of the report have been unable to look at it in the round and at the possibilities it contains, because, in the absence of the report, the Historical Enquiries Team, which is the only body that we currently have, is incapable of meeting the needs of all victims. It is time that society, together, engaged in the process of reconciliation and building a new way forward.

Aughnacloy Bomb Alert

Mr Deputy Speaker: Lord Morrow has sought leave to make a statement on a matter that fulfils the criteria set out in Standing Order 24. I shall call Lord Morrow to speak for up to three minutes on the subject. I shall then call a representative of each of the other political parties, as agreed with the Whips. Those Members will also have three minutes in which to speak on the matter. There will be no opportunity for interventions, questions or a vote on the matter, and I will not take any points of order until the item of business has been concluded. If that is clear, we shall proceed.

Lord Morrow: As someone who was born a small number of miles from Aughnacloy, I look on the area as my neighbourhood. Those responsible for the assault against the forces of law and order are, to say the least, beneath contempt. They want to drag Northern Ireland backwards into death and bloodshed, and I know that the whole community in Aughnacloy and, indeed, throughout this part of the United Kingdom is determined that they will not succeed. They want to plunge Northern Ireland back into misery and suffering, so, for the sake of this generation, everyone in the House must ensure that that is not allowed to happen.

A 300 lb bomb in Aughnacloy had the potential to kill and maim many innocent people, including police officers, and to destroy many homes and businesses. I am in no doubt that that is what the criminals wanted. Fortunately, due to the professionalism of the police and the Army, they failed. I publicly pay tribute to the community in Aughnacloy for how it dealt with the attack. In particular, I pay tribute to the local churches, the Red Cross and the Loyal Orders for opening their facilities to those who had to vacate their home in the middle of the night. That was a real demonstration of community spirit.

The DUP will continue to support the police as they work to put those criminals out of business. Everyone in this House must join together in that fight. No one wants to return to the days of crowds walking behind the coffins of innocent people murdered by terrorists. I strongly appeal to the House today to show unequivocal support to the forces and agencies of law and order. Let there be no ambiguity in anything that anyone says here today that would give those terrorists some comfort in the fact that they are now allegedly fighting a war.

We know who taught those people their skills. We know where they got their skills from. It is time for this House to stand up united and say that enough is enough. We now look to the Minister of Justice for new measures to ensure that the cancer of terrorism does not take over, as it has done for the past 35 years.

Ms Gildernew: Go raibh maith agat, a LeasCheann Comhairle. I apologise to the House for not being here at the beginning of Lord Morrow's contribution. It is breastfeeding awareness week, and I was at an event in Dungannon.

I put on record my condemnation of the attempted bomb attack in Aughnacloy last week. As Lord Morrow said, there has been huge disruption. A lot of people have been affected, including elderly people who were put through the trauma of being evacuated from their home and had to spend the night in temporary facilities and parents of young children who were in bed sleeping when the call came to get out. I know one family whose children had a school trip the next day. They did not have time to get anything organised or gathered up. It really was a huge disruption.

I am extremely glad that nobody was injured or killed in the attempt to blow up Aughnacloy barracks last week. I am very grateful that it was not successful. It shows that there is still certainly a difficulty in areas like Aughnacloy and others. I assure the House that there is no equivocation in my condemnation of that event. Maurice Morrow made a comment about people being taught their skills. The past decade and more has shown that we have been leading the way politically in trying to ensure that attacks like this do not happen in the future. There is an onus on all of us to make politics work and ensure that politics is seen to be working.

I will continue, like others in Sinn Féin, to play my part in moving us towards a peaceful society. The people who carried out this attack have no support in our community. I hope that it is the last attempt of its kind that we see. Everybody in Aughnacloy deserves praise for the way in which they handled what happened. They dealt with it with good grace. I am extremely glad, as MP for Fermanagh and South Tyrone, that the attempt was unsuccessful. I unreservedly condemn it.

Mr Elliott: I thank Lord Morrow for raising this matter in the House this morning. I put on

record the Ulster Unionist Party's condemnation of those who, last Thursday evening, went about an attempt to murder and create destruction in the town of Aughnacloy. Thankfully for everybody in this society, they did not succeed.

It was an absolute disgrace that the local residents had to spend so much time out of their homes because of the attempt. Lord Morrow and I spent quite a long time in Aughnacloy on Friday with those residents. I pay tribute to them for how they dealt with the matter. They were put under extreme pressure, and, like Lord Morrow, I thank the community associations, the churches and the Loyal Orders for making their premises available. It was also a disgrace to see young children — I spent some time with one who was only a couple of weeks old — who were out of their houses for almost 24 hours because of the situation.

It is time that these people woke up to the reality of this society. The people who tried to do this are failures to their own community and to the entire community. It is time that they recognised that. I will go slightly further and say that there are people in that dissident republican organisation who have former colleagues in this House — in Sinn Féin, to be absolutely clear. It is time that the House went further than condemnation: it is time that those former colleagues started giving appropriate and useful information to the security services in the Province to allow them to deal effectively, once and for all, with those republican terrorists, who are not wanted in this society. I say again: they are a failure, we do not want them, and it is time that they got offside.

Mr Gallagher: In joining in my party's condemnation of the incident, I express my sympathy to the people who had the frightening experience of learning that there was a bomb in the area. Those people, who included very young children and some elderly members of the population, had the distressing episode of having to leave their home for about 24 hours. Also during that 24-hour period, many hundreds of people who travel daily to and fro through Aughnacloy going either north or south to their work were inconvenienced.

Abandoning such an explosive device was an act of madness and completely irresponsible behaviour. Had it not been for good fortune and divine intervention, lives would have been lost. This kind of violence is pointless and futile. We

all know that it has been rejected by the vast majority and by all the elected representatives in the Assembly. Those carrying out such actions still claim that it is the means to achieve a united Ireland, but their tactics and methods will never achieve a united Ireland. We must all use the democratic process to build a new Ireland that will accommodate all our different identities, cultures and nationalities.

Dr Farry: I thank Lord Morrow for bringing the matter to the Floor of the Assembly. I do not represent the Fermanagh and South Tyrone constituency, although it is an area that I know well. I want to make the wider point that these attacks can occur and have occurred right across Northern Ireland. Recently, there was a bomb attack on Palace Barracks in Holywood in my constituency.

In responding to these incidents, we must acknowledge that they are indiscriminate and have the potential to cause massive damage and considerable loss of life. I acknowledge that there is great solidarity in the face of adversity in those communities across Northern Ireland, not least in Aughnacloy, which is backed up by their local representatives. We can take great pride in that. It was a similar type of pride that kept this community going through the darkest days of the Troubles that we hope are, mainly, behind us.

There are three types of response that society needs to show the dissident republicans. First, we need a political response, which is best seen through a unity of purpose in the Chamber, in ensuring that politics works and can make a difference in this society. In doing that, we suck away any oxygen of grievance that those people can cling to in trying to build up their support in communities.

Secondly, we need a policing and security response. We must ensure that we give the police their rightful place as the lead force for taking those people on. We must ensure that the proper resources are available to the Chief Constable, on the basis of his professional judgement of what is effective and what works, and that there is an intelligent and smart approach to tackling these dissident republicans.

12.30 pm

Thirdly, we need a civic and community response. We must encourage our communities to show solidarity and to rally round and lead

those who are being led astray back to the correct course and towards supporting the rule of law, democracy and human rights. We must be aware of when young people in particular are being exploited and be prepared to intervene to show them the error of their ways. They must not be allowed to fall under the spell of people who want to lead them into a life of misery and to bring further misery to our community.

Mr McHugh: Go raibh maith agat, a LeasCheann Comhairle. Like all the other Members from Fermanagh and South Tyrone who have spoken, I condemn this incident out of hand. Similar events have taken place, and the misguided individuals who are using the bomb and bullet must realise that those tactics have now passed and there is now a new direction. All sides of the community no longer want any one particular winner; they want to move forward through politics, and there are enough political representatives in all areas to do that. The vast majority of the population wants that and does not support such attacks.

My heart goes out to the parents, children and elderly people who had to leave their homes for a long time as a result of the bomb alert. It caused a particular problem as this is a holiday time, and, because things have moved so far forward, the children who were affected did not understand why it had happened.

The misguided individuals who were responsible may have some notion of republican rebellion, but that no longer counts. That approach has gone with the wind, and the only way that they can help is to drop it entirely. There is no room for it any more or any possibility that anything like it will progress us one millimetre towards a united Ireland. Anyone who analyses the situation will see that that is the case.

These attacks affect tourism, jobs and future investment; they do nothing to help us. There have been problems with the attributing of blame for other attacks such as that which took place in Armagh earlier this year. I hope that no one will try to make political gain from these attacks.

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

Mr McHugh: I will.

The time that it takes to bring the place back to normal is very important to people. I condemn the incident outright.

Assembly Business

New Assembly Member: Mr Paul Frew

Mr Deputy Speaker: I wish to advise Members that the Speaker has been informed by the Chief Electoral Officer that Mr Paul Frew has been returned as a Member of the Assembly for the North Antrim constituency to fill the vacancy resulting from the resignation of Mr Ian Paisley Jnr. Mr Frew signed the Roll of Membership in the presence of the Speaker and the Clerk/ Director General in the Speaker's Office this morning, Monday 21 June 2010, and entered his designation. Mr Frew has now taken his seat and is welcome.

Executive Committee Business

Suspension of Standing Orders

The Minister of Justice (Mr Ford): I beg to move

That Standing Orders 10(2) and 10(4) be suspended for 21 June 2010.

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

Question put and agreed to.

Resolved (with cross-community support):

That Standing Orders 10(2) and 10(4) be suspended for 21 June 2010.

Mr Deputy Speaker: The motion has been agreed and today's sitting may go beyond 7.00 pm if required.

Ministerial Statement

Review of Prisons

Mr Deputy Speaker: I have received notice from the Minister of Justice that he wishes to make a statement.

The Minister of Justice (Mr Ford): With permission, Mr Deputy Speaker, I wish to make a statement on the review of the conditions of detention, management and oversight of all prisons. As the House will be aware, the review is an action that was identified in the Hillsborough agreement of 5 February 2010 for inclusion in the addendum to the Programme for Government. Although I gave the Committee for Justice a summary of my intentions in regard to the review when I appeared before it, it is right that I should report its composition and terms of reference in the Chamber.

Although I am open to suggestions from the review team on the modification of the terms of reference, the terms as I will present them to that team are as follows:

"To conduct a rolling review, in line with the agreement at Hillsborough Castle of 5 February 2010, encompassing the conditions of detention, management and oversight of all prisons. The review is to report to the Minister of Justice.

It is envisaged that the review will consist of several stages. The first will include a review of the regime at Maghaberry Prison. That will take account of: recent reports on Maghaberry (including the Criminal Justice Inspectorate Northern Ireland /Her Majesty's Chief Inspector of Prisons inspection and the two Pearson reports); developments in both the integrated and the separated regimes already in place and previous reviews of the regime; the development plans already in hand by the Governor of Maghaberry, in consultation with Prison Service management; and NIPS management's programme for Workforce Reform and associated projects.

Second, the review will cover the remaining matters identified in the Hillsborough Agreement, building on the work achieved in the first stage. It is envisaged this stage may be in two strands. One strand would include: issues specific to Magilligan Prison, including particularly the replacement of the prison recognising that much of the accommodation and infrastructure is not fit for purpose; and issues at Hydebank Wood relating in particular to the development of the strategy for women offenders including the scope for a discrete facility, and developments in relation to juvenile

offenders at Hydebank Wood in liaison with the Youth Justice Agency.

The second strand would consider wider issues affecting the future development of the Northern Ireland Prison Service, including its future composition and its culture and ethos.

The Review Team will draw on the extensive body of work that has been undertaken by the Criminal Justice Inspectorate in its consideration of the current issues facing the Prison Service. The Chief Inspector of Criminal Justice will also act as an adviser to the Review on these issues, including the current review of governance.

In all its work, the Review Team will wish to take the views of the full range of stakeholders, including prison management, staff, trades unions, prisoner fora and other prisoner representative groups, and the Assembly Justice Committee. It will also be informed by developments in Prison Services across these islands.

It is envisaged that the first stage of the review should be reported to the Minister by autumn 2010 and the second stage by early 2011."

I have sought to ensure that the review team has expertise and input from across these islands. The review is an opportunity to examine the issues innovatively and to draw on best practice more widely. Accordingly, I am delighted that Dame Anne Owers has agreed to chair the review team. For the past nine years, Dame Anne has served as HM Chief Inspector of Prisons, and she will commence her new role when she steps down from that position shortly. She brings to the review a wealth of relevant experience, not only as Chief Inspector of Prisons but from the range of other positions that she has held.

Dame Anne Owers will be joined by Mr Phil Wheatley, who is the recently retired director general of the National Offender Management Service. Prior to holding that position, Mr Wheatley was director general of HM Prison Service, following an extensive career in that service.

Professor Fergus McNeill, who is a professor of criminology and social work at Glasgow University, has also agreed to serve on the review team. He brings to the team his distinguished experience as an academic and as a practitioner in the arena of offending and criminal justice.

Paul Leighton, who retired as Deputy Chief Constable of the PSNI last year, will also join the team, bringing his experience of the Northern Ireland criminal justice system and of the change programme that our policing service has undergone.

The final member of the review team is Ms Clodach McGrory, who recently completed 12 years as a sentence review commissioner. Ms McGrory is a parole commissioner. Previously, she practised at the Northern Ireland Bar, and she has served as a member of the Standing Advisory Commission on Human Rights and the Irish Human Rights Commission.

Although I have announced the team today, it will not formally start its work until July. As you can see, Mr Deputy Speaker, it is an impressive team with a very important and wide-ranging remit. I know that the team will want to take the views of as wide a range of interested parties as possible, not just from those in Northern Ireland. I have, however, asked the team to deliver the product in two stages, as I am keen to maintain the momentum. I trust that the work of those experts will enable us all to achieve a new consensus on the role of custody and its management as the Prison Service and the wider system emerge from the legacy of the past.

Let me emphasise a few key points. First, I am not announcing today a review that will specifically focus on separated conditions of detention. It is important that the issues that are represented by only 5% of the total prison population are considered in the wider context of all those who are in custody. Secondly, I agree with the director general of the Prison Service that the current arrangements for women at Hydebank Wood are not appropriate for the longer term. It will be important for us all, guided by the review team, to think creatively to find ways to improve the current arrangements within the likely available financial envelope. Thirdly, it remains essential for Prison Service management and the Prison Officers' Association (POA) to work together to progress the development of the service while the review is ongoing. I will not allow the review to distract the Prison Service's attention from the many pressing actions that already await implementation following previous reports by, for example, the Criminal Justice Inspectorate and the Police Ombudsman.

Finally, I emphasise my earlier point that the review is an opportunity to enable us all, including all of us in the Assembly, to achieve a new consensus on how our Prison Service should develop for the future. I have described the devolution of justice powers as an opportunity to reshape the justice system to meet the needs of Northern Ireland for the decades that lie ahead. This review is part of that project. Therefore, I encourage everyone with an interest in ensuring that we make the most of that opportunity to engage with the review and with the issues for which we in the Chamber have now been given responsibility.

The Chairperson of the Committee for Justice (Lord Morrow): I thank the Minister for his statement. The question of prisons is one of the Committee for Justice's key priorities, and we recently visited Maghaberry prison to see and hear about some of the issues that it faces. Given the number of reviews, inspections and reports on the Prison Service, particularly on Maghaberry prison, that have resulted in over 1,300 recommendations, many of which I understand have not yet been implemented, will the Minister explain the rationale for yet another review? Surely the issues are already clear, and surely it is now time to take action to address the problems. I suspect that we do not need another review.

The Minister appears to have recognised the need for action by emphasising that, while the review is ongoing, the Prison Service will press ahead to implement the actions that were recommended in previous reports. How does the instigation of another review sit comfortably with that position? Furthermore, will the Minister outline the expected cost of the review and clarify whether it will be funded from the Department of Justice's existing budget? Finally, will he be more precise about the timescale? When exactly in the autumn is the report on the first stage of the review due?

The Minister of Justice: I thank Lord Morrow for his welcome of the statement, even if he subsequently asked some difficult questions.

The simple answer to the question of why another review is necessary is because, at Hillsborough at the beginning of the year, we recognised the need to bring together in a comprehensive way a range of reviews that have been carried out and the need to look in a wider and more inclusive way at how we implement

the necessary reforms to the Prison Service. I sought to establish as broad a review team as possible to bring together a range of expertise and different experiences to ensure that we could learn lessons from some existing reviews and, as Lord Morrow correctly said, at the same time ensure that outstanding matters from the previous reviews were implemented.

The review will bring together, in an overarching way, some of the existing recommendations. The review will be considered in the new light of the context of devolution and the opportunities that that presents, as well as in the light of our current difficult financial circumstances. In response to Lord Morrow's final question, I cannot provide the cost, but I assure him that it will be met within the Department's existing budget. I am afraid that I cannot give him a precise indication of what we mean by autumn 2010 to early 2011, but, from my brief conversation this morning with the members of the review team with whom I will engage in more detail later this afternoon, I am certain that they are committed to ensuring that the review is not dragged out and that it meets the correct balance between doing a thorough job and doing a speedy job.

12.45 pm

Mr Deputy Speaker: Before I call the next Member to speak, I remind Members that the flexibility that is given to the Chairperson does not extend to the rest of the Members.

Mr McCartney: That is disappointing.

Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as an ráiteas sin.

I, too, welcome the review and the fact that the first stage of it will centre on Maghaberry prison. Notwithstanding that, there are issues in other prisons, but the reports on Maghaberry require immediate attention. In saying that, I understand the third bullet point in the ministerial statement.

What steps will the Minister take to ensure that when the review is taking place, it is not seen as a break from dealing with the already pressing issues that exist in Maghaberry and, in particular, in Roe House?

The Minister of Justice: I thank Mr McCartney for his kind words. He raised an entirely valid point regarding how we ensure that the necessary reform work is done while the

review is being carried out. The Prison Service was already engaged in work in conjunction with various partners to ensure that some of the necessary reforms from previous recommendations, particularly the response from Her Majesty's Inspectorate of Prisons (HMIP) to the Criminal Justice Inspectorate, were carried through. It is my intention to ensure that that work continues.

The Member highlighted the difficulties at Roe House. As he is well aware, there has been significant engagement in an attempt to resolve the outstanding difficulties with republican separated prisoners, but I regret that, to date, those efforts have not resulted in the suspension of action by prisoners and the restoration of the normal regime. However, I assure Mr McCartney and the House that Prison Service management is determined to ensure that those matters are resolved as speedily as possible.

Mr Elliott: I thank the Minister for his statement. Does he agree that we all owe prison officers a huge debt of gratitude for the work that they have carried out for this society, sometimes in the midst of a threat to their lives and that of their families? Furthermore, what significant points will we get out of the review, given that there has been a number of other reviews in the Prison Service over the years? What will be different about this review?

The Minister of Justice: I agree with Mr Elliott that we all owe a debt of gratitude to the prison officers who served this society in the past, along with a range of other public servants. We should not underestimate the difficult circumstances that some of them are working under at the moment, given that threats to certain named prison officers are continuing from small groups of prisoners and some of their associates outside. Therefore, we must recognise that that is part of the reality in which they work. We also need to recognise that prisons have a task of rehabilitating offenders and reducing offending in the future by ensuring that recidivism rates are reduced significantly.

There is a real challenge for all prison staff to ensure that they meet the needs of society in the different circumstances in which they find themselves now from that in which many of them were recruited in the 1970s and 1980s when there was a different task to be performed. Therefore, although we recognise the work that prison officers do, it does not mean

that they do not face the same challenge as many others connected with the criminal justice system face in adjusting to the new realities, issues and demands of this society.

Mr Elliott asked me what significant points will come out of the review. I set up the review to find out the recommendations from a body of experts, and it would be foolish to second-guess the outcome before they have commenced work.

Mr McDevitt: Does the Minister accept that it is time to fundamentally review not only what prisons do today but what they should do in the future and the role that they play? Does he agree that the review that he announced today is neither fundamental nor sufficiently deep to be able to meet either of those two objectives and that it will not go beyond addressing some of the immediate problems that exist in all our prisons, when, in fact, it needs to do the opposite and address the fundamental relationship between us, as a region, our prisons and the people who run them?

The Minister of Justice: Mr McDevitt has to acknowledge that we are seeking, at this stage, to make some significant steps forward in the Prison Service, while recognising that there are more fundamental issues. However, when we start talking about fundamental reviews, we are in danger of suggesting that the Prison Service could have a Patten done to it, for example, as was done to the policing service. That is not an option in the financial resources that we have available.

I accept the Member's point that the functions of prisons and of the entire criminal justice system in promoting reform and public protection are real issues for this society, but, frankly, they are issues for every part of these islands and for every part of western society. It is not something that I expect the review team, which was set up with a specific remit to look at the management and operation of the Prison Service in Northern Ireland, to achieve within a period of less than a year.

Dr Farry: I thank the Minister for his statement. I invite the Minister to join me in paying tribute to the work of Robin Masefield, who has announced his intention to step down as director general of the Northern Ireland Prison Service. Will the Minister set out how a reformed prison service fits into his wider vision for the criminal justice system, particularly with regard to a more effective way of dealing with

the management of offenders and with note taken of Phil Wheatley's background in the national offender management service?

The Minister of Justice: I thank my friend for his complimentary remarks; I would expect nothing less. Unfortunately, I fear that he wants me to write his next PhD thesis on the role of a reformed prison service.

Mr McDevitt: Not another one.

The Minister of Justice: Not another one, as Mr McDevitt says.

It is entirely right that I should pay tribute to the work of Robin Masefield as director general of the Prison Service. Robin publicly announced his pending retirement last week. He was not pushed; he announced to me two or three weeks ago that he was proposing to go. Towards the end of his Civil Service career, he was appointed to a four-year post as director general of the Prison Service. He agreed to do a fifth year and, subsequently, to do a sixth year to carry the Prison Service through the process of devolution. To suggest that a man of retirement age who is leaving his position, having done two extra years, is somehow being pushed is, I think, somewhat twisting the position.

With regard to the Prison Service's role within the criminal justice system in promoting wider reforms, it is clear that, due to the historical background of the Prison Service, we have significant costs associated with the management of prisons and significant difficulties in the prison estate, because some buildings are legacies of the past and need to be replaced. We have to balance all that against the financial resources that are available, as we seek to ensure that those who enter prisons come out reformed and not likely to re-engage in crime at the rate in which, unfortunately, they currently do. Those are massive challenges for the criminal justice system.

There is no doubt that the cost per prisoner place, at £77,000 a year, is way ahead of any other region of these islands, and there is no doubt in my mind that we need to ensure that we get the best possible value for money out of that. That said, having visited Hydebank Wood and Maghaberry, I have seen the positive and constructive work that is being done to engage with offenders in prison to seek to promote rehabilitation. In Maghaberry, for instance, the REACH landing, in seeking to work with the most

vulnerable of prisoners, is to be commended against any other prison on these islands.

In the youth justice system, work is also being done to recognise that although some young offenders go to Hydebank Wood rather than to the juvenile justice centre, opportunities are available to work with them in a different way. The work being done in the women's unit in Hydebank Wood, Ash House, is another example of extremely good and positive rehabilitation work. We should not underestimate progress that is being made, but, at the same time, we must recognise that much more needs to be done.

Mr Bell: Will the Minister join me in acknowledging the significant work that the men and women of our Prison Service have done to date, in difficult circumstances, with courage and commitment to their vocation? Will he also assure us that the review of prisons will build on the progress that has already been made, as has been outlined, on the issue of women offenders and, in particular, by the youth justice system, which has made significant progress in reducing reoffending? Furthermore, does he agree that the review should particularly target prisons that house young offenders to ensure that, as far as possible, once those prisoners leave, they do not go back again?

The Minister of Justice: I thank Mr Bell for his good wishes. If he wishes me to repeat the tribute that I paid to prison staff when I responded to Mr Elliott's question, I will happily do so.

He asked specific questions about building on the work being done with women and young offenders. He is absolutely right: some very positive work has been done in those areas. When I spoke in the House about my first week in office, I mentioned my visit to the Inspire Women's Project in Belfast, which has links with Ash House and works to promote rehabilitation and to reduce reoffending by women prisoners. There is no doubt that good work is being done there. There are issues that need to be addressed around the possibilities for capital for the development of a dedicated women's prison, but the work is being done as best it can be within the facilities that we have.

Mr Bell also mentioned youth offending. We are seeing circumstances now in which the vast majority of young offenders are accommodated in the juvenile justice centre. There are those who, for various reasons, require the stricter

regime in Hydebank Wood. However, I hope to make an announcement fairly soon about the increased involvement of the Youth Justice Agency so that the best possible conditions are put in place to ensure that when people are in custody, they are put onto the path of not reoffending when they are released.

Ms Ní Chuilín: Go raibh maith agat, a LeasCheann Comhairle. I welcome the review, which is timely. Some of the questions that I wanted to ask have already been answered, but I want to ask one of them for the record. The Minister said that prisoner forums will have an opportunity to feed into the consultation on the review. What shape will that input take? Will each house, for example, in Maghaberry, be represented? The Minister mentioned the people who are involved in the REACH landing programme in Lagan House. How will they be facilitated throughout the review process?

Last week, the Health Minister responded to a question from the Minister's colleague Stephen Farry by accusing him of putting prisoners' concerns to the forefront rather than those of patients. For the record, I want the Minister to make it clear that prisoners can also be patients, and that prisoners who are recipients of healthcare should not be treated in an arbitrary fashion, as has been the case in the past.

The Minister of Justice: I welcome Ms Ní Chuilín's comments. There is absolutely no doubt that some very positive work is being done on prison healthcare by the South Eastern Health and Social Care Trust, which is the responsible agency. When I visited Maghaberry, I was able to meet some of the people from the South Eastern Trust who provide that healthcare. It is absolutely vital that prisoners, like everyone else in society, get proper healthcare. There is still work to be done, particularly on mental health, which is not being addressed as well as we hoped it might be. I have no doubt that that issue will feed into the review, but progress has been made in recent years in that regard.

I was not in the Chamber to hear the exchange between Stephen Farry and the Health Minister. If it was in anything like the terms in which Ms Ní Chuilín described, I will align myself with Stephen Farry, which is no great surprise.

Ms Ní Chuilín also asked a specific question about the operation of prisoner forums. As I understand it, there is a prisoner forum in each unit in Maghaberry. It is the intention that those

forums should have the opportunity to feed into the review. However, I will write to Ms Ní Chuilín outlining the precise details of the operation of those forums, because I do not have them in front of me.

Mr Ross: I add my name to those who have paid tribute to prison officers for their work over many difficult years and in the most horrible of circumstances.

During the Justice Committee's trip to Maghaberry, I was struck by the fact that many of the education and skills workshops were not in operation that day because of staff shortages.

1.00 pm

Does the Minister agree that it is not only the level of sickness among staff in the prison that needs to be addressed, but the fact that so many prisoners refuse to enter into educational workshops or skills workshops, and by doing so are making it more difficult for themselves to reintegrate into society and get a good start and make progress in life by finding a job when they get out of prison again?

The Minister of Justice: I thank Mr Ross for his good wishes. Do I need to repeat my tribute to prison officers every time a unionist asks me questions? I will happily do so if they wish me to. The Member referred to staff shortages and sickness rates, as well as the issue of prisoners refusing opportunities for education. It is deeply sad if the opportunities that are made available in prison for prisoners to better themselves are not fully taken up. There are reasons at times why staff shortages prevent prisoners from moving around the prison properly. Those need to be addressed, and we need to move in a way that ensures the best possible use of all of those rehabilitation opportunities.

There is no doubt that those who take opportunities provided for education are less likely to reoffend when they come out of prison, and are more likely to make the transition to civil society without difficulties. At this stage I cannot go into the precise details as to how individuals do not get there on particular days, but as a general principle we need to ensure that that working system is improved so that every prisoner who wishes to avail himself or herself of education and other facilities gets that opportunity, and that the maximum possible efforts are made to encourage them to take it up.

Mr Dallat: My question is on education. Given that more than 60% of inmates have serious problems with literacy and numeracy, can the Minister reassure the House that the review will look closely at the programmes and levels of education that are available? Secondly, the report mentions the replacement of Magilligan Prison — does that also include a review of the location of it?

The Minister of Justice: I thank Mr Dallat for his question. The answer is that the review is of the conditions of detention, management and oversight of all prisons. That will include every aspect of the management of prisons, including education services. The Member is absolutely right about the major difficulties that we suffer because of the low educational achievement of many prisoners. There are real issues about ensuring that they take the opportunity to better themselves and to use the education classes that are there. I am quite sure that the review team will be looking at that as part of its overall work.

The Member also talked about the issue of a replacement for Magilligan. That is currently under consideration by the Prison Service management. There will be business cases looking at possible alternatives as to how Magilligan is replaced, because DFP rules require that every possible opportunity be considered. That work is currently under way, and will be reported alongside the work of the review team on dealing with the management of prisons.

Mr McCarthy: I too welcome the Minister's statement and wish him every success as the review progresses. What attention will be given to reviewing mental health services within the Prison Service?

The Minister of Justice: I thank my colleague for his further good wishes. He has highlighted — in a way that I perhaps should have emphasised more to Carál Ní Chuilín — the fact that mental health services are a vitally important part of the health services provided in prisons. Not only do we know that in many cases prisoners have very low educational achievements, but there is also a very high rate of mental health problems and personality disorders in prisons. We will not ensure that we protect society by enabling people to go on the right path when they leave prison if we do not provide the mental health services that are needed in prison.

Good work has already started since the South Eastern Trust took over responsibility. That

work is currently being reviewed, but there is no doubt whatsoever that there will need to be a greater investment in prison healthcare, especially mental health, if we are to ensure the best possible services to protect the wider community and promote rehabilitation.

Ms Lo: I welcome the review and thank the Minister for his statement. I am particularly interested in the team's remit for reviewing issues at Hydebank relating to the development of the strategy for women offenders. Will the Minister assure me that the team will look at the problems in Hydebank relating to mental health and alcohol and drug addiction, as well as at training opportunities for prisoners to prevent them from reoffending?

The Minister of Justice: I thank Ms Lo for her good wishes. The review team will look at every aspect of Hydebank Wood. The first phase of the review will concentrate on Maghaberry prison; the second will look at Magilligan prison and Hydebank Wood.

There is no doubt that the women prisoners in Hydebank Wood have particular needs. The management needs of women prisoners tend to be very different from those of male prisoners; therefore, considerable work will have to be done to ensure that the best possible regime is in place for them. Although only a small number of women prisoners — between 30 and 50 — is there at any one time, it is nonetheless a significant group with particular needs. I am, therefore, determined to ensure that we provide the best possible facilities for them.

As I said earlier, the director general had wished to see movement on a purpose-built facility specifically for women, and although that is not possible at this stage, it must be kept under consideration. I have seen the work that has been done in Ash House, and there is no doubt that the best possible work must continue to be done in whatever buildings are provided.

Executive Committee Business

Welfare of Animals Bill: First Stage

The Minister of Agriculture and Rural

Development (Ms Gildernew): I beg to introduce the Welfare of Animals Bill [NIA 28/09], which is a Bill to make provision about animal welfare.

