

COMMITTEE FOR FINANCE

MINUTES OF PROCEEDINGS

WEDNESDAY, 19 MAY 2021

Senate Chamber, Parliament Buildings, Belfast

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

Present by Video-conference:
Mr Jim Allister MLA
Mr Pat Catney MLA
Ms Jemma Dolan MLA
Mr Philip McGuigan MLA
Mr Maolíosa 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 2:00pm.

1. Apologies

Apologies were as indicated above.

Ms Jemma Dolan indicated she would delegate her vote under Temporary Standing Order 115(6) to Mr Maolíosa McHugh for part of the meeting.

There was no other 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 Protocol

The Chairperson advised Members of invitations which he had received from the Northern Ireland Affairs Committee and a sub-committee of the newly established House of Lords European Union Affairs Committee to meetings on the Northern Ireland Protocol.

Agreed: The Committee agreed that the Chairperson should attend the meetings on the Northern Ireland Protocol and provide feedback to the Committee for Finance.

3.2 Department of Finance: Permanent Secretary

The Chairperson advised that an email had been forwarded to Members from the Department regarding the details of the appointment process for the next Permanent Secretary for the Department of Finance.

3.3 Embargoed Public Accounts Committee Report

The Chairperson advised that an embargoed copy of the Public Accounts Committee (PAC) report on capability and capacity in the Northern Ireland Civil Service (NICS), had been circulated to Members, for information. The Committee noted that it had previously agreed to invite NICSHR and the Northern Ireland Public Service Alliance (NIPSA) to brief on public sector reform and their responses to the report after the memorandum of reply has been formally considered by the PAC.

4. Draft Minutes

Agreed: The Committee agreed the minutes of the meeting held on Wednesday 12 May 2021.

5. Matters Arising

There were no matters arising.

6. Oral Evidence: Irish Fiscal Advisory Council - Fiscal Council for Northern Ireland

The witnesses joined the meeting at 2:04pm.

Sebastian Barnes, Chairperson, Irish Fiscal Advisory Council; and
Dr Eddie Casey, Chief Economist and Head of Secretariat, Irish Fiscal
Advisory Council.

Mr Paul Frew joined the meeting at 2.06pm

The Committee noted: a written submission by the Irish Fiscal Advisory Council and other related published papers.

Mr Matthew O'Toole joined the meeting at 2.24pm

The oral evidence session was reported by Hansard.

The Chairperson thanked the witnesses for their evidence.

Agreed: The Committee agreed to write to the Irish Fiscal Advisory Council suggesting continued engagement as the Committee develops its understanding of issues relating to the Fiscal Council for Northern Ireland.

Ms Jemma Dolan left the meeting at 3.00pm

Agreed: The Committee agreed to write to all statutory committees seeking their views on the options for the development of a Fiscal Council for Northern Ireland.

The Committee adopted a revised order of agenda items

7. Forward Work Programme

The Committee considered a tabled draft of the forward work programme.

Agreed: In compliance with Section 13 of the Functioning of Government (Miscellaneous Provisions) (NI) Act 2021, the Committee agreed to consider a Departmental oral briefing on June Monitoring on 2 June 2021.

Agreed: The Committee agreed to consider oral evidence from the Office for Budget Responsibility on 9 June. The Committee also agreed to rearrange an oral briefing on rates issues with the Ulster University Economic Policy Centre.

Agreed: The Committee agreed to attend the concurrent meeting with the Committee for the Executive Office and the Committee for the Economy on 16 June 2021 on the High Street Taskforce and covid-recovery plan and to therefore defer briefings from the Construction Employers' Federation (CEF); the Equality Commission Northern Ireland (ECNI), the NI Human Rights Commission (NIHRC) and the Strategic Investment Board (SIB). The Committee also agreed to seek a briefing from the Financial Services Union on bank rationalisation and closure issues.

Agreed: Owing to the limited time remaining in the current Assembly session, the Committee agreed to defer a Departmental brief on the Northern Ireland Audit Office (NIAO) report on land web and digitisation.

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

8. Oral Evidence: Parliamentary Budget Office (PBO) of the Houses of the Oireachtas – Fiscal Council for Northern Ireland

The witnesses joined the meeting at 3.23pm.

Annette Connolly, Director, PBO, Houses of the Oireachtas; and
Barry Comerford, Deputy Director, PBO, Houses of the Oireachtas.

The Committee noted: a written submission by the PBO and other related published papers.

The oral evidence session was reported by Hansard.

Mr Allister left the meeting at 3:30pm

Ms Jemma Dolan rejoined the meeting at 3.40pm

Mr Jim Wells joined the meeting at 3.41pm

The Chairperson thanked the witnesses for their evidence.

Agreed: The Committee agreed to write and thank PBO suggesting continued engagement as the Committee develops its understanding of issues relating to the Fiscal Council for Northern Ireland. The Committee also agreed to seek sight of a recent Committee on Budgetary Oversight report including recommendations on budget scrutiny at the Oireachtas.

9. Subordinate Legislation: SL1 The Rates (Social Sector Value) (Amendment) Regulations (Northern Ireland) 2021

The Committee noted papers relating to the SL1: The Rates (Social Sector Value) (Amendment) Regulations (Northern Ireland) 2021.

Agreed: The Committee agreed that it had no objection to the proposed legislation and was content for the Department to make the Rule.

