



House of Commons
Northern Ireland Affairs
Committee

**Political Developments
in Northern Ireland**

Oral Evidence

Wednesday 3 March 2010

Rt Hon. Shaun Woodward MP, Secretary of State for
Northern Ireland

Ms Hilary Jackson, Director General Political (Northern
Ireland Office)

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The Northern Ireland Affairs Committee

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Oral evidence

Taken before the Northern Ireland Committee on Wednesday 3 March 2010

Members present

Sir Patrick Cormack, in the Chair

Christopher Fraser
Mr John Grogan
Kate Hoey

Dr Alasdair McDonnell
Stephen Pound
David Simpson

Witnesses: **Rt Hon Shaun Woodward MP**, Secretary of State for Northern Ireland, and **Ms Hilary Jackson**, Political Director, Northern Ireland Office, gave evidence.

Q1 Chairman: Secretary of State, could I welcome you most warmly on behalf of the Committee? We are delighted to see you for what, in fact, is your last public appearance before this Committee, unless the General Election is delayed until June, which seems unlikely. I would like to thank you on behalf of the Committee for your unfailing courtesy and helpfulness over your time as Secretary of State and congratulate you on what you have achieved recently, in particular. I must give Lady Hermon's apology, because she has been taken ill and that is why she is not here, but the other two Members from Northern Ireland are. Secretary of State, are there any points that you would like to make before we begin the questioning?

Mr Woodward: First of all, Sir Patrick, thank you very much for providing me with the opportunity of being before your Committee this afternoon, and I would like to extend my thanks, not because I have any knowledge of any General Election date any more, anyway, than anybody else here, but if this should be the last time I appear before the Committee, I would like to thank the Committee for all their help and their work while I have been Secretary of State. This has been a pretty momentous now nearly three years and, I thank the Committee for their patience because, of course, it was during your visit to Northern Ireland that we began the talks at Hillsborough which produced the Hillsborough Castle agreement. If I may, Sir Patrick, I would like to say one or two things about that matter as well as a brief remark about the Saville Inquiry as well. I think the vote that will take place next week—the motion has, I think, now been tabled at Stormont—on 9 March is probably the most important vote that the Assembly have taken and perhaps the most important vote it ever will. I say that conscious of the politicians who themselves have remarked that this could yet be the most significant agreement of them all, because, of course, this is about the transfer of powers of policing and justice from Westminster to Stormont. It is something that we all take very solemnly as a responsibility and I believe that the agreement at Hillsborough Castle, which, of course, was conducted principally between the DUP and Sinn

Fein but which, as you will know, Sir Patrick, involved all the political parties who were based at Hillsborough during that time, and we did try and conduct those talks on the basis of inclusiveness but, with all the parties that were there, I believe the Hillsborough Castle agreement recognises many of the interests of many of the parties as well as addressing the fundamental issue of the transfer of powers of policing and justice. The vote next week, I believe, is absolutely crucial, and I think that all the Assembly members have to ask themselves both what this vote is really about next week and, indeed, for those who may still be wondering about whether or not to support the agreement and the vote next week, what it would mean and its implication if they were not to do so, because this is not just about the completion of devolution, although it is, it is about the completion of the peace process itself. I do not have to remind this Committee, whose support has been tireless, sometimes quite rightly critical but nonetheless tireless, both for the peace process and the political process, that the peace process is not something that has been secured overnight. It is something that actually has been thoughtful, and I think nobody on this Committee takes the peace, for one moment, for granted. We saw only last week, Sir Patrick, in Newry, an attack which was part of a pattern. The goal of those behind the attack was undoubtedly to undermine the political process and to damage the peace process, and what they wanted to do was to damage it by creating division and instability. The Government, Sir Patrick, is not complacent for one moment about the security threat facing Northern Ireland at the moment. In crude terms, in 2008 we had 15 dissident Republican attacks, in 2009 we had 22 and, so far, in the first eight weeks of this year, we have had seven. There is no question that the activity by the dissidents is significantly increasing and poses a real problem for everybody in Northern Ireland, and I say "everybody" because the threat posed by dissident Republicans is to Catholic, Protestant, Unionist, Nationalist and Republican alike. These people will do anything to harm and to hurt, but the severe threat that they pose is a threat to the political institutions and to the peace process, and I very

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much do see that the vote that happens next week is an incredibly important signal for all the Assembly members—not just one part, one faction, one signature to the agreement at Hillsborough, but to everybody—to send an unequivocal message that only politics, that only peace is the way forward for Northern Ireland. We have, as you know, Sir Patrick, provided additional funding for the PSNI to help deal with the increased threat from the dissident republicans, nearly £30 million this year, and we will be making upwards of £40 million of additional money available to the PSNI for next year, but money is not enough; it actually requires political will to defeat dissident republicans. We can provide all the money in the world, and unless there is a political will to unite and send that unequivocal message, money will not be enough. The dissident numbers have increased—we have spoken of that before—we have seen a number of attacks on individuals, on incredibly brave police officers such as Constable Heffron this year—and I am glad to tell the Committee that he is recovering well, but the Committee will know he suffered severe injury—but 9 March is also the anniversary of the murder of Constable Stephen Carroll and, I think, when Assembly members come into the lobbies next Tuesday to think of how they vote, I recognise there are divisions, there are still issues which rankle, which can leave people feeling that maybe they are not ready to support this, but this is not just about the completion of devolution, it is, I believe, a fundamental signal that Northern Ireland will never ever allow itself to go back, that it will only now be released from the grip of its violent past by embracing forever political solutions, and that, as we know, Sir Patrick, in politics nothing is perfect. You do not always get what you want and you do not always get what you wanted, but what we do know that is the peace process and the political process has transformed the lives of the people of Northern Ireland from violence to peace, and if we wish to preserve and cement that, then I would urge every Assembly member next week to come together and go through that “yes” lobby.

Q2 Chairman: I am sure this Committee would want to associate itself with your appeal. Do you believe, putting it very simply, that the defeat of dissident republicans, which is essential to creating true peace and normality in Northern Ireland, will be significantly assisted by this act of devolution?

Mr Woodward: Without question, and I say that having had extensive conversations with those who daily put their lives on the line to protect people. I know the Committee has spoken to the new Chief Constable and, very clearly, the Chief Constable has no political role to play in Northern Ireland. He has operational independence to ensure that people’s lives in the communities are protected. There is no doubt in his mind of the value of this. I would simply remind the Committee of the IMC report in November of last year, which was perfectly clear that it would be early devolution that would be a potent intervention in dealing with dissident republicans.

Chairman: Thank you very much indeed. Could I move to Dr McDonnell, please?

Q3 Dr McDonnell: Secretary of State, there is a certain apprehension amongst many of us as to the robustness of the agreement, or the deal, or the arrangement that was arrived at at Hillsborough: the various mentions by the First Minister of a clever device as a backstop, and one thing and another. This has given a large number of people a degree of unease. Are you able to comment? Are we secure in that agreement?