Bill passed First Stage and ordered to be printed.

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

Transport Bill: First Stage

The Minister for Regional Development

(Mr Murphy): I beg to introduce the Transport Bill [NIA 29/09], which is a Bill to make provision relating to public passenger transport and ancillary services; and for connected purposes.

Bill passed First Stage and ordered to be printed.

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

Tourism (Amendment) Bill: First Stage

Mr Deputy Speaker: I have received notice from the Minister of Enterprise, Trade and Investment that she will not be available this afternoon but that the Minister of Finance and Personnel will introduce the Bill.

The Minister of Finance and Personnel

(Mr S Wilson): I beg to introduce the Tourism (Amendment) Bill [NIA 30/09], which is a Bill to increase the period between statutory inspections of certified tourist establishments; to provide for reviews in respect of such establishments between statutory inspections; to confer power on the Northern Ireland Tourist Board to provide financial assistance for the provision or improvement of tourist accommodation; to amend the procedure for appointing the chairman of the Northern Ireland Tourist Board; and for connected purposes.

Bill passed First Stage and ordered to be printed.

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

Budget (No. 3) Bill: Consideration Stage

Mr Deputy Speaker: I call the Minister of Finance and Personnel to move the Consideration Stage of the Budget (No. 3) Bill.

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

Notice taken that 10 Members were not present.

House counted, and there being fewer than 10 Members present, the Deputy Speaker ordered the Division Bells to be rung.

Upon 10 Members being present —

Mr Deputy Speaker: No amendments have been tabled to the Bill. I propose, therefore, by leave of the Assembly, to group clauses 1 to 8 of the Bill for the Question on stand part. I will then put the Question that the four schedules be agreed, followed by the Question that the long title be agreed.

Clauses 1 to 8 ordered to stand part of the Bill.

Schedules 1 to 4 agreed to.

Long title agreed to.

Mr Deputy Speaker: That concludes the Consideration Stage of the Budget (No. 3) Bill. The Bill stands referred to the Speaker.

Employment (No. 2) Bill: Second Stage

The Minister for Employment and Learning (Sir Reg Empey): I beg to move

That the Second Stage of the Employment (No. 2) Bill [NIA 24/09] be agreed.

The Bill builds on the outcomes of a comprehensive review of the current statutory dispute resolution procedures and represents the starting point for the introduction of a package of legislative and non-legislative measures that are designed to change the way in which workplace disputes in Northern Ireland are resolved.

During the conduct of the review, employers and employer representative bodies expressed, in very clear terms, their concerns about existing arrangements. Employers consistently argued for change that would reduce the financial and opportunity costs associated with the resolution of disputes that escalate beyond the workplace. The Bill, and the other planned measures, will generate substantive improvements to the efficiency and effectiveness of the current systems for resolving disputes and will further support our drive for increased competitiveness. Similarly, employee representative groups argued for improvements that would provide less formal alternatives to the tribunal system, while preserving citizens' fundamental right to access the justice system. Again, the Bill, and the other planned measures, will go a long way to achieving those objectives.

Before dealing with the Bill's main provisions, it is important to set the context in which the review was conducted and to acknowledge the role of stakeholders in ensuring that the public consultation generated informed debate around how the existing system should be improved. In Great Britain, following the Gibbons review, a decision was made to repeal the full statutory procedures governing workplace disputes. There was always the temptation for Northern Ireland to default to the GB position. However, I took the view that it was important to explore other delivery options to provide the necessary assurance that the needs of the Northern Ireland economy and citizens' rights were being properly considered.

I do not need to rehearse in detail the arguments about the heavy concentration of small and medium-sized enterprises (SMEs) in Northern Ireland. However, it is worth

restating that a recurring theme throughout the consultation process was the challenges that SMEs face in dealing with the complexity of employment law.

To ensure that the review was fit for purpose, it was vital to seek the views of what is a very diverse stakeholder community. Therefore, at the outset, I decided to establish a consultation steering group with representation from the Confederation of British Industry (CBI), the Federation of Small Businesses (FSB), the Northern Ireland Committee of the Irish Congress of Trade Unions (NICICTU), the Equality Commission and the Labour Relations Agency (LRA). I put on record my appreciation of the excellent work that the steering group has undertaken on behalf of the Department and, more importantly, Northern Ireland plc.

The steering group was charged with the responsibility for overseeing every aspect of the public consultation process and, at all times, acted corporately in ensuring that the consultation process was comprehensive and inclusive. Not only did the steering group offer insightful and measured advice and direction, but it was instrumental in ensuring that the consultation process garnered the views of practitioners and interest groups through the establishment of a series of expert user panels. That unique partnership approach to public consultation has shown the clear benefits of working closely with key stakeholders to develop regional solutions that address, equitably, the needs of Northern Ireland's citizens and businesses.

I commend the work of the Committee for Employment and Learning, which further underscored the importance of developing systems that encourage the prevention and early resolution of workplace disputes. During the public consultation, the Committee commissioned its own study, taking evidence from a wide range of stakeholders. The Committee's measured report offered a series of conclusions that I found particularly helpful when I was considering policy options. I know that the Committee will be equally assiduous in its consideration of the Bill.

1.15 pm

At an early stage of the policy review, the consultation steering group established a set of guiding principles that I was more than happy to endorse. Those principles included the promotion

of good employment relations that encouraged competitiveness; the provision of strong employment rights to preserve citizen access to the justice system; effective mechanisms to prevent and resolve workplace disputes; the availability of non-adversarial alternatives to the tribunal system; and an efficient and effective tribunal system. Those principles are the template that has guided the policy proposals that underpin the provisions in the Bill.

I will now outline what the Bill is designed to achieve. It contains 18 clauses and four schedules that will: establish a less legalistic framework for raising workplace grievances while leaving intact a minimum legal standard for disciplinary and dismissal situations; repeal the confusing provisions that link grievance and disciplinary processes with industrial tribunal and fair employment tribunal time limits; enable the Labour Relations Agency to exercise greater discretion in offering its assistance to resolve disputes while removing time restrictions for LRA conciliation; amend industrial tribunals' powers to reach a determination without a hearing where the parties consent; modify industrial tribunals' powers to restrict publicity in sensitive cases; provide for the enforcement of tribunal awards without the need for a court order and make similar provisions for conciliated settlements that have been achieved with the support of the Labour Relations Agency; enable the Fair Employment Tribunal to hear aspects of cases that currently require a separate industrial tribunal hearing; and introduce the legislative framework for the right to request time to train.

I will now expand on each area covered by the Bill. First, I will address procedures for resolving disputes in the workplace. Employers and employees are currently required to follow statutory minimum procedures when a formal dispute arises in the workplace. The procedures apply to both employee grievances and disciplinary or dismissal actions taken by an employer. Unreasonable failure to follow those procedures has implications for any subsequent tribunal proceedings. Following my Department's review, I propose to retain the statutory proceedings that relate to disciplinary and dismissal situations. However, at the same time, I will be seeking to repeal the statutory procedures associated with workplace grievances. Repealing the statutory minimum grievance procedures will afford employers and employees more flexibility in dealing with

disputes, reduce unnecessary formality and remove regulatory burdens from business, including costs of around £1.5 million per annum that are associated with operating the statutory grievance procedures.

The consensus from the public consultation was that the statutory grievance procedures, although well intentioned, militated against the early and informal resolution of grievances. Although it is appropriate to bring forward that repeal, it is equally appropriate to retain the statutory minimum process for disciplinary and dismissal situations. It is important that employers, especially the large number of micro-employers and SMEs in Northern Ireland that do not have dedicated HR specialists, clearly understand their obligations in those very serious circumstances when an employee's dismissal is being contemplated or has taken place.

Having in place a minimum legal standard protects not only the employee from unfair action but the employer from the legal consequences of such action. The retention of the disciplinary and dismissal element of the statutory procedures and the repeal of the statutory grievance element offers the best accommodation of the two principles established by the consultation steering groups; namely, the provision of strong employment rights and the promotion of good employment relations.

As regards grievances, a revised Labour Relations Agency code of practice will replace the statutory process with a good practice standard, which will remove much of the complexity and undue formality of the current system.

I am pleased to note that stakeholders have commended the work of the Labour Relations Agency on the matter of pre-claim conciliation. However, they have called for a more proactive approach to early interventions designed to resolve disputes. Skilled agency conciliators can help to avert unnecessary legal proceedings by helping those facing a dispute to find common ground and mutually acceptable solutions. To that end, the Bill contains minor legislative amendments that will provide the agency with greater flexibility, thus freeing conciliation officers to target help where it will be most effective. Those provisions, along with a range of non-legislative measures, including an enhanced helpline, will strengthen the agency's

ability to help parties to resolve disputes before they reach a tribunal.

I turn now to post-claim conciliation. Once a tribunal claim is lodged, there are, in many cases, time limits on the period during which the Labour Relations Agency has a duty to offer conciliation. The review has shown that those time limits have not been effective, and the Bill seeks to remove them. That will strengthen the agency's remit in offering its services throughout the lifetime of a dispute. The agency will also be encouraged to target those disputes that are likely to be amenable to conciliation at that later stage.

I now turn to industrial tribunals and the Fair Employment Tribunal. Currently, it is not possible for a fair employment case that also involves certain industrial tribunal jurisdictions to be consolidated and heard by the Fair Employment Tribunal. As a result, a separate industrial tribunal must be convened to hear those residual issues, even though that hearing will, essentially, deal with the same set of facts. That duplication places additional time and resource pressures on the tribunal system and the parties involved in the case. The Bill seeks to widen the powers of the Fair Employment Tribunal so that the fair employment and all other aspects of a claim can be heard by the same tribunal as part of the same proceedings.

The dispute resolution review also produced evidence of the need for a range of additional efficiency measures designed to improve the operation of the tribunal system. Therefore, in the Bill, I have included measures to simplify time limits for lodging a tribunal claim; introduce a more efficient process for enforcing unpaid tribunal awards; allow for restricted reporting of sensitive cases; and, where the parties agree, allow simple cases to be determined in writing.

The Bill seeks to establish a legislative framework that would allow for the subsequent introduction of a right to request time to train. That proposed new right, which has already been introduced in Great Britain, would give employees with the requisite length of service a statutory entitlement to make a formal request to their employer for time to undertake work-related training.

The right, modelled on the well-established and successful flexible working arrangements, would place a duty on employers to consider a request seriously but with the facility to turn it down

on one or more of a specified list of business grounds. Although reaction to the right has been essentially positive, I am acutely aware of concerns in the business community about the introduction of the right at this time of economic hardship.

The Bill seeks to establish only the enabling power that will allow for the subsequent introduction of a right to request time to train. There will still be the requirement to make subordinate legislation before that new right can be introduced. I assure Members that I will take no further action to effect its subsequent introduction until economic conditions are sufficiently favourable, taking account of factors such as unemployment rates and current and projected economic growth rates.

I also intend the new right to be introduced on a phased basis. In the first year of operation, it will apply only to firms that employ 50 or more employees. It will be extended to cover all employees in the following year. The correlation between a well-trained workforce and competitiveness is well established, and that will be the primary focus of the proposed new right. Many employers already facilitate requests to train. The new right will provide a public endorsement of that good practice and help to promote the value of training to organisations in which a learning culture does not exist.

The Bill contains a range of measures to which the Assembly will wish to give careful consideration. It will allow for a less legalistic approach to workplace grievances by repealing the current statutory grievance procedures. It will provide greater flexibility for the Labour Relations Agency to deliver an enhanced conciliation service. It will introduce a range of efficiency measures to improve the operation of the current tribunal system, and it will establish a framework for a new right to request time to train.

The Finance Minister, in his response to the proposed new right to request time to train, indicated his expectation that any associated costs will be met from within existing and future allocations. I am supportive of the Minister's position and want to assure the House that costs relating not just to the right to request time to train but to the wider dispute-resolution measures will be accommodated within existing and future departmental allocations. On the subject of finance, it is worth mentioning again that the proposed deregulation of the current

statutory grievance procedures will mean an annual saving of £1.5 million.

As I have already indicated, the policy review, in addition to the provisions that are set out in the Bill, has identified a range of non-legislative measures that will bring substantial improvements to the way in which disputes are dealt with in Northern Ireland. Those legislative measures include the establishment of an inter-agency employment relations information forum; an agreed code of practice for all information providers; the development of an employment relations good-practice model; and accredited professional development programmes in employment relations for general management disciplines.

I look forward to listening to Members' comments in today's debate, and I commend the Bill to the Assembly.

The Chairperson of the Committee for Employment and Learning (Mrs D Kelly): I

apologise for my delayed arrival. As Chairperson of the Committee for Employment and Learning, I thank the Minister for his explanation of the Bill. The Minister has gone into the provisions of the Bill in some detail, and the Committee has done extensive pre-legislative work in close partnership with the relevant stakeholders and the Department. Once again, the Committee has led the way in partnership working with the Department and stakeholders, and the results are plain to see.

As Members are aware, the First Stage took place on 25 May, and the Committee Stage will begin tomorrow, Tuesday 22 June. The Committee began taking briefings on workplace dispute resolution and alternative dispute resolution in November 2008, following the Department's public consultation on the issue. The Committee immediately began to take evidence from key stakeholders, which it drew together with its conclusions in a Committee report on workplace dispute resolution. The Committee issued that report towards the end of the last session.

Departmental officials have been in constant contact with the Committee and have briefed members on a number of occasions. The Minister's commitment to working in partnership was clear from the beginning of the process. His indication that he had no preconceived ideas on how the work should turn out allowed the Committee and key stakeholders truly significant

input to the Bill. I commend the Minister and his officials for adopting that thoroughly practical and sensible approach. It is a useful approach that other Departments could adopt and learn from. I also thank Committee staff, past and present, for their considerable efforts to support the Committee in its work over the last 18 months.

1.30 pm

The objective of the Committee's report was to collate and consider the opinions and views of relevant stakeholder organisations on a way forward for workplace dispute resolution in Northern Ireland. Based on the evidence that was received and taking on board members' views, the Committee realised that there is a need to develop and promote a culture of early dispute resolution as the most appropriate approach, as opposed to people seeking legal redress through the tribunal system.

The Committee also agreed that there is a need to reform the current statutory procedures, ensuring that any revised system is properly thought through and that it represents a synergy of the best of the current system with the best of the options for change. In short, the new system should ensure the protection of individuals' and employers' rights and their access to justice. The Bill largely represents the outcome of that process, and members are, therefore, generally content with its provisions.

The Committee agreed fully with those who gave evidence to the effect that alternative dispute resolution should be promoted as the most appropriate alternative to tribunals to protect the privacy of those involved and to ensure the pursuit of a faster, more flexible and more cost-effective means of settling a grievance, especially given the current economic climate. That is worth noting.

The Committee also agreed with a number of witnesses who stated that the role of the Labour Relations Agency should be extended to cover a wider range of advice and alternative dispute resolution (ADR) services and that there is a need for the LRA's resources to be refocused so that it can provide such extended services. Again, it can be seen that the Bill reflects those views.

The Committee agreed with the witnesses who identified the importance of the tribunal system, but it also took on board the concerns that employers and employees have about that system. Members felt that there is a need to

ensure that dispute resolution is made simpler and less bureaucratic for both employer and employee and that a revised system does not simply replace one set of complex and confusing rules and regulations with another that is not user-friendly. It is hoped that the Bill will facilitate that, and that appears to be the case. However, the Committee will bottom out those issues during the Committee Stage.

The Committee strongly believes that the provision of more accessible information and the promotion of a clearer understanding of employer and employee rights and obligations by all those involved are central to the success of any revised system. Lack of accurate information and clear instructions for those participating in the current structures, particularly SMEs, was a recurring theme that all those who gave evidence raised. That issue needs to be addressed for the revised system to be meaningful.

The Committee is of the opinion that the public sector plays an extremely important role in the process, first, by ensuring that it leads the way in developing best practice models, and secondly, by leading by example through implementing those models.

The Committee took evidence from the Department, the Labour Relations Agency, the Federation of Small Businesses, the Equality Commission, the Confederation of British Industry, the Northern Ireland Committee of the Irish Congress of Trade Unions and the Law Centre Northern Ireland. Based on the evidence received and on members' own views, the Committee agrees that there is a need to develop and promote a culture of early dispute resolution, as opposed to seeking legal redress through the tribunal system. Much work will be needed to change the current mindset.

As part of its evidence gathering, the Committee saw and heard about the benefits and drawbacks of implementing a rights commissioner system, and it feels that such a system is not currently an option that should be pursued.

It is important to have a timely and early dispute resolution system. It must be implemented; it is not enough to have it as an objective, and there has to be some means of tracking it to ensure that it is being implemented. The public sector needs to step up to the mark on that, because I know of several cases that have taken a very

long time to be resolved, and some have even taken a long time to be just looked at informally.

The part of the Bill that the Committee did not examine in its investigation is the time to train provision. Members have previously discussed the issues about workers getting new skills and upgrading existing skills, and that is something that members support. It is important that employers are encouraged to upskill their workers. England, Scotland and Wales have adopted that provision, and we believe that, if used properly, it has considerable potential.

There were some concerns raised via the Department's consultation. The Committee's greatest concern is the opposition of the Federation of Small Businesses to the time to train provision. Members understand the concerns that SMEs have about workers taking time off to train, but reskilling and upskilling are probably the best ways for SMEs to evolve and grow. However, the Committee believes that that provision must be monitored and reviewed and that support and information for SMEs must be readily accessible.

The process for workplace dispute resolution was introduced on 3 April 2005 and gave new rights and responsibilities to employers and employees in Northern Ireland; however, it has proved problematic. Gibbons's review of the system in GB was followed by a consultation and a decision was made to pursue reform.

The Bill will reform the workplace dispute resolution process and introduce the right to request time to train by: leaving intact the statutory regime for disciplinary and dismissal situations while moving to a less legalistic framework, for the reason of workplace grievances involving voluntary compliance with the appropriate Labour Relations Agency code of conduct; repealing provisions linking grievance and disciplinary or dismissal process with industrial tribunal and Fair Employment Tribunal time limits; enabling the Labour Relations Agency to exercise greater discretion in offering its assistance to resolve disputes; repealing time restrictions on the period of Labour Relations Agency conciliation; amending industrial tribunals' powers to reach a determination without a hearing; modifying industrial tribunals' powers to restrict publicity; providing that tribunal awards, once registered, are enforceable without the need to obtain a court order and make similar provision in relation to conciliated

settlements reached with the assistance of the Labour Relations Agency; enabling the Fair Employment Tribunal to hear aspects of fair employment cases that would previously have necessitated a separate industrial tribunal hearing; and introducing a legislative framework for a right to request a time to train.

The Bill contains 18 clauses and three schedules. As the Minister has outlined those extensively, I merely remind Members what they are. Clause 1 provides for repeal of statutory grievance procedures. Clause 2 makes provision for statutory dispute resolution procedures with respect to their effect on contracts of employment. Clause 3 makes provision for statutory dispute resolution procedures with respect to consequential adjustments of time limits.

Clause 4 deals with non-compliance with statutory codes of practice. Clause 5 deals with the determinations of industrial tribunal proceedings without hearing. Clause 6 makes provision for the restriction of publicity with regard to industrial tribunals. Clause 7 deals with the enforcement of sums payable with respect to awards payable made by industrial tribunals. Clause 8 makes provision for conciliation before the bringing of proceedings to tribunal. Clause 9 makes provision for conciliation after the bringing of proceedings to tribunal.

Clause 10 deals with the recovery of sums payable under compromises involving the Labour Relations Agency. Clause 11 makes provision for the powers of the Fair Employment Tribunal in relation to matters within the jurisdiction of industrial tribunals. Clause 12 deals with conciliation before the bringing of proceedings to tribunal. Clause 13 deals with conciliation after the bringing of proceedings to tribunal. Clause 14 deals with the recovery of sums payable under compromises involving the Labour Relations Agency. Clause 15 provides for workers to have time off for study or training. Clause 16 deals with the repeals made necessary by the Bill. Clause 17 deals with commencement. Clause 18 is the short title.

The Committee notes that the repeal of the statutory grievance procedures will result in savings of £25,000 per annum to the Office of Industrial Tribunals and the Fair Employment Tribunal as a result of the reduced complexity of claims and pre-acceptance procedures. The Committee also notes that the increased emphasis on pre-claim conciliation should

generate savings of about £11,000 per annum for government, due to the resolution of greater numbers of disputes without the need for tribunal hearings.

Furthermore, the Committee notes that the introduction of a more straightforward procedure for the resolution of simple claims should save government £10,000 per annum in tribunal resources. The Committee is content with those savings, as they are consistent with the moves to reform the wider tribunal system. There may also be savings in staff morale and improvements in how organisations function. There may be such qualitative outcomes that we do not yet see but which will play a large part.

The Committee also notes that the right to request time to train will cost government some £6.7 million per annum in respect of tuition at levels 2 and 3, arising from successful requests. The Committee highlights that that is a considerable cost, and it hopes that the Department will be able to sustain it in the financially straitened times to come.

The Committee accepts that the provisions in the Bill are not deemed to have implications for human rights. With regard to the equality impact assessment, the Committee accepts that the provisions in the Bill will generally have modest positive benefits for all the groupings listed in section 75 of the Northern Ireland Act 1998. However, the Committee takes a positive view of the Department's identification that some policy proposals will generate greater benefits for particular groups. Such groups include single parents who, due to family commitments and their less favourable economic position, do not have the time or resources to become involved in lengthy or complex legal processes; individuals with disabilities, particularly mental health disabilities associated with or exacerbated by stress; racial, ethnic, national or religious groups employed as migrant workers whose first language is not English; and persons bringing a tribunal claim relating to their sexual orientation or to political or religious discrimination. It is hoped that, through the Bill, all those groups will benefit from enhanced information and advice, access to a wider range of ADR services, and modifications to tribunal processes.

The Committee is also positive about the benefits that some groups will gain from the time to train provision, including dependants. That right will allow individuals who care for a

dependant greater flexibility to arrange training at more suitable times. The provision will also benefit women, who are more likely than men to take on the main responsibility for childcare or to act as carers and who will, therefore, benefit disproportionately as people with dependants. Lone parents are likely to benefit from a successful request for time to train, given the particular difficulties that they are likely to have in timetabling training outside working hours. The right will also enhance opportunities for older people to retrain and update knowledge in order to meet the challenges of changing working practices and skills requirements.

The Committee notes the Minister's legislative competence to make the Bill. Overall, the Committee is pleased with how the Bill deals with issues that have been raised about workplace dispute resolution. Members look forward to undertaking a thorough scrutiny of the Bill when it comes before the Committee. On behalf of the Committee, I support the principles of the Bill, which will now proceed to further scrutiny at Committee Stage.

Mr Weir: I will keep my remarks brief. I was ready to step into the breach, but the Chairperson arrived, so Members will be spared the 11-page speech that I was going to make.

I welcome the Bill, and I also welcome what I understand to have been a fairly productive working relationship with the Department in arriving at this stage. I will not deal with the range of issues that the Chairperson so thoroughly covered, but I will make some points.

As regards industrial tribunals, it appears that a sensible approach has been taken towards achieving balance between the right of people to pursue legal redress and the promotion of alternative dispute resolution. That is certainly not premature in its inception. When I was training for the Bar nearly 20 years ago, I remember the buzz about this new thing to come called the alternative dispute resolution. It seems that, in certain regards, we may have been a little slow in moving forward on it.

It may be wrong for me to speculate, but it would seem that, if many of the issues were in the hands of lawyers, further promotion of alternative dispute resolution would be like turkeys voting for Christmas. I do not know if I will be on some kind of lawyers' hit list for supporting the provisions. If we can promote a less formal, swifter and less costly

resolution to disputes in the workplace by way of ADR, particularly in the current economic circumstances, everyone, with the possible exception of some lawyers, would see that as a win-win situation.

The problem is less about the exact structures or regulations and more about promoting a culture of alternative dispute resolution, which is equally as important as the information before us. The widening of the role of the Labour Relations Agency in ADR is also to be welcomed. It would also make sense to ensure that there is no duplication as regards the Fair Employment Tribunal's ability to deal with aspects of cases that, in other circumstances, would be dealt with through a separate industrial tribunal.

1.45 pm

I add one caveat or note of caution because I gather that the Committee looked at and produced a report on workplace dispute resolution, which the Minister has taken on board. We will want to consider the right to request time to train in reasonable detail because it is a fresh suggestion. It is important to get that right. Members of the Committee will understand the rationale behind that and the reasons to promote it. However, we must exercise a degree of caution. For example, there are estimates that the cost of granting the right to train could run to several million pounds: £6 million or £7 million has been suggested. In our current financial situation, we must look at whether that is the right way forward. The Federation of Small Businesses and others have flagged up concerns about that issue. Therefore, we want to ensure that whatever is put in place is practicable because we must bear in mind the potential impact on our SMEs.

Particularly in the current economic circumstances, we must balance those concerns with the need and desire for people to be trained to a better standard and higher level than they are at present. We must realise that that will partly involve not simply the formal mechanisms of schemes such as apprenticeships or qualifications, but how training can be introduced to people who are already in employment. Therefore, the right to request time to train has much merit; it is a question of ensuring that we get it right.

I and other members of the Committee look forward to progressing such issues. The Bill is

very sensible. We will want to drill down into the detail to make sure that it is got right. I welcome the Bill and support its Second Stage.

Ms S Ramsey: Go raibh maith agat, a LeasCheann Comhairle. I welcome the opportunity to speak on the Employment (No. 2) Bill. Like the Member who has just spoken, I do not propose to go into as much detail as did the Minister or the Chairperson of the Committee. I will just say that I look forward to the Bill's Committee Stage. I also look forward to the further involvement of stakeholders and interested parties, which the Minister and Chairperson touched on. To date, there has been a sensible working relationship between all with an interest in the Bill, including the Committee, the Department, stakeholders and others. It is important that we continue that sensible working relationship because we all want to reach the same place, and there is no point in daily battles between the Committee and the Department.

Members who spoke before me referred to last year's Committee report into workplace dispute resolution. Many of the issues that were raised then are addressed in the Bill, which highlights the importance of the Committee and its relationship with stakeholders and others in the community who want to be involved in such matters. We were able to raise those issues with the Department, which, in its turn, did the same with the Minister, who, in fairness, always said that his approach would be open minded. As a result, we are not criticising each other about the Bill: everybody is addressing it wisely and correctly because we all want to see it achieve the outcomes that we want. That shows the positive side of working with the Committees.

I also want to take the opportunity to thank our Committee staff for their hard work, advice and guidance on the Bill. I particularly want to mention the departmental officials who were available when we needed any information. Based on evidence that we heard, on which the Minister has touched, a method of early dispute resolution must be developed. As the Deputy Chairperson of the Committee said, that process must come before lawyers get involved, which can add to and cause problems.

However, I also agree that we need to look at ways of extending the role of the Labour Relations Agency. A key issue of concern raised

last year was that the advice issued by the Labour Relations Agency sometimes differs depending on the case and who made contact. We cannot go into specific details on that, but we need to make sure that, from the outset, employers and employees have access to the relevant, up-to-date information. Bad information will entrench people when it comes to resolving issues. The Labour Relations Agency does and will continue to do good work, but it is important that we ensure that as much information as possible is available because, from both their points of view, information is key to the rights of employers and employees.

The Minister and the Chairperson went into detail about the Bill, which contains 18 clauses and three schedules, and it is important to have that detail on record. I look forward to teasing out some of the issues in Committee. Concerns, including a genuine one that the Federation of Small Businesses raised about time to train, need to be drawn out. Our people are a key factor in coming out of the recession; if they are being made redundant as a result of the economic downturn, in order to get jobs in other sectors, we must ensure that they are reskilled and upskilled.

A sizeable percentage of industry here consists of small and medium-sized enterprises. We spend £6.2 million to retrain people, but that does not take account of those who used to have small businesses. As part of the big picture, we must work collectively to produce a resolution that takes on board the concerns of the Federation of Small Businesses. A piece of that jigsaw may emerge as a result the Bill.

I look forward to the Bill coming before the Committee, and I look forward to the good working relationship between the Department, the Minister and the Committee continuing. Perhaps because we have dealt with the matter through an alternative dispute resolution process, other Departments might take those methods on board and engage in mediation with their respective Committees. I commend the Minister for approaching the matter with an open mind. Go raibh maith agat.

Mr McCallister: I commend the Minister for bringing forward this important piece of legislation. The first two of the four parts represent a common-sense revision of existing legislation, and the Bill is an acceptance that several statutory provisions that have been made in the

area of employment in the past 15 years or so have not had the intended consequences. The Minister is to be congratulated on such a frank review of the legislation, and the Bill will make the statutory dispute resolution process much more fit for purpose.

Clauses 1 to 4 focus on repealing statutory dispute resolution provisions. In 2005, direct rule Ministers implemented legally enforceable guidelines on dispute resolution, whereby if employers and employees fail to meet minimum standards, the tribunal can increase or decrease awards that might be made. Such provisions lead inevitably to a box-ticking approach to compliance and dispute resolution rather than to genuine efforts to resolve the issues at hand. Furthermore, it is not proper for the state to become so intimately involved in the minute detail of such matters. As other Members suggested, a one-size-fits-all approach will not deal with every issue. Since workplace disputes have varying degrees of severity, statutory guidelines would have to be so flexible as to be unenforceable and pointless. Therefore, I welcome the Minister's decision to repeal those provisions.

The second part of the Bill relates to the operation of industrial tribunals and to the duties of the Labour Relations Agency. Clause 5 creates a new, fast-track approach to some minor cases that come before a tribunal, in which the facts are not in dispute and to which both parties agree in writing. That is a very sensible approach, making such cases less expensive for the state, employers and employees alike. That is to be welcomed.

The Bill also drops the provision that limits tribunals to granting anonymity in cases that involve sexual misconduct. Assuming that that wider power is used responsibly, by further removing any perceived impediments to making complaints and by protecting employers from spurious complaints with malicious intent, it can only increase confidence in the system.

The third part of the Bill relates to the powers of the fair employment tribunal. Currently, the tribunal has limited powers to hear complaints: one complaint may have several aspects to it, but the tribunal cannot hear aspects that relate to, for example, unpaid wages. Clearly, it is costly to have two concurrent legal cases running on what is basically the same case, and it is an unnecessary division of powers. It is

right that the Bill should empower the president or vice president of the tribunal to decide that a single case should have its entire body adjudicated on by the tribunal, rather than be artificially split into component parts.

Clause 12 and clause 13 repeal aspects of previous legislation that have not had the intended consequences. They transform a duty of the Labour Relations Agency into a power to conciliate so that the agency can better manage and prioritise its resources. Clause 13 removes the provision for the conciliation process to be time limited. That is welcome, as some cases will not fit into a box that is created by legislation and require more time to be processed. The amendment in clause 12 will protect the agency's resources from never-ending processes that it cannot escape from.

The final part of the Bill creates a new right to time off for study and training. It is important that that right be placed on the statute book. All good employers will already have in place established practices to deal with continuing professional development. All businesses, as other Members have mentioned, benefit from training, and we all want to see much more of it. I welcome the Minister's comments in that regard. I understand that it is to be phased in so that SMEs can prepare properly for its introduction and judge when the economic conditions are right in Northern Ireland.

