

COMMITTEE FOR FINANCE

MINUTES OF PROCEEDINGS

WEDNESDAY, 24 MARCH 2021

Senate Chamber, Parliament Buildings, Belfast

Present: Dr Steve Aiken OBE MLA (Chairperson)
Mr Paul Frew MLA (Deputy Chairperson)
Mr Jim Allister MLA
Mr Pat Catney MLA
Mr Matthew O'Toole MLA
Mr Jim Wells MLA

Present by Video-conference:
Ms Jemma Dolan MLA
Mr Philip McGuigan MLA
Mr Maolíosa McHugh MLA

Apologies: None

In Attendance: Mr Peter McCallion (Assembly Clerk)
Mr Phil Pateman (Senior Assistant Assembly Clerk)
Ms Kate McCullough (Assistant Assembly Clerk)
Mr Neil Sedgewick (Clerical Supervisor)
Ms Heather Graham (Clerical Officer)
Ms Shauna Mageean (EU Affairs Manager) (Agenda Item 7 only)
Dr Dan Hull (Senior Research Officer, RaISe) (Agenda Item 8 only)

The meeting commenced in open session at 2:00pm.

1. Apologies

Apologies were as indicated above.

The Committee noted that no notice had been received from any Member to delegate authority to vote under Temporary Standing Order 115(6) on any issue in the event of them not being present for all or part of the proceedings.

2. Declaration of Interests

There were no declarations of interest.

3. Chairperson's Business

The Chairperson recorded his thanks to the Deputy Chairperson for assuming the role of acting Chairperson during his absence at the previous Committee meeting.

3.1 Ministerial Statements

The Committee noted that the Deputy Chairperson had met informally with the Minister in relation to an oral statement on business support measures on 15 March 2021.

Agreed: The Committee agreed that it was content for the Chairperson to meet informally with the chairperson of the Fiscal Commission on 30 March 2021.

Mr Wells joined the meeting at 2:01pm.

3.2 Budget Scrutiny 2021-22

The Chairperson informed Members that it is understood that the Executive will agree the final 2021-22 budget position for each department shortly and that the Committee will need to consider this as part of its scrutiny of the anticipated Budget (No.2) Bill 2021.

Agreed: The Committee agreed that the Chairperson should write to all statutory committees to suggest that they seek evidence from their respective departments on the agreed budget and other allocations for the 2021-22 financial year and to request a written response on their findings in early May, which may be published by the Committee for Finance in due course.

Agreed: The Committee agreed to publish on its webpage a copy of its recent correspondence to the Minister of Finance setting out the Committee's views on the 2021-22 draft budget.

Agreed: The Committee agreed to defer consideration of the scheduling of evidence on the in-year monitoring rounds until the associated dates have been confirmed by the Department of Finance.

4. Draft Minutes

Agreed: The Committee agreed the minutes of the meeting held on Wednesday 10 March 2021.

5. Matters Arising

There were no matters arising.

6. Oral Briefing: Department of Finance – NI Procurement Board update

The following Departmental officials joined the meeting at 2:04pm.

Des Armstrong, Chief Executive, Construction and Procurement Delivery; and

Paul Browne, Acting Deputy Director of Procurement Policy and Performance,
Construction and Procurement Delivery

The Committee noted the Department of Finance’s briefing paper; a tabled Departmental response on the Public Procurement Common Framework (PPCF); the latest Cabinet Office update on common frameworks; and a copy of the provisional PPCF.

The Chairperson thanked the officials for their evidence

Agreed: The Committee agreed to write to the Department of Finance to seek an update on the Dunlop review and on the use of the Open Data Contracting Standard.

Agreed: The Committee agree to write to the Strategic Investment Board (SIB) to request a copy of its report on social value within procurement contracts.

The Committee considered a draft response to the Minister in respect of the PPCF.

