

COMMITTEE FOR FINANCE

MINUTES OF PROCEEDINGS

WEDNESDAY, 2 JUNE 2021

Senate Chamber, Parliament Buildings, Belfast

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

Present by Video-conference:
Mr Paul Frew MLA (Deputy Chairperson)
Mr Jim Allister MLA
Ms Jemma Dolan MLA
Mr Philip McGuigan MLA
Mr Maolíosa McHugh MLA

Apologies: None

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

The meeting commenced in open session at 2:02pm.

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 Northern Ireland Affairs Committee

The Chairperson advised Members that, as previously agreed, he had met informally with the Chairperson of the Northern Ireland Affairs Committee to discuss the Northern Ireland Protocol. Discussions included: concerns relating to medicine supply chain issues; the impact of the protocol on investment; and new trading arrangements with

Australia. The Chairperson added that a note of proceedings will be circulated in due course. The Chairperson further informed the Committee that members of the Northern Ireland Affairs Committee are due to visit Belfast in early July to gather evidence in respect of the Protocol.

Agreed: The Committee agreed that Members or the Chairperson will meet informally with the Northern Ireland Affairs Committee in July in respect of the Protocol, as appropriate and diaries permitting.

Mr Paul Frew joined the meeting at 2:03pm

3.2 Legislative Programme

The Chairperson reminded Members that the Committee had previously sought and received clarity from the Department regarding its plans for primary legislation in the remainder of the mandate. The Chairperson noted that the Financial Reporting Bill has been introduced; an Legislative Consent Motion is expected to be laid in September; and AQWs refer to an Arm's Length Body Bill which is with the Executive for consideration.

Agreed: The Committee agreed to write to the Department to seek clarity on the rest of the legislative programme including the Social Value in Procurement Bill; the independent Fiscal Council Bill; and subordinate legislation on fire safety building regulations.

4. Draft Minutes

Agreed: The Committee agreed the minutes of the meeting held on Wednesday 26 May 2021.

5. Matters Arising

There were no matters arising.

6. Oral Presentation: Assembly Research and Information Service (RaISe) — 2021-22 Budget

Mr Pat Catney joined the meeting at 2:06pm

The following RaISe officials joined the meeting at 2:06pm.

Rachel Keyes, Research Officer, RaISe; and
Christopher Rothwell, Research Officer, RaISe.

The Committee noted a research briefing paper and the Department of Finance monthly forecast outturn for March 2021.

Mr Maolíosa McHugh joined the meeting at 2:07pm

The Chairperson thanked the research officers for their briefing.

The Chairperson noted that the Department's monthly outturn data showed some very significant end of year surges in respect of both capital and resources.

Agreed: The Committee agreed to ask RaISe to update the Committee on its analysis of end of year surges.

Agreed: The Committee agreed to share the outturn information with other statutory committees and the Audit Committee and to seek their feedback on end of year surges.

Agreed: The Committee agreed to write to the Department of Finance seeking examples of successful Financial Transaction Capital projects.

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

The following officials joined the meeting at 2:38pm.

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 and responses from other statutory committees on the 2021-22 Budget.

The oral evidence session was reported by Hansard.

The Chairperson thanked the officials for their evidence.

Agreed: The Committee agreed that the Chairperson should write to the Minister seeking an update on the progress of the Fiscal Council legislation; the work of the Fiscal Council in analysing the Executive's budget; and the work of the Fiscal Commission.

Agreed: The Committee agreed to write to the Department providing the RaISe paper and seeking:

- an update on the provision of Covid bid information from other departments in order to inform RaISe analysis;
- an explanation of how Financial Transaction Capital is allocated under the Barnett formula;
- a breakdown of the money used to finance the over £300m of allocations announced by the Minister on 20 May 2021; and
- information on the provision for Irish language in the Main Estimates, including in respect of the anticipated New Decade New Approach cultural framework legislation.

8. Committee Decision: Accelerated passage of Budget (No.2) Bill

The Committee went into closed session at 3:23pm in order to consider the Minister's request for accelerated passage for the Budget (No.2) Bill (NI) 2021.

The Committee considered the requirement, under Standing Order 42(2), that if a Budget Bill is to proceed by accelerated passage, the Chairperson should confirm to the Speaker that the Committee is satisfied that there has been appropriate consultation with it on the public expenditure proposals contained in the Bill.

Members highlighted concerns in respect of the budget process; the absence of timely debates; and limited MLA and public engagement. Members indicated a related reluctance to grant accelerated passage. However, Members also indicated disquiet in respect of the impact of a delay to the passage of the Bill on the funding of (and consequent risk of interruption to) essential public services.

Mr Allister advised that he wished to oppose the granting of accelerated passage also on the grounds that the Estimates contained no funding provision for marking the centenary of the foundation of Northern Ireland.

The Committee divided on the motion:

“That the Chairperson should write to the Speaker in order to confirm that the Committee is satisfied that there has been appropriate consultation with it on the public expenditure proposals contained in the Budget (No.2) Bill (NI) 2021 and that the Bill should proceed under the accelerated passage procedure which shall exclude any Committee Stage”

AYES	NOES	ABSTAIN
Steve Aiken Pat Catney Jemma Dolan Paul Frew Philip McGuigan Maoliosa McHugh Matthew O'Toole	Jim Allister	Jim Wells

The motion was carried.