Like other Members, I support the Bill. Although I am not a member of the Committee for Employment and Learning, I will certainly tell the Committees of which I am a member about the encouraging working relationship between the Minister and his Committee.

Ms Lo: I support the principles of the Bill. As the former head of a voluntary organisation for 10 years with responsibility for HR, and as a founding commissioner of the Equality Commission, I have experiences of dealing with workplace disputes. They can be lengthy, bureaucratic and stressful for all those involved. Therefore, I welcome the Bill, which seeks to introduce a less legalistic approach to dealing with workplace grievances by repealing the three-step grievance procedure. That will make it easier for employers and employees to raise and deal with grievances by using non-legislative processes to ensure that attempts are made to effectively address disputes as early as possible.

The Bill also seeks to simplify and provide consistency to the time limits for industrial tribunals and fair employment tribunals which take place in relation to dismissal and disciplinary situations. Removing the confusion around the current processes for extending time limits in those hearings will ensure that the process overall is easier to access and understand for all parties involved. Furthermore, I welcome the additional powers for industrial tribunals to reach a decision without necessitating a hearing if all parties agree in writing. That introduces a simple, timely and cost-effective way of dealing with and resolving simple disputes without having to resort to a full hearing or case.

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

Modification of the powers of tribunals to reduce publicity is of obvious benefit to those who are deterred from going to tribunals due to the potential disclosure of sensitive information. That benefits claimants and all parties involved that may be affected by such disclosures.

2.00 pm

It is important to recognise that many people may be discouraged from raising a grievance because the issue may be sensitive; for example, racial or sexual harassment. I welcome the fact that the Bill seeks to overcome that problem.

The Bill also sets out plans to ensure that awards made through conciliated settlements or tribunals are enforceable, as though they were a court order, thereby ensuring that those who are granted an award are not forced to go to court to ensure that they receive it, which, again, will save time, effort and the additional cost of going to court to retrieve an award or settlement.

Granting additional powers to fair employment tribunals by allowing them to hear aspects of cases that would previously have necessitated a separate industrial tribunal will, again, save time, effort and cost and simplify the process for all involved. That should be welcomed.

I welcome the freedom that the Bill proposes to give to the Labour Relations Agency in that the agency may or may not participate in pre-trial conciliation without having to justify the reasons for becoming or not becoming involved. That freedom will allow the Labour Relations Agency to prioritise cases when its resources are overstretched; and its resources are often overstretched. It also allows the agency to save

resources by not participating in cases where it is clear that conciliation will not be successful.

I welcome the introduction of a legislative framework for an employee to have the right to request time to train, with the proviso that the time must be used for study or training to improve an employee's effectiveness at work and be of benefit to the performance of the employer's business. Safeguards are built into the Bill to ensure that businesses are not adversely affected by granting time off for training or study. It is a good step towards ensuring that Northern Ireland has an effective, successful and highly skilled workforce.

The Minister has said that many organisations provide training for their staff as a matter of course. When I was director of the organisation that I referred to earlier, it always had a work plan for staff development at any staff appraisal, which included the type of course that staff would attend and the costs involved. It is a good incentive for staff self-development and staff retention. If staff are valued, trained and upskilled, they will be a great asset to the organisation and will stay with it. However, at this time of economic recovery, we must be mindful of placing the burden of extra legislation and administration on businesses, as we were warned by the Federation of Small Businesses.

Mr Irwin: I welcome the opportunity to comment on the Bill's Second Stage. Owing to the time allocated, I will be brief.

It is welcome that the Committee for Employment and Learning has been a positive driver of the Bill. It has been fully involved and will continue to be fully involved in the process. The Committee got the message loud and clear from local businesses that the workplace dispute resolution requirements needed to be reviewed and altered, not simply as a mirror image of changes in other parts of the UK but as a bespoke set of arrangements specific to Northern Ireland and based on wide-ranging consultation.

Employment law is viewed widely by those in all sectors of business as complicated, difficult to interpret and expensive to implement when required. That has, in turn, led to many businesses being placed in difficult situations that have been expensive to resolve and harmful to workplace relations. We want to arrive at a situation where employers feel confident in managing their employees and handling

workplace disputes. As a Committee member, I believe that we are moving in the right direction.

There is much more that I could say but, conscious of time, I will conclude by offering my support to the Bill at Second Stage. There is no doubt that, when the Bill reaches Committee, Members will welcome the opportunity to comb through the detail to improve and enhance the situation for local employers and employees. Our devolved Administration sometimes unduly gets a hard press. However, it is good to see that the Assembly is getting to grips with the real issues and that it will provide resolution to concerns and issues that are specific to Northern Ireland.

Mrs McGill: Go raibh maith agat, a LeasCheann Comhairle. I welcome the fact that employment law is being addressed by the Assembly. When giving evidence to the Committee, a departmental official said something that underpins the difficulties when there is a grievance and when a working relationship in an organisation breaks down. The previous Member to speak referred to the complexities and difficulties experienced by employers and employees. That departmental official said:

“There must be a cultural change in the way that employment relations are arranged in Northern Ireland; that is, the way that employees raise their grievances and how employers deal with those.”

That neatly encapsulates what this Bill, when it is enacted, should put in place.

There is employment law, but it is accepted that it does not work. The current processes for workplace dispute resolution have been in place since 2005, but it was accepted that there were difficulties with those processes, and the Gibbons report formalised that acceptance. Aside from that formal recognition, we, as elected Members, have had examples of difficulties brought to us.

The Chairperson of the Committee and others referred to the public sector, which has a vital role to play as an employer and in acting for those whom it employs. I have had some dealings with the Labour Relations Agency, and the little experience that I have in this area indicates that it can be difficult for employees to bring grievances in some circumstances. There are problems with how some grievances are dealt with. There are questions about whether the employee knows about the Labour Relations Agency, what role it plays, how it can be

contacted and whether the employee will get the information that he or she needs. It is important that the information that the employee receives is relevant to the difficulties that the employee may have. Therefore, I agree with the Chairperson’s view that the public sector must be a role model in these matters and has a part to play in establishing relevant legislation. Indeed, putting in place legislation is key.

There has been no shortage of consultation on the issue. The Committee produced a report on workplace dispute resolution which included evidence taken from key stakeholders and organisations. However, the issue still comes down to what occurs when there is a dispute between an employer and an employee. Therefore, given the complexities, difficulties, stresses and anxieties that both sides experience during a dispute, it is vital that legislation makes the process of resolution easier and more meaningful for all involved.

I fully support the Bill, and I repeat that, as with all such matters, the detail of the legislation and, specifically, how it will eventually be implemented are crucial. I join other Members in commending the Minister and his Department on the extensive nature of the consultation. Perhaps that highlights the fact that we routinely go out to consultation and produce documents. The key point is that, in the final analysis, the implementation of the Bill will be important.

The Minister for Employment and Learning:

I thank the Members who contributed to the debate, and I will try to deal with some of their remarks. The Bill seeks to deliver substantively on all of the core principles that I outlined, which are the product of a positive engagement with stakeholders, to which a number of Members referred. As I said in my opening remarks, the policy review also identified non-legislative measures that focus specifically on wider employment relations practice: the agreement of a code of practice for all information providers; training for managers in employment relations; the establishment of good practice models for employment relations; and so forth.

I turn to the issues raised by the Committee for Employment and Learning and by individual Members during the debate. I thank the Chairperson for her positive and supportive comments on the way in which the Department took forward the policy review and on the policy intent behind the Bill. The policy review demonstrated what can be achieved through joint working, and I assure the House that

my Department will continue to support the Committee as it scrutinises the Bill.

I am pleased that the Committee identified the need to embed a culture in which the early resolution of workplace disputes should be the norm, while ensuring that citizens' access to the justice system is preserved. The need for a cultural shift away from formal legal mechanisms was echoed by the vast majority of stakeholders during the public consultation, and I am pleased that a number of Members, including the Deputy Chairman, Mrs McGill and others mentioned that. I shall spend a moment on the cultural shift required, because the ultimate aim behind the Bill is to resolve disputes. If they can be resolved informally, that is infinitely better than people having to go through an expensive and time-consuming form of litigation.

Mr Weir feared that his legal colleagues would take umbrage at his not supporting them. We all need the law, and it is essential that we have access to it, not only for the resolution of disputes but in other areas of activity. However, in that particular area of life and business, the process has become more important than the outcome. When people are overly focused on maintaining a process-driven approach to disputes, they spend less energy on the cause of the dispute. In addition, small businesses, which make up the vast majority of businesses in Northern Ireland, do not have dedicated HR professionals. It is easy for people who are not up to speed on all the details to make an error in process or procedure and thereby prejudice their case, irrespective of the rights or wrongs of the issue.

2.15 pm

I endorse the Committee's comments that it is important for employees and employers to have access to information on their rights and responsibilities, and I am pleased that the Committee has drawn attention to the challenges that SMEs face when trying to meet their employer responsibilities. However, that goes beyond the Bill's provision, which, helpfully, allows me to refer to some of the non-legislative proposals that my Department and key stakeholders will take forward in partnership to improve information provision. We intend to establish an interagency information forum to develop a coherent and consistent approach to providing information on employment rights. In partnership with other government and non-government partners, we

will look at mechanisms for improving the support available to SMEs.

A number of Members commented on the Federation of Small Businesses. I know that that organisation has been briefing and lobbying Members. A survey that the FSB conducted some time ago highlighted the issues that its members found most challenging. For example, 75% found it difficult to keep up with changes, and 84.6% struggled with the number of different regulations and requirements. Furthermore, 73% experienced uncertainty over whether they had got it right, and almost 60% had difficulty understanding what is required of them. It is clear from those figures that there is a widespread view among small businesses that dispute resolution procedures are over their head and that they find them difficult and complicated. Therefore, we hope that the provision of information will inform and help, thereby underpinning and leading to the resolution of disputes.

The Committee called on the public sector to be a leader in the development of good employment relations. My Department recently established an employment relations pilot in partnership with the trade unions, and I intend to promote across the public sector any good practice that emerges.

The Committee also indicated that it has not had the opportunity to examine the provisions that deal with the right to request time to train but it is generally supportive of an initiative that will enhance Northern Ireland's skill base. As I said in my opening address, those provisions are designed to achieve the enabling powers that will allow for the subsequent introduction of that new right. The FSB has lobbied Members on the matter and has set out clearly what it believes to be one of the key areas. Its document 'Regulatory Reform – a route to economic recovery' states, and I quote:

"To boost the chances of job creation during the period of economic recovery, all new business regulation should be halted for the period of recession and first 18 months of economic recovery".

I will not put specific times on it, but I ask the Assembly to provide for the enabling power, after which we can introduce processes if we want to introduce the right to train.

I accept that, through the GB proposals, employers will still have the right to refuse in designated circumstances. However, we do not want to get into a situation in which there are

disputes about that. We feel that, in the current economic circumstances, it is essential not to proceed with implementation now. However, it is wise to take the power to do so, in order that we can trigger it at a later stage. We all want people to be trained. That is one of the driving forces behind what we have all been trying to do over the past number of years. Equally, where there is a right to do it, that could even be a source of dispute itself. Therefore, having listened to people's views, we feel that, on balance, now is not the most opportune moment to introduce the power. A cost is attached, and the Department reckons that, if enough people take the training, that cost will be around £6.7 million a year. Any costs that add to our difficult financial circumstances are best avoided at this stage. If we were debating this issue this time tomorrow, we might have some sense of what that might be, but I believe that we should leave the matter in abeyance at the moment, pass the enabling power and leave it for subsequent implementation.

Sue Ramsey asked about stakeholders.

As a former Chairperson of the Committee for Employment and Learning, she focused on a range of the Committee's work. I will seek to reconstitute the steering group as an implementation group. In addition, the Department will continue to seek the expert involvement of stakeholders on a range of implementation projects that emerge from the review, and we must not forget that we wish to introduce some non-legislative changes. If the stakeholder group agrees, its views will be transferred into implementation mode so that we can, I hope, roll the process out.

In recent years, every attempt to improve that area of our economic life has been well intentioned, but, over time, lawyers got at it and turned it into a more confrontational and judicially based approach. ACAS in Great Britain, for example, includes the word "conciliation" in the title, and the LRA, which is our nearest equivalent, has the words "labour relations" in its title. In other words, the thrust is to improve relationships, but, over time, we got ourselves into trench warfare. Many of the cases are protracted, distract management and employees from the rest of their work and are extremely expensive and debilitating. In some cases, vexatious claimants managed to take a series of companies to court over various issues. Therefore, we tried to get the balance right between the ultimate right of a citizen to have access to a legal process, if and when an employee feels that he

or she has been badly treated, and the need to be practical and reach solutions. We felt that the introduction of formal grievance processes at a very early stage militated against conciliation. Altering the position of the Labour Relations Agency, making it more open to undertake other matters and removing some arbitrary time limits on process would allow it to be active to the end of a dispute. The agency would be involved as far as tribunal stage, because, as Members will be aware, disputes in all walks of life, particularly legal disputes, are often settled on the steps of the court. Unfortunately, the Labour Relations Agency was being closed out at a much earlier stage.

I thank the Members who contributed to the debate. Today represents an important milestone in the development of employment relations in Northern Ireland. Throughout the review, employers and employer representative bodies expressed concern about the existing dispute resolution systems. They have consistently argued for changes that will reduce the financial and opportunity costs associated with disputes that escalate beyond the workplace. Employee representative groups also argued for improvements that provide less formal alternatives to the tribunal system while preserving citizens' fundamental right to access to the justice system. Therefore, I hope that we achieved that balance.

The Committee will want to scrutinise the Bill and, as they say, drill down. The word "culture" has been much used. The Bill will lead to a change in culture, but we must ensure that the implementation of those changes is driven through in a way that reinforces that and that people begin to see the benefits of it. I hope that that, combined with the reduced financial burden, will be a positive development.

I also take this opportunity to thank departmental officials for their consistent efforts. I know that they have put a lot of work into this. I have already told the Committee Chairperson that the officials will be available to help the Committee at any time during the Bill's Committee Stage.

Question put and agreed to.

Resolved:

That the Second Stage of the Employment (No. 2) Bill [NIA 24/09] be agreed.

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

2.30 pm

Oral Answers to Questions

Office of the First Minister and deputy First Minister

Mr Deputy Speaker: I remind Members who wish to ask supplementary questions that they must be rising or on their feet to be called.

Maze/Long Kesh Site

1. **Mr P Maskey** asked the First Minister and deputy First Minister for an update on the development of the Maze/Long Kesh site. (AQO 1439/10)

The First Minister (Mr P Robinson): On 8 April 2009, the deputy First Minister and I announced that a development corporation would be established to take forward the regeneration of the former prison and Army base at Maze/Long Kesh. A draft statutory rule has been prepared to create the Maze/Long Kesh development corporation, and we hope to schedule the Assembly debate on that issue before the summer recess. In parallel, the Maze/Long Kesh programme delivery unit continues to prepare the site for potential future development. Maze/Long Kesh presents us with a unique and viable redevelopment opportunity. In the current economic climate, opportunities of that type are rare, and it is important that we exploit that potential to the full.

Mr P Maskey: Go raibh maith agat, a LeasCheann Comhairle. Does the First Minister believe that we have a story to tell about our own conflict transformation process that can strike a positive note on the international stage and bring investment in from all over the world?

The First Minister: The site presents a number of opportunities. The Royal Ulster Agricultural Society (RUAS) has expressed some interest, and discussions are taking place with that organisation. There is an opportunity for economic investment on the site, and I believe that the European Union can be persuaded to help fund a conflict resolution centre, whatever it may finally be called. The retained buildings can be incorporated into the overall site.

Northern Ireland has a significant and historic conflict resolution story to tell to the world. I do not take the view that any two problem situations across the world are identical, but people can learn from our experience, as did we from others. However, it is important that that story is told in a balanced way. The deputy First Minister and I agree that the site should not become a shrine, in any form, to any paramilitary organisation.

Mr Ross: In the First Minister's original response, he said that he hoped to table a motion in the Assembly dealing with the creation of a development corporation. Were the Assembly to give its consent to that motion before the summer recess, when could that corporation be established?

The First Minister: Whether the Assembly gives its approval before or after the summer recess, the corporation will be established six months after the Assembly's support is given.

Mr Burns: Will the First Minister tell us when he will instruct officials in the Office of the First Minister and deputy First Minister (OFMDFM) to prepare a business case for the conflict transformation centre? Where will it be located?

The First Minister: Those issues are being examined, and propositions have been considered by the Department. As I said in my earlier answer, I believe that, were we to submit an application in relation to the site, the European Union would support it and would make a significant contribution. The project is in the final stages of consideration, but it must be brought about in a way that can gain the support of the whole community and become something that encourages bonding in society rather than being divisive.

Mr McCallister: I declare an interest as a member of the RUAS.

Does the First Minister agree that, if agreement can be reached with the RUAS to move items to the Maze site, that that can go ahead and not be held back while waiting on everything to be agreed, and that we can see some progress on the site after so many years of delay?

The First Minister: Since all those matters will be subject to the approval of the Executive, I can only speak for myself. We are keen that if agreement can be reached with the RUAS, it will move ahead; however, I think that others in

the Executive would be keen to see the overall shape of the site before giving approval to any one part of it.

Racial Equality Panel

2. Mr A Maginness asked the First Minister and deputy First Minister what progress has been made in the establishment of the racial equality panel and its subgroups and to outline the panel's terms of reference. (AQO 1440/10)

The First Minister: With your permission, Mr Speaker, I will ask junior Minister Robin Newton to answer that question.

The junior Minister (Office of the First Minister and deputy First Minister) (Mr Newton): I thank the Member for his question, which is important, given the economic climate; it may become even more important in future. To better focus the business of the Racial Equality Forum, members were asked to self-nominate to join the racial equality panel. The panel is being established to drive the work of the forum. By the deadline, we had received and accepted nine nominations.

Those appointed represent the views of the wider minority ethnic sector. The panel will also include representatives from relevant Departments, faith-based organisations and the Equality Commission, among others. Apart from forum meetings, it is planned for the panel to meet twice a year. Consequently, panel members are required to consult widely with the minority ethnic sector and to advise it on panel proceedings.

The forum's subgroup on immigration has met twice and is making significant progress on recommendations on those who find themselves destitute through no fault of their own. A first meeting of the panel is planned for late July when the terms of reference will be given careful, detailed and active consideration. There will also be discussion of establishing additional subgroups, although those subgroups have resource implications that need to be taken into consideration.

Mr A Maginness: I thank the junior Minister for his comprehensive answer; progress is certainly being made. It is important in the economic downturn that the rights of racial minorities be fully protected, and the panel is one way of doing that. Will the junior Minister assure the House that he will continue that valuable work in order to protect ethnic minorities?

The junior Minister (Mr Newton): Yes. The point is well made by the Member. Racial equality is a highly emotive issue that has received considerable press coverage. We are aware of a young lady in Coleraine who lost her legs as a result of becoming homeless and destitute; that is a matter of concern. The Member will know that we are working within a UK framework on the issue, and it is something that we will continue to work on.

Mr G Robinson: Will the junior Minister outline what funding provision is available for support and help in ethnic minority communities?

The junior Minister (Mr Newton): The point that I have already made is tied closely to the point made by the Member because if people find themselves in difficulty, we expect the ethnic minority organisations to provide them with support. No one, whatever their racial background, should feel that they cannot approach an organisation in Northern Ireland for support. OFMDFM is fully committed to building a cohesive, shared and integrated society. Those words will trip off the tongue very easily in the next number of months as we develop the strategy.

The OFMDFM minority ethnic development fund provides vital support to those groups, enabling them to build up capacity and providing the practical support and advice needed in our communities. The fund will be worth £1.1 million in 2010-11.

As a part of the 2010-11 minority ethnic funding scheme, more than £949,000 of development funding has been allocated to 22 organisations and £160,296 of project funding has been awarded to 12 organisations. We expect all those organisations to provide the necessary support to various ethnic minority groups.

Ms Anderson: Go raibh míle maith agat. Given that migrant workers and their families have made a vital contribution to our society and economy and that many of them do not have recourse to public funding, what measures and steps is the Department taking to assist them at this time? I am conscious of what the Minister said about the funding that is available for groups and organisations. However, I am referring particularly to those workers and families who are no longer in work here.

The junior Minister (Mr Newton): I thank the Member for her question. We are seeing a

pattern emerge, because the issues that those questions raise are interwoven.

One of our difficulties is that immigration is not a devolved matter; responsibility for policy issues remains with the Westminster Government. Although we are sometimes constrained by UK-wide legislation, we are determined to examine what support we can give to people facing genuine crises. The Executive's primary focus is on economic growth to build a better future for all people here, including new arrivals. We expect the groups funded by OFMDFM to provide practical help and support to those people who fall on economic hardship and who are suffering. I have no reason to doubt that we will continue to fund those groups during the course of the year. The budgets are already set, and I do not anticipate any interference with them.

Devolution

3. **Mr Kennedy** asked the First Minister and deputy First Minister what discussions they have had with the Prime Minister and the Secretary of State regarding the devolution of further powers to Northern Ireland. (AQO 1441/10)

The First Minister: The Member will be aware that the devolution of policing and justice powers to this Administration took place on 12 April, and we proposed that responsibility for, and the power to legislate on, all matters relating to public assembly in Northern Ireland will also be transferred on a date to be determined. As far as the devolution of any further powers is concerned, the deputy First Minister and I met the Prime Minister, David Cameron, on 20 May and the Secretary of State, Owen Paterson, on 14 May to share our views on the key priorities for the years ahead. We also met the Prime Minister at the Joint Ministerial Committee plenary meeting on 8 June.

Members will be aware that the possibility of differential rates of corporation tax across the United Kingdom was raised with us in those discussions. The UK Government intend to consider how the transfer of corporation tax-varying powers to Northern Ireland might be achieved. However, at this early stage, all the implications of such a step remain to be thoroughly explored. The issue of devolving any other reserved powers to this Administration will be kept under review.

Mr Kennedy: I am grateful to the First Minister for his reply. On the eve of what is likely to be a very important and crucial Budget announcement by the Chancellor, not only in national terms but in Northern Ireland terms, does the First Minister agree that it is vital that we grow our private sector given that public spending looks set to be tightened across the UK? Will he tell the House what level of agreement exists in the Northern Ireland Executive and what discussions they have had about the possible devolution of corporation tax-varying powers?

The First Minister: I agree entirely with the Member that we are likely to face some fairly stringent cuts in public expenditure. One of the Executive's priorities will be to ensure that the cuts protect, in as far as they can, public services, particularly front line services, and the economic growth that, I believe, Northern Ireland can substantially enjoy. We need to look at ways of getting greater growth into the economy. Obviously, the Northern Ireland Administration would be in a strong position if it had a fiscal lever to reduce corporation tax.

As the coalition Government have not yet brought forward that paper, we are not in a position to consider either it or its possible implications at Executive level. If its implications are that public expenditure will be cut elsewhere to reduce the block grant to an equivalent amount, one set of considerations would have to be put in place. However, if the paper permits us to look at the reduction of corporation tax for various sectors, rather than for the whole of our economy, a different set of considerations would come into play. Until we get the full detail of the paper from the Government, we cannot have that discussion.

2.45 pm

Mr Deputy Speaker: I call Mr Stephen Bell for a supplementary question. I am sorry; Mr Jonathan Bell.

Mr Bell: On a weekend of success for Northern Ireland, with Graeme McDowell's historic US Open win, what is the First Minister's assessment of how successful it would be for Northern Ireland to be able, as has been said, to set its own rate of corporation tax? Will the First Minister continue to impress that on the UK Government and find out when they will be able to make a further announcement on the matter?

The First Minister: I congratulate the Member for his ingenuity in getting in a question that

refers to the triumph of a Northern Ireland golfer. From Thursday right through to Monday morning, I think I watched almost every shot that Graeme McDowell played. His win was a tremendous achievement and good news for Northern Ireland.

Northern Ireland would benefit substantially from a reduction in corporation tax. We have a very good product at our disposal, even under present circumstances. However, investors, particularly those who are involved in foreign direct investment, often look at the bottom line, and, very often, they look at the trendy aspect, which is the rate of corporation tax. Therefore, a reduction would help us considerably.

Unlike other parts of the United Kingdom, this part has a land frontier with a European partner that has a substantially lower rate of corporation tax. Therefore, it is very important that we deal with the matter in a way that allows us to compete on the island with a country that has one of the lowest available corporation tax rates in the European Community.

Mr Deputy Speaker: I call Dr Stephen — not Jonathan — Farry for a supplementary question.

Dr Farry: It is a pleasure to be morphed with Jonathan Bell. I cannot think of a finer person for that.

Does the First Minister think that, ahead of the autumn investment conference in Washington, there would be a strong advantage in the British Government giving at least a positive indication on corporation tax? That could be seen in the context of American companies facing the prospect of taxation on foreign profits. Therefore, a lower rate of corporation tax may be a very good way of contravening that trend.

The First Minister: It would certainly be helpful if a lower rate were available for that period of time. However, I raised the issue with the Prime Minister, who indicated that it was more likely that we would receive the paper, rather than its outcome, by the time of the conference. We need to be careful that we do not raise expectations on this issue to too high a level. The deputy First Minister and I attended a meeting with a Treasury Minister, and his view was slightly less helpful than that of the Northern Ireland Secretary of State. Therefore, different views will come forward from the Treasury. However, we know that the Treasury

frowned on this matter the previous occasion that it was considered.

Budget Cuts

4. **Mr McLaughlin** asked the First Minister and deputy First Minister what steps they are taking to protect public services and to grow the economy in light of anticipated Budget cuts. (AQO 1442/10)

The First Minister: The deputy First Minister and I continue to liaise with the Prime Minister, David Cameron, and the Secretary of State for Northern Ireland on the likely impact of Budget cuts here. We are well aware of the financial challenges that lie ahead for everyone. The size of our block grant is a key issue and of fundamental importance to our ability to continue to deliver public services and support to local businesses and people. Last month, the funding available for local public services was cut by £127 million per annum, which was the Executive's share of the £6 billion reduction in UK public expenditure in 2010-11. In addition, there are expected to be further real-term reductions in funding over the four-year period from 2011-12 until 2014-15, as part of the 2010 spending review, which will take place in the autumn. Further details on that are expected in the Chancellor of the Exchequer's emergency Budget statement tomorrow.

The result of that reduction in funding from the Treasury is that local Departments will need to make savings in the coming years to address cost pressures and fund improvements in public services. Although those savings should come from reductions in bureaucracy and administration costs in the first instance, front line services will also need to become more efficient. However, the scale of the challenge means that a fundamental assessment of the services provided by the Executive and the best form of delivery will also be required.

The Executive have taken a number of important steps to support the local economy during the recession and in its immediate aftermath. For example, to support the labour market at this critical time, the Department of Enterprise, Trade and Investment helped to safeguard over 2,200 jobs between April 2009 and March 2010. Furthermore, over the same period, Invest Northern Ireland also assisted in the promotion of over 4,300 jobs.

The Executive also recently established a subcommittee chaired by Minister Foster to prioritise and co-ordinate action on the economy. The subcommittee is currently working to develop an economic strategy for Northern Ireland that will set our priorities, actions and targets for the short, medium and longer term.

Overall, the best approach for the Executive is to support companies as they seek to improve their competitiveness in the global market place so that there is less reliance on public sector spending in the future.

Mr McLaughlin: I thank the First Minister for that very detailed and helpful answer. There was so much detail in it that I look forward to seeing the Official Report to take in all of the information that he imparted.

From the First Minister's remarks, can I take it that he is firmly of the view that further savings can be identified without impacting on public services?

The First Minister: Yes, of course. Identifying areas in which public savings can be made is one issue, and I have no doubt that there are further savings that can be made. Ask any member of the public, and he or she will be able to identify areas where the Government should be cutting back and where there is waste. However, we need to get agreement in the Executive on areas to make savings. Therefore, a consensus is required, which can sometimes be difficult.

Mr Campbell: Will the First Minister give an assurance that when there are inward investment conferences and investors looking at Northern Ireland, particularly when there is a dependence in the economy on tourism, excellent golf courses, such as the one that produced our US Open winner, Graeme McDowell, will be promoted actively to ensure that visitors come here in their tens of thousands?

The First Minister: Ingenuity knows no bounds, Mr Deputy Speaker. You would be the last one to call any Member to order on this issue.

Northern Ireland has tremendous golf courses, and the Tourist Board are well aware of that. Within the past few days, the deputy First Minister and I met a delegation of Americans who had enjoyed the use of those golf courses. I met a group of American trial lawyers who were

in Northern Ireland, almost on a tour of the golf courses.

For the first time in 40 years, a European has won the US Open, and the fact that he is from Northern Ireland will draw attention to the talent that we have and to the assets in Northern Ireland that have formed that talent.

Mr Neeson: Although I recognise that the Executive have placed a priority on growing the economy, does the First Minister agree that developing the green economy must be a priority now? For example, Harland and Wolff has taken advantage and developed wind turbines.

The First Minister: Harland and Wolff has been instrumental in manufacturing the tidal version as well.

There is a tremendous opportunity to develop the green economy, and it is something that the Enterprise Minister is very much in favour of pushing forward. Again, when we were in the United States, the deputy First Minister and I met one of the companies that are very keen to be involved with wind turbines in Northern Ireland, so developing that is clearly beneficial.

However, we need to recognise that the best way to get economic growth is through businesses that bring export potential. Ultimately, we have to encourage those businesses, not only by encouraging foreign direct investment but also by looking at our own indigenous businesses to see how they can be expanded and can grow and where they can export their products.

Joint Ministerial Committee

5. **Mr McQuillan** asked the First Minister and deputy First Minister for an update on the recent Joint Ministerial Committee meeting. (AQO 1443/10)

The First Minister: The deputy First Minister and I attended a meeting of the Joint Ministerial Committee in London on 8 June 2010. The meeting, which was chaired by the Prime Minister, was the first since the formation of the new Government and was an early opportunity for the devolved Administrations to reinforce the importance of the institution of the Joint Ministerial Committee and to seek the commitment of the UK Government to participation at the highest levels.

The agenda consisted of three items: the Government's programme, the economy and

finance, and intergovernmental relations. The meeting also discussed the Respect agenda and how the four Administrations could work together to make that a reality. The greater part of the discussion was devoted to the economy. We stressed to the Prime Minister the differential structures of our respective economies and the implications of any sudden and drastic reduction in public expenditure for our local economy, which is still emerging from recession.

There was unanimity among the devolved Administrations in impressing upon the Prime Minister the need for a fresh approach to negotiations between the Treasury and the devolved Administrations on all issues of public finance, including the need for greater flexibilities and the need to ensure that our shared commitment to protecting the economy is governed by the principles of responsible management of the public finances. We explored and identified areas of shared interest in encouraging sustainable economic growth and achieving the best value provision of public services along with maintaining and improving competitiveness.

The Prime Minister assured us of his commitment to effective and meaningful inter-Administration relationships and to improving the processes supporting those relationships, particularly those relating to finance. We agreed to continue and to maintain a regular dialogue on all those matters, and a programme of meetings under the auspices of the Joint Ministerial Committee (JMC) was agreed for the year ahead. The Member may wish to note that a copy of the agreed joint communiqué has been placed in the Assembly Library.