Mr Woodward: How robust has any of the deals been that have taken place since 1998? Interestingly, every time a deal, whether it was the Belfast Agreement, whether it was St Andrews, has been made people have asked that question and they have endured. I believe the strength of the agreement that was made at Hillsborough at the beginning of this year is all the stronger because it was made not between the two governments, but was actually made by those elected in Northern Ireland. The Committee will be more than well aware that it was a very lengthy, somewhat exhaustive ten days. It was all the stronger because, and I do appreciate that for your own party or for the Ulster Unionists, or for the Alliance Party, or, indeed, for the Progressive Unionist Party, not always being able to be at the table for the negotiation, or the deal, as it is sometimes described, has led to questions of how robust is this, but I think, Sir Patrick, it was very important from the very outset that the Prime Minister and the Taoiseach made it very, very clear that they wanted the parties there at Hillsborough participating. The parties contributed, all of them, with multiple papers, and, since Dr McDonnell has asked the question, for that reason alone let me commend the work of the SDLP in this instance—your own party—which produced several really important papers which influenced the agreement, influenced the negotiations and when we all met, Sir Patrick, in the plenary sessions which took place, they did provide an opportunity, for example, not just to put on the table the issue of policing and justice, but to put onto the table, for example, the issue of the functioning of the Executive itself, real concerns about the workload of the Executive and the papers which have not been met. Again, I should record my thanks to particularly the Ulster Unionist Party here and to Sir Reg Empey, who in my conversations with him throughout the whole of last year, particularly in the autumn, was very concerned about the functioning of the Executive and raised at the very second plenary session the issue of how we would better improve the workings of the Executive, how we would make the coalition work more effectively, not just run by two parties. I believe the agreement fundamentally reflects those concerns by the creation of the working parties which fundamentally address how better the Executive can function. I think it would be fair to record that, I believe, before the Hillsborough Castle Agreement was made there had only been one formal meeting of the four party leaders, and I believe that since and during that time there have been several; and I

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believe that both the First Minister and the Deputy First Minister, although, of course, this is a matter on which they should speak and I can only comment, have fundamentally taken to heart the need to make this coalition of parties work more effectively. So, to answer your question, I think it is much more robust than it possibly could have been were it not for the contributions of all of the Assembly parties to that process at Hillsborough which, I think, have marked a fundamental turn of events in Northern Ireland, not just for the transfer of policing and justice powers but for better government.

Q4 Dr McDonnell: I accept your point and I would agree with you that the involvement has certainly made it easier, but my concern is that to a large extent the problems that led to the Hillsborough events, the seeds were sown, if you like, in the St Andrews situation, and I hope everything you say is borne out with time, because I would be anxious that that be the last summit, if you like.

Mr Woodward: Let me just say, the reassurance here, I hope, is this. St Andrews happened over three days. This happened over ten days in which all the parties—“all” the parties—were effectively locked down together at Hillsborough. There was constantly opportunity—some parties took more of the opportunity than others, I would have to say—for the respective Northern Ireland party political leaders to meet on the premises, for them to come together, to exchange papers, and it would be a caricature to suggest, Sir Patrick, that the only meetings that ever took place that only mattered at Hillsborough were the ones which involved, for example, the British Government with particular party leaders. What was significant were all the meetings that were taking place, all the exchanges that were taking place, and I think it would be true to say that actually everybody learnt a lot in those ten days. I think that we all learnt a great deal more about the problems which the other parties wanted to be put on the table, which is why the agreement is far more robust and significant than it would have been had all the parties not been together for those inclusive talks.

Chairman: I appreciate the fact that you have expounded at some length, and I wanted you to do so because this is very, very important and fundamental to our discussion, but I do appeal both to colleagues and to the Secretary of State, as the Speaker might from the chair, just to sharpen it up a little bit as far as questions and answers, because there is a lot to get through, as this is probably our final session, and there are quite a number of things we need to ask you about, including Saville a little later on, and so on.

Dr McDonnell: A very quick question then, Chairman. I am sorry, but I think we were at a very crucial point there.

Chairman: Very much so.

Q5 Dr McDonnell: I am also worried about the relationship going forward and the stability going forward being dependent on the personal relationship between the First Minister and the

Deputy First Minister and an impression that it may be good now, it was not as good before and it might go not so good again. What is your assessment of that?

Mr Woodward: I am not about to report to the Committee there is going to be an imminent civil partnership between the First Minister and the Deputy First Minister.

Q6 Chairman: We are rather relieved at that, I think!

Mr Woodward: In an age of equality, Sir Patrick, I would not want to comment. The comment I really would make here is that I think everybody learnt a lot during those ten days, and I think there was participation from all the parties. For example, let me give you one instance: Dawn Purvis from the PUP. This is somebody who has, perhaps some people might say, not been seen to be a major player, but Dawn’s role throughout those ten days was absolutely crucial, a huge tribute to her leadership. From the beginning she was really clear about why it had to succeed and why all of us, whatever our differences, had to recognise what was at stake.

Q7 Mr Grogan: Turning to the Justice Department, I think under the 2009 Act there were interim arrangements for the election of a justice minister by cross-community vote. They will lapse, will they not, in 2012? What would be the options going forward to elect a justice minister?

Mr Woodward: I am tempted to say, John, I just want to get through next Tuesday before I even dare think about 2012. Let me be a little outrageous for a moment and anticipate that everybody does come behind this vote, but I am not complacent about that for a moment, and I do stress again, it may be technically enough for a show of hands from two parties, or three parties, or four parties, or five parties, but that is not enough: Northern Ireland needs to see all of its politically elected representatives understand the significance of next Tuesday and truly what is at stake. The truth is if we then get beyond that we can have the election of a justice minister; a nomination. I think it is worth the Committee recording that, of course, the legislation which we passed in Westminster last year was at the request of legislation which had been passed in the Assembly at Stormont, so we were not creating a unique process that had not been something we were asked to do from Stormont where it had been democratically produced, but as the whole Committee will know, Sir Patrick, the arrangements for 2012 are that all the arrangements are up for grabs. The significance of that, I think, is not to be lost on anyone, but, in truth, we rarely want to break what works. I think this was a very carefully crafted way through a set of problems which did not have, as you will know, Sir Patrick, from the work you have done, a simple solution, and it was, effectively, an agreement to disagree. However, just as we have seen enormous success from this Assembly in the last two and a half years to the point whereby before the Hillsborough Castle talks people said, “We cannot let this fail”, I do not believe in 2012 we will arrive at a simple solution—we will not—and that is why

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there will be a need for perhaps the guiding hand of a secretary of state in the future to help with the political process. I am really confident, Sir Patrick, that the political parties, in representing the people of Northern Ireland, will really value the achievement of the political institutions and, therefore, will require the politicians in the years before that, not just the months and weeks, to recognise their responsibility to find a way through that moment which does not interrupt the work of the Assembly.

Q8 David Simpson: I would like, if I can, Secretary of State, to look at the parading aspect for a moment and the work that has been carried out by the new working group. The Secretary of State will know that for many years now there have been controversy issues in relation to the Parades Commission. We saw it as part of the problem rather than the solution. Other parties, of course, will disagree, and that is politics, but in relation to the work that has been carried out by the working group, could you possibly give us your view on the proposals. We know that there is some way to go yet. I think there are a couple of meetings this weekend to see if the loyal orders will accept it and there has been a lot of consultation and, Chairman, I declare an interest in the loyal orders as a member. We would like to see it being accepted by them, but there is some work to be done. Could you give us your view on the proposals, and do you believe that it has a realistic possibility of succeeding in relation to the controversial parades? I finish with this bit on the parades. My own constituency, as the Secretary of State will know, is the Upper Bann constituency, where we have had a longstanding dispute with the Drumcree Parade for now 12 years, and I am glad, under this arrangement, that both it and the Ormeau Road are no longer classified as legacy parades and they are incorporated into this new arrangement as difficult parades *per se* along with others. I would like your thoughts. Do you believe that this will work better than the current Parades Commission?