Agreed: The Committee agreed to seek assurances from the Minister in respect of the maintenance of access for NI firms to UK-wide procurement and the limiting of administrative burdens associated with the relevant Green Paper proposals. The Committee agreed to give further consideration to the impact on the PPCF of post-Brexit trading arrangements including the application of the NI Protocol and the outworking of the UK Internal Market Act 2020. Further to the above, the Committee agreed the response to the Minister, as amended.

7. Oral Presentation: NI Assembly EU Affairs Manager – Withdrawal Agreement Structures

The witness joined the meeting at 2:51pm.

Shauna Mageean, EU Affairs Managers, Northern Ireland Assembly.

The Committee noted correspondence: on the Northern Ireland Protocol and the Shared Prosperity Fund (SPF) and Community Renewal Fund (CRF) from the House of Lords European Union Committee and from the Northern Ireland Affairs Committee on a recent informal meeting with Assembly committee chairpersons.

The Chairperson thanked the EU Affairs Manager for her presentation.

Agreed: The Committee agreed to write to The Executive Office to seek an update on its assessment of the quantity of legislation that will affect the Northern Ireland economy and which will not be subject to oversight by the Northern Ireland Assembly.

Agreed: The Committee noted that, at a future meeting, it will be briefed by the Research and Information Service (RaISe) on the UK Internal Market Act 2020 and agreed to instruct the Clerk to explore the provision of legal advice in respect of the interaction between Section 46 of the Act and the Northern Ireland Protocol.

Dr Aiken and Mr O’Toole declared an interest stating that they were their parties’ alternate members for the Northern Ireland Executive’s sub-committee on EU Exit.

8. Oral Evidence – RaISe paper – Building Cladding and Building Regulations RoI

The senior researcher joined the meeting at 3:27pm.

Dr Dan Hull, Senior Research Officer, RaISe.

The Committee noted the revised briefing paper and correspondence from the Department of Finance on the Building Safety Programme.

Mr O'Toole left the meeting at 3:30pm.

Agreed: The Committee agreed to write to the Department of Finance to seek clarity on which department will be designated to lead on the implementation of a building safety programme and to again seek clarity on the content of the programme.

9. SL1 - The Rates (Exemption for Automated Telling Machines in Rural Areas) Regulations (NI) 2021

The Committee considered the proposed statutory rule - The Rates (Exemption for Automated Telling Machines in Rural Areas) Regulations (NI) 2021.

Members expressed approval of this measure which they felt would benefit rural communities by providing at least a basic level of banking service

Agreed: The Committee agreed that it had no objection to the related policy and was content for the Department to make the rule.

10. SL1 - The Rates (Small Business Hereditament Relief) (Amendment) Regulations (Northern Ireland) 2021

The Committee noted that the proposed statutory rule had been provided prematurely and in error by the Department.

Agreed: The Committee agreed to defer consideration of the proposed statutory rule.

11. SL1 – The Financial Assistance (Coronavirus) (Soft Play Businesses) Regulations (Northern Ireland) 2021.

The Committee considered the proposed statutory rule - The Financial Assistance (Coronavirus) (Soft Play Businesses) Regulations (Northern Ireland) 2021.

Members recorded their thanks to Departmental officials for the speedy resolution of Local Restrictions Support Scheme and coronavirus business support queries.

Agreed: The Committee agreed that it had no objection to the related policy and was content for the Department to make the rule.

12. SL1: Financial Assistance (Airports) (Amendment) Regulations (Northern Ireland) 2021

The Committee considered the proposed statutory rule - Financial Assistance (Airports) (Amendment) Regulations (Northern Ireland) 2021.

Agreed: The Committee agreed that it had no objection to the related policy and was content for the Department to make the rule.

13. SL1 – The Rates (Coronavirus) (Emergency Relief) Regulations (Northern Ireland) 2021

The Committee considered the proposed statutory rule - The Rates (Coronavirus) (Emergency Relief) Regulations (Northern Ireland) 2021.

Mr O’Toole rejoined the meeting at 3:45pm.

Members welcomed the provision of additional business support measures identified in the proposed statutory rule.