Mr McQuillan: I thank the First Minister for a detailed answer. Does the First Minister agree that the fact that the JMC meeting was chaired by the Prime Minister and attended by the Deputy Prime Minister will prove to be evidence of an enhanced role for the devolved Administrations in national Government?

The First Minister: On that day, we had a meeting of the JMC and of the JMCE, which is the Joint Ministerial Committee in European format. We probably met about two thirds of the Cabinet at those two meetings. That indicates that they put a very high priority on the issue. The real test, of course, is not so much about their presence; it is not even so much the fact that that was the first time such a meeting was held in Downing Street. It will be important that

we see some product from those meetings, and we look forward to seeing whether the suggestions put forward by the devolved Administrations are shaped into policy decisions by the new Government.

Mr Dallat: Will the Minister give us some indication of the joint initiatives that he and the deputy First Minister intend to bring forward?

The First Minister: I assume that we are talking about the previous question, which was about the JMC. The deputy First Minister and I put proposals to the Government in relation to getting greater flexibility in our finances, particularly over the period of the next comprehensive spending review. It is important, in our view, that we have automatic access to the end-year flexibility. In our case, that is about a quarter of a billion pounds, which would assist us with the cuts that are coming. We also asked for greater flexibility in moving money from capital into resource. There are also issues arising from the statement on finance policy that was brought forward by the Labour Administration, which, I hope, the new Administration will change and on which all the devolved Administrations would seek to have improvements.

3.00 pm

The other issue that the deputy First Minister and I are agreed on and have argued strongly for is that there should be a system of arbitration where there are disputes. For instance, the Treasury decided that although there was urban regeneration funding for the Olympics, we would not get the Barnett consequentials for it. Those would have meant additional tens of millions of pounds for Northern Ireland, which, in urban regeneration terms, would have been significant for DSD.

Everyone in the devolved Administrations agrees that there was a strong, indeed unanswerable, case that we should have received that funding. When the cuts came along, the Treasury decided that that was an area in which the Olympics should be pared back. It applied negative Barnett consequentials to us, having not given us the positive consequentials in the first place. When that was pointed out, rather than giving us the positive consequentials, the Treasury took away the £1 million or £2 million of negative consequentials.

Regional Development

Mr Deputy Speaker: I advise Members that question 3 has been withdrawn. I further remind Members who wish to ask a supplementary question that they must be rising or on their feet to be called.

A5 and A8 Road Schemes

1. **Dr McDonnell** asked the Minister for Regional Development to detail the total amount spent to date on contractors and consultants for the A5 and A8 road schemes. (AQO 1454/10)

The Minister for Regional Development

(Mr Murphy): Roads Service has advised that the total amount spent to date on the A5 dualling scheme between Derry and Aughnacloy is £24,715,000. The total amount spent to date on the A8 dualling scheme between Belfast and Larne is £3,135,000. Those figures include consultants' fees, site investigations and surveys and payments to the integrated delivery teams.

Dr McDonnell: I thank the Minister for his answer. I am conscious that the Irish Government have sustained their commitment to both projects despite the serious difficulties in the Irish economy. Will the Minister confirm that our Executive will sustain both projects in spite of any threats to our Budget?

The Minister for Regional Development: The Member is correct: the A8 and A5 schemes are being part-funded by the Irish Government. I anticipate that the remainder of the funding will be made available through the normal budgetary process.

Mr Doherty: Go raibh maith agat, a LeasCheann Comhairle. Will the Minister tell the House what is the expected timetable for the delivery of the A5 dualling scheme?

The Minister for Regional Development: Subject to satisfactory progress through the statutory procedures and the availability of funds through a normal budgetary process, it is anticipated that construction could start in 2012 and be completed in 2015. It is expected that the draft vesting and direction Orders and environmental statement will be published in November 2010. It is anticipated that a public inquiry will take place in 2011. Subject to a satisfactory outcome of the public inquiry and confirmation of the availability of funding, construction work,

as I said, is expected to start in 2012 and be completed in 2015.

Mr Elliott: Will the Minister detail how the consultants were appointed? How many applications were received, and what scoring criteria were used in the process to select the consultants?

The Minister for Regional Development: The consultants were appointed by the normal process, but I do not have details on how many applied and the scoring processes that were used. I will respond to the Member in writing at a later date.

Mr Neeson: In view of the number of serious accidents on the A8 over the years, when does the Minister anticipate that the A8 scheme will start and be completed?

The Minister for Regional Development: Again, subject to satisfactory progress through the statutory procedures and the availability of funds through a normal budgetary process, it is anticipated that construction could start in 2012-13 and be completed in 2015. The stage three assessment is under way, and it will progress the scheme towards the publication of the draft vesting and direction Orders and environmental statement by mid-2011.

Local Government

2. **Rev Dr Robert Coulter** asked the Minister for Regional Development what discussions he has had with the Minister of the Environment in relation to the devolution of functions to local government. (AQO 1455/10)

The Minister for Regional Development: The Member will be aware that the devolution of functions to local government is part of the wider proposals to reform local government under the review of public administration (RPA). That includes the transfer of a range of functions from several Departments across the NICS (Northern Ireland Civil Service). As a member of the RPA's Executive subcommittee, I am in regular contact with the Minister of the Environment, who chairs that subcommittee, as part of our role to oversee the implementation of the reforms.

Rev Dr Robert Coulter: I thank the Minister for his response. Now that local government reorganisation has collapsed, will the Minister indicate whether the Minister of Finance and

Personnel has expressed to him any views on the devolution of functions to the 26 councils?

The Minister for Regional Development: There has been a general discussion about that at the Executive over a number of meetings. Obviously, I was disappointed with the final result of the discussions, which was a decision not to proceed with the 11-council model. Ministers exchanged views across the Executive table on a wide range of matters relating to that. I have not had any specific discussions directly with the Minister of Finance and Personnel about transferring functions, but I certainly would not be supportive of the idea of transferring functions to the 26 councils, particularly given that some of the councils already abuse some of their powers. In the absence of proper governance models being introduced, I would certainly not be minded to transfer functions from the Department for Regional Development (DRD) to the 26-council model.

Mr Shannon: I am keen to ascertain whether the Minister foresees any transfer to local government of responsibility for major strategic schemes for roadways, rather than it just being responsible for minor maintenance? Has he considered that issue with the Department and, if so, does he see that happening in a rolling fashion over the next few years?

The Minister for Regional Development: As I said in my previous response, I am not minded to transfer any functions to the 26-council model. As part of a wide-ranging discussion over a number of years, we were intending to transfer some powers, including powers relating to car parks and traffic attendants, to an 11-council model. Because road schemes, more often than not, will not be confined to any one council area, it is the intention to keep Roads Service as the statutory authority over road schemes and major works and not to transfer that power to the councils.

Mr Deputy Speaker: I call Fra McCann to ask a supplementary question.

Mr F McCann: Go raibh maith agat, a LeasCheann Comhairle. The Minister has, in his last two responses, answered the question that I was going to ask.

Mr Gallagher: The Minister clearly does not intend to devolve any functions to the 26 councils in the foreseeable future. Therefore, does he accept that the RPA exercise and the

way that it has been carried out to date has been an abysmal failure?

The Minister for Regional Development: I am sure that much useful preparatory work has been done between councils. I have said publicly that I am very disappointed that the decision to move to the 11-council model was not taken at the Executive. I have made my views very clear on that. Whether anything can be picked up from that has not been put to the Executive as yet. There has been no proposition on where we go from here. With no agreement to move to an 11-council model, the default position is to stick to the 26-council model. I do not doubt that some of the work that has been done to date has proved useful in getting councils to co-operate. Whether we can revisit the issue is a decision for the Executive. I would be keen to see us move on to establishing an 11-council model, as we had agreed two years ago, but, obviously, we cannot move on that on our own.

Mr Deputy Speaker: Question 3 has been withdrawn.

Northern Ireland Water: Procurement

4. **Mr Gardiner** asked the Minister for Regional Development what steps he has taken to date to improve his Department's oversight of the procurement processes operated by Northern Ireland Water. (AQO 1457/10)

The Minister for Regional Development: My written ministerial statement on 12 March and subsequent oral statement to the Assembly on 15 March set out the immediate action that I took following the publication of the independent review team's report on procurement governance failures in NIW (Northern Ireland Water). The oral statement referred to an action plan that had been produced in response to the report findings. That was subsequently agreed as a joint DRD/NIW action plan, incorporating actions to enhance the Department's oversight of NIW. That included taking forward a process to appoint interim board members to temporarily replace the four non-executive directors who were removed, on which I hope to make an announcement soon; DRD representation at NIW audit committee meetings since March this year; an external review of the work undertaken by NIW internal audit, which has been used to inform the internal review team's (IRT) findings; a wider external review of the NIW internal audit

function; and the requirement for the Department to be informed about any proposed single-tender actions above £30,000 on a monthly basis.

Although I am confident that the chief executive has, since his appointment and subsequent to the findings of IRT's report, proactively raised the profile of governance throughout NIW, the director of the Department's shareholder unit liaises closely with him on an ongoing basis to ensure that all actions are being addressed. Delivery against the action plan is a standing item at the monthly meetings between the DRD senior finance director and the chief executive.

One of NIW's main actions was to widen the scope of the audit into procurement governance. This was described as further "deep-dive" audit work, and I agreed to keep Members informed about it as the findings become known. I can now confirm that they will be made available on the Department's website later today.

Mr Gardiner: I thank the Minister for his reply. Is he now satisfied that Northern Ireland Water is being run to the highest standards of corporate governance and that contracts are being tendered for properly?

The Minister for Regional Development: That is the point of all the actions that I have outlined, which are a consequence of the independent review team's report and which then led to a joint action plan between the Department and NIW. That has led to a much closer working relationship and to a much greater emphasis being placed on governance and procurement. I am confident that things have improved dramatically since the matter was first brought to our attention earlier this year. I am satisfied that these arrangements are now working. Experience over time will test them properly. However, there has been a very substantial improvement in relation to governance, audit and scrutiny of the award of contracts.

Mr Campbell: Will the Minister indicate what criteria and appointment processes, which were not undertaken in the first instance, which led to the problems that the independent review identified, were undertaken this time to ensure that the interim board membership process was successfully concluded?

The Minister for Regional Development: The problems that the independent review identified were much more extensive than the appointment process for board members,

although I considered board members to be culpable in their governance and scrutiny of some of the issues that were taking place at NIW. The difference with the interim appointments is that they are described as being made on an interim basis.

We had to reach agreement with the Commissioner for Public Appointments to deviate from the normal appointments process. The selection criteria for the four interim appointments were based on business and stakeholder needs. A list of the names of potential candidates was drawn up and individuals were contacted to gauge their interest, and they were asked to submit CVs. Interviews, or conversations with a purpose, were then held by a panel that contained an independent assessor. A further interview is scheduled for later in the month, and I hope to be in a position to announce interim appointments soon.

Mr McDevitt: With regard to all the problems that Northern Ireland Water faces, does the Minister rule out any possibility that he will re-integrate Northern Ireland Water as a corporate body directly into the Department for Regional Development?

The Minister for Regional Development: All options are being considered in relation to the future of NIW. It is now operating as a hybrid — between a Go-co and a non-departmental public body — as far as accountability is concerned. However, there are implications in bringing NIW back into the Department and those have to be considered. It would have an impact on the Executive's financial situation, and there would be possible financial risks around VAT and asset valuation. There would be constraints in the public expenditure system on issues such as efficiency, customer focus and long-term planning to maximise return on investment. We are considering the course of action to take to secure the best governance of NIW, but whatever we do will have implications.

Airports

5. **Mr Beggs** asked the Minister for Regional Development what influence his Department has, through the regional development strategy, on proposals for airports and their associated transport infrastructure requirements.
(AQO 1458/10)

The Minister for Regional Development: The regional development strategy (RDS) recognises the significant role that airports have in accessing markets, encouraging inward investment and boosting tourism. The RDS is material to decisions on development proposals for local airports and their associated transport infrastructure. That means that when DOE is processing planning applications, it must give due consideration to the policies set out in the RDS.

Mr Beggs: Does the Minister agree that it would be helpful if there were greater responsibility for and greater influence on the development of airports, so that we end up with the right investment in the right place and that road and rail infrastructures are meshed appropriately? Does he also agree that there is a need for greater responsibility over a wider geographical area and that responsibility should be devolved?

The Minister for Regional Development: There are a number of factors involved. One is an ongoing discussion on aviation strategy. Responsibility for that lies at Westminster, and I have said that I am happy to explore and to discuss with Executive colleagues whether that is something for which we can accept responsibility. The Member should also bear in mind that airports are privately owned and decisions about investment and infrastructure are matters for the owners.

Given that we live on an island, airports are important gateways. That is reflected in the regional development strategy and will be reflected, possibly even more strongly, in the new regional development strategy that is being processed. There is a clear recognition that the infrastructure that gets people to and from the airports is important. Given our geography and the nature of our economy, access to the airports is important, and we will continue to bear that in mind.

3.15 pm

Mr Leonard: Go raibh maith agat, a LeasCheann Comhairle. When does the Minister intend to publish the revised regional development strategy?

The Minister for Regional Development: I intend to seek Executive approval to publish the revised regional development strategy for consultation by this autumn.

Ms Lo: Given the scope of the regional development strategy, I presume that the

Department will submit the Minister's response to the public inquiry on the proposed extension of Belfast City Airport. Will the Minister assure me that he and his Department will take into account the local residents' ongoing opposition to that proposal?

The Minister for Regional Development: The inquiry and the decisions that flow from it are a matter for the Department of the Environment. However, on a number of occasions, I have had the opportunity to meet with residents and with groups and, indeed, with some of the elected representatives from the areas that are affected by Belfast City Airport. I wrote to the Minister of the Environment encouraging him to hold a public inquiry before taking his decision. I am not sure that there is a formal role for DRD in that inquiry, but, nonetheless, we will be keeping an interested eye on it.

Mr G Robinson: If and when the Budget will allow such schemes to progress, will the Department examine the possibilities of having railway links and halts at Londonderry and Aldergrove airports so that a truly integrated public transport network can be achieved?

The Minister for Regional Development: Those issues have been raised with me before. The standard benchmark for the viability of rail halts at airports is if they serve around 10 million passengers. I think that Aldergrove serves around seven million, and the City of Derry Airport does not serve numbers in that region at all. However, we will continue to keep that under review. Current and anticipated finances would not allow us to make any moves in that direction in the near future, but I will continue to listen to that argument as time goes on.

June Monitoring Round

6. **Mr Kennedy** asked the Minister for Regional Development to outline his Department's response to the June monitoring round. (AQO 1459/10)

The Minister for Regional Development: My Department submitted seven bids in the June monitoring round exercise, six of which were resource bids totalling £22.2 million and one that was a capital bid for £41 million. The bids totalled £63.2 million overall and covered a wide range of the Department's activities.

Details of the resource bids are £12.6 million for pressures arising from environmental work

and contractor disputes in NIW; £2.3 million to maintain the existing level of subsidies for concessionary fares schemes; £1.3 million to meet the increased railway public service obligation; £0.6 million to meet the increased cost of the transport funds resulting from the dial-a-lift service; £4 million to meet the costs of maintaining the street lighting stock; and £1.4 million to meet the increase in fuel duty rebate costs.

There was one capital bid for £41 million for Roads Service structural maintenance. If that bid is met, the allocation for 2010-11 would match the level recommended in the independently assessed Snaith structural maintenance funding plan. Members should also note that the backlog of structural maintenance on our roads was measured at an unprecedented £720 million in the September 2009 report. My Department also sought £4.5 million in capital funding as part of the approved integrated development fund pilot project that Ilex submitted for the A2 Broadbridge scheme.

Mr Kennedy: I am grateful to the Minister for his reply. As regards the resource bid of £2.3 million for the concessionary fares scheme, will the Minister outline the budgetary position of the scheme and what he intends to do if no funding is available from the Department of Finance and Personnel?

The Minister for Regional Development: The Executive consider the concessionary fares scheme to be important. I certainly consider it important. The bid for £2.3 million is to maintain the existing levels of subsidy for that scheme. Fare concessions that are available to those over the age of 60 and other vulnerable groups have been successful in encouraging those groups to use public transport services frequently in preference to private transport. That shows the benefit of having affordable and accessible public transport services in achieving modal shift.

However, the scheme is demand led and inescapable pressures have arisen, which explains the bid for additional funds. At this stage of the year, that bid represents an estimate of the reimbursements required to Translink for the scheme. As I said, I consider the scheme to be important, as, I believe, do my Executive colleagues, and, therefore, I intend to secure the finances necessary to ensure that it continues.

Mr Dallat: Given that the Minister will be under severe financial pressures, has he any plans to seek equity release from any agencies or bodies under his control?

The Minister for Regional Development:

There has been some discussion — I am not sure whether it was at a previous Question Time — during which the Minister of Finance and Personnel referred to equity release in relation to Belfast port. I am told that that is not possible under the terms in which it was described. Therefore, it is not something that we have considered. I do not consider myself to be under severe financial pressure. The budgets are being challenged; we will probably know more about that tomorrow. Nonetheless, the Executive need to have a mature discussion about continued investment in the infrastructure as a way to help us to endure the economic downturn and to put us in a better position to take advantage when the situation improves.

Cairnshill Park-and-Ride Facility

7. **Mr A Maskey** asked the Minister for Regional Development when the Cairnshill park-and-ride facility will open and what measures will be put in place to facilitate public transport from the site to Belfast city centre. (AQO 1460/10)

The Minister for Regional Development:

Plans for the introduction of a new park-and-ride facility at Cairnshill are well advanced. Although the construction work on site is largely complete, the procurement of bus services, together with the introduction of further bus priority measures, must be finalised before the site becomes fully operational. I hope to be able to announce the outcome of the procurement in the autumn. In the meantime, I have asked officials to investigate opening the car park as a park-and-share site and to consider how existing Translink bus services could be used to benefit access to the city centre.

Mr A Maskey: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his reply. He has visited the constituency and spoken to residents' associations and other local representatives about overall traffic management in the area. Is the Minister able to assure the House that this project will be given every priority to ensure that it and the necessary procurement are completed, so that it can make an important contribution to traffic management in that overall area?

The Minister for Regional Development: As I said, work on the site is largely complete, and we expect it to be fully completed by the end of June, that is, within the next week or so. The site has space for 730 vehicles. Although the dedicated service has not yet been procured, there is the potential to open the site for a park-and-share scheme in the interim and to link its users with existing Translink services that pass the site.

I agree with the Member that it is an important part of traffic management for the Ormeau Road area and for the city as a whole. In the initial phases, as we give more priority to quality bus corridors in that area, private car users will feel the impact, and that may lead, initially, to their experiencing some congestion. However, the purpose of park-and-ride sites is to encourage private car users to leave their cars there and take public transport into the city. I believe that such sites will eventually be highly successful in that regard.

Mr Cree: The Minister will be aware of many park-and-ride facilities throughout Northern Ireland, but they are often used by people who do not get on a train or a bus. Has the Minister considered introducing controls for existing park-and-ride facilities?

The Minister for Regional Development: I am not aware of any specific complaints about particular facilities at which people park but do not use public transport, unless that is a park-and-share facility, and some park-and-ride sites include park-and-share facilities. However, if the Member brings any specific complaints about the operation of some of the sites to our attention, my officials and I will ensure that the operators of those parks deal with the issue.

Mr D Bradley: Go raibh maith agat, a LeasCheann Comhairle. Given that the latest figures show that single occupancy journeys increased by 14 million in 2006-08, does the Minister accept that his policies are failing to get people out of their cars and into more sustainable forms of transport?

The Minister for Regional Development: No, I do not accept that my policies have failed. I am not sure what Mr Bradley's policies are, but I would be interested in hearing from him about them. If he has some better ideas, I encourage him to let me hear them.

Very significant investment is going into infrastructure, such as park-and-ride schemes and the plans that are being developed for a rapid transit system around Belfast. Although private car ownership is increasing, as it is all over the world, and congestion is an ongoing issue, the correct policies are being followed, namely, to provide a better, more efficient and higher priority public transport network and to make it progressively more difficult for private cars to access urban centres. That is the policy that we are pursuing. At a time when making investments is not easy, the policy requires significant investment in public transport and more restrictive measures for private cars. I think that that is the correct policy to follow. If the Member has a better one, I would be interested to hear about it.

Mr McHugh: Go raibh maith agat, a LeasCheann Comhairle. The Minister's comments about park-and-ride facilities and the number of people travelling into the city centre are encouraging. The quality of life of pedestrians, given the movement of buses in the city centre, is also important, and there have been some severe accidents and serious incidents. The speed and type of buses —

Mr Deputy Speaker: Question, Mr McHugh.

Mr McHugh: In relation to the control and management of buses within the city centre itself, will the Minister look to the future in relation to the type of buses, the noise that they create and, indeed, the speed and control with which they are driven? Has that been brought to the Minister's attention?

The Minister for Regional Development: It has, and I recall the tragic accident in Belfast city centre that resulted in young Ciara Park being killed by a bus. Work between Departments was already ongoing, and the Member will know that the streetscape work in Belfast city centre is the responsibility of the Department for Social Development. DOE also has an interest, and there have been joint discussions and meetings about Belfast city centre's immediate and longer-term future between the three Departments. That is an ongoing piece of work. In the long term, we intend to remove buses from the immediate city centre area. At the moment, in certain parts of the city centre, their movement is restricted to one way. Obviously, given that the area is becoming increasingly pedestrianised, the greatest attention possible

is being paid to safety issues. Pedestrian usage and bus usage can lead to a conflict. There are long-term plans to progressively remove vehicles from the city centre. In the interim, a great deal of attention is being paid to pedestrian safety.

A6 Randalstown to Castledawson

8. **Mr McLaughlin** asked the Minister for Regional Development to outline the current position on the proposed A6 Randalstown to Castledawson road upgrade. (AQO 1461/10)

The Minister for Regional Development: Roads Service has advised that it is continuing to develop the A6 Randalstown to Castledawson dualling scheme. It plans to make two direction orders later this year to facilitate the construction phase. It is anticipated that work will commence on site in the 2011-12 financial year, subject to the availability of finance at that time.

Mr McLaughlin: I thank the Minister for that information, and the fact that his budget is not under especial pressure gives us confidence that the project will proceed. Given that work on the scheme will commence in the 2011-12 financial year, when does the Minister expect it to be completed?

The Minister for Regional Development: The dualling scheme has been procured by way of a design-and-build contract, and it will take about 24 months — two years — from the start of construction to completion.

Mr T Clarke: I am disappointed by the Minister's last answer. Given present financial constraints and public opinion about the loss of farmland, I was hoping that the Minister would tell us that the scheme will be put on the back burner for some time. Even at this late stage, will consideration be given to looking at another route or to putting the scheme off for some time?

The Minister for Regional Development: No. I am afraid that the intention is to go ahead with the scheme. There are landowner issues, as there are with any road scheme, big or small, particularly with respect to farmers' access and compensation. In any major infrastructure scheme, those are all difficult issues to deal with. Nonetheless, the process is under way, and the benefits to members of the public who travel to and from the north-west, between Belfast and Derry, will be great, so the intention is to go ahead with the scheme.

3.30 pm

Mr Kinahan: The Minister is probably aware that there is disagreement about whooper swans and the building of the new road. Are studies on the swans ongoing, and will we be supplied with up-to-date facts?

The Minister for Regional Development: Many issues will be raised about the construction project, of which that is one. Stringent environmental guidelines are in place for any roads that are being built, and I am sure that the environmental agencies will apply strict guidelines about what can and cannot be done. I do not have a specific assessment of the ongoing examination of that issue, but I am happy to write to the Member with any details that may be available.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. What assurances can the Minister give that local contractors will be involved in the work on the proposed upgrade of the A6 from Randalstown to Castledawson?

The Minister for Regional Development: We must adhere to European rules on major procurements. However, we will try to ensure that, where possible, local contractors have the opportunity to tender for that type of work. Contract awards for the A5 were broken into three pieces, which perhaps made it more attractive to local contractors and not so attractive to international organisations. To date, we have had good local contractors who are capable of undertaking such work. Over the past number of years, schemes arrived on time, on budget and, in many cases, ahead of schedule. I am sure that local contractors will be aware of the potential for work. Given the difficult situation that they face, I very much hope that they are able to secure that work.

Executive Committee Business

Budget (No. 3) Bill: Final Stage

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

That the Budget (No. 3) Bill [NIA 26/09] do now pass.

The passing of the Budget (No. 3) Bill will set the limits on expenditure and the use of resources in 2010-11 and will enable the Assembly to hold Departments accountable for managing and controlling that spending and for the use of those resources within those limits. As the Excess Votes for 2008-09, which are in the Bill, demonstrate, any excess or excesses will be identified during the audit of the departmental resource accounts and will be reported by the Comptroller and Auditor General to the Public Accounts Committee (PAC). In turn, the PAC will examine the reasons for the excess and make recommendations to the House.

I will continue in the vein of accountability to the Assembly and take this opportunity to focus the Assembly's attention for a few moments on the issues that it is now time to address. The current financial process, which we inherited from direct rule, commenced with the Budget and went through the legislative stages of Estimates and Budget Bills, which is where we are today, to the out-turn of the departmental resource accounts. It has existed for many decades in Northern Ireland and is based on the Westminster model. Various components of the process serve different purposes and have developed over the years in individual directions. That has resulted in a significant misalignment between Budgets, Estimates and accounts. In past debates, Members commented on that misalignment, which is especially demonstrated by the different figure work in the Budget document and the Estimates. That misalignment is an area that should be reformed to improve transparency and Assembly control. In addition, the revenue stream in the form of rates legislation is taken forward as a separate process and, arguably, should be linked with the expenditure process.

One main area that requires radical reform is the lack of transparency in the publications presented to the Assembly, in particular the Estimates. In the past, Members commented that the publications did not lend themselves to

the easy scrutiny and challenge of spending proposals by the Assembly. Departments' spending proposals should be set out clearly in Budget and Estimates publications not only to be scrutinised and challenged by the Assembly but to enable accountability at a later stage for spend against those proposals. Take, for example, education and health, which are two of the biggest spending Departments. In the Budget document that was approved on 20 April and in the Estimates before us today, the majority of the spend in each Department is contained in one or two lines. An expenditure line of over £1 billion should be unacceptable to the Assembly, and it is time the Assembly demanded greater transparency, with expenditure being split over different spending programmes.

Finally, the financial process is lengthy, convoluted and repetitive — very repetitive on some occasions. I hope that it will not be repetitive today, but I suspect that it might. Consultation, scrutiny, debate and agreement of a Budget is followed by debates reopening the same Budget issues during the legislative process. I enjoy a good debate, and, while it is important in a democracy to debate the issues, especially important issues such as public expenditure, the repetitive purpose of those debates is worth examining, especially since a lot of the debate is about something that has been agreed anyway.

(Mr Speaker in the Chair)

At this stage of devolution, it is time to discuss, consult on and agree a process and publications that better suit the needs of the Assembly. To that end, perhaps it is time for a review of the entire financial process. We recently had a review of the Budget process in order to improve the first stage of our financial process, but should we not look at the entire financial process and at the various publications throughout that process with a view to having a process and publications that will meet the needs of our devolved Administration? The objectives of such a review could be to improve transparency and the alignment between Budgets, Estimates and accounts; radically simplify the Estimates; revise the budgetary structure of Departments in order to achieve clarity in spending proposals and programmes; and streamline the Budget, Estimates and legislative process.

Reform must be driven by the needs of the Assembly, and I cannot stress that enough. A review taken forward by DFP or by the Executive without the engagement of Members would not achieve its goals; in fact, it might be regarded with some suspicion. The Assembly should consider its needs in relation to the entire process and the publications laid before it. Extensive consultation with the Assembly on reform would be imperative. The official avenues for consultation would be the Committee for Finance and Personnel and the Public Accounts Committee. However, I welcome the constructive views of individual Members today or in the coming months on the matter. In addition, my officials would need to consult the Comptroller and Auditor General on the issues impacting on his office, on accounts and on his role as the controller of the Northern Ireland Consolidated Fund. I issue a challenge to the Assembly today to consider major reform of our financial process to meet the needs of the Assembly. The desire for reform must come from the Chamber, and I welcome Members' views in that regard.

In conclusion, as we come to the final debate in this legislative process, I remind the House that the amounts of cash and resources sought in the Budget (No. 3) Bill for 2010-11 are substantial on top of the Vote on Account approved in March, bringing the total cash to more than £13 billion and the resources to more than £14 billion. However, as stated in earlier debates, the Chancellor's announcement on 24 May has already dented those amounts, and the Executive are dealing with that as part of the June monitoring round. As we await the Chancellor's emergency Budget tomorrow, we can be certain that the financial road ahead will be rough. However, Members have been elected to deliver high-quality public services to the people of Northern Ireland, and we must still do that within our reduced resources. That is the challenge that lies ahead, and I look forward to hearing Members' views today in that vein.

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): Go raibh maith agat, a Cheann Comhairle. I want to speak first as the Chairperson of the Committee for Finance and Personnel and then as an MLA.

As I stated in an earlier debate on the Bill, the Committee for Finance and Personnel is aware of the potential consequences for departmental spending and front line services should the Bill not progress through the Assembly before the

summer recess. In that regard, the Committee was content for the Bill to proceed under accelerated passage. However, the Committee continues to be mindful of the concerns raised by other Statutory Committees about the lack of engagement with their respective Departments throughout the latest Budget process. Therefore, I am pleased that the Minister has called on his Executive colleagues to engage early and meaningfully with their Committees as we move into the 2010 Budget process, which will establish departmental baseline expenditure for 2011-14.

Following a request for assurances about improved consultation and transparency in future Budget processes, the Minister provided the Committee with an early timetable for the 2010 Budget process, and that has been shared with the other Statutory Committees. On 30 June 2010, the Committee for Finance and Personnel will take evidence from DFP officials on their initial plans and priorities for the Budget 2010 process. I encourage other Departments to engage with their Statutory Committee at the earliest opportunity, because it is imperative that Committees are afforded adequate time to properly perform their scrutiny role. Having reiterated those key concerns, I support the motion that the Budget (No. 3) Bill do now pass.

As an MLA, I welcome the Minister's earlier comments. There is a view that we are facing a situation in which we will have less money to spend on public services. I apologise in advance if I repeat myself a little today, but we must have the debate on how we can protect essential front line services and ensure that the families and businesses that need help from the Executive get that help. We often get caught up in the argument about where we will find new money, but that is not always what is required; it is about using the money that we have more wisely.

Sometimes I feel like a parrot because I repeat myself so much, but public procurement is one area that we can influence to ensure that all public spending in that area maximises the wider economic and social benefits to our community. I am aware that the Minister is looking at the Committee's recommendations on public procurement, but that type of procurement must be opened up to smaller businesses and the social economy sector to enable them to access contracts in the same way as larger firms. Social clauses must also be inserted. It is essential that we look at how

we can target areas of disadvantage and need and how we can ensure that companies that are awarded contracts meet the basic conditions, including providing good wages and employing apprentices and the long-term unemployed.

Mr F McCann: A number of weeks ago, I attended a conference in County Down with the Chairperson of the Committee for Social Development and other members of the Committee. At that conference, a representative from the Welsh Assembly spoke about how the Welsh have used procurement contracts to open up apprenticeships and about how social clauses were included in those contracts. The representative said that that approach has had a great impact on how things are dealt with. There still seems to be some hesitancy here about adopting those procurement ideas. Does the Member agree that, particularly in the current economic climate, we should tap into the expertise in Wales and use it here?