Mr Woodward: I think the formulation which the Hillsborough Castle agreement uses is a new and improved framework. I think that reflects a very, very clear understanding between the parties on the issue of respect for each other, respect for rights, respect for responsibilities, and the need to ensure an adequate framework of law and codes of conduct which respect those is absolutely at the heart of this. I am really confident that this is a way to find a fundamental breakthrough on the outstanding problems of parades. It is important for those watching this to remember that, of course, of 3,000 parades a year in Northern Ireland, very few are now problematic and very few now produce real difficulty, but there are some which remain highly contentious and there are some that are going to require a great deal of work. I do not think there is a magic solution here, but what I do think, Sir Patrick, is that the agreement that was struck at Hillsborough Castle in relation to parades was not something that began at Hillsborough Castle, it was something that began many years ago. It was something that was

picked up at St Andrews and put into the work of Lord Ashdown. It was something that reflected a year's work by that committee, which was a very bold and brave committee and began to look at things, and the honourable Member, I know, has done a huge amount to help promote better community relations on this issue and knows far more about the issue and is far better equipped, perhaps, to adduce a judgment here, but I have to say that those ten days at Hillsborough were a reflection of years of work, they were not a standing start on the issue of parades. I think some comparisons have been made with the issue of education. Critically, if we were working from a standing start at Hillsborough Castle, we could not have done it in ten days. We could do it because of years of work, because of the Ashdown Report, because (and I pay tribute here again to all the parties) the SDLP were very, very clear about the shortcomings of the interim report by Lord Ashdown, although I admire much of its work. Similarly, the Ulster Unionist Party and the many conversations I had with the leader of the Ulster Unionist Party in the autumn alongside the DUP made me very, very convinced, for example, that the introduction of local politics, as the interim Ashdown Report had proposed, would have been a disaster. I do not think it was an intention by Lord Ashdown's committee, I think it was a solution they saw, but with the benefit of the advice of Sir Reg and of other people, we were able to see that actually we had to make some fundamental changes, and so the ten days at Hillsborough reflected that. Ultimately it will be for the Assembly to judge this issue, not for the British Government, but in the way that, very responsibly, all sides of have approached this and contributed to it, not just in those ten days but across three years, I believe we hold in our hands the opportunity for a new and improved framework which, with time and crucially with good will and good heart, will find a solution to even the most contentious of the parades.

Chairman: That is a "yes", Mr Simpson.

Q9 David Simpson: I got that, yes. In relation to my final question, and the Secretary of State has alluded to it, in relation to Tuesday of next week, he made the point, and I stand to be corrected, that it is important that all parties support this. As he will know, there is an issue over one party at the moment, which we will not go into, but it is causing concern and rather than show unanimous Unionist support for this going forward, this could indeed cause a difficulty in confidence. We have always emphasised the point of public confidence. I would like his comment on that, but—and I think I know the answer to the next part of it—we look at the doom and gloom machine, if it did not happen on Tuesday and the Assembly was to collapse, which we do not want to see, what would the next step be?

Mr Woodward: I think the public would find it very, very difficult to forgive politicians who allowed the Assembly to collapse, and rightly so. I think it is worth remembering that this is the final part of a process that began 12 years ago and there are many

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lessons to have been learned along this particular journey and many mistakes have been made. It is not a prerogative of any one political party to make mistakes. All parties, and that includes governments, have made mistakes. The question is what do you do with your mistakes? What do you learn from history? Is this a moment when you say: because of what happened to me then, this is what I am going to do now? I think, if we do that, Sir Patrick, we learn nothing from history. I have to say that we are speaking of one party in the room. I have tried this afternoon, with some care, to point to the degree to which the ideas that a particular party wanted put on the table were put on the table. The importance of a better functioning Executive which would be able to address issues like education were very much put on the table, but the Hillsborough Castle Agreement is an opportunity not just to deal with policing and justice but every issue and to begin to find solutions to the issues which were damaging the reputation of the Executive as well as of the Assembly; but it may also be worth reminding the Committee, of course, that the Ulster Unionist Party, for good or for bad, have entered into an alliance with another political party, the Conservative Party, and it is probably worth reminding the Committee, for the record, that the leader of the Conservative Party, without reservation, has recorded his support for the Hillsborough Castle Agreement and for the dates of the vote of 9 March and 12 April for transfer. Therefore, if you like, half of this party, which as I understand it will in the General Election not be fielding two candidates but will be choosing one for every parliamentary seat in Northern Ireland under the heading "New Force", New Force, if you like, is already halfway there next Tuesday. So very, very clearly, in a mature democracy one has to recognise already there is a lot of support within the Ulster Unionist Party for the agreement next Tuesday. I recognise there are issues they still want to discuss, still want to address, but it is important, Sir Patrick, to recognise that, for example, on the issue of parades, as I have laboured this afternoon, Sir Reg's involvement in getting that right did not just happen at Hillsborough, it happened in the months before. Sir Reg's involvement in getting the working groups together was absolutely a result of his contribution at Hillsborough. There are many things that I think already this better working institution has achieved because of the Ulster Unionist Party, as, indeed, I should point to the SDLP, who have every reason to have concerns about one issue or another, for example in relation to the Justice Department, but, again, it is with huge tribute to the leadership of the SDLP, and particularly if I may record this afternoon my tribute to Mark Durkan. On the day of that agreement he said, "We may have things in this we do not like, but we will not allow this to stand in the way of recognising the importance of completing devolution and transferring the powers." I make no judgment on any party here this afternoon, except to say I hope everyone can come on board, and if there is more work required in the next few hours, let us get it done.

Chairman: I sincerely hope that the work is done and entirely endorse your plea. Mr Pound.

Q10 Stephen Pound: Thank you, Chairman. Thank you, Secretary of State. Earlier this year we met Chief Constable Matt Baggott and we asked him about possible barriers and obstacles to devolution. He said that one of his concerns was understanding what is operational responsibility and what is operational independence, and this has been picked up on the floor of the House and it was also mentioned by Barry Gilligan. Could I ask you, Secretary of State, what discussions you have had with Chief Constable Baggott about operational independence and continuing operational independence of PSNI?

Mr Woodward: Operational independence of the Chief Constable is not up for grabs. The Chief Constable has operational independence, will have operational independence and without operational independence it will be impossible, I believe, for the Chief Constable to succeed in Northern Ireland, and nothing that has happened at Hillsborough Castle, nothing that has happened in any discussion remotely changes that. The principles of Patten are enshrined, will stay and the various protocols, memorandums of understanding and agreements that are being set up by the Northern Ireland Office and my colleague Hilary Jackson and others in the course of the preparation for the transfer of policing powers will enshrine that and cement it.

Q11 Stephen Pound: I have to say, Sir, refreshingly unequivocal, and I thank you for that. One of the other issues you raised though, but not in any priority order, was the long-term funding position, protecting particularly the long-term finance of PSNI. Is there anything that you would say to the Committee this afternoon on that subject?