Agreed: The Committee further agreed that the Chairperson should write to the Speaker, copying the Minister, the Business Office and the Bill Office, advising of the Committee's decision; indicating the Committee's concerns; and setting out the issue highlighted by Mr Allister.

*The Committee returned to open session at 3:27pm.
Mr Paul Frew left the meeting at 3:27pm.*

The Committee adopted a revised order of agenda items.

9. SR 2021/134 The Rates (Social Sector Value) (Amendment) Regulations (Northern Ireland) 2021.

The Committee noted papers relating to SR 2021/134 The Rates (Social Sector Value) (Amendment) Regulations (Northern Ireland) 2021.

Agreed: The Committee considered SR 2021/134 The Rates (Social Sector Value) (Amendment) Regulations (Northern Ireland) 2021 and agreed that, subject to the report of the Examiner of Statutory Rules, it had no objection to the rule.

10. Correspondence

10.1 The Committee noted an index of incoming correspondence.

10.2 The Committee considered correspondence from the Department on the forthcoming Legislative Consent Memorandum (LCM) which will give effect to changes in public sector pensions in line with the McCloud judgement. The Committee noted that changes to judicial pensions and local government pensions are now to be included in the legislation. It is understood that the Westminster Bill may be introduced before summer. The Committee noted that it will most likely have 15 working days to consider and report on this matter in September.

Mr Wells undertook to advise retired police officers, who had indicated strong dissatisfaction with the proposed changes, of the anticipated LCM call for evidence.

Agreed: The Committee agreed to arrange evidence sessions with RaISe, the Department and the relevant unions with a view to reporting on the LCM around 22 September 2021.

Agreed: The Committee agreed to share the correspondence with the Committee for Justice, the Committee for Communities, the Police Federation of Northern Ireland and relevant unions.

10.3 The Committee considered tabled correspondence from the Department regarding a failure leading to delayed pension payments. The Committee noted that an IT error had been reported and payments made on Tuesday 1 June 2021.

10.4 The Committee noted tabled Departmental correspondence on business rates bills issued to businesses which were in fact eligible for the business rates holiday.

10.5 The Committee noted correspondence from Anne Connolly, Director of the Oireachtas Parliamentary Budget Office, offering future assistance to the Committee in respect of the development of a Fiscal Council for Northern Ireland.

10.6 The Committee considered an item of restricted correspondence relating to injuries reported by a member of the public and other serious allegations.

Agreed: The Committee agreed that the issues were outside of the Committee's remit and that the correspondent should take these matters forward with the PSNI.

10.7 The Committee noted recent press clipping in regards to tariffs and movement of goods between GB and NI.

10.8 The Committee noted copies of letters forwarded to the Committee from the House of Lords European Affairs Sub-Committee on the NI Protocol relating to tariff rate quotas; and the practical operation of Article 8 of the Protocol on VAT and Excise.

10.9 The Committee considered a query from the Committee for Infrastructure following a CBI briefing and asking for the timescale for the establishment of the Fiscal Council and whether it will have powers to investigate or resolve planning issues.

Agreed: The Committee agreed to write to the Committee for Infrastructure informing it that an interim Fiscal Council has been established but it is unlikely that it will address planning issues in any regard.

10.10 The Committee noted further correspondence from a business owner regarding the absence of covid financial support for businesses which do not have a rate-able premises.

10.11 The Committee considered further correspondence from the Department on the use of red diesel in pleasure crafts. The Committee noted that HM Treasury had advised that the prohibition of red diesel for propulsion use is delayed until 1 October 2021. The Department also referred to a HM Treasury assertion that 40% of red diesel use on pleasure craft is for non-propulsion.

Agreed: The Committee agreed to write to the Department asking whether the delay to the prohibition was agreed by the EU Commission and also disputing the assertion that 40% of red diesel use on pleasure craft is for non-propulsion.

10.12 The Committee noted correspondence from the Clerking and Member Support Office on social media training for Members and their staff.

10.13 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.

11. Forward Work Programme

The Committee considered a draft of the forward work programme.

Agreed: The Committee agreed to schedule a meeting on 1 September 2021 (before the end of summer recess) in order to deal with correspondence and undertake planning for the remainder of the mandate.

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

12. Oral Evidence: Department of Finance (DoF) – June Monitoring Round

The following officials joined the meeting at 3:41pm

Stewart Barnes, Finance and Corporate Services Director, DoF; and
Janis Marynowski, Head of Financial Management Branch, DoF.

Mr Jim Allister left the meeting at 3:43pm

Ms Jemma Dolan left the meeting at 3:43pm and delegated her vote under Temporary Standing Order 115(6), to Mr Maoliosa McHugh

The Committee noted a tabled Departmental briefing paper.

The oral evidence session was reported by Hansard.

The Chairperson thanked the officials for their evidence.

13. Any Other Business

There was no other business.

14. Date, Time and Place of the Next Meeting

The next meeting of the Committee will be held on Wednesday 9 June 2021 at 2:00pm in the Senate Chamber and on Starleaf.

The meeting was adjourned at 3.47pm.

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