The Chairperson of the Committee for Finance and Personnel: That is certainly an issue that we could look into. I also hope that the Minister and the Central Procurement Directorate give weight to the 30 recommendations in the Committee's report on public procurement.

Those recommendations will go a long way to helping the public procurement spend be used as the strategic tool that we have discussed in the Chamber.

3.45 pm

I want to concentrate on areas in which money is already there, as opposed to looking for new money. Credit union legislation is going through Westminster. Credit unions have expressed an interest in investing in social economy enterprises in local communities. Targeting social need would generate employment and regenerate those communities. It is important that, when that legislation has passed through Westminster, the Assembly and the Executive take the necessary steps to ensure that credit unions' financial investment powers are brought into the arena. Credit unions are currently investing their money in banks, which are coming in for criticism for not lending to businesspeople here. We need to look at banks' failure to address their failings, because, we must remember, they were given public money. I know that we have talked about that issue before, but the banks were given that public money to try to kick-start the economy, and some businesses cannot get

loans from the banks or are having loans called in by them. It is imperative for business that we look at the credit unions and at the way in which they can make financial investment in areas such as the social economy.

We need to look at all the different areas. We are facing public spending constraints, so it is essential that we consider whether we are getting the outcomes from spending that we need and that are set out in the Programme for Government. I know that an opportunity is coming for the Programme for Government to be reviewed, and it might be timely for that review to reflect the current economic climate.

Whether we choose to engage in that level of debate, we need to engage with communities. The poverty in those communities is very real. There are still 100,000 children living in poverty in the North of Ireland. It seems that, no matter what we do to deliver services, we are not bringing children out of poverty. Those children are still getting up in the morning and going to school hungry because their parents do not have the money to pay for electricity when the meter runs out at 8.00 am on a Monday. They do not have the money for electricity to provide light and heat and to cook a breakfast. Generational poverty is perpetuated, because those children are never given a fair chance in life from birth. Children who are born into a household in which two parents do not work or who are born in an area of social need should be given the same life chances as a child from a more affluent area or family. We need to take a strategic approach and put money into those families, children and schools for early intervention. We need to look at that holistically and do something for those children at a very young age to lift them out of poverty. One of the main ways to lift a child out of poverty is to give the child's parents a job. Public procurement can be used in a way that will create employment opportunities for parents.

As I said, there are ways to spend our money more wisely. However, we need to measure that. We must also measure the outcomes. I sense that, after government money has been invested in a service, there is no measurement of whether it has worked and whether the targets have been reached. When we consider the entire budgetary process, it is essential that we build into it the cross between the Programme for Government and the Budget. We should also

build in a tool to measure whether the money that we spend delivers the set priorities.

We will, I hope, be given the opportunity to discuss that issue in more detail. I hope that the Assembly and the Executive will take on board the disadvantage and need in our communities and target spend on the families, businesses and communities that need it.

Mr Hamilton: On behalf of my party, I welcome the seamless and fairly painless passage of this essential legislation. In doing so, I welcome the debate so far. The Minister's criticism of the process is absolutely justified. We have gone through the same process time and time again. In fact, I probably could have reread a speech from the Final Stage of a previous Budget Bill, and no one would have batted an eyelid.

The Minister of Finance and Personnel: How do we know that you will not do that?

Mr Hamilton: I will repeat this speech next year to see whether anyone catches on. Given that the process has many failings, which I want to touch on, it allows us to have a debate. I hope that the Minister appreciates that today's debate has been a little more mature than some previous Budget Bill debates. The debate will be even more mature given the absence of certain Members. As the Chairperson said and as the Minister mentioned in his opening remarks, the context in which we now discuss Budgets has changed from that of three years ago. We all know the context of public spending restraints, if not cuts, that we must face. That has encouraged Members to be a bit more mature and more measured in their comments.

Several Members mentioned the need to reform our entire budgetary process, and I was glad to hear the Minister's comments on that today. It is, perhaps, typical that, during the Final Stage of a Budget Bill that could have gone through easily, the Minister threw down a challenge to Assembly Members. However, if I have read the comments from all parties in the Committee for Finance and Personnel correctly, many of us will seize that challenge with relish. The Minister is absolutely right to make those comments. There is a growing sense of dissatisfaction among Members and a feeling that the whole process is, in many respects, pointless. That is borne out of many reasons and frustrations. The Minister has spoken of his frustration at the lack of departmental engagement with Committees, the incompleteness of the

information provided to Committees and, at times, the complete lack of transparency even when the information is provided. We should all be critical of our own performance and question whether we truly test the expenditure that comes before us. Even were all the available information provided in a timely way, would our testing of expenditure be thorough enough? Sadly, the answer is no. Budget Bills and monitoring rounds come around again and again, and I fear that we fall into automatic pilot when scrutinising Budgets and expenditure in the Assembly.

There is that fear or frustration that Members cannot change anything. That has got to rub off on the general public and stakeholders who may think that they cannot change anything either. Therefore, given the context of the public spending constraints that we face, there is a deep desire to change that process so that we are as thorough as possible and can walk away from every Budget process and say that we tested everything with the degree of scrutiny that was absolutely required. Therefore, the challenge that the Minister has thrown down is one that I wish to seize with relish.

Even though there is a sense of doom and gloom about Budgets in Northern Ireland, it should be noted that this Budget still allows for considerable investment in our public services, not least in ongoing record investment in our infrastructure right across Northern Ireland.

I welcome the Final Stage of the Bill. It is, at least, one Budget this week that we will all welcome; I am not too sure about the one that we will hear about tomorrow. In fact, I suspect that we will run a million miles away from it in respect of some of the pain that it will cause. Nevertheless, I welcome the Final Stage and the challenge that the Minister has thrown down to everybody in the House.

Mr McDevitt: I apologise to you, Mr Speaker, to the House and to the Minister for missing his introductory remarks. I hope that nothing I say retrospectively steals his thunder. It might, but I will go ahead anyway.

We are at the Bill's Final Stage. I have huge sympathy with many of Mr Hamilton's remarks and with some of Ms McCann's. We seem to be in a perpetual cycle of sameness, debating the same pot of money and the same sort of issues in the same sort of way. Therefore, it may be opportune to take a few moments to talk about

what we might do differently during this Final Stage debate.

I suppose that it boils down to two basic questions. The first is how we raise our money. There is a little bit of what we will want to spend that we are able to raise ourselves. The second is a matter of negotiation, for those who are much better at that than me, with the powers that be in other places. However, I think that it is an opportune time, possibly in light of tomorrow's Westminster Budget, after we come back after the summer break and think about the next Assembly, our comprehensive spending review and the heads of the new Programme for Government, to reflect on some of the big questions that we need to pose about how we raise revenue in this region.

The first question that I would like to pose is about the rating system as it stands and whether it is fit for purpose. We have ended up in a debate about water charges on the periphery of this Budget, a debate that will continue to raise its head until, somehow or other, we settle the question of that £200 million that we keep pushing down the pipe — pardon the pun — and find some mechanism for being able to fund it.

Dr Farry: I am encouraged by the tone that the Member has taken in facing up to the reality of revenue-raising. That has not always been the case on the part of his party. In respect of the comment about pushing the issue down the pipe and the implications of that, is the SDLP, in essence, now facing up to the reality that water charges have to be introduced?

The Minister of Finance and Personnel: No.

Dr Farry: If Mr McDevitt is also saying no, what is the point of the line of argument that he is taking?

Mr McDevitt: Like the Minister, the SDLP says no. We do so proudly and consistently, because water charges in the current budgetary structure are not the solution. That is part of the point that I am in the process of making.

We are probably at the point where we need to ask fundamental questions about our rating system per se, because it is clear from where we are sitting that it should accommodate the cost of water. However, it is clear from where other people are sitting that it does not. It is certain that every householder and, I suspect,

most of us sitting in the Chamber pay rates, but none of us feels that we get particularly good value out of what we pay. None of us gets a sense of what we are actually paying for. We do not really know or understand where our regional contribution goes, and we certainly do not know where our local government contribution goes.

The Minister of Finance and Personnel: I understand the point that the Member made about the regional rate. So far as the Bill goes, there will be a separation. However, as far as the district rate is concerned, most councils now detail, with quite a lot of information, exactly what the money is spent on. The regional rate does not go into pockets of money; it goes into general expenditure and is a bit more difficult to define.

4.00 pm

Mr McDevitt: They do so at a corporate level; the Minister is right in that regard. There is still a significant disconnect between the ratepayer or the customer of government services — be that at local government level or at regional government level — and the rate bill. It may be a time for us to take a look at what we believe falls within the rate envelope and to ask ourselves whether the bodies, structure and policies that we have around rating are suitable for that purpose.

I hear a lot of criticism, and I am sure that colleagues do too, about the rating agency and whether it is able to do its job on a day-to-day basis. I know that that matter has been debated at other times in the Chamber, so I will not dwell on it too much, but now is the time for us to start asking that first question about where our money comes from. Is it time to start a conversation about what rates are, what they should pay for and how we should formulate a policy around them?

The second matter is about thinking of smaller, imaginative innovations that could be used as revenue-raising opportunities. In the Minister's reply, I would be most interested to hear his opinion on Mike Smyth's suggestion of a levy on text messages, for example. We never seem to think outside the box when considering how revenue could be raised elsewhere, and I will come to that in the second part of my comments.

There is the question of asset leverage. The investment strategy sits slightly outside the Budget that we are talking about today for

obvious and important reasons, but again, in that regard, we stumble along. I suppose that we can forgive ourselves for doing so over the first seven or eight years of this millennium because of the bigger politics of the situation, but we are yet to come to terms with the opportunity to leverage our asset base. There also needs to be a big conversation on the broader question of equity release. Although the Minister took a strong view during the Bill's previous stage on the opportunities to release equity from such bodies as the Harbour Commissioners, only 20 minutes ago and 10 yards from where I stand, the Minister for Regional Development took an opposite view on whether that was possible, never mind whether it was a good idea. As an Assembly, we should have the debate about how to raise money; we owe it to ourselves and to the people who sent us here.

The second debate relates to what we do with the money and how we spend it. Ms McCann made a very important point when she talked about need and the fact that, at every level in our society — be it at the most deprived levels, where support is most needed from the state; at the level where young people are leaving school or college and looking for work with no prospects of finding any; at small businesses and their frequent argument to us that they do not feel that the region is rolling behind them; or the other government services, in which people argue that they are not being funded in the way that they should — the question of whether our Budget is about funding Departments or funding need is begging to be asked. If it is about the latter, does continuing to fund Departments in the traditional, old-fashioned way enable us to fund need or is it becoming an obstacle to it?

The SDLP has talked about my next subject in the past, but I have not, so I will indulge myself briefly. The first Executive had a mechanism called the Executive programme funds. It was abolished the minute that the first Executive fell. I know that, privately, the Minister is not averse to us returning to the idea of programmatic funding. We need to stop allowing Departments to act as gatekeepers rather than enablers, and we need to return to this place, in the autumn or after the next election, with imaginative ways that will allow us to send a signal to the people — the young workers, those who need health and social services, carers — that we can fund need. That need is not merely social, it is also economic. It is about innovation and linking up what the Department of Education, the

Department for Employment and Learning (DEL) and the Department for Enterprise, Trade and Investment (DETI) need to do in order to realise the employment opportunity of this region.

At the last level, we also need to be able to bring the compassion and the opportunity to use regional funding and regional spending to help those who are most on the margins of society.

For most county towns in rural areas, nothing is more important than investment. It is important in the cities too. Capital investment means that jobs can be created, but when people in local communities do not see themselves getting jobs when the road project or big regeneration project comes through, they get disillusioned about the value of devolution.

I agree with Jennifer McCann that social clauses are hugely important. My only regret is that, to date and for whatever reason, we have not been able to get the most out of social clauses. Only last week, I asked the Minister for Regional Development for figures. He has been able to produce only eight jobs for long-term unemployed people in the past two years. It is not that he does not want to produce more jobs, so it must be because there are barriers in the process. If devolution is to mean something to me and to most of us, we need to begin to address those barriers.

I thank the Minister of Finance and Personnel for his time and efforts over the past couple of weeks. However, rather than talk about a Budget, I agree with the Chairperson of the Committee for Social Development that this is the easy part of what will be a very difficult conversation in the months ahead. It is important at this stage that we reflect on the points that have been made on the matter. How can we raise money differently? More importantly, when we do so, how can we spend it in a way that changes lives?

Dr Farry: Once again, I welcome the opportunity to comment on the Budget (No.3) Bill. In some respects, this is a landmark, as it is the last formal debate on the authorisation of the three-year Budget that the Executive and the Assembly agreed. My party did not agree to it, because we were in opposition then. However, today we are not.

Of course, as the Bill becomes law, some tidying up will still need to be done through the monitoring rounds and, eventually, through the spring

Supplementary Estimates. Over the year, those monitoring rounds may take on considerable importance in the context of what we have to do to implement the cuts from the Treasury.

I want to make a number of points, but I will do my best to avoid repeating what was said during the debates on the preceding stages of the Bill. The process has gone relatively smoothly overall. I emphasise the importance of the economic interface in our approach to public expenditure in Northern Ireland. Obviously, a lot of the macroeconomics lie outside the Executive's direct control, but there are implications for the way in which we spend money. In the light of the ongoing economic situation, that has to remain our primary concern.

I reiterate the point that I made last week about the importance of rebalancing the economy by balancing demand-side intervention with the supply side to free up the costs for companies and individuals so that they can spend money. I would tend to focus more on the supply side, because investments in that area can have an impact on demand. However, as we emerge from recession, it is important that we take every available opportunity to try to shift the terms of the debate on our economy locally. Our economy has major structural problems, not least the dependency on both the public sector and a relatively small private sector with low productivity. To simply free up money for the demand side often does not tackle those fundamental structural difficulties. We must be mindful of the balance when we pitch the economic assistance that we give through public expenditure, which is limited.

Having reflected on some of the comments that were made last week, in particular those of the Minister of Finance and Personnel in his winding-up speech on the Second Stage of the Budget (No.3) Bill, I particularly acknowledge what he said about North/South co-operation. I hope that I will not get him into too much trouble with his party for saying this, but I found his comments to be particularly encouraging. I apologise if I misquote or misrepresent him, but, leaving aside the issue of structures, which may be important in some cases and unimportant in others, he said that, in essence, where there is logic in doing something on either an all-island or a more limited cross-border basis and it makes financial and economic sense, there is no good reason not to do it, as long as we respect and abide by our constitutional

situation. That is encouraging, and there should be scope over the next few months for having more rounded debates in the Chamber and elsewhere on how we can take that agenda forward for our local benefit here in Northern Ireland, leaving aside any other benefits that may accrue from that.

I also want to take up the comments made by Conall McDevitt on revenue raising — he has gone quiet all of a sudden. It is important that we are realistic about the need to raise revenue. I was encouraged by the start of his comments but became more disappointed as he went along, because he was raising the issue in a tantalising way, but not actually grasping some of the essentials. When he was challenged about the issue of water charges, he ducked it and said that it is a flat no. The fundamental reality we have to face in this society is that the continued deferment of water charging — or, as Conall McDevitt described it, the funding that we keep “pushing down the pipe” — costs our block grant around £200 million every year. The deferral of water charges is not covered by the block grant; it is a decision we have to take, and it comes at an opportunity cost for revenue that could be invested elsewhere.

Mr McDevitt: Mr Farry seems determined to have the debate within the confines of the status quo and on the assumption that there is nothing wrong with the rating system, that it is absolutely fit for purpose and delivers exactly what it was designed to do. However, there is the opinion, not just on the SDLP Benches, but outside, and probably across the House, that, in fact, the rating system has some big problems. My question is not about whether we need to fund water. We all agree that we need to fund water, but differ on the question of how. That is the issue. Does Mr Farry agree that the rating system is, at very best, just about fit for the job it does?

Dr Farry: I am grateful for those comments as they have teed up some of the comments I need to make on the issue. Whether we raise revenue through a standing charge based on the value of property or we simply add the cost of water on to the rates, in effect, the overall net impact is fairly similar: households will be paying more. It could be done as part of the rates or as a separate charge, but the overall net effect is fairly similar. That particular point is something of a distraction.

The one downside about making that increase in order to fund water as part of the regional rates process is that essentially it is being said that the only way of funding water is according to the value of property. That does not take into account the potential for reflecting usage of water in households through metering, for example. There may well be advantages in doing it separately.

The Minister of Finance and Personnel: There is, of course, an additional problem that has not been considered: as rate payments are subject to housing benefit opportunities, I imagine there would be a difficulty with Treasury if we were to include a charge for a service in a tax on which people could obtain some alleviation through housing benefit. Therefore, leaving aside the charges that were mentioned, whether funding for water should be raised through rates is another matter that we need to take into consideration.

Dr Farry: Further to the Minister's comments, the other consideration has to be the implications in relation to the European Union, and what the expectation would be from that source on how income for water is going to be raised. I appreciate that the Minister is not a fan of the European Union, but I understand that Conall McDevitt and I share a common interest in supporting it.

It is worth bearing in mind that we have had a significant discussion in the Assembly regarding rates. It was one of the first issues raised during this mandate back in the spring of 2007, and we have had a comprehensive piece of legislation since then. In some respects, the issue of rating reform has now been settled, at least for a decade or so. I do not think there is a huge appetite for returning to that. There were certainly aspects of that that I was uncomfortable with. I have always said that I would rather that we levied rates or local charges based on people's income as opposed to the value of their property. Although property is a fairly good measure of ability to pay, it is a blunt instrument in some respects. Given the problem of people who are asset rich but income poor, an income-based approach would be better. That may be what Mr McDevitt intended when he suggested that we need to reform the basis on which we raise revenue. However, his party was not prepared to entertain such a suggestion when rating reform was discussed a matter of months ago.

4.15 pm

I wish to make a final point about rates. If we go down the line of, as was suggested, explaining for what the regional rate is used, that rate will become, by implication, a hypothecated tax, which means that it is raised for particular purposes, rather than for general revenue. The current approach is the fairest one, because money can be spread across all Departments. If revenue were raised for particular areas, flexibility in the management of resources would be curtailed. That could create some distorted and bizarre outcomes and lead to certain areas that receive public money being regarded as privileged, and vice versa. I have concerns about that.

Mr McDevitt raised the issue, but I do not want to be completely unfair to him in my comments. Therefore, to widen my comments, I must say that I detect a lack of maturity in this debate from a whole host of quarters in the Assembly. Economists are saying in public that the Executive and Assembly simply have to bite the bullet and raise additional revenue. Householders here are not being asked to pay at the same levels as people elsewhere, and, as a consequence, our ability to invest in public services and to improve the economy is being compromised. Parties that stand up and complain about cuts need to put their hands up and say that they are not prepared to take the leap. They must be realistic and accept that, in return for providing better public services, we need to ask people to pay more. That is the only honest and frank way in which we can approach the issue.

It is worth reinforcing the point that the method used for raising additional revenue will be linked to ability to pay. The measures that we have at present may not be perfect, but that broad relationship exists. However, the inverse is true in another respect. The vulnerable in society depend proportionally more on public services, particularly the Health Service. We need only look at the issue of health inequalities to see those figures appear in stark relief. We are robbing those services by continuing with what is, in effect, a subsidy for the better-off in society. Water charges, if they are introduced, will be linked to ability to pay. The approach that not only certain political parties but trade unions have taken to the issue of water charges is utterly baffling. They cannot have it both ways. We have to make tough decisions and choices. It is about more than rhetoric. We must

be prepared to put our hands up for some very difficult choices that we must make to move the situation along.

The final issue that I wish to talk about is health. I was most disturbed by comments that the Health Minister made during last Tuesday's Question Time when I asked him about consultant provision. He referred to the justice budget and made disparaging remarks when he spoke about his attitude to healthcare for prisoners and that for the ordinary population.

Mr Kennedy: The Minister's points were not in any way disparaging of health provision for prisoners. It seems to be a priority for the Alliance Party Minister and Members from the Alliance Party to spend money on prisoners rather than on protecting the budget for patients.

Dr Farry: First, Mr Kennedy needs to go back and read Hansard. His comments confirm the point that a number of Members made, in particular Carál Ní Chuilín. There are circumstances in which prisoners are patients, and not either prisoners or patients. The Department of Health, Social Services and Public Safety is responsible, through the South Eastern Health and Social Trust, for healthcare in the Prison Service. The implication of the Minister's remarks was that certain patients will be prioritised over others who happen to be prisoners.

That was the intent that most Members took from the comments made by the Health Minister. He was skirting a very fine line around his equality responsibilities to all people in Northern Ireland who use the services provided by the Department of Health, Social Services and Public Safety.

Mr Kennedy: He is the victim of a political ambush.

Mr Speaker: Order.

Dr Farry: Thank you very much, Mr Speaker.

When the issue was raised, I said that I recognised the importance of ring-fencing the budget for the Department of Justice in the short term, not least given the dissident threat. I draw Mr Kennedy's attention to the fact that his party, along with many others, is lobbying hard for the Chief Constable to be given the correct resources to take on the dissidents. However, I regard ring-fencing as a short-term solution. In the medium term, the

Justice Department will have to compete for scarce resources and, therefore, cut its cloth accordingly, just as every other Department has to. The Executive will have to decide between the prioritisation of health, education and justice services. That is the situation in which we find ourselves at present.

Mr Kennedy: I hope that the Member is not indicating that his party is being complacent about the threat posed by dissidents, particularly in south Armagh in my constituency.

Dr Farry: Far from it. I must point out to the Member that it was his party that cast aspersions on the ring-fencing of funding for the Department of Justice, which is critical to ensuring that resources are passed on to the Police Service. The Member cannot have it both ways. He knows quite well that the Justice Minister is standing four-square behind the Chief Constable on the resources that are required to take on the dissidents, not just in south Armagh, but across Northern Ireland.

I want to focus on the health budget. Last week, I said that we needed to compare spending profiles in Northern Ireland with other areas to find out whether we are spending proportionately more in areas such as health and education and proportionately less in areas such as transport and the environment. We must try to learn the lessons from that while respecting our ability to make our own priorities. We must draw on what is happening elsewhere for guidance. That also applies within Departments. Given that the Health Department receives such a large proportion of our Budget, MLAs should focus most of their attention and debate on that in the coming months. As the Westminster cuts come in greater force over the coming years, the situation will become more acute.

Mr McDevitt: I go back to my remarks about funding need rather than funding Departments. Does the Member accept that the Health Department is, in fact, the best possible example of that? Health is a massive bureaucracy, which includes the NHS with all its layers, the Department and the ancillary agencies that have an input. Does the Member agree that we should identify priority areas of health and social service need and prioritise those areas in financial terms? To do that, we need to acknowledge that the solution may not just lie in the Health Department's budget. For example, in the area of public health, money from the education

budget may be needed for investment, or, in other areas, money from the DETI budget, the DEL budget or the Department for Social Development (DSD) budget may be needed. That is why, from the point of view of transforming societies, a programmatic approach to funding will always be more effective than a departmental silo approach.

Dr Farry: Having been very critical of Mr McDevitt earlier, I now agree with every word that he has said — I say that to encourage him. In health, there is a need for focus on areas such as early intervention and prevention, and many of those initiatives require co-operation between Departments and an ability to think outside the context of narrow silos. Therefore, I am more than happy to concur with the thrust of what the Member said.

In a similar vein, we need to look at the spending profile in the Health Department. In Northern Ireland, we spend less per capita on mental health — about 9% — than the UK average of 13%. In other areas of health, local spending profiles are different from profiles elsewhere in these islands. That begs the question; what are we doing more of or spending disproportionately more on than is the norm elsewhere? In examining that, we will find some immediate savings, which can be reinforced by the trend of how we approach outcomes, as Mr McDevitt outlined.

I want to reinforce the point that health is an important service. In Northern Ireland, our health spending per capita is well ahead of the UK average. That is justified on the basis of our having health needs which are much greater than elsewhere in the UK.

However, our investment in health has been flatlining during the three-year Budget period that we are coming to the end of, so we have been falling behind in our level of health investment. Despite that, I have great difficulty with the Health Minister coming here time after time and lecturing other parties for saying that he has to take his share of the cuts. We have to remember that the Health Minister referred to the final Budget settlement that was agreed in February 2008 as a good deal for health. What was a good deal back then cannot be a bad deal today. I thought that it was a bad deal, but he thought that it was a good one. By saying that it was a good deal, he was putting his money up front.

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

Leaving that aside, it is important that we be realistic about how we take health forward in the context of falling budgets. I reiterate that it is not productive to ring-fence the health budget. That is a difficult thing for people to say, but the budget realities suggest that that must be the situation. There are two reasons for that. First, we need to encourage changes in the Health Service, just like everywhere else, and if you fix a budget, the prospects of reform are diminished. Secondly, if the health budget is ring-fenced, the implications for all other public services will be tremendous. So, there are huge issues there that we need to get to grips with within health.

We need partnership between MLAs, rather than a situation where we keep hitting a brick wall because the Minister simply says that he wants his budget ring-fenced and that he is not prepared to entertain or discuss how he will manage cuts that are agreed by the Executive until they are forced upon him. That is not a productive way forward, and in the area where the Executive are spending the greatest amount of money we need a much more productive relationship than we have at present.

I welcome the Minister's comments about looking at a new way of budgeting. No doubt, that will be the subject of much greater discussion, and he has given us plenty of food for thought. Given that the hour is passing on, I will not entertain myself on that subject now. I look forward to returning to that debate in due course.

Mr F McCann: Go raibh maith agat, a LeasCheann Comhairle.

I support the Bill. In the past, in the Committees that I am on, I have spoken out against the use of accelerated passage. However, when there is no other option, we need to support its use. This is one such time.

I realise the difficulties that Committees have faced in trying to get information from Departments. I certainly believe that that information was required at the Committee Stage to allow a good and constructive debate. By the time we finally received that information from Departments, there was not enough time to scrutinise the departmental budgets.

Given the nature of many of the issues that we deal with at the Committee for Social Development, the lack of time that we had to debate our departmental budget caused problems for all of us. The Committee deals with issues such as poverty, social deprivation, housing in its many elements, social security, community regeneration and town and urban regeneration. In many ways, those are issues that go to the heart of service provision for those in society who are most in need.

Members of our Committee felt that they had been treated shabbily and short-changed when it came to the proper scrutiny of the departmental budget. That was made all the more difficult because of some of the issues in terms of where the reductions in budgets will fall and the impact that they will have on front line services. We ended up with a figure of how much will be cut, but it contained nothing on how that would affect those who rely on that money or how the reductions would impact on those organisations that provide front line services.

I have heard MLAs on other Committees saying the same thing about the lateness and lack of information from Departments. Such behaviour is wrong at any time, but it is doubly wrong in the present economic climate. Ministers and Departments need to understand that we are all in this together. People expect us to work efficiently. Departments should not see Committees as enemies; they should see them as additional assets that will make good suggestions and observations and, at times, raise concerns that will help Ministers and Departments to come to the right decisions. That will also ensure that issues are taken on board, especially in the dire economic times in which we find ourselves.

The Committee for Finance and Personnel recently received a briefing from NISRA on its findings on deprivation throughout the North, and it was quite shocking.

Those areas that have suffered from generational deprivation, unemployment, poor health and poor educational attainment are getting worse, and there is always a fear among many organisations that work in those areas that the services that they provide are the first to be targeted for cuts.

4.30 pm

I heard the Health Minister, who receives more than half the Budget, saying that he should be getting more of the block grant or that his budget should be ring-fenced against cuts. It is his right to say that, but people who live in areas that suffer from serious community safety problems also face severe deprivation, unemployment, lack of housing, poor educational attainment, lack of proper childcare, poor diets, and poor health and low life expectancy because of their postcodes. All those issues must be tackled.

If areas that have nothing in the way of services are not dealt with, it will cost the Health Service many millions of pounds to deal with the serious consequences of poverty and deprivation. A strategy to deal with that will lead to huge savings not only for the Health Service but for other Departments. Those who live in areas of high social deprivation should have an equal shout for additional resources, even in times of financial hardship, or such resources should, at least, be ring-fenced against cuts.

Budgets should be allocated on the basis of need. We need to deal with those issues by targeting social need and deprivation in their many facets. If we fail to do that, the next NISRA report will show that the same areas are continuing to get worse, and we will again have failed those most in need. We have the power to make change, but what we need is the will to make that change. That can be done by the proper targeting of resources to those areas of severe need, which have, for generations, been left out of the boom times and the times of plenty.

When Ministers are looking to cut their budgets, I appeal to them to ensure that those services that deal with areas of social deprivation and front line community services are not the first port of call when the cuts axe falls. We all know that we are in tough times and that tough decisions will have to be made, especially in the aftermath of tomorrow's Budget. However, I appeal to Ministers to ensure that, whatever happens, we keep in mind those most in need and take on board that even a small cut to those services could have a devastating impact on the communities that depend on them. I support the motion.

Mr McHugh: Go raibh maith agat, a LeasCheann Comhairle. Not so many are interested in following the debate today, but the interests

and issues are exactly the same. It is vital that although we are taking a new look at the whole business of strategy or, indeed, how we go about the Budget in the future, we look after those most in need. That is the key.

Last week, I spoke about the cutting of the cake. If anyone looks at the pie chart of any Department, they will see that, year on year, the area on the chart for capital spending or anything else, outside salaries and looking after the departmental budget, gets smaller and smaller. It is for Departments to look at how that can be reduced, and also for the Minister or, indeed, perhaps us all.

The Minister mentioned that if the public think that the money that is available is not being used effectively, they will frown upon what we do here. The public have been asked by a number of people here to take more cuts or, indeed, to accept an increase through something such as water charges. Domestic bills, and the number of bills that come into an average household, have increased enormously over the years. A lot of people will certainly look badly upon what we do here if that does not change.

I tried to find figures for various Departments. There is no single document concise enough to show the cost of salaries and privileges in each Department or the minutiae of spend in departmental budgets. There are more than 100 different bodies in the public sector — some would call them quangos. Other bodies, such as those that deal with IT in health, and so on, may not be referred to as quangos, but there can be as many as two people for every nurse, or maybe three in some instances. Those are the kinds of things that raise costs.

Someone from the UK mentioned on a news programme over the weekend that some people receive salaries of as much as £200,000 or £250,000. That eats into the pensions budget for years to come, and we need to watch it. No one is able to tell me exactly how many salaries are at that level and how many we will have to carry in the years to come. The Assembly has not looked at that area so far. Many will not like to hear it, but I am sorry to say that if cuts are to target everyone, we must look at everything.

Early intervention was mentioned. Our approach to obesity, type 2 diabetes and other chronic illnesses that are costly to society and the health of society is to try to fix them. We focus on fixing problems rather than on early

intervention, educating kids at school, and so on. We need to operate in a manner that will bring about future savings and efficiencies. We must look long and hard at issues such as water charges. We cannot introduce water charges unless we have already looked at everything else. It is important that we do not raise our revenue artificially just to prop up and bolster the ever-increasing impact on budgets so that people can milk the system even more than they have done in the past.