Mr Woodward: When Assembly members go into the lobby next Tuesday, not only do they have the responsibility of ensuring that the peace process is completed and cemented and that the political institutions continue to succeed, but if the vote were not to succeed next Tuesday, the £800 million of additional money which the Prime Minister has made available for the new Justice Department would not be available. The Chief Constable has made a number of assumptions with the Policing Board for spending on police in Northern Ireland for the coming years. Those assumptions are fundamentally based on receiving the £800 millions of additional money, and I would not have to spend too long, Sir Patrick, to remind the committee that if the Chief Constable did not have the £800 millions of extra money, there is no question about the Chief Constable taking any risks with the security situation in Northern Ireland—that would not happen—but the sort of community policing that people in Northern Ireland today welcome and embrace in the way they do in other parts of the United Kingdom would not happen. It would not be possible to do that if they did not have the £800 millions of additional money. I want to see that. It is an incredibly generous but justified settlement for

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the new Justice Department and for the PSNI, but people would have to explain, if they were not to vote for this next Tuesday, why there would be no additional money to deal with all the issues that arise from the past. For example, the exceptional arrangements the Prime Minister has made arrangements for to recognise the very unique special conditions of the part-time reserve; why that money would not be available either: because it is all part of the package. The additional funding which we have anticipated and guaranteed for the future for provision for rebuilding the existing Prison Service, that would not be there; the money for the police college would not be there, Sir Patrick.

Q12 Chairman: There is, of course, an overriding responsibility on whoever has the ultimate power in government in Northern Ireland to ensure that the people of Northern Ireland do not suffer as a result of mistakes of politicians.

Mr Woodward: Of course, but, Sir Patrick, you will be aware that Northern Ireland has exceptional policing arrangements.

Q13 Chairman: Indeed.

Mr Woodward: Such that, for example, for every 211 people in Northern Ireland there is a police officer. I would challenge any Member of the Committee here who is not from Northern Ireland for a moment just to invite comparison with their own position. Those arrangements are there for a very good reason. Things have significantly changed in Northern Ireland, but it is not the intention of this British Government to fundamentally change those arrangements, because we believe they are necessary. However, the exceptional additional money is to enable the new Justice Department to have the best chance of success, and it is generous in that sense, but it is important to remind the Committee and everybody voting next Tuesday that that £800 million of additional money would not be there if responsibilities are not transferred.

Q14 Chairman: Of course, nor would the autonomy of the people in Northern Ireland to have a say in the disposal of those resources.

Mr Woodward: Absolutely, although to some extent, let us recognise, the Chief Constable already has operational independence. We already have a highly successful Policing Board that all the parties are part of. To some extent some of the fears that some people have that there might be some Big Bang change on 12 April, one has really got to say I do not think anybody in the streets of Belfast or Lisburn is actually going to notice because it has already happened. The Policing Board is already fully representative, the Chief Constable is already operationally independent; it is just that there will be a locally elected justice minister rather than a secretary of state sitting here this afternoon.

Q15 Stephen Pound: Secretary of State, you have already referred to Peadar Heffron; you have referred to Stephen Carroll. I think we all know the realities of the situation. Would you accept that

although you can differentiate between security policing and community policing, those who wish the PSNI ill will not make that difference, and whereas you can make a distinction in terms of operational control, that is not a distinction that the enemies of peace will see. Would you accept that the perception that you can actually maintain a police presence without the community element is not something that we should be even talking about?

Mr Woodward: I know exactly what you are trying to say.

Q16 Stephen Pound: I am sure you will say it better than I could.

Mr Woodward: But let us bear in mind the kind of things that we might be talking about. For example, no police college—that is £40-50 million pounds.

Q17 Stephen Pound: No future for the PSNI then?

Mr Woodward: You can make arrangements, if you want to, by making do, and the PSNI has done a remarkable job in doing that, but this is additional money that is available under these exceptional conditions. Again, I think, since you raise the issue of the dissidents, let me just say this. It is not by chance that the bomb happened last Monday. It is precisely because they want to create instability, it is precisely because they want to create nervousness, but it is precisely because we should learn from history and experience that the best answer to this is not actually additional money, it is a unified voice across all communities that says these people have no place now or in the future in Northern Ireland.

Chairman: Absolutely. Mr Fraser.

Q18 Christopher Fraser: Secretary of State, you talked just now about protocols being set up. What is the current status of the protocol on policing?

Mr Woodward: You will know, Christopher, that there are actually several protocols on policing. There is a protocol on architecture, there is a protocol on the arrangements between north and south and, of course, there are the national security protocols as well. The issue which perhaps is of most interest, I would imagine, to the Committee is the protocol on architecture and perhaps the protocol on national security. Let me just say on national security this. National security is precisely that: national security. There is no question of national security powers being transferred in whole or in part: they remain here at Westminster, and they do so for a very good reason. They are not devolved in Scotland; they are not devolved in Wales. It is important that we recognise it is national security, but it is important we also recognise that in the future where is the threat going to come from? There will continue to be, regrettably, for the foreseeable future, a threat posed by dissident groups. That needs to be dealt with, it needs to be contained and I believe that devolution, as the IMC report said, is the most effective intervention, but (and I have no specific intelligence here which I am reporting on, so this is not an attempt to suddenly disturb people's concerns in Northern Ireland) it would be irresponsible not to anticipate that as part of the

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United Kingdom the threat in the future for Northern Ireland will not be from Irish related terrorism, as we have seen in the past, but it will come from groups and associated groups like al-Qaeda. It will be essential, therefore, that the Secretary of State retains that responsibility for national security to be able to work with the Justice Minister, with the PSNI in relation to that national security issue to protect the people of Northern Ireland. Perhaps, Sir Patrick, it may be helpful if I share with the Committee copies of the protocols, if that would be helpful.

Q19 Chairman: I think that would be extremely helpful.

Mr Woodward: And to remind the Committee that they are not legal documents as such, they reflect a pragmatic relationship at the point we anticipate of devolution taking place and, as such, in relation to the national security protocol, one thing I think is incredibly important is that there is a presumption for communication. In other words, the Secretary of State is not obliged by the protocol to withhold information; he is obliged to share it.

Q20 Chairman: Secretary of State, our final report will be on progress to devolution during this Parliament. Are you content that we print those protocols as an appendix to our report?

Mr Woodward: I would just like to consult with my colleagues on that, because they are works in progress. I say that because it is conceivable—assuming that the vote (and I am not complacent) next week goes ahead—that between now and 12 April there could be some significant revisions. Again, I will give you one example, Sir Patrick. Some very helpful commentary on some of them from the SDLP, very sensible, nothing for anyone to be concerned about, but, frankly, improvements which I think, again, are extremely helpful, and Mr Atwood has made some very good points about how we can improve it and I want to make those if we can.

Chairman: Our clerk will negotiate with your office on that, and I am delighted that Hilary Jackson is here with you.

Q21 Christopher Fraser: You mention this work in progress, which I think we all accept, but can you very briefly tell us a little bit about the roles you envisage for the justice minister, the Assembly justice committee as distinct from the Policing Board?