Agreed: The Committee agreed that it had no objection to the related policy and was content for the Department to make the rule.

14. SL1 - The Financial Assistance (Coronavirus) (Supplementary Support Schemes) Regulations (Northern Ireland) 2021.

The Committee considered the proposed statutory rule - The Financial Assistance (Coronavirus) (Supplementary Support Schemes) Regulations (Northern Ireland) 2021.

Agreed: The Committee agreed that it had no objection to the related policy and was content for the Department to make the rule.

15. SR 2021/56 – The Public Service Pensions Revaluation Order (Northern Ireland) 2021

The Committee considered SR 2021/56 – The Public Service Pensions Revaluation Order (Northern Ireland) 2021.

Agreed: That the Committee for Finance has considered SR 2021/56 - The Public Service Pensions Revaluation Order (Northern Ireland) 2021 and has no objection to the rule.

16. Correspondence

16.1 The Committee noted the correspondence index.

16.2 The Committee noted a response from the Department of Finance confirming that an allocation to the Department of Education covering a salary deal was an accrual and was compliant with HM Treasury rules.

16.3 The Committee noted a response from the Department of Finance indicating that its input to economic policy is limited to strategic finance and local taxation and its input to digital infrastructure relates solely to the Northern Ireland Civil Service (NICS).

16.4 The Committee noted a response from the Department of Finance indicating that that, in respect of banking matters, it has a lead liaison role with HM Treasury and that it engages locally on related finance matters.

Agreed: The Committee agreed to write to the Committee for the Economy to seek concurrent engagement with the banking sector and to forward the Departmental response.

16.5 The Committee noted a response from the Department of Finance to the Infrastructure Committee clarifying in respect of the Minister's oral statements on monitoring rounds.

16.6. The Committee noted a response from the Department of Finance in respect of a financial allocation of £400m associated with the "New Deal for NI". Members also noted that a recent response from the Northern Ireland Office had been circulated separately to Members.

16.7 The Committee considered a response from the Department of Finance regarding the headroom within the Spring Supplementary Estimates (SSEs).

Agreed: The Committee agreed to write to the Department of Finance seeking clarity on headroom and related final allocations.

16.8 The Committee considered a response from the Department of Finance regarding year-end capital surges.

Agreed: The Committee agreed to write to all statutory committees, when the monitoring round dates are known, and ask them to seek clarity on any year-end capital surges from their respective departments.

16.9 The Committee noted a response from the Department of Finance to the Committee for Communities in respect of the Sports Sustainability Fund.

16.10 The Committee noted a response from the Department of Finance to the Committee for Infrastructure in respect of matters arising in the course of a briefing from the Construction Employers' Federation.

16.11 The Committee noted correspondence from the Department of Finance in respect of public sector pay policy for the 2021-22 financial year.

16.12 The Committee noted two items of correspondence from employees of the Northern Ireland Civil Service in respect of public sector pay.

16.13 The Committee noted correspondence from the Chairpersons' Liaison Group in respect of concerns highlighted by the Committee for Justice relating to a condensed Committee Stage for the Damages (Return on Investment) Bill.

16.14 The Committee noted correspondence and an associated questionnaire from the Chairpersons' Liaison Group on strengthening legislative scrutiny.

16.15 The Committee noted a response from the Finance Committee of the Welsh Parliament to the Finance and Constitution Committee of the Scottish Parliament in respect of the timing of the UK budget and the impact upon devolved administrations.

16.16 The Committee noted a response from the Special European Union Programmes Body (SEUPB) in respect of Simplified Cost Options (SCOs) and outstanding INTERREG VA payments.

16.17 The Committee considered correspondence from the Department of Finance regarding the launch of a public consultation on proposals for the Peace Plus Programme.

Agreed: The Committee agreed to write to the Department of Finance and SEUPB to request a briefing on the consultation feedback upon its conclusion.