I support Jennifer McCann's point that there has not been a tremendous change for people in the have-not category. Those who live in poverty now lived in poverty through the boom and into the bust. The lot of those people, in the North and South of the island, has not really improved that much. Some communities, such as west Belfast and parts of Enniskillen and wider Fermanagh, have improved through their own efforts, but that needs to be sustained. Areas must not lay as wasteland for another 10 years while we make up our mind about what we want to do in the future. People who do not have fortune must be included.

Mr F McCann: I am glad that the Member mentioned west Belfast. Although many communities in west Belfast and right across the North have built fairly good community infrastructures, recent NISRA statistics show that the lot of people in areas of west Belfast, Derry, Strabane and north Belfast has worsened rather than got better. Resources must be targeted to ensure that those people catch up with the rest.

Mr McHugh: I agree entirely. It is easy for people at arm's length and in paid government positions to make cuts in the areas that Fra McCann mentioned. It is easy for them to say that that is the extra that we do not need and that we do not need to get into all that social stuff, because we do. That is quite an easy way in which to improve an area, and including those areas is quite an easy way in which to improve them. It is important that families and kids in those areas feel that they are included in society as a result of the peace dividend and the Assembly. It is intolerable that NISRA figures prove that that is not happening, and we must tackle that.

I agree that that area should not be targeted, because it is cheap to pay people who work at a community level. As many people do an

enormous amount of voluntary work, and others do an enormous amount of work for very low pay, community services are not particularly costly. It could be expensive to deliver similar services through government and the Civil Service. Many people who work in the community sector have little pension provision, but they still deliver a tremendous product at a low cost, compared with almost anything else, to government. The private sector could not match it.

From a DETI point of view, the elements of job creation and growing the economy are also important. The Minister might say that I am simply looking for fewer cuts and not providing the mature level of debate that is required. I want a mature debate, and I am all for dealing with the issues and making the tough decisions on how to increase the amount of money that comes into our budgets, but I will not give way on job creation and the strategy for growth over the next 10 years, because they are important. We must not resort to making cuts and living in an increasingly downward situation for the next number of years, because that will not get us anywhere. To get back to a proper financial position, we will have to make savage cuts, but the lowering of the standard of living in certain areas would not resolve the situation.

Although our aim is to reach a financially sustainable position, it is important that the Minister realises that there are areas in which it would be crazy to make cuts. The management of the entire Civil Service and throughout government should be examined thoroughly, not just on the surface. When it has been determined that everything is correct and in place, we can consider other ways of increasing our budgets.

The Minister of Finance and Personnel:

We are at the end of a long and, as I said, repetitive process, but it has been a valuable one. I appreciate all Members' contributions, particularly those made over the past week. I appreciate the role that the Committee played in the process. Its members demonstrated that they wanted to be constructive during the discussions, and the fact that they agreed to accelerated passage helped the process.

I note the Chairperson of the Committee's point that some people had expressed concern that accelerated passage might mean a lack of engagement, but that has not been the case. We have had three debates, without time limits,

on the Bill. Perhaps, as was a constant theme in a number of Members' contributions, the lack of engagement was at the stage at which Committees should have been scrutinising their Departments' proposals. It is sad that many Departments and Ministers did not provide the information that they should have provided. Even when information was provided, it was not always in a sufficiently timely manner to allow for discussion. A number of Members, including Mr McCann, raised that point. I hope that doing so will not get him into trouble because, of course, when he criticised Ministers, he criticised his party's Ministers, just as I criticised some Ministers in my party.

I see that Mr McCann wants me to give way. Perhaps he wants to dig himself into a deeper hole or to extract himself from that hole.

Mr F McCann: I cannot stand here and criticise the former Social Development Minister and her Department for not providing the information that would have allowed the Committee to have a proper debate without including all Ministers, because they are probably all guilty.

4.45 pm

The Minister of Finance and Personnel: I am glad that the Member has clarified that he is in a hole and that he is happy for his comments to apply to all Ministers. He can rest content that he will sit on the Back Benches a while longer.

However, it is an important point and one that I have indicated that I want addressed through the process that we will follow. I have already laid out with the Committee a very strict timetable in which we want Departments to bring forward spending plans, which we want an opportunity to discuss with Ministers during August. In the autumn, there should be an opportunity for Committees to talk to Ministers about those plans.

That is only one part of the process. The other is the debate that I hope that I have started today about how we can ensure that, even if Ministers agree to co-operate and play ball in a way that many of them have not been prepared to do so far, Assembly Members and Committees are equipped to question their proposals. It is important that we look at the information provided, the way that that is done, the breakdown of that information and how it is presented, so that we can get to the point to which Mr McCann and others have referred. We

want to get to a point whereby, when a Minister says that he that will reduce a certain part of his budget, Members know what that means for programmes and projects in their constituencies. Mr McHugh made the same point.

As that information is available, why should it not be made available to Assembly Committees for scrutiny? It may make life more uncomfortable for a Minister and his officials when he attends the Committee to speak about budgetary proposals, but that is the only way in which the Assembly can do its job. At a time when we are faced with constrained Budgets, that type of information is essential because it allows Assembly Members to find out whether money is being spent on things that it should not be spent on and whether it could be spent on something different? Could matters be handled better on a cross-departmental basis because we can see how they interlink?

I made a genuine appeal to the Assembly, and some Members have responded; others may not have had time to think about it. Assembly Members are the people who have to scrutinise departmental budgets, and I want to know the kind of information and approach that Members and Committees believe would be most appropriate in helping them to do their job. The outcome may prove to be uncomfortable at times, but everyone should benefit from it, especially at a time such as this. I suppose that we do not care too much about how we spend money when we have stacks of it, but we need to be very careful about how we spend it when we do not have as much. That is one of the things that we will have to face in the future.

Let me turn to another couple of points made by the Chairperson of the Committee. Again, she raised the issue of social procurement. In last week's debate, I outlined the kind of things that we have built into procurement policy with respect to the long-term unemployed, apprenticeships, etc. I accept that the scope is limited, but nevertheless it is there. Departments have to seek to get best value for money when it comes to procurement and, therefore, the more restrictions one puts into the procurement process, the more difficult it is to achieve that particular objective. Also, we all recognise that we must move away from dependence on the public sector. We do not want to build a bias into the procurement process that reinforces the bias towards the public sector in the economy.

The Chairperson of the Committee for Finance and Personnel: Does the Minister accept that, when we talk about the social value of procurement, we are not necessarily saying that economic value, or value for money, should not be measured as well? If social clauses are included in the procurement policy, there will be better economic effects in the longer term.

The Minister of Finance and Personnel: That conflict will not always exist. However, sometimes it will, and we have to bear that in mind at a time when we are trying to get best value for money. If we want to help people in poverty, the best thing that we can do is to grow the economy and ensure that we provide employment across the board. We need to grow the economy in all areas and be aware of the skills that are available, as well as the lack of skills.

The Chairperson of the Committee also mentioned child poverty. I emphasise that that is the responsibility of all Departments. It should be part of their programmes, and there are targets that we will be required to meet. Having proper detail of the budgets will enable Committees to scrutinise and work out whether Departments are meeting those objectives.

Mr Hamilton raised the issue of the Budget process. I have made clear what I believe the changes in the process should be for: they should be designed to help the Assembly to do its job. I am sure that I will be given plenty of ideas from his Committee and others as to what they believe is essential to ensure that the Ministers and departmental officials that are being scrutinised are held to account and required to give the greatest level of detailed information on budgets. I look forward to his support on that.

I must admit, I shared Mr McFarry's view of Mr McDevitt.

Dr Farry: — *[Interruption.]*

The Minister of Finance and Personnel: Sorry, Mr Farry.

When Mr McDevitt started by saying that we need to look at how we raise our money, I was looking forward to some juicy thinking on that issue. At least he raised the point, although it was a bit disappointing how that panned out. He immediately said no to water charges; that is the safe option. He said that we need to look at the rating system, which has been revised and

is now based on capital values; it is just settling in. Mr McDevitt did not develop the point, so I do not know whether he was suggesting that we should try to re-revise and look at the whole rating system again, or that we keep the current method, but seek to raise revenue through it.

Mr McDevitt said a lot of things. He asked whether we could raise money through the rating system. I have pointed out to the Assembly before that a full 1% increase in domestic and business rates would raise around £5.8 million. He can see, as can others, that if we are simply relying on the current rating system and increases in rates to raise the kind of money that we are talking about, the required increase would be enormous and, of course, would have a political impact.

He was quite right to say that people like to know what their money is going to be spent on. However, given the fact that the regional rate simply goes into the pot, it would be a retrograde step to simply say that rates will be raised only for certain items of expenditure, before sending people nice glossy publications with pie charts stating that 10% of their rates go on this, 10% on that, and 50% on the other.

It is not so difficult for councils, for which the main source of revenue is the district rate. Councils know what their range of services is and can say how they are divided, but it would be a bit difficult for the Assembly to do that. Although we would like to have that transparency, unless we were prepared to ring-fence rates for certain purposes, it would not be technically possible to provide that information.

Mr McDevitt: I fully acknowledge that there was a significant debate during the early part of this mandate about rating. I am still deeply sceptical about whether the system is fit for purpose in meeting our needs in the next decade. Given that he is slightly better able to have a sense of confidence about the changes that took place, how confident is the Minister that the changes made to the rating system in the past couple of years will deliver the outcomes that we all believe are needed? More particularly, how confident is the Minister that those changes will deliver increased public confidence in our rating system? I take his point about the regional rate, but most consumers do not separate them. They just see the rates — in which their confidence remains low.

The Minister of Finance and Personnel: If the question is how confident I am that the rating system can be used as a source of revenue to overcome the financial difficulties and fill the financial hole that we will face over the next few years, the answer is that, for the reason that I have given, it cannot. It would require huge increases in rates to enable us to raise the amount of money that we will need. That is one of the reasons why I have emphasised that we must make tough choices about what we do about our current spending patterns and the way in which we deliver some services in Northern Ireland.

Although I understand and have put on record that I believe that raising some more money from the public in Northern Ireland — whether through charges, limited tax increases or services that we sell — has a role to play, the scale of the problem is such that we are going to have to rely on changes in the amount that we spend. However, the one thing that I am fairly sure of is that we cannot look again at a radical change in the rating system. We would be criticised for doing so. Charging for water through the rating system, which seemed to be what the Member was suggesting, would create massive difficulties, some of which have been fairly well rehearsed. The Member went on to talk about asset leverage, but did not really develop the point. Those are issues that we need to look at again in the future.

Mr McDevitt, Mr Fra McCann and Mr McHugh made the point that we should be spending to fund needs rather than Departments. That is the whole point of public spending. It should not be to sustain a system, structure or whatever. It should be to provide things that the market does not and the public purse, therefore, must. Once implemented, some of the changes that I have recommended in the Budget process and sharing of information will, hopefully, help Members to drill down to see exactly whether money is being directed towards particular needs.

If sufficient detail is there, Members will be able to see whether the way in which a Department spends its money changes as needs change, or whether it is simply, as he suggested, for the benefit of the Department: “There has always been somebody who has done that job, we have always used money in that way and really we do not want to change it so we just keep on doing it.” Having that degree of information should enable Members to make that kind of

judgement. Hopefully, that will be one of the benefits of the changes that I have suggested, albeit that they may be a bit uncomfortable for Departments.

Mr McDevitt raised Mike Smyth's idea of taxing text messages. The one thing that I remember from my teaching days is that one of Adam Smith's canons of taxation was that a tax should be collected cheaply. I do not know the administrative cost involved in distinguishing between phone calls and text messages.

As far as I know, my monthly mobile telephone bill — Mr Deputy Speaker, I apologise for going off on a tangent in the middle of the debate — is a summation; it is not divided between text messages and phone calls. Therefore, administratively, I do not know how that would work or, indeed, whether it would be within the competence of a regional Assembly to gather money in that way.

5.00 pm

Mr Farry spoke about North/South co-operation. I repeat: although I have no political ambition for greater union between Northern Ireland and the Irish Republic, I recognise the fact that, where there is a land boundary, services can be provided more cheaply or there are other advantages, and it makes sense to explore them. There is no constitutional point of contention; it is simply a case of good economics. Therefore, ideas that come forward should be considered. However, that is a job for individual Ministers; it does not need to be done through expensive North/South structures. In fact, such co-operation can sometimes be an impediment, because it introduces the suspicion that things are being done for the wrong reasons. Sometimes, direct departmental or ministerial contact might be a better way to achieve North/South co-operation.

Mr Farry also raised the Health Minister's attitude towards his Department's funding. When I spoke about whether the Assembly is fit to look after the Budget, I had the Health Minister in mind. When someone is head of the biggest-spending Department, it is the height of irresponsibility to don the cloth cap, join the protesters against the cuts and then claim to be a responsible Minister. Many members of the public would regard that behaviour either as juvenile or the height of cynicism. All the studies indicate that savings can be found in a budget as large as the health budget. The

McKinsey report into the health budget in England identified savings of 15% to 22% over the next four years. Given that productivity in the Northern Ireland Health Service is lower than that in other parts of the United Kingdom, it must be possible to find at least that level of savings, if not more. If such savings can be found, the opportunity to direct money towards providing extra services will always be available. Therefore, people should not be afraid to look for savings, because resources can then be released to provide more services, and that benefits everyone.

Mr Farry also raised the policing and justice budget, which, of course, is not part of the Bill. Although the Executive agreed to ring-fence the budget this year, I agree that that cannot be sustained. As time moves on, we will have to consider all budgets in the round. In the future, the Executive will face new challenges, so we must have total flexibility in how we spend our money.

Mr McCann and others raised the matter of Ministers' engagement with their respective Committees. I repeat: as far as I am concerned, Ministers should engage. I have done my best to force them to do so. I have written to them, raised the matter at Executive meetings and named and shamed them, no matter from which party they come, and I will persist in doing that. However, it is up to Committees to insist that they be allowed to fulfil their role, and Ministers who do not co-operate should be dealt with robustly by the Committees.

Mr McCann also raised the need to prioritise areas of deprivation. I cannot remember whether he or someone else from his party raised the issue during Question Time, but the way to address pockets of deprivation across Northern Ireland is to ensure that, through economic growth, we create employment opportunities for all. That means doing two things. First, some people cannot access the labour market at present because they do not have the skills or the education; perhaps they have been institutionalised as far as unemployment is concerned. We must address that, and the Department for Employment and Learning and the Department for Social Development, through some of the welfare reforms, have sought to do that. Secondly, once those people have the ability to access the market, we have to make sure that we provide the opportunities for jobs to be created. That

is why one of the priorities in the Programme for Government was the growth of the economy and small, medium and large firms. Does that mean that we should direct employment towards areas of deprivation? It is not always possible to do that. Perhaps Fra McCann will intervene at this point. Sometimes, getting firms to look at Northern Ireland is all we can do, rather than tell them to locate their business at the ends of certain streets. The international market is now so competitive that one does not have the ability, through grants, cajoling or whatever, to push people towards particular locations. That may well mean that some people have to travel to find opportunities, but that may not be such a bad idea as it may stop the kind of ghettoisation that sometimes reinforces deprivation.

Mr F McCann: In north and west Belfast, the IDB has a very poor record of encouraging industry towards areas of high social deprivation. One of the difficulties is that most of that deprivation is ingrained; it has been there for generations. Besides work on the economy, which is right, interventions need to be made to ensure that those who suffer from poor health because of deprivation, poor housing and a wide range of other factors are targeted. Resources are needed to take them out of that situation.

The Minister of Finance and Personnel: The record of the Executive in that regard has been very good. Last year, we had the highest number of new social housing units built for 15 or 20 years, and many of them were directed towards the areas about which the Member talked. Ultimately, although we can provide programmes to give people the skills to get them off benefits and into employment, it is not possible — there is no point in pretending that it is — to ensure that we can direct companies to set up in particular areas, especially in areas that have a long history of terrorist activity. Sometimes, the image of the past still lives with us as a legacy.

Ms J McCann: Will the Minister give way?

The Minister of Finance and Personnel: I will give way in a minute or two.

In addition, businesses may not be happy to locate in a certain area because of its crime rate. Perhaps the Member will have a go at me, but I find it difficult to understand how some people say that they find it impossible to travel a mile outside the area in which they live, into the city centre or whatever, to take up

employment opportunities. There is a level at which we must cease to indulge people who come up with those arguments against taking up employment.

Ms J McCann: I thank the Minister for giving way. He talked about people travelling. This is not about travelling across other parts of Belfast; it is about not having jobs to travel to. We are talking about equality of opportunity so that people can access those jobs.

The Minister has said that we cannot ask for investment in particular areas, but Invest NI's corporate plan states that it tries to encourage FDI to be located within a 10-mile radius of an area of disadvantage and need. Does the Minister agree that a way around that would be to put that financial investment into the social economy sector? We have talked about that, and we have paid lip service to it. The social economy sector, in all areas of disadvantage and need, creates employment opportunities for those who can access them, and it regenerates communities. However, until now, only a small proportion of money has gone into the social economy sector. Would that be a way to lift those families and areas out of deprivation and need that the Minister and his Executive colleagues would be prepared to look at as a way forward?

The Minister of Finance and Personnel: The first thing to say is that the final decision does not rest with me. Other Departments, including DSD and DETI, will make those decisions. Secondly, although there are many examples of companies in the social economy sector that do good and valuable work and contribute to what goes on in their area — I can think of many in my constituency and many that I have visited — those tend not to be very high-value jobs. One must bear in mind the fact that we are trying to lift not just the number of jobs but the quality of jobs and to give good opportunities to individuals. Thirdly, there are limits to what can be done in the social economy. Although some of the enterprises have been very inventive and have done good service to the local economy, the point is that many of them are still dependent on the public purse. There must be a reconfiguration of the economy. When enterprises lose contracts or grants from the public sector or lose European money, they are in difficulty. We all know that because we have heard the stories. The Member must accept that there is a limit to what we can do through the social economy if we are trying to rebalance the economy.

The last Member to speak was Mr McHugh, who talked about the difficulty that increasing domestic bills would have on hard-pressed households. That is one of the reasons why I have said that, if we are to raise revenue, we must ensure that we have demonstrated to people that we have used their money in the most effective way so far. That is a big challenge for the Assembly. However, we cannot ignore the fact that there are two sides to the equation: how we spend the money and the amount of money that we raise. There must be a balance to that equation, as Mr Farry reminds me continually. The issue is where that balance rests.

I will draw my remarks to a close. There are difficult days ahead and difficult choices to be made, and that has been a recurrent theme in these debates. The Chancellor will deliver his Budget tomorrow, but I do not know whether it will give us a clear picture of where we will be with Budget 2010 and the CSR period to 2014 or 2015. It may well be a month or two before we get the detail of the picture for Northern Ireland. I have noted the genuine concerns of Members. They want to best serve the people whom they represent, and they want to safeguard our public services. That is the goal towards which we must all work. Of course, there will be differences of opinion at times, but I hope that we will approach the issue responsibly. We should not have the attitude of letting someone else take the tough decisions, which has, unfortunately, been the approach taken by some parties over the current period. They see a tough decision and decide to let the other parties vote it through while they vote against it. If that is the way in which we conduct the process over the next number of months and into the new Budget period, we will not be serving the people of Northern Ireland very well.

As we vote on the Final Stage of the third Budget Bill of this session, I ask for Members' support to vote those resources in cash to enable the continuation of services throughout the remainder of 2011. I commend the Bill to the House.

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

Question put and agreed to.

Resolved (with cross-community support):

That the Budget (No. 3) Bill [NIA 26/09] do now pass.

5.15 pm

Pensions Regulator Tribunal (Transfer of Functions) (2010 Act) (Consequential Provisions) Order (Northern Ireland) 2010

Mr Deputy Speaker: The next five items of business are motions to approve Statutory Rules.

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

That the Pensions Regulator Tribunal (Transfer of Functions) (2010 Act) (Consequential Provisions) Order (Northern Ireland) 2010 be approved.

In advance of outlining what the Order will achieve, I want to thank the Business Committee for tabling these five items en bloc this afternoon and the Committee for Social Development for considering these matters during its recent meetings. Some of the proposals are technical in nature but necessary; some are about setting new rates and are essential; and some represent significant adjustments to the regimes that currently exist in the North. As with the Welfare Reform Bill, which had its Consideration Stage last week and will have its Final Stage next week, the proposals before the House today deal with matters of parity. We have had that debate before, and I am sure we will have it again.

The Pensions Regulator Tribunal was an independent appeal tribunal established to hear appeals against determinations of the Pensions Regulator, such as the imposition of financial penalties, suspension or prohibition of a trustee, a contribution notice or a winding-up order. Unlike the appeal bodies for social security, the Pensions Regulator Tribunal operated on an UK-wide basis.

The Lord Chancellor, by way of a transfer Order made under the Tribunals, Courts and Enforcement Act 2007, transferred the functions and members of the Pensions Regulator Tribunal to the new unified Tribunals Service with effect from 6 April 2010, and from that date the Pensions Regulator Tribunal structure ceased to exist. However, the Lord Chancellor did not have the power to affect the transfer of the tribunal's functions in Northern Ireland.

The functions of the Pensions Regulator Tribunal in Northern Ireland were transferred to the new

Tribunals Service structure under the Pensions Regulator Tribunal (Transfer of Functions) Act (Northern Ireland) 2010 simultaneously with the transfer of the same functions in England, Scotland and Wales, which ensured that the right of an independent appeal tribunal was maintained for people here. Section 2 of that Act provides for the Department to make consequential amendments, repeals or modifications to any statutory provision for the purposes of giving full effect to the transfer of the functions of the Pensions Regulator Tribunal.

This Order does not make any policy changes. It merely makes minor technical consequential amendments to UK-wide provisions, in line with corresponding amendments made by the Lord Chancellor for England, Scotland and Wales to give full effect to the transfer of the Pensions Regulator Tribunal functions to the new Tribunals Service structure.

The Chairperson of the Committee for Social Development (Mr Hamilton): The Committee for Social Development considered the Pensions Regulator Tribunal (Transfer of Functions) (2010 Act) (Consequential Provisions) Order (Northern Ireland) 2010 during its meetings of 4 March 2010 and 25 March 2010. Prior to that, the Committee had considered the related 2010 Act, which was subject to accelerated passage through the Assembly. As the Minister has indicated, the related primary legislation transferred the functions of the Pensions Regulator Tribunal in Northern Ireland to the Tribunals Service.

The Committee was satisfied that the transfer will have minimum adverse impact on the services that were previously provided by the Pensions Regulator Tribunal in Northern Ireland. Most Committee members welcomed the fact that the Order will continue the long-standing principle of parity between Northern Ireland and the rest of the United Kingdom in pensions matters. Consequently, the Committee agreed that it would recommend that the statutory rule be confirmed by the Assembly.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I am sure that the Minister and Committee members will be pleased to learn that Sinn Féin voted for the statutory rule; that can be checked in the Committee minutes and in Hansard.

As has been stated, the statutory rule unifies the appeals system. As far as I am aware, an

appeal never went to the Pensions Regulator in the North, so it was not used widely anyway. The legislation will benefit people here in that they will continue to have the right to an independent tribunal on their pensions. On behalf of my party, I agree with that.

The Minister for Social Development: I thank Mr Hamilton and Mr Brady for their support, and I thank the House and the Committee for their consensus in support of the legislation. I have only one comment to make, and I am not saying that it will be relevant at all. The issues of pensions and pensions regulation are vital, and they become more vital during an economic recession when there may be pressure on pension funds.

In my constituency there continue to be major issues around the pension entitlements of Visteon workers, a matter that is under investigation in Britain by the appropriate authorities. I am not saying that that matter will come across the desk of the tribunal here, but it captures the importance of the proper regulation of pensions and of the proper conduct of those responsible for the management of pensions, including trustees. Therefore, as Mr Brady said, an appeal does not arise often, but it is vital that we have the power to regulate the structure.

I am pleased that Members recognised the importance of the technical and consequential amendments that the Order makes to give full effect to the transfer of functions. I commend the motion to the House.

Notice taken that 10 Members were not present.

House counted, and there being fewer than 10 Members present, the Deputy Speaker ordered the Division Bells to be rung.

Upon 10 Members being present —

Mr Deputy Speaker: Now we may proceed.

Question put and agreed to.

Resolved:

That the Pensions Regulator Tribunal (Transfer of Functions) (2010 Act) (Consequential Provisions) Order (Northern Ireland) 2010 be approved.

Social Security Benefits Up-rating Order (Northern Ireland) 2010

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

That the Social Security Benefits Up-rating Order (Northern Ireland) 2010 be approved.

The Order certainly has the potential to invite a little bit more controversy, and it very much impacts upon the lives and welfare of people in the North. It is an annual Order that sets out the rates of contributory and non-contributory benefits, together with the various premiums that form part of income-related benefits. In general, the amounts are based on changes to the relevant price indicators over the 12 months ending in September.

Income-related benefits are increased in the usual way by the Rossi index, which is the retail prices index (RPI) less housing costs. That index is used because housing costs are usually met separately from those benefits. For example, jobseeker's allowance, employment and support allowance and incapacity benefit are increased by 1.8% this year. Members will be aware that it is usual to increase the state pension and most social security benefits in line with the retail prices index. However, in September 2009, the retail prices index showed negative growth of -1.4%. In order to uprate a number of benefits that normally increase in line with the RPI, a proportion of next year's expected increase has been brought forward. For example, certain benefits, such as carer's allowance, attendance allowance, disability living allowance and the severe disability premium in income-related benefits, are increased by 1.5% this year.

The basic state pension, which for many is the foundation of income in retirement, is increased by 2.5% in line with the commitment that was given at Westminster. That means that, this year, the basic state pension for a single person is increased by £2.40 a week to £97.65 and that the standard rate based on a spouse's or civil partner's contribution is increased to £58.50. That gives a pensioner couple a total of £156.15 a week. Increases in pension credit mean that no single pensioner will live on less than £132.60 and that no couple will live on less than £202.40 a week. The above-earnings increase in the pension credit guarantee underlines our commitment to tackling pensioner poverty. I am sure that Members will welcome those increases.

The total cost of the new benefit rates for this year is approximately £46.3 million. I hope that all Members will wish to ensure that people in Northern Ireland, including some of the most vulnerable in our society, can continue to receive those new rates of benefit, and I hope that they will join me in supporting the Order.

The Chairperson of the Committee for Social Development (Mr Hamilton): The Committee for Social Development considered the Social Security Benefits Up-rating Order (Northern Ireland) 2010 at its meetings on 18 February 2010 and 25 March 2010. As the Minister said, the Order is part of the annual cycle of statutory rules, which, in this case, uprates benefits in line with inflation generally.

The uprating of benefits is usually a simple matter of measuring inflation and increasing payments accordingly. In this case, as inflation was less than 0% for the measurement period, the Department for Work and Pensions chose to adopt a different approach. I am pleased to report the Committee's approval for the fact that, for certain benefits, the decision was taken to anticipate some expected increases from next year. Consequently, carer's allowance, attendance allowance, disability living allowance and the severe disability premium were increased by 1.5%. The Committee was also pleased to note that the basic state pension and some other benefits increased by 2.5%.

As the House is aware, the majority of Committee members support the maintenance of parity of social security, pensions and child maintenance matters with the rest of the United Kingdom. Our adherence to the principle of parity sometimes means that the House must adopt unwelcome welfare provisions. In this case, with the exception of the reduction of incapacity benefit age additions, for example, the measures in this statutory rule are generally very welcome. Therefore, the Committee was happy to recommend that the Assembly confirm the rule.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. It is essential that benefits are uprated annually. The problem is that people are still being left to live on subsistence level, and, although there is an increase in state pension, we still have the meanest pension scheme in the entire developed world.

That is no great solace to people who are expected to live on it, if we consider that couples in receipt of pensions, as well as

pension credit, are left to live on £202.40 a week, considering fuel, electricity and transport costs, which are much higher here than in Britain. That puts things into perspective. However, if those benefits are not uprated, people will suffer. Therefore, I support the uprating. Sinn Féin Committee members voted in favour of the statutory rule.

5.30 pm

The Minister for Social Development: I

thank the Committee and the House for their consensus in support of the Order. I do not think that anybody will disagree with the sentiment that was expressed by Mr Brady — whatever our issues might be on parity and social security — that proper and adequate income for vulnerable people, including pensioners, whose only source of income in many instances is their pension, is something that we all sympathise with. If we compare social security rates in this part of Ireland with the Republic of Ireland, we can see how the differentials have grown over recent years. However, there needs to be a health warning, because we may be comparing apples with oranges, given that the costs in the Republic of Ireland on many of the indices are higher than they are in the North. Therefore, the differential between pensions in the North and the South are not what they might appear at face value.

Although we have a lot further to travel in respect of pensions, pensioners' incomes rose by about 29% in real terms between 1996-97 and 2005-06. That is not a reason for complacency, but, to some degree, a path has been travelled in recent times in respect of addressing historically low pension rates for those who have served our society so well.

Question put and agreed to.

Resolved:

That the Social Security Benefits Up-rating Order (Northern Ireland) 2010 be approved.

Mesothelioma Lump Sum Payments (Conditions and Amounts) (Amendment) Regulations (Northern Ireland) 2010

The Minister for Social Development

(Mr Attwood): I beg to move

That the Mesothelioma Lump Sum Payments (Conditions and Amounts) (Amendment) Regulations (Northern Ireland) 2010 be approved.

The regulations are made under the Mesothelioma, etc., Act (Northern Ireland) 2008, and increase the compensation payable under the Act to persons who are diagnosed with that diffuse condition, or, if the person has died, to their dependants. The increases in the amount payable under the Act maintain parity with the corresponding scheme in Britain.

I will outline briefly the purpose of the scheme. The scheme provides financial support within a matter of weeks, without the need to establish an occupational link or any causal link. Many people who previously were not eligible for help — for example, those who were unable to pursue a civil claim or to claim a lump sum under other legislation — will, for the first time, have access to financial help for this terrible disease. That means that sufferers are eligible for a payment whether they are employees, self-employed, or, indeed, have never worked, provided that they have not already received a compensation payment from another source.

The Act provides for lump sum payments made under the scheme and the 1979 scheme to be recoverable from subsequent civil compensation. The scheme payments are set so that the overall expenditure is estimated to match the recoveries from civil compensation. In light of that, when the scheme was introduced in 2008, the lump sum payments were set at a lower level than those under the 1979 scheme — the intention being that payments under the scheme would be increased over time to the same level as those under the 1979 scheme.

In line with this year's uprating of industrial injuries benefits, the Assembly agreed, on 22 March, regulations to increase the amounts payable under the 1979 scheme by 1.5%. In addition, to reduce the differential in the amounts payable to sufferers and dependants, the regulations increased the amounts payable to dependants under the 1979 scheme by up to £5,000. That was widely supported across the House.

The regulations that we are considering today increase the amounts payable under the scheme to sufferers and dependants up to the level of those payable under the 1979 scheme from April 2010. That is in line with the commitment given by my predecessor, Margaret Ritchie, during the passage of the Bill to provide even greater help to sufferers of this terrible disease at the earliest opportunity. Therefore, the amount payable to a person aged 37 or under at diagnosis, for example, will be increased from £52,772 to £75,176. That is an increase of £22,404 or 42%. I am sure that Members across the Assembly will warmly welcome that uplift in payments to the level of the 1979 scheme, particularly the significant increase in the amounts payable to dependants only 18 months after the introduction of the scheme.