Mr Woodward: To some extent, Christopher, I could refer you to the Patten report itself, because the one thing that is absolutely unequivocal, in my view, is that the arrangements put in place at devolution must be entirely consistent with those set out by Patten in the Patten report. That anticipated, of course, that there would be a justice committee. It is quite right, for reasons of scrutiny, Sir Patrick, that there should be a justice committee as part of that tripartite relationship that Patten envisaged. There had not been a justice committee before because it had not been devolved, but I think that we need to recognise that Patten did very clearly set out how he saw the role of the relationship between the Chief

Constable, the Policing Board and the justice committee. The justice committee is there to scrutinise. The Board is there to hold to account, to set the medium-term objectives. It will be up for Government to set long-term objectives in conjunction with the Policing Board, but the Policing Board fundamentally hold the Chief Constable and PSNI to account. That is the arrangement set out in Patten, that is the arrangement that will apply but, of course, it will be a matter the Assembly and the Executive as to the terms of reference for their justice committee because, of course, that is the very nature of devolved government, but it will be entirely consistent with the ideas set out for that tripartite institutional relationship in Patten.

Q22 Kate Hoey: Could you tell us very briefly what your assessment is of all the recent decommissioning and if there is anything more you are looking forward to?

Mr Woodward: First of all, can I thank all the Committee Members for their indulgence in helping me secure one final year for decommissioning. I know that for the best of reasons we had a very constructive discussion about whether or not we should give another year for it. I can only say, I think, on behalf of the people of Northern Ireland, not myself, the fact that it was the right policy, because as a result we have seen decommissioning by every single one of those groups who were involved in the troubles, and we anticipate, Sir Patrick, later this year a final report on armaments from the Independent International Commission on Decommissioning and John de Chastelain, and, again, I am sure, on behalf of the Committee, I should rightly pay tribute and thanks to the work of that commission, who have overseen the most extraordinary result which included, on the final day, all the groups contributing to that.

Chairman: We would wish to be associated with that.

Q23 Kate Hoey: Where do you think the dissidents are getting their ammunition, their guns and their explosives from?

Mr Woodward: If we knew the answer to that, they would not have any.

Q24 Kate Hoey: Yes, but I am sure you can speculate on a lot of things, would you like to speculate?

Mr Woodward: You will know as well as I that in the areas we represent in England, regrettably, it is not too difficult to get hold of a gun. Regrettably we see extremely young people being able, with extraordinary ease, whatever legislation we put in place, to obtain weapons which can kill. Regrettably there are people around the world who are all too happy to supply things at a very low cost to enable that kind of instability to take place. Again, I pay tribute to the Security Services and also the foreign security services, Sir Patrick, who, as you know, only within the last year or so helped foil what would have been a very significant attempt by one of the dissident groups to acquire from another part of Europe significant arms and munitions. The real

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issue which we have to address here is the one which the previous Prime Minister rightly put his finger on back in 1997/1998, which is intention. Even if we could switch off and somehow magic up all the weapons and munitions these people have got, the problem is that so long as they have got the intention to want to use it, they will acquire new ones. We have to turn everything we have against these groups and we have to smother at birth their attempts to encourage young people, because actually the most powerful weapon they have got are the clean-skinned 18-year olds—far more important than a gun or munitions—and they are the most threatening dimension of this because we do not know who they are. Obviously, I have no intention of prejudicing the trial, but one of the people on trial shortly for the murder of Stephen Carroll is very young. He was barely at primary school at the time of the Good Friday Agreement. It remains for the courts to decide what the outcome of that trial is, but the fact that there is even a young person associated with it is a cause for real concern. I would say this on the issue of those groups that remain out there. It is essential, more than anything else, that we keep them isolated from any community support. There is no community support, by and large, for these dissident groups, and that is why there have been some spectacular pieces of evidence from witnesses, which the Chief Constable would, I am sure, share with you in private, that have come forward in terms of the attacks that have taken place in the last year that would have been wholly unexpected five years ago from communities that would never have become involved.

Q25 Chairman: Yes, he has already done that.

Mr Woodward: But that is why, again, the vote is so important next Tuesday because there must be no quarter of hope given to these dissidents in thinking that somehow the community is not at one on this. In terms, therefore, of getting weapons off those groups still out there, our best hope is the community itself.

Chairman: Thank you very much.

Q26 Dr McDonnell: I wanted to maybe ask you a little bit about Saville and where we are with that. I am a little aggrieved, if I might say so, because the families were expecting some response from you way back in the autumn and we have been aggrieved here because the report has been delayed. Surely we can come up with a better arrangement where we keep the families on side and keep them satisfied. I think they are entitled to know. I think they have been let down.

Mr Woodward: The families were let down by what happened on the day itself. Let us be very clear about this. Both for the families and for the soldiers this has been a process which has gone on for too long, has been subject to too much delay and, of course, we should always remember, Sir Patrick, that if the terrible events of Bloody Sunday had never happened, there would have been no inquiry. I think we should be very careful, first of all, about just distinguishing what is really behind the problem and

what is also a problem. The problem we are dealing with here is that we have, on the one hand, the huge benefit of an independent inquiry. It is an independent inquiry which has so far cost the British taxpayer nearly £200 million, and rising, it has taken over a decade, but its strength is that it is independent, and as an independent report we have no ability to control the costs, we have no ability to control the time of deliberation, we have no ability to control the writing of the report and we have no ability to control the delivery of the report.

Q27 Chairman: Do you have the ability to control the publication of the report?

Mr Woodward: Once it has been delivered to the Secretary of State, the Secretary of State has an obligation to fulfil under Article 2 and also on national security, because that is not an obligation that sits on Lord Saville, it sits on the Secretary of State, and I have a letter here, Sir Patrick, which may be of assistance to the Committee. In respect of the specific question that Dr McDonnell asks, I would say this. As my mother used to say, no good deed goes unpunished. I wanted to help the families and I wanted to help the soldiers by being as open as I could about the arrangements for publication and what we would do. The problem is I did not expect, when I met the families back in October/November, that it would be subject to several more delays and that Lord Saville would tell me that he expected to deliver the report on 22 March and then would change that to saying the week of 22 March. I did not expect that it would become necessary for the Cabinet Secretary to become involved in correspondence with Lord Saville, which he did in January, and the Cabinet Secretary was not able either to secure a satisfactory answer in relation to publication from Lord Saville. The problem is that I do not think it is helpful to provide a running commentary on those arrangements to any of the parties, because until we have got certainty, Sir Patrick, in frankness, I have got nothing to report. Whilst I can understand the anxiety of the families and I have every sympathy with it and I will always be on record in my respect for the pain they have gone through and the anxiety they continue to go through as a consequence of delay, but it would be unfair on my officials and on anybody involved in this to be accused of not wanting to do everything they could to hurry this process on. The problem is, Sir Patrick, just like the money, we have no control over the timing, and so the problem that is now being presented by Lord Saville is that Lord Saville knows from correspondence from the Cabinet Secretary as well as myself that it is a legal obligation on me which I must fulfil. I have no discretion on this; I have no choice on this; I must fulfil my Article 2 obligations and my obligations to national security. It is not a choice, it is an obligation on the Secretary of State, and it would be a dereliction of that responsibility to do anything other than that; so that must be done. What we have been trying to negotiate with Lord Saville is that what we get is a copy electronically of his report some weeks before the date he hands over his conclusions so that I can get

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it all done, but, unfortunately, Lord Saville informs me that it is not possible to let me have an electronic copy and I can only have the electronic copy on the same day as the full report when its conclusions are published. Therefore, I am entirely dependent on when Lord Saville decides I can have the report.

