

COMMITTEE FOR FINANCE

MINUTES OF PROCEEDINGS

WEDNESDAY, 26 MAY 2021

Senate Chamber, Parliament Buildings, Belfast

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

Present by Video-conference:
Mr Pat Catney MLA
Ms Jemma Dolan MLA
Mr Philip McGuigan MLA
Mr Maolíosá McHugh MLA

Apologies: None

In Attendance: Mr Peter McCallion (Assembly Clerk)
Ms Angela McParland (Assistant Assembly Clerk)
Mr Stephen Magee (Clerical Supervisor)
Ms Heather Graham (Clerical Officer)

The meeting commenced in open session at 2:01pm.

1. Apologies

Apologies were as indicated above.

There was no notice received from any Member to delegate authority to vote under Temporary Standing Order 115(6).

2. Declaration of Interests

There were no declarations of interest.

3. Chairperson's Business

3.1 Unique Circumstance Funding

The Chairperson advised Members of a recent reference in Answers to Written Questions (AQWs) to £40m of Unique Circumstance money as part of the New Decade New Approach financial package. The Department was initially to co-ordinate related

bids for submission to the Northern Ireland office (NIO). However, it appears that the NIO then advised The Executive Office (TEO), by correspondence, how the money was to be allocated, including £3m for centenary commemoration.

Agreed: The Committee agreed to write to TEO and the NIO to seek an update on the Unique Circumstance money and how it is to be spent.

3.2 Ministerial Standards

The Chairperson advised Members that the Main Estimates make reference to expenditure which is described as being for a “Ministerial Panel exercising functions of future Commissioners of Ministerial Standards”. This would appear to refer to a Departmental announcement in March 2020 about the formation of an independent panel to investigate breaches of the Ministerial Code. The Chairperson advised that it was understood that this had been superseded by the Functioning of Government (Miscellaneous Provisions) (NI) Act 2021 which allows the Commissioner of Standards to investigate breaches of the Ministerial Code.

The Chairperson declared an interest as a member of the Committee for Standards and Privileges

Agreed: The Committee to write to the Department to seek clarification on the expenditure relating to ministerial standards.

3.3 Ministerial Directions

The Chairperson advised Members that the Department has published a list of Ministerial Directions for all departments dating back to 2007. The Chairperson noted that the list did not appear to include all Ministerial Directions including e.g. those made by the Minister for Education in respect of examination arrangements in 2020.

Agreed: The Committee agreed to write to the Department to seek clarification in respect of the completeness of the list of Ministerial Directions and to copy the Public Accounts Committee into the correspondence.

Mr Pat Catney stated his intention to delegate his vote to Mr Matthew O’Toole for any part of the meeting for which he would later be absent under Temporary Standing Order 115(6).

4. Draft Minutes

Agreed: The Committee agreed the minutes of the meeting held on Wednesday 19 May 2021.

5. Matters Arising

There were no matters arising.

Ms Jemma Dolan joined the meeting at 2:05pm

6. Oral Evidence: Department of Finance (DoF) – Financial Reporting (Departments and Public Bodies) Bill (Northern Ireland)

The officials joined the meeting at 2:06pm.

Joanne McBurney, Budget Director, DoF; and
Jeff McGuinness, Deputy Director, DoF.

The Committee noted a copy of the Committee for Finance and Personnel report of 2012 on the budget process.

The oral evidence session was reported by Hansard.

Mr Matthew O’Toole joined the meeting at 2:09pm

The Chairperson thanked the officials for their evidence.

Agreed: The Committee agreed to seek from the Department:

- clarity on the apparent disparity between section 1.11 of the Estimates guidance and para 2.33 of Managing Public Money Northern Ireland (MPMNI) in respect of the use of the authority of the Budget Act;
- clarity on those Arm’s Length Bodies (ALBs) to be included in the designation order and those not included and the reasons why;
- clarity on the level of additional detail which will be included in the Estimates and the changes to the resource accounts that are anticipated following the passage of the Bill;
- clarity on the Department’s interpretation of the long title of the Bill and the admissibility of amendments affecting the wider budget process;
- information on consequential amendments which the Department is to bring forward in respect of other non-departmental public bodies (NDPBs) e.g. the Northern Ireland Public Services Ombudsman (NIPSO) or the Northern Ireland Authority for Utility Regulation (NIAUR); and
- sight of the Keeling schedule, delegated powers memorandum and equality screening document.