The Chairperson of the Committee for Social Development (Mr Hamilton): The Committee for Social Development considered the Department's proposal to make the Mesothelioma Lump Sum (Conditions and Amounts) (Amendment) Regulations (Northern Ireland) 2010 at its meeting on 18 February 2010 and considered the statutory rule at its meeting on 15 April.

As the House has heard from the Minister, the rule increases the payments to sufferers and their dependants. Although no amount of money can compensate for the misery and suffering caused by such diseases, the amounts payable offer some assistance to sufferers and their dependants. As the rule provides more money for those people, the Committee for Social Development is happy to recommend that the statutory rule be confirmed by the Assembly.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I want to say "mesothelioma" early in my contribution and get it out of the way. The Committee has had a lot more practice saying it than the Minister has had, because we have discussed it over a period of time. Mesothelioma is a terminal condition. Most sufferers are, unfortunately, dead within six months of their diagnosis. The regulation is to be welcomed, because it makes access to compensation easier for the sufferers and their dependants, among whom will be the victims' wives, for instance, who will have been involved in washing clothes that were contaminated by asbestos, etc, which is the cause of mesothelioma. The regulation is to be welcomed.

Mrs M Bradley: I welcome the benefit and thank the Minister for bringing it forward again this year. I hope that the people who suffer from the awful illness will get some comfort from the benefit. I think that everyone in the Chamber will know families — parents and children alike — who are affected by mesothelioma. It is a very severe illness. I hope that those families can get some comfort from this regulation, and I thank the Minister for bringing it forward again.

Mr G Robinson: I support the motion. I am sure that most Members have constituents who suffer from the disease. It is a most distressing and disabling condition and one for which, we must remember, there is no cure. The cause is most likely to be exposure to asbestos, with 90% of cases being asbestos-related. Sufferers and their families are in need of special consideration due to extra expenses that they have as a result of the disease.

A sad fact of the disease is that it is rarely caught at an early stage. Therefore, it is only when the condition becomes advanced that a diagnosis can be made. I note that some of the outlay will be recovered from compensation awards, so that will, hopefully, lessen the impact on departmental budgets. That will also help to fund the scheme in the long term. I believe that the lump sum is to be a payment instead of, or in advance of, compensation. I support this crucial motion, and I have great pleasure in doing so.

The Minister for Social Development: Those four contributions captured the importance of the issue. As Mrs Bradley and others indicated, Members will have heard in their offices about individuals who have the condition and the acute situations that they are in as a consequence.

The Mesothelioma, etc., Act (Northern Ireland) 2008 provided for a scheme to break the link with workplace exposure to asbestos and provided upfront financial support to those people who have not already received compensation in connection with the disease. That is an important principle, and we can see the outworkings of it. As Members said, it concerns not only the person who contracted the disease at work, because it could affect the spouse of that person. There has been more than one case in which the disease was passed to the children in the family. Therefore, it is a devastating disease that has immediate and

serious consequences and crosses generations within families. The regulation is particularly useful, because, among other things, it reviews the rates of compensation, and those will be reviewed annually hereafter. I commend the motion to the House.

Question put and agreed to.

Resolved:

That the Mesothelioma Lump Sum Payments (Conditions and Amounts) (Amendment) Regulations (Northern Ireland) 2010 be approved.

Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010

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

That the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 be approved.

In my judgement, this is an important set of regulations. Given the situation across the social security framework and the potential for changes and adjustments to that, allied to the fact that some people are calling for a review of pensions, pension entitlements, pension payments, and so on, it is important to create a level of stability in the management of pensions. That applies particularly to those who, historically, may not have had access to pensions, may not have been offered pensions or may have been denied pensions. It is important to create some certainty in the system for people in such situations. That is why I ask that the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 be approved.

The Pensions (No.2) Act (Northern Ireland) 2008 and the corresponding provision in the Westminster Pensions Act 2008 introduced a duty on employers to enrol eligible jobholders on a qualifying workplace pension scheme and to make minimum contributions to that scheme. Under the legislation, employers will be able to choose the qualifying workplace pension scheme that they adopt to discharge that duty. A qualifying scheme is one that meets specific criteria, such as occupational pension schemes, including the National Employment Savings Trust (NEST) that was established on a UK-wide basis under the Pensions Act 2008, or a workplace personal pension scheme. In enacting the Pensions (No.2) Act (Northern Ireland) 2008, the House has already agreed the policy of automatic enrolment. Although the 2008 Act set out the framework underpinning the automatic enrolment requirements, the detail is set out in the regulations that are before the House today.

It may be helpful to explain briefly that no one will be forced into workplace pension saving; everyone will be free to opt out, should they so wish. However, the intention is to make it as easy as possible for those who choose to opt out and those for whom automatic enrolment

is not appropriate at a particular time to enter pension saving when the time is right and to ensure that the processes by which they can do so are simple. Equally, it is important for individuals to have confidence in the continuity of pension provision. The aim is to allow as many existing schemes as possible to meet the required standard, thereby making it easy for employers who already have good schemes in place to meet the requirements and to protect good, existing provision.

The intention is to make it as simple as possible for the pension industry to provide schemes of sufficient quality and to keep a level playing field between schemes. The new automatic enrolment regulations, which form part of a comprehensive package of regulations, set out the practical arrangements underpinning the Pensions (No.2) Act (Northern Ireland) 2008. In particular, they outline the process for employers to achieve active membership for jobholders and the time limits that apply; the information flow that is required between employers, pension schemes and jobholders; the process and arrangements that apply when a jobholder chooses to opt out of pension saving; the arrangements and time limits by which the employer must re-enrol eligible jobholders who opted out or left pension saving; the arrangements by which jobholders or workers who are not eligible for automatic enrolment can voluntarily opt in to pension saving; and additional scheme quality requirements for certain schemes whose main administration is outside Britain and Northern Ireland.

5.45 pm

Automatic enrolment is being introduced in stages. New employers established after October 2012 will have a bit more breathing space to prepare for the duties, and will be staged between March and September 2016. The automatic enrolment regulations set out arrangements for employers who already operate a higher-quality scheme to postpone automatic enrolment for three months if they so wish. They also outline the arrangements and time limits by which the employer has to re-enrol eligible jobholders who have opted out of, or left, pension saving.

The regulations also amend two other sets of regulations to extend the due date by which an employer must pay over employee contributions deducted from earnings to a pension scheme and to specify how the Pensions Regulator

can determine that both employer and worker contributions are overdue for the purposes of issuing an unpaid contributions notice. We are aware of the problems posed by the aging demographic and likely constraints on public spending in the years ahead. Many people are currently not saving enough to deliver the pension income they are likely to want or expect on retirement. Under the reforms, for the first time, many people will have access to a private pension scheme and will have their own contributions boosted by contributions from their employer and from the state through tax relief.

The Chairperson of the Committee for Social Development (Mr Hamilton): The Committee for Social Development considered the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 at its meetings on 4 March and 22 April. The Committee has spent quite a lot of time considering the new occupational pension scheme arrangements. Although the Committee welcomes a new opportunity for the low-paid to save for their retirement, members are concerned about how some of the set-up costs of the National Employment Savings Trust scheme will have to be borne by savers on low to medium earnings.

Members have also taken some time to consider how the new requirement for all employers to provide work-based pension schemes will actually be implemented. It is anticipated that, as these new and welcome measures are brought forward, the Committee will be hearing more from all stakeholders on how they are actually being delivered.

The regulations in question provide welcome guidance on automatic enrolment and opting out for occupational pension schemes. The regulations also set out rules in respect of the payment of employee pension contributions. As I have indicated, the Committee welcomes the prospect of a work-based pension option for everyone. That said, the Committee does not underestimate the challenge for employers or for those charged with implementing the new retirement savings option. The Committee believes that the regulations provide necessary guidance and rules for employees and employers. Despite the reservations that I have identified, the Committee is content to recommend that the rule be confirmed by the Assembly.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I agree with what the Chairperson of the Committee has said in relation to the regulation. The important thing is that it gives people who would previously not have had the opportunity to go into an occupational pension scheme that opportunity, particularly people who are on low pay. I agree with the regulation.

The Minister for Social Development: I welcome the endorsement of the Committee, the Members who spoke and the House.

Question put and agreed to:

Resolved:

That the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 be approved.

Social Security (Contributions Credits for Parents and Carers) Regulations (Northern Ireland) 2010

The Minister for Social Development

(Mr Attwood): I beg to move

That the Social Security (Contributions Credits for Parents and Carers) Regulations (Northern Ireland) 2010 be approved.

I suppose by this stage the Business Committee is beginning to wonder whether it was wise to table all these motions at the one time. This is the final regulation.

The Pensions Act (Northern Ireland) 2008 introduced a new class 3 national insurance credit for parents and carers. The regulations are necessary to give full effect to the new credit and to provide the detailed provisions that enable the credit to be awarded. In part, they are the outworking of a childcare strategy not just in Britain but in Northern Ireland to help people in that particular situation.

The new carer's credit replaces and builds on the existing home responsibilities protection provisions that help carers to qualify for the basic state pension and bereavement benefits. The new credit will ensure that caring counts for state pension and bereavement benefit purposes by crediting the parent or carer with class 3 contributions for each week that they are engaged in caring. A full year spent caring will provide one qualifying year towards basic state pension entitlement. Additionally, part years spent parenting or caring can be combined with a period spent working and earning in the same year to make it a qualifying year.

The Act provides that a class 3 contribution will be credited for each week in which a person is awarded child benefit for a child under 12, is an approved foster parent or is engaged in caring as defined in the regulations. The regulations define a person engaged in caring in four different categories, and, if Members wish me to do so, I will place that information in the Library. The contributions will also be available for a 12-week run-on in circumstances where care ceases, for example, due to the permanent admission to residential care of the person being cared for.

The regulations also set out the application and certification process and the time limits within which applications must be made. The range of

people who are able to certify the need for care is designed to be as broad as possible. Foster parents, the partner of a person in receipt of child benefit and people caring for 20 hours or more a week will be required to complete an application form. Together with other pension reforms, such as the reduction in the number of qualifying years that a person needs to get a basic state pension and the introduction of a single contribution condition that will enable a person to build up entitlement based on credits only, the regulations form part of a package of beneficial measures that will enable people who take time out of work to provide care to build up entitlement to a state pension.

The Chairperson of the Committee for Social Development (Mr Hamilton): The Committee for Social Development considered the Social Security (Contributions Credits for Parents and Carers) Regulations (Northern Ireland) 2010 at its meetings on 25 February and 15 March. The Committee was pleased to consider the regulations, which, as has been indicated, introduce credits for carers and parents to ensure that time spent caring will count towards eligibility for a state pension and bereavement benefits. As I indicated earlier, maintaining parity with the rest of the United Kingdom in respect of welfare provision can often be challenging. The majority of the House will agree that the social security and pension benefits that we have heard about today go some way to justifying the position taken by most Members on the issue of parity.

The Committee noted that the Department had undertaken some publicity in relation to the credits, and members trust that that has generated interest in them and in the uptake of related benefits for carers. The Social Development Committee and other Committees have spent some time considering how best to improve the lot of carers, who do a great deal of work for often little reward. Consequently, given that the regulations are expected to be beneficial and will contribute to the process of giving recognition to carers, the Committee is pleased to recommend that they be confirmed by the Assembly.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. The regulations are beneficial to parents with young children and to carers as they give them the opportunity to access state pensions eventually. I hope that Members have noticed that I have not used the word

“parity” once today. We have all agreed today on legislation that is beneficial to people. However, I feel that it is our duty as members of the Committee for Social Development to oppose legislation that is prescriptive and not beneficial to people and to try to make that better. I just wished to make that point.

Mr Armstrong: I wish to speak on the regulations that the Social Development Committee agreed, in February of this year, should become statutory rules. It is important to recognise the role and service of parents and carers in Northern Ireland in this way. Under section 23A of the Social Security Contributions and Benefits Act 1992, the regulation provides the definition of those involved in caring. Importantly, part 2 of the regulations provides a definition of “foster parent” and “engaged in caring” for the purpose of section 23A.

I draw attention to regulation 5, which provides that credits will be awarded to a person who provides 20 hours’ care each week for an individual who receives disability benefit and to those people receiving income support who care for a sick or disabled person.

Regulation 7 allows for a person who is caring for an individual still to be considered as engaged in caring during periods of sickness, respite care and holidays of up to 12 weeks. I am pleased that the Bill recognises and allows for those periods.

I am also pleased that, in the framework of the Bill, caring will act towards qualifying years for pension credits. That flexibility is to be welcomed. Therefore, I am pleased that, under section 23 of the 1992 Act, a class 3 contribution will be credited for each week in which a person is either awarded child benefit for a child under the age of 12, is an approved foster parent or is engaged in caring.

I welcome regulation 12, which specifies that the time limit for making an application will be the end of the tax year following the tax year that is the subject of the application.

The Minister for Social Development: I again thank the Members who spoke in the debate and the House and the Committee for their endorsement of the regulations.

I want to confirm what was said by the Chairperson of the Committee for Social Development. In 2009, a communications

campaign commenced on the main state pension reforms, and that went live in April 2010. The new carer credits were one of the reforms that were part of that communications activity. My predecessor, Margaret Ritchie, wrote to all MPs, MLAs and councillors to raise awareness of the reform package. Details of that package, and of this measure in particular, can be found on the NI Direct website.

I concur with Mr Brady. What he said need not detain us now, but it will come up next week during the Final Stage of the Welfare Reform Bill. However, even in the past few days, I have met officials and others to identify whether there are ways and means, operationally, by which we can assist people in need in the North without prejudicing the Assembly when it comes to parity. I do not want to be prescriptive. Operationally, I want to be as flexible as I can be, but in a way that does not do damage to people in need in the North. We will take the benefits when they come, and, where they exist, exploit the opportunities not to be prescriptive. That is the principle by which I work. Therefore, I have absolute sympathy with Mr Brady's position. I commend the motion to the House.

Question put and agreed to.

Resolved:

That the Social Security (Contributions Credits for Parents and Carers) Regulations (Northern Ireland) 2010 be approved.

Committee Business

Allowances to Members of the Assembly (Repeal) Bill: Accelerated Passage

The following motion stood in the Order Paper:

That the Allowances to Members of the Assembly (Repeal) Bill proceed under the accelerated passage procedure. — [Rev Dr Robert Coulter.]

Motion not moved.

Mr Deputy Speaker: The motion on accelerated passage for the Allowances to Members of the Assembly (Repeal) Bill has not been moved. The Second Stage of the Bill cannot, therefore, proceed.

Ms Ní Chuilín: On a point of order, Mr Deputy Speaker. I am keen to find out why the Bill cannot be moved today. Given the discussions that all parties were privy to, the Bill was about making sure that there was an independent scrutiny body for pay and allowances for Members.

Mr Deputy Speaker: That is not a point of order. The matter raised by the Member is one for the Commission. My understanding is that its members collectively agreed not to move the motion.

6.00 pm

**Construction Contracts (Amendment)
Bill: Extension of Committee Stage**

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): I beg to move

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 26 November 2010, in relation to the Committee Stage of the Construction Contracts (Amendment) Bill [NIA Bill 16/09].

Go raibh maith agat, a LeasCheann Comhairle. The Construction Contracts (Amendment) Bill completed its Second Stage on 17 May 2010 and was referred to the Committee for Finance and Personnel for its Committee Stage.

The Bill has nine clauses, and its purpose is to improve payment practices and access to adjudication in the construction industry. The Committee engaged closely with the Department of Finance and Personnel in its public consultation on the Bill and on its development.

The Committee received several briefings, during which members raised a number of issues. Overall, the Committee was generally satisfied with the briefings and the clarification provided by the Department. However, the Committee's work programme is heavily committed, and it has had to prioritise its business.

In the current economic climate, it was considered important and timely to press ahead with an investigation into efficiency savings in the public sector. The House will debate the Committee's report on that issue in a few moments. Also, in view of the forthcoming Budget 2010 process, which is likely to come to the Assembly and its Committees in the autumn, the Committee considered it essential to aim to complete the next stage of its Budget scrutiny inquiry in advance of the summer recess.

The Committee has liaised with the Department of Finance and Personnel, which has confirmed that it is content with the proposal to extend the Committee Stage to 26 November 2010. I assure the House that the Committee will endeavour to complete its work well in advance of that date, and I ask Members to support the motion.

Question put and agreed to.

Resolved:

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 26 November 2010, in relation to the Committee Stage of the Construction Contracts (Amendment) Bill [NIA Bill 16/09].

Preliminary Inquiry into Public Sector Efficiencies

Mr Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 15 minutes in which to propose the motion and 15 minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): I beg to move

That this Assembly approves the report of the Committee for Finance and Personnel on its preliminary inquiry into public sector efficiencies; and calls on the Minister of Finance and Personnel, in conjunction with Executive colleagues, to implement, as applicable, the recommendations contained therein.

Go raibh maith agat, a LeasCheann Comhairle. I thank the Committee and the Committee Clerks for the detailed report that we are debating today.

I welcome the opportunity to debate the Committee's report on its inquiry into public sector efficiencies. At all times, governments should be examining ways to make the most efficient and effective use of public funds. Given the increasing pressure on Departments to deliver more with less money, the report is timely and makes a positive contribution to the debate on how our public sector can meet the challenge.

The Committee decided to undertake the inquiry at its meeting on 14 October 2009. As part of its role to scrutinise strategic public issues, the Committee agreed to examine the efficiency programme for Departments with a focus on how savings can be maximised without affecting priority front line services. Committee members also agreed to seek advice from expert witnesses on a range of matters. Such matters included the nature and definition of efficiency savings and how they differ from other savings and budgetary measures; approaches to measuring and reporting on efficiencies, including possible improvements to departmental efficiency delivery plans; advice to Assembly Statutory Committees on the scrutiny of departmental efficiencies; and opportunities for realising further savings in the future.

The purpose of the preliminary inquiry was to help to establish a framework for examining the efficiency agenda locally, inform approaches

to identifying further savings and monitor departmental delivery.

Once the quantum of the savings required becomes clear, it will be for the Executive and Departments to identify the areas of spending where they can be realised; it will be for the Assembly and its Committees to scrutinise delivery.

To inform its work, the Committee received evidence from expert witnesses with experience in efficiency programmes locally and in other jurisdictions. Oral evidence was received from Victor Hewitt, director of the Economic Research Institute; Kieran Donnelly, Comptroller and Auditor General, and other senior Audit Office officials; and Professor Colin Talbot of Manchester Business School, University of Manchester, who was a special adviser to the House of Commons Treasury Committee in its recent inquiry evaluating the efficiency programme. Written submissions were received from the Chartered Institute of Public Finance and Accountancy and from Professor Arthur Midwinter, who has undertaken major studies of local government finance and devolution finance and who was recently a Budget adviser to the Finance Committee of the Scottish Parliament.

Having concluded its inquiry and in bringing forward these recommendations, the Committee in no way underestimates the scale of the challenge facing the Executive as they seek to deliver the recently announced savings and to tackle further budgetary reductions for 2011-14. The Committee has acknowledged the fact that Departments have been striving to achieve efficiencies of between 2% and 3% over each of the past six years. Extra pressure will be put on Departments by the Westminster Government.

There are various predictions about the quantum of additional savings that will be required of Departments here during 2011-14, ranging from £150 million to £300 million a year. The Committee recognises that the scale and immediacy of public expenditure pressures means that efficiency gains alone are unlikely to be sufficient and that straightforward budgetary savings will also be required. The Committee believes that those savings can and should be achieved without having an adverse impact on essential public services and strategic policy priorities. The existing annual budget baselines for Departments total more than £9 billion in current expenditure and about £1.4 billion in

capital expenditure. No one can reasonably claim that that funding is being utilised completely efficiently or that there is no waste in the system.

A number of important themes emerged from the inquiry, including the need for clarity and consistency in what is meant by efficiency savings; the need for transparency in how savings are achieved and applied; the need for a strategic approach to targeting the areas where real efficiencies can be realised, to prioritising the services and policies that must not be affected adversely, and ensuring that the savings being claimed at a departmental level are not counterproductive to the efficiency of the wider public sector; and the need for a systematic approach to verifying and monitoring the achievement of efficiencies. All of us need to be clear about the difference between straightforward budget cuts and valid efficiency gains and the implications of both.

The Committee is of the view that for Departments to plan, deliver and monitor efficiency savings effectively and for proper scrutiny by the Assembly through its Committees, the Department of Finance and Personnel (DFP) should set down a formal, central definition of what is meant by efficiency savings. The lack of consistency and transparency in that area risks confusion in the public sector, and controversy in the political and public domain with regard to a rationale and outworking of the efficiency programme. In addition, without a clear audit trail it is impossible to gain any assurance that the savings deducted from Departments' budgets have been allocated to key front line services and Programme for Government priorities.

Money saving initiatives should be more than just cuts to the quality or level of important public services; the impact of those savings must also be visible in a way that can be clearly understood by the Assembly and wider public. That is why the Committee has recommended that the Executive develop a co-ordinated strategy to protect essential front line services and strategic policy priorities and avoid the crude salami slicing of departmental budgets.

In developing the strategy, Executive Ministers should undertake a fair assessment of spending programmes to identify those that have not achieved or are no longer fulfilling their intended purpose and those that are the lowest priority

and, therefore, offer scope for savings that can be allocated elsewhere.

That is also the advice of the Audit Office, which in conjunction with its counterparts in Scotland and Wales, recently published a good practice efficiency checklist. It sets out the key elements to securing greater efficiency and productivity, including the adoption of a priority-based approach to budgeting and spending. The Audit Office has also advised that there will be a need to segregate policies and services into three categories: those that are absolutely essential to delivering agreed outcomes and are already being delivered as efficiently and effectively as possible; those that should continue but need to be redesigned or reshaped to deliver them more efficiently and effectively; and those that could stop without significantly affecting public services and outcomes.

The Programme for Government is due to expire in the current financial year. It is vital that the Executive review it urgently and set out clearly the services and policies that should receive the highest priority during the upcoming period of further budgetary savings and efficiency gains. Following the requirement to achieve 3% efficiency savings in the Budget period 2008-2011, DFP issued guidance for the development of departmental efficiency delivery plans. Professor Arthur Midwinter considered that guidance and stated in a written submission to the Committee:

"The Guidance Paper on Efficiency Delivery Plans (EDPs) is mostly concerned with inputs – how financial savings will be delivered and monitored. Whilst there is reference to impact on services and the need 'to provide evidence there has not been a detrimental impact on services to the public' ... this is not a systematic approach."

He went on to say that, in the main, the approach reports economies and not efficiencies.

Professor Midwinter also considered the responses to a series of Assembly questions, which asked each Executive Minister what services in their respective Departments had been affected by efficiency savings in the 2008-09 financial year and in the first six months of the 2009-2010 financial year. He concluded that the responses were not fit for purpose and did not facilitate robust scrutiny of current practice. Professor Talbot also considered the responses to the Assembly questions and told the Committee that he thought that there was a

certain amount of laxity around the definitions and descriptions of efficiency savings. He also told members that he saw little evidence in the responses of any Department measuring any aspect of service delivery.

While gathering its evidence, the Committee learned that, across the 11 Departments, more than 80 efficiency delivery plans are published on departmental websites, with varying levels of detail provided. Therefore, it is with some urgency that the Committee calls on the Department of Finance and Personnel to facilitate a process whereby a single efficiency delivery plan for each Department is published in a central location to allow effective monitoring of the plans centrally by DFP and by the Assembly's Statutory Committees.

The role that Assembly Committees have to play in scrutinising the efficiency delivery plans for their respective Departments cannot be emphasised enough. The Committee heard much practical advice from the expert witnesses that could assist in that regard. Professor Talbot stressed that Committees must act as counterbalancing forces that put pressure on Departments to deliver effectively and efficiently. He told the Committee:

"If no such countervailing forces exist, the services tend to go their own merry way"

and

"are operated in the interests of the people who run them, rather than in the interests of those to whom they deliver services."

I could go on to discuss the need to embed a culture of efficient delivery into the routine responsibilities of public sector managers or the additional efficiencies that can be achieved through further use of shared services, better management of government accommodation and assets and more collaborative procurement. However, I will allow others to explore those matters in more detail during the debate. I look forward to hearing Members' contributions. I commend the report to the House.

6.15 pm

Mr Hamilton: The term "efficiencies" has characterised discussions about budgets and spending since the restoration of devolution in 2007. It is not new, unique or novel; it has been focused on for some time, and we should note this Executive's achievement in realising

3% savings, equating to nearly £1 billion. Even though we are told that that has happened, and I accept that it has and that it should be welcomed, it is very difficult for us as individual Members to put our finger on exactly where that has been achieved and the quality of the achievement of it, to the point where many who hear the term "efficiencies" believe that it is a euphemism for cuts.

A basic first principle is that we all support the idea of efficiencies. When I talk about efficiencies, what I mean is certainly not cuts, and definitely not cuts to front line services. Sometimes cutting projects or programmes that are not delivering or have delivered is no bad thing. However, when we talk about efficiencies, we are not talking about cutting front line services. We are talking about doing more with less or spending money upfront to allow savings in the longer term. That is what most of us mean when we talk about efficiencies, but, as the Chairperson highlighted, there is no clear definition.

The lack of a clear definition has given Departments the breathing space or the wriggle room to come up with their own definitions, and we sometimes see very different interpretations of efficiencies, compared with what the rest of us believe them to be. We see very differing performances by different Departments. I do not have time to go through deficiencies in every Department, but I think that, at times, we have all been concerned by what has come forward from various health trusts and through the Health Department, masquerading as efficiencies when they are very clearly cuts to front line services. The reduction in ambulance cover is one example.

Recently, when asked to come forward with its efficiencies in respect of the revised expenditure plans, the Department for Social Development simply took the 2.6% adjustment in its total budget and apportioned it to each of its main budget headings. There was no discernable attempt by that Department to look at each individual line within each section of its budget to decide what could take less. That was in complete contravention of what had been agreed at the Executive, when some Departments took bigger hits than others.

As the Chairperson highlighted, questions put by Members to Ministers about efficiencies and where they have had an impact on our individual

constituencies have, at times, been answered completely ineffectively. I can personally recall asking questions of one Minister about efficiencies within their Department; I asked the same question every possible way to the point where I just gave up. That is not right, I should not be giving up; I should be getting the answer and the information that I require the first time. I should not have to repeatedly ask the same question to the point of exasperation.

As the report highlights, there is evidence of Departments charging more for services and saying that that is an efficiency. Yes, it might sometimes be required that we raise the price of services being bought from the public sector by the public, but sometimes that masks inefficiency. More money coming in is not an efficiency and does nothing to drive further efficiency into the system; in fact, sometimes it can encourage inefficiency. We have also seen evidence of technical movements or reclassifications of money, which do not mean that any more real money is produced. I could go on and on; for example, about there being no clear evidence trail between the money that has been saved and reinvestment back into Departments. I could talk at length about investment delivery, efficiency delivery plans and whether they are any use, given the number of them that there has been and the fact that some were not published in good time. However, given the context of reduced spending, more efficiencies and more cuts —

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

Mr Hamilton: We are going to have to learn many of the lessons that are included in this report if we are to achieve what all of us want to achieve, which is actual efficiencies, not cuts to front line services.

Mr McDevitt: Like Mr Hamilton, I thank those who sit on the Finance and Personnel Committee for their work in bringing forward this report. It is undoubtedly an important topic. In the brief time available to me, I want to focus on a couple of the recommendations and some of the issues that emerge from them.

It is important to note the flaws that are now appearing in the way we do our Programme for Government and public service agreement (PSA) planning and the inability of the PSAs to drive the change that we all hoped for when they were

agreed. I am glad to see that picked up on by the Committee, which says that it:

“believes that the 2008-11 Programme for Government and Public Service Agreement framework is cumbersome and overly complex in terms of the need to prioritise at a time of exceptional budgetary constraint.”

It is also worth noting that the culture in the Civil Service may pose a difficulty in delivering the sort of behavioural change and outcomes that the report seeks. On page 18 of the report, the authors consider that at some length. I was struck by the recommendation at the bottom of that page, which states:

“The Committee recommends that, in its central personnel role, DFP should ensure that the skills exist and are marshalled within departments and their arms-length bodies to effectively examine systems and processes for the purpose of identifying valid efficiencies; and, more generally, that a culture of efficient delivery is embedded into the routine responsibilities of public sector managers. The Committee also believes that assurances are required in terms of the capability of departmental boards and the governing bodies ... to lead and oversee the efficiency drive.”

That is my experience of the system, too, which I have gained during a previous role as a special adviser in the first mandate of the Assembly when I worked as an official and since returning to the Assembly. Furthermore, it was certainly my experience of the public service when I worked outside it in private commerce.

No organisation becomes efficient without a significant change in its own culture. No amount of targets will make it efficient; no amount of pieces of paper will drive efficiency. What those will do is lead the system to find its old way of fixing the problem. It will find an old type of solution to what is being presented to it as a new problem. Therefore, I hope that, in his response, the Minister acknowledges that there may be some capacity issues but also that there will undoubtedly need to be considerable internal leadership, not just at senior departmental board level, as is indicated by the report, but also at management level throughout the Departments and the public bodies under this Assembly's responsibility, to adopt a culture of efficiency.

Throughout the report there is ample evidence that, whilst we talk about efficiencies, we really engage, as Mr Hamilton alluded to, in cuts.

We just make them through the back door — stealthy, subtle cuts. I am sure that Mr Storey, who is looking at me intently from across the Floor of the Chamber, can find plenty of examples in education of stuff that is called efficiency but is actually a cut. It may suit Members to walk into the Chamber and make a political argument about that, but the truth is that it is probably an administrative or systems failure. It is a capacity failure. When the system is told to find a saving, it only understands one or two ways of being able to do that. What is really welcome about the report, and what it says to me, is that it is time to think differently about the way we manage our public service budgets and to think differently about the type of manager we need in the public service in order to deliver more efficient — rather than less — government to the people.

Like previous Members who spoke, I could give ample anecdotal examples of where efficiencies may be found, but, since I do not speak for the SDLP on health any longer, I resist the temptation to go down that route. However, in my new portfolio of regional development, one specific area jumps to mind: rural transport. We have an education transport system, a health transport system and Translink, all of which run buses around the country, and they do not pick up the same people. That is not a cuts question; it is an efficiency question. It is about how the system behaves differently —

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

Mr McDevitt: In order to guarantee a service for the people whom it should be serving.

Dr Farry: It is a privilege to follow on from Mr McDevitt, who is doing a grand job as the SDLP's unofficial acting spokesperson on finance, if I have put that correctly. The debate and, more importantly, the report, have been sparked by widespread concern about the difficulties Departments have had in wrestling with the initial round of efficiency savings, in this case cash-releasing efficiencies, as part of the 2008-2011 Budget. That concern is not just within the Assembly but the wider community.

The real concern is that, in many cases, what have been billed as efficiency savings have become cuts. There have been real drops in and consequences for services. The implications in the recommendations of the report are not just of relevance in looking at how things could

have been done better; they are now much more relevant as a useful starting point for how we can begin to grapple with the looming challenges that will come to us over the lifespan of the next comprehensive spending review (CSR) period and over the course of this financial year.