Q28 Chairman: This is depressing, but it is also helpful to have this on record. Can I get this completely right. Lord Saville has refused the facility for you as Secretary of State to begin your deliberations, as it were, by having an electronic copy, so it will not be until somewhere between 22 and 26 March, that being the week in question, that you will receive both.

Mr Woodward: Again, let me, for the benefit of the Committee, say that I am not being told that I am going to receive the report in the week of the 22 March. There is still room in the answer from Lord Saville for it to be not necessarily in that week. I do not expect it to be delayed, but in truth, Sir Patrick, if I had sat here a year ago, and I think I probably did, I was anticipating the report in the autumn and I did not get it. This is not a criticism of Lord Saville, it is simply an observation on the process in which it is impossible to get it delivered.

Q29 Chairman: I appreciate that. Secretary of State, this is not a criticism of you, because you have your statutory responsibilities, but, whether it is 6 May or not, we are all conscious that this Parliament is in its last few weeks. We are also aware of the fact that it is rumoured that Lord Saville's report will to run several thousand pages, not just hundreds of pages, that you have a statutory responsibility and that there are people whose lives could be very, very severely affected one way or another by what Lord Saville says and what he recommends, and I would just like, as this is probably your last appearance before the Committee, to clarify the timing. Could you, please, after today, contact Lord Saville again and say, "Am I going to get this during the week of 22 March?"—it is, after all, less than three weeks to go; he must know now whether your going to get it that week—so that you can at least inform people, and then perhaps you can ask him roughly how big this report is and perhaps you can give some assessment as to how long you think you will need to discharge—and of course you will have to discharge them—your statutory responsibilities, because this Committee in its final report to Parliament would like to be able to make some coherent and sensible comment on this point, and I speak for all Members of the Committee.

Mr Woodward: I think, Sir Patrick, in speaking for all Members of the Committee you can probably speak for all Members of Parliament and, in turn, I think we speak for all the families and all the soldiers as well. Perhaps it will assist the Committee if I also write the Committee a letter of my intention for the arrangements of publication itself.

Q30 Chairman: That would be good.

Mr Woodward: Because I very much have taken to heart the meetings I have had both with the families and with the soldiers and their respective representatives to ensure that everything that is reasonable can be done on the day to help them in advance of the report being published to Parliament, because, of course, it is an address to Parliament.

Q31 Chairman: Of course.

Mr Woodward: So that those who are directly affected by the report would have the best opportunity, and perhaps I should record here, Sir Patrick, my thanks to Mr Speaker, who has been extraordinarily sensitive to the entreaties I have made to him about both the families and the soldiers to ensure that appropriate and reasonable arrangements could be put in place for the families and for the soldiers which, again, partly to answer Dr McDonnell's question, has of course had to be a matter of considerable discussion and negotiation because it is a report, however much the families are affected by this, which is an address to Parliament, and it must, therefore, be published to Parliament.

Q32 Chairman: Do your Article 2 and national security obligations permit you to edit or to redact any parts of this report, as it is a report to Parliament?

Mr Woodward: That is exactly an issue which was raised by the families when I met with them last year and which I have promised to consider.

Q33 Dr McDonnell: Consider deleting or consider not deleting?

Mr Woodward: Let us be very clear. Let me give an example that could not possibly arise. Let us say that Dr McDonnell is somehow featured in Lord Saville's report and that Dr McDonnell's life is put in danger by the report. The idea that I would publish that bit but just put a paragraph at the side which says, "By the way, this man's life is now in danger because we have just published it", would be absurd; it would have to be redacted. However, in order for people to have confidence in what has been redacted, what I have proposed, Sir Patrick, is that in the very limited time I am giving myself between receiving the report and being able to publish it to Parliament, which I believe would be in the order of 14 days, as part of that process, I would consult with Lord Saville, that Lord Saville would be aware in the highly extraordinary and not anticipated circumstances of a need for a redaction. In other words, I do not expect to make any redactions because I am hoping, and I imagine, that Lord Saville will have done much of my work for me on my obligations under Article 2 and national security. However, the problem is legally the obligation sits on me as Secretary of State and not on him, but if it were necessary, in extraordinary circumstances, to redact, (a) he will be made aware of the redaction and (b) whilst the redaction, if it was under Article 2 or national security, had to be made, it would also be a matter of discussion between him and myself, which would, of course, then be open to judicial review.

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Q34 Chairman: What is the position, Secretary of State (and this may be more than a hypothetical question), if Saville reports on Friday 26 March, which is during the week we are talking of? There will possibly be no Parliament to report to 14 days after that; so what happens in that case?

Mr Woodward: That is why I went to the Shadow Secretary of State for the Opposition and consulted with him to see, in the event that there could be a number of results from a General Election, whenever that were to take place, but nonetheless on the assumption that either, as I hope, my party is in a position to make these decisions or, indeed, recognising that in a democracy it may not be us, we had a bi-partisan agreement on what should be done, because I am concerned.

Q35 Christopher Fraser: Did you get that agreement?

Mr Woodward: Yes, I did, and that is why we went to the Cabinet Secretary and it was appropriate to ask the Cabinet Secretary to see what he could do on this issue. I do not know when the General Election is going to be called. We can all speculate on dates, but the problem is that it has not been decided and we do not know. We have, therefore, tried to make Lord Saville aware of the possible parameters. The difficulty I now face is that he has written to me saying that, if there were to be an intention for an election that might be called at the end of March, could I let him know beforehand. The problem with that, of course, is the Prime Minister is unlikely, when he makes the decision, to propose that we inform various branches of the judiciary. I have, therefore, tried to my best endeavours to persuade Lord Saville to recognise the difficulty of a position in which I will not know the date of a forthcoming General Election but which it is entirely possible were the Prime Minister to decide on a date of 3 June or 6 May that that would have certain consequences.

Q36 Christopher Fraser: Does he accept the point that you are making? You said you put it to him and had discussions.

Mr Woodward: This is the current state of play of an exchange of letters between myself and Lord Saville, but, again, it plays back to Alasdair's point. I do understand the families' frustration and anxiety and exasperation, but the problem I have got is that I have got a permanent running commentary to perform on an exchange of letters to which I have not yet got an outcome. As I have said, Sir Patrick, I believe the process will take two weeks. It must be published to Parliament and my obligations as Secretary of State must be met because of right to life concerns and national security. Of course I am concerned about the families, but I am also concerned about one other dimension, Sir Patrick, which is the security of the report once it has been delivered, because were it to be the case that the report is delivered and there is not a Parliament to publish the report to as an address, the report then sits in electronic and in physical form in a warehouse for what might be weeks; so I am genuinely concerned. I am also concerned not just about

legitimate leaks, but those leaks which actually, of course, are not based on the report at all but they are wild speculation dressed up as leaks to which people might be highly anxious—soldiers, families—but to which it will be impossible to give any response.

Q37 Chairman: This is a very unsatisfactory situation.

Mr Woodward: I share your analysis.

Q38 Chairman: It is not of your making, and we are very sympathetic. It has been reported, now how much truth there is in this, I do not know, you may know, that Lord Saville has said he will not produce a summary of his conclusions but will merely produce the whole report. Do you know whether that is true or not?

Mr Woodward: I am happy to report that I believe the views which I have been able to share through the system with Lord Saville about there being a summary have been accepted, but, of course, I have absolutely no fundamental ability to confirm that with you because I have not seen the report. I believe it has been accepted because I think a report of what I understand may now be in excess of 5,000 page would be quite difficult to read.