16.18 The Committee considered correspondence from Rockwool Ltd requesting an opportunity to brief the Committee on the campaign for stronger fire regulations across the UK.

Agreed: The Committee agreed to write to Rockwool Ltd to request a written briefing.

16.19 The Committee noted correspondence from the Department of Finance in respect of proposals to revise energy performance building regulations.

Agreed: The Committee agreed to seek an oral Departmental briefing on the proposed revision of energy performance building regulations.

16.20 The Committee noted correspondence from a member of the public in respect of the role of the Fiscal Council in reviewing section 75 equality screening within the university sector in Northern Ireland.

Dr Aiken declared an interest for the next item of correspondence stating that he had been involved in the matters highlighted on a constituency basis.

Mr Frew assumed the role of acting Chairperson at 3:58pm.

16.21 The Committee considered correspondence from a former employee of the Northern Ireland Civil Service in respect of the application of HR policies.

Agreed: The Committee agreed to write to the correspondent to reaffirm its previous decision in respect of the issues highlighted.

Dr Aiken resumed the role of Chairperson at 3:59pm.

16.22 The Committee considered correspondence from the Department of Finance in respect of the monthly forecast and outturn analysis for February 2021.

Agreed: The Committee agreed to forward the correspondence to the Research and Information Service (RaISe) for analysis.

16.23 The Committee noted correspondence from a business person highlighting concerns in respect of delays to payments under the Localised Restrictions Support Scheme (LRSS).

The Committee further noted that Ms Dolan had been in contact with the correspondent and was pursuing the issue with the Department.

16.24 The Committee considered the composite information request.

Agreed: The Committee agreed that, notwithstanding the recently received responses, the weekly composite information request to the Department of Finance and other bodies was an accurate record of information sought by the Committee.

17. Forward Work Programme

The Committee considered the draft Forward Work Programme.

Mr O'Toole indicated the importance of a consistent approach when giving consideration to matters relating to the Fiscal Council.

Agreed: The Committee agreed to: defer a briefing from RaISe on pensions reform; schedule a briefing on rates reform from the Ulster University Economic Policy Centre; and schedule a briefing from Dr Muiris McCarthaigh on public sector reform.

Agreed: The Committee agreed the Forward Work Programme, as amended.

18. Any Other Business

18.1 Mr Allister shared a recent press article suggesting that the UK Government's Guaranteed Loan Recovery Scheme may not extend to Northern Ireland owing to the application of EU state aid rules associated with the NI Protocol.

Agreed: The Committee agreed to write to the Department of Finance – copying in the Committee for the Economy – in order to seek clarity as to the application of the UK Government's Guaranteed Loan Recovery Scheme in Northern Ireland.

18.2 Mr Allister highlighted issues relating to the reported relaxation of rules around the use of red diesel fuel in leisure boats arising from the Chancellor of the Exchequer's recent statement.

Agreed: The Committee agreed to write to the Department of Finance in order to seek clarification as to whether the relaxation would apply to Northern Ireland or, if owing to the application of EU constraints, Northern Ireland would be at a financial disadvantage to the rest of the UK.

18.3 The Chairperson informed Members that it is normal practice to delegate authority to the Chairperson and Deputy Chairperson during periods of recess in respect of any non-routine/contentious Freedom of Information requests received.

Agreed: The Committee agreed to continue the usual practice in respect of the treatment of non-routine/contentious Freedom of Information requests received during Easter Recess.

Proceedings moved into closed session at 4:11pm.

18.4 The Committee noted correspondence from the Minister of Finance in respect of the RHI disciplinary process.

Agreed: The Committee agreed to write to the Minister of Finance in order to seek clarity on the timing and the nature of his update to the Assembly on related matters.

19. Date, Time and Place of the next meeting

The next meeting of the Committee will be held on Wednesday, 14 April 2021 at 2:00pm in the Senate Chamber and on Starleaf.

The meeting was adjourned at 4:17pm.

Dr Steve Aiken MLA
Chairperson, Committee for Finance
14 April 2021