The starting point is the question of what is meant by efficiency savings and the distinction between those savings and cuts, which a number of Members commented on. Another aspect worth stressing is that, when the Government centrally, whether through Finance Departments or Executives and Cabinets collectively, make decisions and ask for efficiency savings, there is no real policing of what happens from there on. The expectation is that Departments will rise to the challenge, but there is no understanding or clarity around what they will do in practice. The realisation of efficiency savings is a bottom-up process within government, and the patterns, policies and practices used can vary greatly. There is a desire to see greater policing at a central level to try to reach common understandings in government.

As an aside, there is concern among some members of the Committee, and no doubt elsewhere in the Assembly, about the use that has been made so far of the performance and efficiency delivery unit. It may not be perfect, but it is a useful tool to assist Departments. The willingness of different Ministers to engage with the unit and avail themselves of its services is patchy. Sometimes, the Departments doing better with efficiency are more willing to engage than those that have struggled and have been least willing to engage. There is clear irony there.

Productivity is important because it is at the heart of what is meant by efficiency savings — getting greater levels of outputs with less input and avoiding the temptation to have what are, in effect, false efficiencies. Simply increasing charges for a particular service is not an efficiency. Doing away with something that has been on offer is not an efficiency; it is a cut.

In the Budget debate earlier, we mentioned the new opportunities that may arise in things like prevention work, early intervention and better joined-up action among Departments in more rounded ways of finding efficiencies and better ways of reaching the outcomes and focusing on them as being the way forward. Too often, the difficulty for Departments is that they fall

back on their statutory responsibilities and functions. The way they operate is to draw the wagons around what they want to protect. It is often the core costs, or at least what the Departments view as core costs, that are more expensive. There is not the same legal authority or responsibility to do early intervention work or co-operate with other Departments. That is viewed as voluntary, and so does not happen. In many respects, that type of action can, in itself, be a better way of doing things or avoiding the cost pressures, which are ever arising for Departments.

From the Alliance Party's perspective, tackling the costs of division in this society is part of an efficiency drive. Those costs are a major distortion in our public finances. They are a major inefficiency in the same way that the existence of a land border on the island of Ireland may create inefficiencies in the provision of some public services. Those are areas where we need to take the recommendations of the report and turn them into practical reality to tackle those distortions.

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

6.30 pm

The Chairperson of the Committee for

Education (Mr Storey): As Chairperson of the Education Committee, I have already reported to the House that the Committee was not in a position to give its views on measures to address the savings and budget pressures facing the Department of Education in the review of spending plans earlier this year. That was because the Committee was not provided with the information that it needed to assess the impact that potential reductions in spend might have on education services, particularly front line classroom services.

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

I will speak about this in my capacity as a private Member later, but, to date, the Committee for Education remains uninformed of the impact of the current cuts in the Minister of Education's budget for 2010-11. For that reason, I believe that the Committee for Education will welcome this very timely report from the Committee for Finance and Personnel on its preliminary inquiry into public sector efficiencies and will support its conclusions and recommendations.

The Committee for Education has been briefed on the Department of Education's efficiency delivery plans by departmental officials on a number of occasions. In 2008-09, those efficiencies totalled some £63 million and £124 million in 2009-2010, and they will amount to £184 million in 2010-11. More than half of those efficiencies — some £215 million in total — came or will come out of the aggregated schools budget. The Committee asked how that impacted on schools' staff numbers year on year. The Committee was informed:

"it would be difficult to assess the impact of the overall efficiencies as this could differ from school to school."

The Committee was also told:

"it would be difficult to assess the direct impact of the efficiencies on staff numbers"

in schools.

That situation, coupled with the fact that the Committee has not been provided with information to assess the impact on schools of the current cuts in education, leads me to conclude that the Department of Education's school report on the subject might read "could do better". I note and welcome, in paragraph 4 of the Committee for Finance and Personnel's report, the call for DFP and the wider Executive:

"to make the necessary arrangements to ensure that, in future, the requisite information and transparency is provided to enable the Assembly and the wider public to track how such savings are applied."

In that context, I remind Members of a recommendation, which I hope will be actioned, that the Committee for Education recently put to the Committee for Finance and Personnel on the Budget process. My Committee recommended that standard guidance to Northern Ireland Departments on the timing and the provision of relevant information to Assembly Statutory Committees be drawn up by DFP, in consultation with Statutory Committees, and submitted to the Executive Committee for consideration and agreement. Such guidance could and should include a requirement that Departments provide timely and clear information to Statutory Committees on efficiency savings, particularly their impact on front line services. The commitment of individual Ministers to that guidance would be essential, and DFP, again in

consultation with Statutory Committees, would monitor adherence to the standard guidance.

I will conclude by commenting as a private Member. It is imperative that we do not allow Departments to move away from their responsibilities. Although I appreciate and accept much in the report on the need for the Executive to take a lead, it is imperative that each Department be in a position to provide relevant information to its Statutory Committee. It is very difficult for the Education Committee to scrutinise the possible impact of any efficiencies, without the relevant information about issues that were raised by, for example, Mr McDevitt.

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

The Chairperson of the Committee for

Education: Therefore, Mr Deputy Speaker, I commend the Committee for Finance and Personnel's report to the House.

Mr Deputy Speaker: Mr Mitchel McLaughlin.

Mr McLaughlin: Thank you, Mr Deputy Speaker. I was in the middle of writing my speech.

I welcome this debate. I want to develop a theme that emerged from the earlier discussion this afternoon and that has been reflected again in this debate. Informed debate about, and ownership of, the decisions and policies that emerge in the Assembly require that common language, parameters and definitions are deployed when we are challenged to respond to budget reductions.

People have a view that budgets were very challenging even during the more benign circumstances that pertained when the Assembly was restored. We have to be realistic and accept that our region is very small. Many county councils and, indeed, cities in Britain and elsewhere have larger budgets, provide more services and have more constituents than we represent. We must address the question of efficiencies with the corporate vision that has been referred to in previous discussions, and we must recognise that further efficiencies can be identified. I was pleased when, during Question Time this afternoon, the First Minister affirmed that greater efficiencies can be identified.

Members, as I have said in previous debates, have set out their difficulties in relating to Executive decisions or departmental efficiency

targets and the definition of "efficiencies" as achieving the same output for less input, which is a fairly straightforward formula that should help to eliminate the confusion that is sometimes deliberately contrived to mask what are in fact cuts, as opposed to genuine efficiencies. A related issue, and a major contradiction for the Assembly to consider, is the hard evidence that the per capita cost of delivering front line services here is higher, sometimes considerably higher, than elsewhere. Other regions are much closer to achieving the axiom of the same output for less input. Indeed, in some instances, they provide better services than us for less input. We must ask ourselves why that is the case and what we can do about it in a practical way. Even if it has to be a strategic approach that has to be dealt with over a period of time, achieving parity over time is a genuine and measurable goal.

Another interesting word that crops up is "inescapables". In my opinion, it is a neat way to divert Ministers and Committees. What does it actually mean? Should we accept the argument that efficiencies do not include inescapables? I do not think that we should, especially as it often refers to issues that have been dealt with over a considerable period of time, long before the Assembly came into being. If we are to take responsibility for, and ownership of, our Budget, we should set our own definitions and ensure that we have relevant, measurable and transparent guidance that works across all Departments to determine bona fide inescapable costs. Surely that is something that the Assembly, rather than departmental officials, no matter how senior, should decide at a political and policy level.

Sometimes the Assembly is diverted by jargon and the confidence with which people argue that money cannot be touched because it is already committed. That is a form of ring-fencing and, I believe, of ring-fencing inbuilt efficiencies. I am not arguing that the Assembly has to take responsibility for how that situation emerged, because, as I said, sometimes there is a considerable period of time involved. However, we should take responsibility for examining it and for deciding whether we will stand over it. We should start that process.

Finally, there has been much talk about the cost of division — it came up during this debate and earlier this afternoon. We do have to address historic underdevelopment and underinvestment

in this tiny region. The range of disparities is a challenge. If it is not addressed, we will not heal those divisions.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. I commend the Committee for Finance and Personnel for undertaking this report. It raises major and important issues that need to be addressed not only about the efficiency of government but that of the Civil Service. However, I will come to that later.

It is the Assembly's duty to debate such ideas. The SDLP has been calling for such a debate for the past two years. Indeed, it was the Finance Minister who, in the first instance, stubbornly refused to admit that there was a problem with the finances. He then refused to redraw the Budget to deal with the problem, and, last week, he claimed that MLAs needed to recognise that the good times were over. Any MLAs who are in touch with their constituents know that the good times have been over for quite a considerable time. That includes people in my constituency. Mr Deputy Speaker, you will know that the construction and light engineering trade has been very badly hit. That is not something new or sudden and it is not something that has emerged out of the air recently and hit us bang in the face. Anyone who is in touch with their communities knows that.

The Minister asked the Assembly to come up with proposals to assist in the downturn. However, he refuses to recognise the SDLP's proposals. We have stated continually our willingness to take on the challenges of scoping the Budget to ensure that front line services are protected. Perhaps the DUP and Sinn Féin should end their policy of exclusive government and engage with us on that.

As we outlined in previous in-depth finance documents that we published, we must restructure and redefine the Budget process to recast Budget lines. Those lines should be demarcated according to the degree to which they support front line services. As the report highlights, and as the SDLP has said constantly since we voted against the current Budget, crude and disjointed salami slicing will get us nowhere. Rather, it will simply put the most vulnerable at risk. It is apparent from the report that there has been a failure to achieve such demarcation throughout government. The report outlines the Committee's concerns that there is no clear audit trail and that arrangements

must be made to ensure that the requisite information and transparency be provided to enable the Assembly and the wider public to track how such savings are applied. To do that, the Assembly should consider establishing new Committees. One such Committee should be in the style of the Westminster Public Accounts Committee and should permanently interrogate the cost of government, and another should be charged with tracking and proofing performance on capital investment across Departments and the Strategic Investment Board.

The Chairperson of the Committee for Education: Rather than the SDLP suggesting that we have another Committee, would it not have been in its interests to have supported Members on this side of the House last week when I said that we should have fewer Committees? We do not need 108 MLAs or 12 Departments. Instead of setting up another Committee, let us get rid of a lot of the ones that we have. That would bring some efficiencies.

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

Mr McGlone: I do not need any lectures from Members on that side of the House, given that, last week, his party colleague blew £9.3 million on the review of public administration, which was supposed to create efficiency around this place. If a Committee had appropriately advised his colleague on such efficiencies, I am sure that we would have been in a position to have done something about the reform of local government and would have been able to achieve efficient, accountable good governance about the place as opposed to blowing millions of pounds. Anyway, I shall move on.

I welcome the proposals in the report to provide Committees with the expertise to better scrutinise departmental budgets. A Committee can be efficient and effective in delivering efficient good governance for us. I assure the House that we have seen the best of the Civil Service, but we have certainly seen the worst of it. We have seen foot-dragging, inefficiency and, at times, the inability to make a decision. That is not because people in the Civil Service can blame their political masters; they are just unable to make decisions and, therefore, are unable to deliver the proper good governance that we are supposed to represent.

The problems that the report outlines with Peter Robinson's flagship PEDU projects illustrate the overall difficulties that exist with efficiency. It is damning that the report has to conclude:

"the delay in publication of the PfG progress and delivery reports severely hinders the ability of Assembly statutory committees to scrutinise departmental performances against PSA targets."

That brings us back to the question of public sector efficiency.

6.45 pm

The report highlights what many of us have known for some time, and what has been shielded by direct rule, which is that the Executive are failing to work together and Departments are working on a silo basis. When the Assembly was in its infancy, the SDLP implemented Executive programme funds to encourage better joined-up working between Departments and to help to protect the vulnerable. I urge the Executive to consider reinstating such an approach of good, efficient governance in the interests of the entire community to deliver what we all should be here to do: to deliver proper, effective and transparent good governance.

Lord Morrow: First, I will comment on some of Mr McGlone's remarks. Some of the stuff that he trotted out was amazing, bearing in mind that, for a long period of the time that he spoke about, he was Chairperson of the Committee for the Environment, which was supposed to be policing and shadowing the Minister and making him accountable. Nevertheless, he came into the House today to tell us that £9.3 million has been blown. That just goes to show how well he was holding everybody to account, which is what the Committees are supposed to do.

Mr McGlone: Will the Member give way?

Lord Morrow: Just sit down a minute and listen a bit more. He ranted on about Sinn Féin and the DUP not talking to anybody else. I was not aware that the SDLP had left the Executive. I was of the clear understanding that the SDLP still held on to its ministerial post, even after it changed its leadership and its Minister. However, perhaps that is something that Mr McGlone wishes to forget when difficult decisions have to be made and difficult times have to be faced. Everybody knows that we are in a difficult climate. It is no different in Mid Ulster than it is in Fermanagh and South Tyrone

or, I suspect, in any other constituency. I can assure Mr McGlone that he does not have the monopoly on hard times down there. They are all around for us to see on a daily basis.

I welcome the report on the preliminary inquiry into public sector efficiencies by the Committee for Finance and Personnel. The Justice Committee will be receiving a detailed briefing on the Department of Justice's budget and the financial position on any emerging pressures at this week's meeting on Thursday afternoon.

The Department of Justice has a budget of £1.4 billion, of which 95% goes to arm's-length bodies, mainly the Police Service. It is, therefore, important that the Committee familiarises itself quickly with the various budget strands so that it is in a position to closely monitor the Department's performance. For that reason, I welcome recommendation 12, which should enable Assembly Statutory Committees to better assess departmental efficiency delivery plans. I hope that Mr McGlone is listening: recommendation 12 will allow Assembly Statutory Committees to better assess departmental efficiency delivery plans and will ensure that we are kept informed of any changes to those plans, which is equally important.

Furthermore, given the current economic climate and the undoubted need to reduce costs substantially, I will ensure that the Committee for Justice follows up on the Department of Justice's efficiency plans and measures. The Committee will be seeking clear, quantitative and qualitative evidence of the services provided by the Department to enable the delivery of any proposed efficiency measures to be accurately measured.

The Committee has already identified at least two areas of spend — the cost for each prisoner place and legal aid funding — which it is clear are much more expensive than most other countries. Although there may be some unique features to our systems, they are not sustainable in the longer term, given the economic realities that we all face. The key for Committees is to have clear, timely and accurate information on spending plans, efficiency targets and performance. The report's recommendation that there should be more robust central monitoring of departmental efficiency plans, with the outcomes reported to Assembly Committees on a timely basis, is helpful and should be implemented as soon as possible.

On behalf of the Committee for Justice, I commend the report of the Committee for Finance and Personnel to the House. I am delighted that Mr McGlone has taken such a keen interest in listening to the debate. It is obvious that he had not been doing so in his Committee, even when he was Chairperson.

The Minister of Finance and Personnel

(Mr S Wilson): I thank all the Members who took part in the debate. It was a constructive debate, with the only sour note being introduced towards the end by Mr McGlone, who, I suspect, is a bit miffed at not being asked to replace Mr O'Loan as the finance spokesman for the SDLP. However, having listened to his speech I can understand why that decision was made. He did not seem to understand what the debate was about, because he spent most of his time telling the House how wonderful the SDLP's alternative Budget plan was. It seems that I know a bit more about that plan than he does, because a lot of it was not about efficiencies. It was about how money should be redirected in one direction or another.

Indeed, had Mr McGlone listened to what other Members said during the debate, he would have immediately recognised that one of the core conclusions of the report was that efficiencies are not about cuts, redirecting money or raising revenue, which were all part of the SDLP's alternative Budget plan. That plan was created two years ago. Nevertheless, he has got the wrong end of the stick.

Mr McGlone also said that if Committees were supervising their Ministers properly, situations such as that which occurred with RPA would not have happened. That was surprising, because he was the Chairperson of the Committee for the Environment when I was Minister of the Environment, and I do not remember him challenging the Minister too much then. In fact, he got involved in trivialities and spent half his time investigating my views on climate change, rather than looking at what I was doing in other parts of the —

Mr McGlone: Will the Minister give way?

The Minister of Finance and Personnel: I knew I would provoke him. *[Laughter.]*

Mr McGlone: I am aware of the Minister's views on climate change, but will he accept that it is not a triviality?

The Minister of Finance and Personnel: As far as I am concerned, the view that it is man-made is a trivial response to an important issue.

Mr Deputy Speaker: I remind all Members to return to the subject of the debate.

The Minister of Finance and Personnel: I had to say that, because you let him off with five minutes of wandering away from the report. *[Laughter.]* I only took two minutes to respond to him.

The report is very timely and helpful. It is also pragmatic, thoughtful, does not seek to score points and brings forward many recommendations that we would do well to adhere to and examine.

The report is timely because we are facing a period — as we talked about during today's debate on the Final Stage of the Budget (No. 3) Bill — in which there will be far greater resource pressures on Departments, and we will need to examine how Departments do things and make changes. It is also a period in which we must examine how Departments continue to deliver services, what types of services they deliver and whether the current model for delivering those services is the most efficient. We will have to try to get more results from the money that we spend. Given that we are going to experience a real reduction in budgets, with increased inflationary pressures placed on Departments, new demands being made of them, and the current 3% efficiency savings possibly increasing to 5% or more, the issues addressed in the report are very important.

A number of Members raised issues that I want to respond to. Mr McDevitt and Dr Farry raised the issue of how we drive forward efficiencies. Mr McDevitt made the very important point that it is all about culture, and it is important that the culture starts with the Minister. As the report indicated, there is no point in Ministers closing their eyes to the fact that there must be changes in Departments, saying that things cannot be done, or that their Department is too important. It must start with the Minister.

Secondly, it must be driven, and the Minister has to know that he is being scrutinised by the Department. Thirdly, I understand that, sometimes, Departments will need help. At that point, PEDU can come in. I have been a Minister in two Departments where we brought PEDU in. In one case, I made the decision, and, in the other case, I inherited the outcome that resulted from a decision that was made by my

predecessor. Therefore, I know about the real work that can be done by an outside pair of eyes in identifying the efficiencies, delivery and performance of Departments.

In turn, that can help to generate the culture of thought that is required to look at it as more than a one-off exercise. Mr McDevitt made an important point when he said that this is not about fixing a problem now. It is about continually looking at how things can be done better. That requires a change in culture at lower management level, and there is no easy answer to how that is done. In any big public sector organisation there will be a degree of inertia, the attitude that because this is the way that something has been done, it is the only way that we can do it, and we should not forget that if we try to do things differently, it will have an impact on the people we have worked with for years, and everything else.

However, if there is no direction from the top and no help with building the capacity, the change will not happen. That is another reason why Committees must be continually involved in asking questions and looking at what is being done. I am going to come to that point in a moment or two.

The second point that has been made generally is on the question of how efficiencies are measured and whether efficiencies are simply about scaling back what Departments do. Is it simply about giving new charges and raising money, saying that they become more efficient because they are spending less money? What are pure efficiencies? There has been some criticism of the way in which the efficiencies have been measured. One of the reasons why the whole budgetary process is important here is that we do drill down and get Departments to explain where savings have been made, what they have done with the money, where front line services have been affected and where additional savings have been made from them.

I disagree with the report's point that perhaps we needed more central control over how efficiencies were measured, recorded and driven. Mervyn Storey made the point, and it comes back to the point that Conall McDevitt made as well. I believe that efficiencies should be under the ownership of individual Departments. That would reinforce the culture that is being talked about, and Departments would not be able to run away from their

responsibility and blame DFP: "They are imposing this on us, and, anyway, what do they know about the way our Department operates?"

For that reason, it is important that individual Departments should retain control and oversight over efficiency savings. They can be published centrally, but the role of the Department of Finance and Personnel is to issue guidance so that there is a uniform measure and a uniform way of looking at efficiencies and at what the content of any report should be.

Mr McDevitt: As the Minister rightly points out, in large public sector organisations, a documented, processual approach to management is needed. One of the key attributes of successful efficiency is that it is often organic. It is by empowering middle-ranked managers, who know their area most and best, that we find solutions — a health solution to a health problem, or a transport solution to a transport problem. By empowering them and giving them an incentive to think outside their normal area of work and outside the box, they will find the answer. Therefore, although I welcome the idea of formalising the process, I hope that the Minister is not suggesting that we become bureaucratic in dealing with efficiencies. That would become counterproductive.

7.00 pm

The Minister of Finance and Personnel: That is right. The guidance must be flexible enough not to be ignored and, at the same time, it must recognise that the approach in different Departments might vary. Organisations and the efficiencies that they must find may well be different. The debate has shown that the guidance cannot be so loose that people do not know the meaning of an efficiency and simply interpret it in whatever way they want. They may stop doing something and call it an efficiency when, of course, it is not. The guidance must be structured in a way that allows that kind of flexibility but, at the same time, ensures that real measures of efficiency are obtained.

I agree with the important point about the role of Assembly Committees in dealing with the issue. The report is very strong on that. I am a bit worried about the proposal for monitoring and audits and for having Committees to look at all of this. Mervyn Storey challenged Mr McGlone on that point. That takes the role away from the Assembly Committees, and the report rightly recommends that Assembly

Committees should take a more prominent role in scrutinising the efficiencies on a more regular basis and in calling Ministers to account. Such an approach will also avoid bureaucratic problems.

As I have said time and time again in the Assembly, it is very easy for Members to call for more audits here and more information and scrutiny there. That involves costs and has resource implications. It means that data must be collected and reports must be written. There is no point in making recommendations if we do not scrutinise them and ensure that they are being implemented. Of course, that adds another layer on top of the work of Assembly Committees. It may well stop Assembly Committees that are skirting around the issues from taking up frivolous issues and may encourage them to get on with the real job of doing the work that is required to ensure efficiency savings.

Many of the recommendations are not only for DFP. They are for the Executive and for Ministers right across Departments. As we have done with the procurement report, we want the Executive to consider how all Departments could engage with and respond to the report as it has been presented.

I thank Members for, by and large, the constructive way in which they have dealt with the issue, their endorsement of the efficiency programme, their desire to ensure that the efficiency programme delivers what it is meant to deliver and their support for the role of PEDU. Given that every party — I have not heard from the Ulster Unionist Party, although I am sure that Mr McNarry will give his view of PEDU during his winding-up speech — has given a ringing endorsement of the proposals, I hope that those Ministers who have been reluctant to allow PEDU to look at issues in their Departments will reconsider the matter. I hope that the points about an outside group looking at Departments will filter back to the Ministers in each of the parties, some of whom have resisted the involvement of PEDU so far.

Thanks very much to all those who have taken part in the debate. We will look at the recommendations in the report and come back to the Committee with a more considered response.

The Deputy Chairperson of the Committee for Finance and Personnel (Mr McNarry): With the Minister in the House, it is a rare occasion

on which I have the last word. Indeed, it is rare for anyone else to have the last word. It is tempting to take advantage of that situation, but, reluctantly, I must concede that the report is more important even than my using such an opportunity, appealing as it is.

The Committee report contains some constructive criticisms. They were printed not for the sake of it but to elicit a response and, the Committee trusts, action by the Department. It is clear from the debate and from the Members who spoke that five minutes was not sufficient to allow most Members to cover the extensive, wide-ranging nature of this excellent report. I was pleased, on the Committee's behalf, that some Committee Chairmen participated in the debate and brought to it the issues specific to their Committee. However, this evening's significant debate was all the poorer for not having enough Committee Chairmen participate in it. All Members know how the five-minute rule works. If any Members feel the need to add to their comments, I am sure that they will write to the Committee, which will welcome them and take them on board. Even though the report is finalised, there remains work in progress.

Minister Wilson paid attention, as he demonstrated in his response to the debate, and the Committee is grateful that he gave his time and participated in the debate in a constructive manner. I am not sure whether he would want that theme to be taken up — particularly by me. Nevertheless, he is present for the debate, and he probably considers, given the nature of Committee reporting, that it is his duty to be here. The Committee wants any of his ministerial colleagues who were not listening to the debate to make it their business to do so. We will see to it that their officials bring them a full briefing on what has been said today and on their analysis of the report. I am sure that the Hansard report will fulfil that role.

It goes without saying that the debate was extremely useful. I thank Members and the Minister for their contributions. As the Committee Chairperson said at the outset, we intend the report to provide a useful and positive contribution to the discussions on the best way forward in driving on further public sector efficiencies. Today's debate has given all of us an opportunity to consider those matters, and I trust that the Minister and his Executive colleagues will take on board the views that have been expressed as they deal with the

pressures that will be made known to us in the coming days.

Before turning to the various issues that arose during the debate, I will speak briefly about the performance and efficiency delivery unit (PEDU) in DFP, which was mentioned by some Members. In April 2008, when the former Finance Minister made a statement to the Assembly on the creation of PEDU, he told the House that it would have a twin focus on efficiency and delivery. Members were told that PEDU would fulfil the efficiency aspect of its remit when invited by an Executive Minister to investigate a particular departmental business area. At the time of PEDU's creation, the Committee was broadly supportive of the intention behind it. However, only two Departments have commissioned its services for two specific business areas, and the Committee, therefore, has concerns about the outworking of the unit. Perhaps an external figurehead, as originally envisaged, would have enhanced the willingness of Departments to engage with PEDU, as it would then have been regarded as having more independence. In its report, the Committee has, therefore, called on DFP to bring forward options that would seek to improve the uptake of PEDU services among Ministers.

I turn to some of the key themes that have emerged from the inquiry and this evening's debate. I shall endeavour, on behalf of the Committee, to link any key points made by Members with the themes that we have raised, rather than simply rehearse each contribution to the debate.

The first theme that we wanted addressed was the need for clarity and consistency in terminology. When we talk about efficiency savings or when that term is used by the media, terms such as budget cuts and value-for-money savings are used interchangeably to describe approaches to addressing public expenditure pressures. At the same time, there is increasing concern over the impact of delivering more with less on priority public services. Efficiency savings can be effectively delivered only when the Executive and DFP establish a clear and consistently used definition of valid efficiency savings. In simple terms, efficiencies are about achieving the same with less or achieving more with the same, and that is what the report calls for. I think that that is the point that the Minister was making earlier. The report has highlighted the work of the National Audit Office,

which makes it clear that efficiency is not about reducing costs if it compromises the quality or quantity of outputs. That point is worth making.

Our second theme focused on the need for transparency in how savings are achieved and applied. The Chairperson has mentioned the helpful contribution of the Northern Ireland Audit Office, alongside its counterparts in Wales and Scotland, in producing a good practice efficiency checklist. That can be used by board members and senior managers in their oversight function and can be used to self-assess an organisation against good practice and to identify actions for improving efficiency and productivity. In the Committee's opinion, the use of such a guide, alongside a clearer definition of valid efficiencies from DFP, can only help to improve the transparency of information that is available. That will be a useful tool for elected representatives as we seek to effectively scrutinise departmental activity. Importantly, it will also help the wider public to understand what Departments are seeking to deliver and how efficiency savings are being redirected to fund the services on which they rely.

The third theme is the important need for a strategic approach. I think that all of us agree that a strategic approach is required to achieve the savings that the Executive have been tasked to deliver. That confirms the view of Professor Colin Talbot, to whom the Chairperson referred. Professor Talbot told the Committee that the worst way to implement efficiencies is by top-slicing across the board, because it damages what one wishes to keep and protects what one does not want to keep. Although that may represent, to some, a quick fix, Professor Talbot also warned Members that it can be extremely damaging to public services, especially in the long term. We have taken note of that. He also advised that some areas of the public sector will find it easier to achieve efficiency savings and a system should, therefore, be developed to identify where major efficiencies could be made and, conversely, areas where no efficiency savings are achievable. It is vital, therefore, that that strategic approach is also adopted by individual Members and, collectively, by the Executive to avoid salami-slicing, a term which Members have used.

Whatever the Executive finally decide on the matter, robust safeguards must be in place to ensure that there is no reduction in the level and quality of service provision in priority areas.

Furthermore, it is vital that efficiencies being claimed at a departmental level are not having a negative effect on the efficiency of the wider public sector.

7.15 pm

The fourth theme of the report on the Committee's inquiry concerns effective monitoring. During its evidence sessions with DFP officials, the Committee learned that primary responsibility for planning and delivery of the 3% efficiency savings that were required after the 2007 comprehensive spending review lies with individual Ministers and their Departments. The role of DFP, it seems, is only to monitor the delivery of savings and collate information.

I am not speaking personally in this debate; I am speaking for the Committee. However, I will deviate from that slightly: one thing that I would like to see changed is the role of the DUP — DFP when it comes to savings. *[Laughter.]* I would also like to see the role of the DUP changed, but as I am not into predictions any more, I will probably have to wait to see what happens this time next year.

The Minister of Finance and Personnel: Will the Member give way?

The Deputy Chairperson of the Committee for Finance and Personnel: I will give way. May I ask a question to which you know the answer, Mr Deputy Speaker, if you would be so obliging? Do I lose time if I give way, or do I not?

Mr Deputy Speaker: You do not gain any time.

The Deputy Chairperson of the Committee for Finance and Personnel: Aye, all right. I am still having the last word, whatever the Minister says.

The Minister of Finance and Personnel: The Member makes an important point. Is the danger of going down the route that the Deputy Chairperson suggests not that Ministers then lose responsibility and can say that the responsibility lies with DFP and not them?

The Deputy Chairperson of the Committee for Finance and Personnel: Perhaps we will get to that debate on another day. Part of the problem has been that Ministers have been passing the buck. I exclude the Minister of Finance and Personnel from that because he seems to be taking a stand at present, and

more power to him. The Committee is saying that, if decisions are to be taken, Ministers will be held accountable. Other Members made the point earlier, as did the Minister, that scrutiny Committees have a role in holding all Ministers to account. That is what we have got to do.

The Committee's report makes an important point about where we are now. I can answer the Minister's question by saying that Departments must provide quantitative and qualitative evidence — I heard that phrase being used earlier — of the inputs and outputs that are associated with the specific services that they provide for the purpose of ensuring more effective valuation and measurement of efficiency gains.

The fifth and final theme of the report concerns the scope for further savings. That is crystal ball-gazing stuff, but the challenges are right in front of us and the Executive now, and they are not here for only the short term. There must be and we believe that there are benefits in achieving real public sector efficiency gains in the medium to long term, as that will assist in minimising and managing any further expenditure pressures in the year ahead, and that is key.

The evidence presented to the Committee's inquiry pointed to several broad areas where additional efficiencies could be achieved, such as measures to further reduce bureaucracy, eliminate duplication of services and improve human resources management practice; further use of shared services, not just across Departments but covering arm's-length bodies and local government; more strategic co-ordination of the public procurement functions, including collaborative purchasing between the different levels of government; measures to achieve savings from accommodation expenditure, including a central policy on remote working and fundamentally good practice; and asset management and capital realisation, including the urgent establishment of a comprehensive mandatory central asset register for all public bodies to assist in identifying surplus property.

As we move into a period of constrained public spending, there is much more work to be done. Input will be required from key stakeholders, other Statutory Committees and the wider public to allow for fuller exploration. I can do nothing else as a keen and proud member of

the Finance Committee but ask the House to support the Committee's motion.

Question put and agreed to.

Resolved:

That this Assembly approves the report of the Committee for Finance and Personnel on its preliminary inquiry into public sector efficiencies; and calls on the Minister of Finance and Personnel, in conjunction with Executive colleagues, to implement, as applicable, the recommendations contained therein.

Adjourned at 7.20 pm.