Q39 Chairman: Secretary of State, there are two things that I will do on behalf of the Committee. We have corresponded with Lord Saville before. I will write to Lord Saville and say we do hope, given all the sensitivities and all the difficulties over time, that he can do two things. He can (a) get this report to you in electronic form as soon as possible and (b) he will, indeed, accept your recommendation that there be a summary report. That is not in any sense seeking to cut across his independence, but I would be speaking for the whole Committee in doing that, and I can see from my colleagues' nods of assent, and I will do that today and that will go to Lord Saville.

Mr Woodward: It may be of benefit to the Committee, Sir Patrick, if I also add that I will actually be travelling to meet with the families tomorrow to share with them what I have shared with the Committee this afternoon, and, of course, I intend to make exactly the same arrangements for the soldiers and their families because this is an extraordinarily anxious period for them. There is one thing the Committee may wish to reflect on, Sir Patrick. You will understand why I am the last person on the planet who will wish to write a letter to Lord Saville asking for a delay, but it is important for the Committee and for the families and the soldiers to actually consider that if Lord Saville is unable to confirm his timings and if, of course, it would be wholly unreasonable and unprecedented to expect that whenever the Prime Minister chooses to think about calling an election he is going to share that with a judge before he has spoken to Parliament, and therefore quite wrong, it may be that the Committee would want to reflect on that for a moment. The one thing I am very concerned about is that a report is delivered which cannot then be published to Parliament and which, in turn, runs a very real security risk, and whilst I appreciate the

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anxiety and will do anything I am in my power able to do that is reasonable for the families and for the soldiers, I genuinely fear the prospect of a report being delivered and there being a security issue around it leaking.

Q40 Chairman: Secretary of State, I am sure that we are, in this room, at one with you on that. We have deplored the delay. We have asked Lord Saville if he could come and explain to us in the past and he has declined to do so, and obviously he has been entirely within his rights in declining, but we are concerned. We share your concerns, and to have this delivered into a vacuum would not be a good idea.

Mr Woodward: I have, Sir Patrick, by the way, a letter, which I will circulate to the Committee after, which sets out the statutory responsibility of the Secretary of State.

Q41 Chairman: That would be helpful. Thank you very much indeed. We could publish that, could we not?

Mr Woodward: You could.

Q42 Chairman: Thank you very much. I am conscious of the time. Are you able to stay just a little longer?

Mr Woodward: Yes, I am.

Chairman: Good. Could we move to something very different then, and thank you very much for your help on that. Mr Simpson.

Q43 David Simpson: Thank you, Chairman. I would like, Secretary of State, just to touch on the collapse of the Presbyterian Mutual Society which, as you will know, has caused major difficulties for the church itself but, importantly, the investors, especially those investors that have less than £20,000. I think the average is around £12,000 or thereabouts, pensioners, reverend gentlemen who have put money aside to deal with their pensions or whatever and, of course, for education purposes for children. It is causing a major difficulty, and I am sure you will share with me the frustration that the judge made the ruling, understandably, that anyone who has less than £20,000 invested in the society would not be paid out, which seems very unfair, but the law has a funny way of working sometimes, and those who "can afford to lose money" will be paid out in some shape or form if an agreement was made, but those who are not big investors will not, and it is causing major hardship. I know that talks are going on at the moment with the Treasury, but I have to say, Chairman, that I was somewhat disappointed with the Treasury Select Committee's report in the sense that, whilst it gave a lot of reasons for it happening, and I think it blamed everyone and their grandmother, there was no direction or answers of how it possibly could be resolved, and that was very frustrating. I think we all agree that the best way is a commercial solution, but, Secretary of State, do you think anything else at this stage can be done to alleviate the smaller investor within it?

Mr Woodward: First of all, my sympathies continue for the 10,000 or so people who are directly affected by this. David is absolutely right to point out that many of these are very small investors, and it is very important that we recognise that there has been a lot of confusion for these people as a consequence of the way in which they were invited to put their money into PMS which led them to think they had protections which in law they do not have. The administrator's report makes interesting reading about the way PMS was run, both in terms of its annual accountability and governance but also in terms of information available to those, particularly the small investor who is unlikely to know very little about these sorts of systems. They thought they were putting their money into one entity when, in fact, it was a completely different kind of entity and, therefore, not provided with the protections which would have been there but which, arguably, by those running the PMS should have known it was important to make available by another way. We need to be very clear about the fact that there is no legal obligation on anybody to do anything about this particular situation, but the Prime Minister, Sir Patrick, was very clear about this, when the First Minister and the Deputy First Minister came to him jointly last summer, that whilst there may not be a legal duty on us, there is a moral duty to try and help. We are very committed to trying to help. In doing so the Prime Minister asked for there to be a Treasury working party set up, but at the same time what the Prime Minister and I have been very clear about is, of course, the best possible solution is a commercial solution. The reason that is the best possible solution is that is the best way for all those who put their money in, especially the small investors, to have the best chance of getting all their money back. I am not holding out a prospect here that they will get all their money back, but the only remedy for them to get their money back in full would be if it is possible to find a commercial solution, which is why the Prime Minister has been actively involved and, again, to the credit of both the First Minister and the Deputy First Minister; and I make the remark about the Deputy First Minister because, again, some people might observe this is not natural territory for the Deputy First Minister, but it is an example of how well this Executive and this arrangement is working, that actually this joint relationship is being exercised to help people who belong to a community which just a few years ago might well have been ignored by one or the other. In the meetings we have, and as recently as with the Prime Minister last Friday week in Downing Street, both the First and the Deputy First Minister came to make further representations and the Prime Minister and I discussed with them what we believed might be possible. The arrangements, in terms of the commercial side of this, are commercial in confidence with the bank involved, and I am not raising hopes and expectations here. I am saying that real work is going on at the highest possible level but which remains commercial in confidence, and that must be the preferable solution, which is why talks about any other kinds of solutions are somewhat premature

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and risky, because if they become realities, then actually it becomes quite difficult to have a successful commercial solution.

Q44 Chairman: Secretary of State, I think we do understand that, and we are glad and thank you and the Prime Minister for recognising this is a moral issue. Because of the peculiar times in which we are asking these questions—we are back to the fact this Parliament has such a short time to go—are you having the sort of discussions that you had over Saville with your opposite number on this one so that if there is a change of government that acceptance of the moral responsibility would be inherited by your successor, if that should come about?

Mr Woodward: The Conservative Party, of course, has a somewhat unique arrangement with political parties in Northern Ireland which is not enjoyed by the neutrality of my position. I say that because I know this is an issue which very much is in Sir Reg Empey's mind and I know it is an issue he cares deeply about, I know all the Members of the Committee care deeply about, but I make the point because I have not felt the need to have this particular conversation with Owen Paterson because I take it as read that since they have this political arrangement with the Ulster Unionist Party, it would be inconceivable if they now did not actually represent the same views here as I would have, although I have no such arrangement with the party.

Q45 Chairman: I still think this Committee would appreciate it if in one of your meetings, which I know you have from time to time, you did flag this up.

Mr Woodward: I will be meeting him in an hour's time and will raise the issue as the first thing I do, Sir Patrick.

Chairman: That is extremely kind. Could I move on now briefly to Mr Fraser, who has a couple of questions on the economy and then I will move to the final questions.