10. Subordinate Legislation: SR 2021/120 The Whole of Government Accounts (Designation of Bodies) Order (Northern Ireland) 2021

The Committee noted papers relating to SR 2021/120 The Whole of Government Accounts (Designation of Bodies) Order (Northern Ireland) 2021.

Agreed: The Committee agreed that the Committee for Finance has considered the statutory rule SR 2021/120 The Whole of Government Accounts (Designation of Bodies) Order (Northern Ireland) 2021 and, subject to the report of the Examiner of Statutory Rules, has no objection to the rule.

Agreed: The Committee agreed to write to the Department to seek clarification as to why the Forest Service was belatedly added to the Whole of Government Accounts (WGA) designated bodies and to seek assurance that all relevant Arm's Length Bodies are now included.

11. Correspondence

11.1 The Committee noted an index of incoming correspondence.

11.2 The Committee considered a copy of the latest Workforce Review of the Northern Ireland Civil Service based on gender and religion and laid in the Assembly by the Department on 10 May 2021.

Agreed: The Committee agreed to write to the Department and seek information on the impact of the recent Deputy Principal, Staff Officer and Administrative Officer recruitments in respect of the make-up of NICS staff.

11.3 The Committee noted a response from the Department regarding Building Fire Safety Programmes. The Department clarified that the measures included in the Ministry of Housing, Communities and Local Government legislation won't apply in this jurisdiction and departments with responsibilities will bring forward local measures.

Agreed: The Committee agreed to write again to the Department indicating its concerns surrounding the absence of urgent action in respect of a Building Fire Safety Programme for Northern Ireland.

11.4 The Committee considered correspondence from Rockwool Limited on its call for a ban on combustible materials on buildings in Northern Ireland. Rockwool also suggested a fire safety audit of all buildings over 11m and referred to a Northern Ireland Housing Executive Tower Block Action Plan published in 2018 with an indicative redevelopment plan to address fire safety issues over 5 years.

Agreed: The Committee agreed to forward the correspondence to the Department, copying in the Committee for Communities, and to seek clarification as to whether the capital budget for 2021-22 (and beyond) will include funding for the NIHE Tower Block Action Plan and to also seek commentary from the Department on the proposed 11m building audit.

11.5 The Committee considered a response from the Department on the Assembly Research paper on the UK Internal Market Act. The Department provided limited responses on State Aid and indicated limited consideration has been given to the term "special regard", as stated within the Act. The Department indicated that it believes that the duty in Section 46 of the Act cannot override another express duty.

Agreed: The Committee agreed to share the response with the Committee for the Executive Office and the Committee for the Economy as it awaits responses from The Executive Office and the Department for the Economy.

11.6 The Committee noted a response from the Department indicating that it has not considered measures etc. in order to ensure compliance with both Section 46 of the UK Internal Market Act and the Northern Ireland Protocol.

11.7 The Committee noted a response from the Department regarding the final budget for 2021-22 setting out: the resource baseline as £11.9bn; allocations to NI Water and Translink; a breakdown of the Jobstart Scheme; the shortfall in EU funding; and the 2016 delegated spending limits for Northern Ireland government departments, which are currently being reviewed.

11.8 The Committee noted Ministerial correspondence seeking accelerated passage for Budget (No. 2) Bill (NI) 2021.

11.9 The Committee considered a response from the Department regarding the Presbyterian Mutual Society. The Committee noted that the response did not provide the number of savers affected and neglected to explain why the Committee was not kept informed.

Agreed: The Committee agreed to write to the Department again asking for information on affected savers and expressing concern that related problems were not aired previously with statutory committees.

11.10 The Committee noted correspondence from the Audit Committee that provides a link to the report on the 2021-22 estimates of the Northern Ireland Audit Office and the Northern Ireland Public Services Ombudsman.

*The Chairperson declared an interest as currently dwelling in Mid and East Antrim Borough
Mr Paul Frew declared an interest as currently dwelling in Mid and East Antrim Borough*

11.11 The Committee considered correspondence from Mid and East Antrim Borough Council indicating its support for the development of a Freeport at Larne with supporting facilities in Ballymena etc. and enquiring of any future plans by the Committee to engage with HM Treasury on the matter.

Agreed: The Committee agreed to forward the correspondence to the Department of Finance, the Department for the Economy, and The Executive Office, for information and advise Mid and East Antrim Borough Council of this action.

11.12 The Committee considered a response from the Department in respect of the Reform of Property Management Programme. The Committee noted that the Department had not responded to questions in respect of unused work-stations and hard-charging.

Agreed: The Committee noted that it is likely that HM Treasury will undertake a Spending Review later this year and that this may lead to a reduced Block Grant. The Committee therefore agreed to write to the Department and suggest that it commences preparation now including consideration of measures likely to reduce departmental costs and drive efficiency such as rationalisation of unused building space and hard-charging for departments for building services.

11.13 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.

12. Any Other Business

Mr O'Toole noted that a debate on the 2021-22 Budget had been unexpectedly scheduled for 25 May 2021.

Agreed: The Committee agreed that it was content for the Chairperson to participate in the 2021-22 Budget debate on 25 May 2021 even though neither the motion nor notice of the motion had been shared with the Committee.

There was no other business.

13. Date, Time and Place of the next meeting

The next meeting of the Committee will be held on Wednesday 26 May 2021 at 2:00pm in the Senate Chamber and on Starleaf.

The meeting was adjourned at 4.28pm

**Dr Steve Aiken MLA
Chairperson, Committee for Finance
26 May 2021**