Agreed: The Committee agreed that, although it supported the general principles of the Bill, it felt that the Bill did not go far enough in providing improved clarity and transparency in respect of the budget process.

Mr Pat Catney left the meeting at 2:55pm

Ms Jemma Dolan left the meeting at 2:55pm, owing to technical issues, and delegated her vote under Temporary Standing Order 115(6), to Mr Maoliosa McHugh in the event of a prolonged absence

7. Oral Evidence: Department of Finance (DoF) – Budget (No.2) Bill and Main Estimates

The officials joined the meeting at 2.59pm.

Joanne McBurney, Budget Director, DoF;

Barry Armstrong, Head of Supply Division, DoF; and
Roisin Kelly, Supply Officer, DoF.

The Committee noted: a Departmental briefing paper on the Main Estimates and the Budget Bill including related Ministerial correspondence; a copy of the Main Estimates; a copy of the Budget (No.2) Bill; and Departmental correspondence in respect of estimates.

Ms Jemma Dolan rejoined the meeting at 3.08pm

The oral evidence session was reported by Hansard.

The Chairperson thanked the officials for their evidence.

Agreed: The Committee agreed to write to the Department to seek:

- confirmation in respect of the New Decade New Approach and Confidence and Supply money and other allocations that are awaiting sign-off from HM Treasury (HMT) or the Secretary of State for Northern Ireland;
- an explanation of the increase in The Executive Office Estimate figure from £31.3m in 2020-21 to £112.8m in 2021-22; and
- information on the £1.3m Executive covid taskforce fund.

8. Subordinate Legislation: SR 2021/127 The Official Statistics (Amendment) Order (Northern Ireland) 2021

The Committee noted papers relating to SR 2021/127 The Official Statistics (Amendment) Order (Northern Ireland) 2021.

Agreed: The Committee considered SR 2021/127 The Official Statistics (Amendment) Order (Northern Ireland) 2021 and, subject to the report of the Examiner of Statutory Rules, recommended that it be affirmed by the Assembly.

9. Correspondence

9.1 The Committee noted an index of incoming correspondence.

9.2 The Committee noted correspondence from the House of Lords European Affairs Sub-Committee on the Protocol on Ireland/Northern Ireland, chaired by Lord Jay of Ewelme. The Chairperson reminded Members that the Committee had agreed previously for the Chairperson to engage with the sub-committee as Chairperson of the Committee for Finance.

Mr Maoliosa McHugh made a declaration of interest as a retired lecturer

9.3 The Committee considered a response from the Department regarding Civil Service pensions retirement provisions which confirmed that members of the Northern Ireland Civil Service (NICS), and some other schemes, can partially retire and claim their

pensions while also receiving pay, subject to the abatement limit. It was noted that some non-NICS schemes e.g. teachers and local government have no abatement limits. The Department appeared to indicate that around 2,000 people mostly in NICS are benefiting from these arrangements with a further 5,700 who could benefit in the future, out of a total of 23,000 employees.

Agreed: The Committee agreed: to write to the Department to seek an oral briefing on NICS pensions retirement provisions and, in the meantime, to seek clarity in respect of: the numbers of applicants for partial retirement that are turned down; the grade profile of those that are accepted; how departments cover for the time lost owing to partial retirement; the cost of this provision; and whether it creates an incentive to not retire and thus a block to promotion for other employees.

9.4 The Committee considered correspondence from the Department advising of its intention to undertake a formal consultation on proposals to reform the Civil Service Injury Benefit Scheme (Northern Ireland). It was noted that the liability associated with injury claims (most of which originate in the Prison Service) has nearly doubled in 2 years to around £77m with around £3m of claims per annum – an increase of over 200% in 5 years. It was further noted that the increase appears to be linked to non-time limited post-traumatic stress disorder (PTSD) claims. The consultation discusses: breaking the link with the pension scheme; defining “injury on duty”; imposing a time limit (3 months) on claims (currently claims can be back-dated for decades); eliminating lump sum payments; introducing off-setting which might reduce payments if claimants are re-employed; periodical reviews of claims; and ending payments at state pension age.