Q46 Christopher Fraser: Particularly, Secretary of State, about inward investment. The United States Secretary of State announced her invitation to the First Minister and the Deputy First Minister to meet to discuss issues with Declan Kelly, the US Economic Envoy, about inward investment and how it is going to progress. Are representatives from the UK and Irish Government going to be present at that meeting?

Mr Woodward: I discussed this issue with the Secretary of State last Tuesday and with the Economic Envoy on Friday, so I can give you reasonably up-to-date information. Again, Sir Patrick, the work of the Secretary of State, Hillary Clinton, in relation to the promotion of peace, stability and bringing investment to Northern Ireland has been tireless. I would like to thank Ambassadors Susman and Rooney as well as Declan Kelly for the work they are doing. I think we all recognise the importance of bringing investment and jobs to Northern Ireland on the back of this

agreement, because of course that is the best proof for people that it is working for them after you have removed the violence. The question is what shape of investment conference do you want, perhaps not judged so much on the numbers but on the follow through and the investment. To be fair, since September of last year the investment which has followed through from the United States, even allowing for the impact of the global recession, has had a net benefit to Northern Ireland of 800 jobs. It is the intention of Secretary Clinton and the US Economic Envoy to build on that, and therefore on 16 and 17 March there will be meetings in Washington between the First Minister, the Deputy First Minister and the Secretary of State and the Economic Envoy but which will be supplemented by a huge amount of work that is being done by the United States and Northern Ireland Bureau at the moment to bring together in Chicago on Monday 15th, in Washington on the 16th, again on the 17th and then in New York on the 18th, very significant possible investors for Northern Ireland. It would perhaps be a good idea, and the Prime Minister is certainly more than happy to help with this, if we anticipate that later in the autumn we should look forward to some event of some kind in Northern Ireland that we, the Irish Government and the American Government would all want to help with, but I think what will matter here is being very focused. We learnt from the very successful first investment conference a lot in terms of who we might want to have, and, of course, anybody who wants to bring in money Northern Ireland would want to have, but in this particular financial climate a lot of work has been done before we get to that stage, so it may take the form of a sharper, smaller number of people, but I believe the results will be highly effective.

Q47 Christopher Fraser: Can I add to that? It is a point that I have made to you on various occasions. If we have a Northern Ireland envoy going out talking about these issues, it can extend beyond the United States and, in my opinion, always looks far more positive, because when someone comes in from another country it does quite often imply a problem. What Northern Ireland wants (and you have agreed with this in all that you have said) is to play its part in the economic recovery of the United Kingdom of Great Britain and Northern Ireland—it wants to be there as part of that—and, as in the past, we have had special cases for Scotland and Wales, can we not look at that for Northern Ireland as a positive way forward, accepting what the Americans are offering, but looking at the world investing in what Northern Ireland can offer?

Mr Woodward: I think that may be true. I do think, though, there are particular credentials to this particular United States Economic Envoy, because he comes from Ireland.

Q48 Christopher Fraser: Yes, I accept that.

Mr Woodward: He is somebody who, in a sense, fits the criteria. He represents the 42 million Irish Americans.

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Q49 Chairman: I think we accept that. I think Mr Fraser's point you will also log up, and I am grateful for you doing that. As one who attended that first investment conference, it was a great success, but there are certainly things we can learn from it and wish you success, if there should be another one, it is very important for the future of Northern Ireland. As we come to a close, Secretary of State, can I, once again, say how much we have appreciated your co-operation with the Committee. I have always stressed that the Committee is a creature of Parliament and not the creature of government, but we have had a very constructive relationship with you and we have appreciated your help, we have appreciated Hilary Jackson and her colleagues' help at the Northern Ireland Office and we have particularly appreciated the help of your Minister of State, Paul Goggins, who has been quite exemplary in what he has done, and I would like you to pass that on to him on behalf of all the Committee. Can we just look forward for a moment. If devolution happens by 12 April, as we all hope it will, what do you think the future roles of the Northern Ireland Office, the Secretary of State, the Minister of State ought to be? Should they have a role at all? Should there be a continuing Northern Ireland Office? How do you see things and, if your party is returned to government, what changes, if any, would there be likely to be after the election?

Mr Woodward: As part of the valediction, may I take advantage of this for a moment and place on record my thanks to Paul Goggins as well. He has been an exceptional minister. I know of his courtesy, perspicacity and brilliance, and I say that because actually he is really good and I could not have a better colleague or friend and I could not have somebody who I know to the very bones of the man believes in the peace process and the political process and would have done anything to make it work. I record that because it should be recorded somehow. The arrangements, if devolution happens on 12 April, have been very well worked through by Hilary, and if there are any questions that specifically the Committee would like to have resolved on that, I am sure Hilary would be more than happy to deal with. The politics of it: of course it remains a matter for the Prime Minister, or whoever is Prime Minister in the unlikely event that my Rt Hon Friend will not return, who knows, but that is a matter for the Prime Minister of the future. I think that we have to recognise that, even if devolution does succeed on the 12th, first of all, in the immediate year there will be the issues which will remain outstanding. At some point in the year it is anticipated by the timetable of the Hillsborough Castle Agreement the responsibility for parades will be transferred. That, of course, will have to go through the same cross-community vote that we have seen on policing and justice. That will happen, I believe, but that has yet

to happen and, therefore, the Secretary of State remains responsible for the Parades Commission and, obviously, in relation to national security, and I am afraid, the issues that inevitably one has to anticipate, there will be a job to be done in the coming months, although I think the work of the Parades Group will fundamentally help change that. There also remains, of course, a final year of the arrangements on 50:50 but, of course, that has been such a successful policy that we will meet and exceed the 30% Catholic composition within the year, perhaps sooner. Nonetheless, there will be issues around national security that will remain, obviously, reserved and accepted, and there will, of course, next year be Assembly elections and in the following year the arrangements which John raised in relation to the so-called "sunset clause". There will be a need to provide political help, I believe, not because I anticipate crisis, but actually precisely because if we work together we will avoid the problems, and sometimes (and I say this with genuine passion) it is essential that a Secretary of State in Northern Ireland is not, as Peter Brooke observed in that speech in 1990, caught up in any selfish strategic interest because you do have to provide the role of honest broker, the neutral figure; you do have to be able to say to both sides, "There is nothing in it for us here; there is simply a belief that we have to get this done and find a way through it", and that was invaluable at Hillsborough Castle. It allowed the Prime Minister to sit there and say things that sometimes people found very unwelcome, but the truth is, whatever way they looked at it, he was only saying it because he wanted Northern Ireland to succeed, because there was no benefit to him. That must be the role of a Secretary of State and it must be the role of a British Government if it is to succeed in helping bring stability. I can only say that for my own party I do not expect the arrangements to immediately change. I think we recognise there is a job of work to do and, whoever has the privilege and honour of being the Secretary of State for Northern Ireland should know it is one of the best jobs in politics.

Q50 Chairman: That is a good note on which to end. Could I say to Hilary Jackson: would you be able to let us have a paper outlining some of the arrangements to which the Secretary of State referred?

Ms Jackson: Of course.

Q51 Chairman: That would be very helpful, and we could then incorporate that into our final report. Thank you both of your attendance. Thank you very much, Secretary State, and we do genuinely, all of us, wish you and all involved well next week and we hope there will be smooth progress thereafter and a smooth transition on 12 April.

Mr Woodward: Thank you very much.