Agreed: The Committee agreed to forward the correspondence to the Committee for Justice, for its information. The Committee agreed to receive an oral briefing from the Department following the conclusion of the consultation in September 2021.

9.5 The Committee noted a response from the Department to the Committee’s request for a short written overview of its recent social value in procurement workshop.

9.6 The Committee noted a briefing paper provided by the Special European Union programmes Body (SEUPB) in advance of its appearance at the Committee for the Executive Office on 26 May 2021 and which covers the Peace Plus consultation.

9.7 The Committee considered a response from the Department regarding the use of red diesel in pleasure crafts. The Department appeared to advise that the additional flexibility which was to apply in Northern Ireland is restricted to non-propulsion use which would appear to be of limited benefit. The Department identified the stakeholders that HMT had engaged with and indicated that further guidance would be issued.

Agreed: The Committee agreed to await further guidance from HMT in respect of the use of red diesel in pleasure craft.

9.8 The Committee considered a response to the Committee from the Chief Secretary to the Treasury declining to provide oral evidence on the impact of delays on the devolved budget setting process.

Agreed: The Committee agreed that the Chairperson would write to the Chief Secretary of the Treasury, copying to the Second Permanent Secretary, indicating disappointment, dismay and dejection at the Treasury's discourteous decisions to not brief on devolved budget matters.

9.9 The Committee considered a copy of the report by the Oireachtas Committee on Budget Oversight on the framework for engagement on the budget cycle in the Republic of Ireland.

Agreed: The Committee agreed to undertake visits to the Scottish Parliament and to the Oireachtas with a view to further understanding budget scrutiny measures in these jurisdictions.

9.10 The Committee noted correspondence from the Department indicating that it is to issue a revised technical booklet in respect of Changing Places Toilets and that a regulatory impact assessment is to be published.

9.11 The Committee noted a further response from the Department on the sale of Portavoe Reservoir providing a considerable amount of information and contending that value for money was obtained.

Agreed: The Committee agreed that the Chairperson would write to the Comptroller and Auditor General suggesting that the Northern Ireland Audit Office considers a review of the sale of Portavoe Reservoir and recent forestry and land sales, including all reservoirs, in order to ascertain the level of value for money being obtained for the public purse.

9.12 The Committee considered the composite information request.

Agreed: The Committee agreed that, notwithstanding recently received responses, the composite request was an accurate and complete record of the Committee's outstanding information requests.

10. Forward Work Programme

The Committee considered a draft of the forward work programme.

The Committee noted there will be a shorter presentation by Assembly Research and Information Service (RaISe) on 2 June 2021 owing to the failure of the Department to provide information on a timely manner in respect of covid allocations.

Agreed: The Committee agreed to receive: oral and written briefings on the June Monitoring submission on 2 June 2021; a written briefing within seven days of the Departmental submission (in line with the Functioning of Government (Miscellaneous Provisions) (NI) Act 2021) on 9 June 2021; and an overview brief on the June Monitoring Round outcome before the end of the current Assembly session.

Agreed: The Committee considered correspondence from the Committee for the Executive Office in regards to the concurrent meeting on 16 June 2021 and agreed to write to that

Committee suggesting that it may wish to seek written submissions from: Federation of Small Businesses; Retail NI; NI Retail Consortium; Belfast Chamber of Commerce; and commercial property organisations including real estate analysts from the banks. The Committee further agreed that any further suggestions from Members should be forwarded to the Clerk directly.

Agreed: The Committee agreed to schedule an additional meeting on 7 July 2021.

Agreed: The Committee agreed its forward work programme, as amended.

11. Any Other Business

There was no other business.

12. Date, Time and Place of the next meeting

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

The meeting was adjourned at 3.59pm

Dr Steve Aiken MLA
Chairperson, Committee for Finance
2 June 2021