



COMMITTEE FOR FINANCE

MINUTES OF PROCEEDINGS

WEDNESDAY, 10 FEBRUARY 2021

Senate Chamber, Parliament Buildings, Belfast

Present: Dr Steve Aiken OBE MLA (Chairperson)
Mr Paul Frew MLA (Deputy Chairperson)
Mr Jim Allister MLA
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 Maolíosa McHugh MLA

Apologies: None

In Attendance: Mr Peter McCallion (Assembly Clerk)
Mr Phil Pateman (Senior Assistant Clerk)
Ms Kate McCullough (Assistant Assembly Clerk)
Mr Neil Sedgewick (Clerical Supervisor)
Ms Heather Graham (Clerical Officer)

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

1. Apologies

There were no apologies.

Notice was not received from any Member to delegate authority to vote under Temporary Standing Order 115(6) on any issue.

2. Declaration of Interests

Dr Aiken declared an interest in respect of correspondence due to be considered later in the agenda from a former employee of the Northern Ireland Civil Service (NICS).

3. Chairperson's Business

3.1 Written Ministerial Statement – further allocations

The Chairperson advised Members of the Minister of Finance's written statement detailing further funding allocations for the 2020-21 financial year and the reported decision by HM Treasury not to permit the carry-over of resource into the next financial year. The Committee noted the written ministerial statement.

3.2 Victims' Pension Scheme

The Chairperson noted recent commentary suggesting that the Secretary of State (SoS) for Northern Ireland had agreed to meet with Executive ministers to discuss the funding for the Victims' Pension Scheme.

Mr O'Toole joined the meeting at 2:04pm.

Mr Frew and Mr Wells joined the meeting at 2:05pm.

Agreed: The Committee agreed that the Chairperson should write to the Minister of Finance to seek clarification as to whether: unspent resources from the 2020-21 financial year could be allocated to provide funding for the pension scheme; funding provision will be included in the next iteration of the draft Budget for 2021-22; and the timing and delivery of the scheme will be adversely affected due to uncertainty in respect of funding. It was further agreed that a draft letter be circulated to Members for approval prior to issue.

Mr Wells left the meeting at 2:08pm.

3.3 Building Cladding Intervention

The Chairperson referred Members to recent media reports indicating that the UK Government is to meet the costs for replacement cladding for leaseholders in residential tower blocks over 18 metres and provide longer term loans for those leaseholders in residential buildings under 18 metres in England. The Committee noted that media reports indicated the introduction of a levy on new developments and a new UK residential property tax.

Agreed: The Committee agreed to write to the Minister of Finance to seek clarification as to whether the reported payments to leaseholders of affected residential properties and the additional residential taxation measures would be extended to Northern Ireland.

Mr Wells rejoined the meeting at 2:12pm.

3.4 Northern Ireland Affairs Committee: NI Protocol

The Chairperson informed Members that the Northern Ireland Affairs Committee was seeking to meet with chairpersons of statutory committees regarding the Northern Ireland Protocol.

Agreed: The Committee agreed that it was content for the Chairperson to meet with the Northern Ireland Affairs Committee in order to reflect the views of the Committee and to report back to the Committee for Finance thereafter.

4. Draft Minutes

The Committee considered the draft minutes of the meeting held on Wednesday, 10 February 2021.

Agreed: The Committee agreed the minutes, subject to amendments, of the meeting held on Wednesday, 10 February 2021.

5. Matters Arising

There were no matters arising.

6. Oral Evidence: Ulster University Economic Policy Centre (UUEPC) - 2021-22 Draft Budget

Witnesses joined the meeting at 2:15pm by video-conference.

- Gareth Hetherington – Director, UUEPC; and
- Richard Johnston – Deputy Director, UUEPC.

The oral evidence session was recorded by Hansard.

The Committee noted a written submission from the UUEPC on the draft Budget 2021-22 and tabled correspondence from the Minister of Finance relating to the establishment of the Fiscal Council.

Mr McGuigan left the meeting at 3:28pm.

Agreed: The Committee agreed to write to the Minister of Finance to establish the viability of utilising unspent resources from the 2020-21 financial year to meet future interest and/or principal repayment costs associated with borrowing under the Reform and Reinvestment Initiative (RRI) and whether the costs of such borrowing should be managed and met centrally so as to promote a collegiate approach to Executive government.

7. Oral Evidence: Pivotal – 2021-22 Draft Budget

The witness joined the meeting at 3:39pm by video-conference.

- Ann Watt, Director, Pivotal

The oral evidence session was recorded by Hansard.

The Committee noted written submissions from Pivotal, the Federation of Small Businesses Northern Ireland (FSB) and the Northern Ireland Council for Voluntary Action (NICVA).

Mr Allister left the meeting at 3:56pm.

Mr McGuigan rejoined the meeting at 4:00pm.

Agreed: The Committee agreed that it was content for Pivotal to publish its submission on the draft Budget 2021-22.

8. Subordinate Legislation

The Committee noted papers relating to a number of items of subordinate legislation.

9. SL1 – The Pensions Increase (Review) Order (NI) 2021

The Committee considered the SL1 – The Pensions Increase (Review) Order (NI) 2021.

The Committee noted the Department of Finance’s proposal to make subordinate legislation: The Pensions Increase (Review) Order (NI) 2021.

10. SL1 – The Public Service Pensions Revaluation Order (NI) 2021

Agreed: The Committee considered the Department of Finance’s proposal for subordinate legislation: The Public Service Pensions Revaluation Order (NI) 2021 and agreed that it had objection to the proposed legislation and was content for the Department to make the Rule.

11. SL1 – The Regional Rates Order

Agreed: The Committee considered the Department of Finance’s proposal for subordinate legislation: The Regional Rates Order and agreed that it had no objection to the proposed legislation and was content for the Department to make the Rule.

12. SR 2021/21 - The Rates (Coronavirus: Making of District Rates) Regulations (Northern Ireland) 2021

The Committee considered SR 2021/21 – The Rates (Coronavirus: Making of District Rates) Regulations (Northern Ireland) 2021.

The Committee noted correspondence from the Minister of Finance relating to rate setting and statutory conversion factors.

Agreed: That the Committee for Finance has considered SR 2021/21 The Rates (Coronavirus: Making of District Rates) Regulations (Northern Ireland) 2021 and has no objection to the rule.

13. SR 2021/24 The Rates (Coronavirus) (Emergency Relief) (No. 2) (Amendment) Regulations (Northern Ireland) 2021

The Committee considered SR 2021/24 – The Rates (Coronavirus) (Emergency Relief) (No. 2) (Amendment) Regulations (Northern Ireland) 2021.

The Committee noted correspondence indicating that the provisions of the rule had been extended to include newspaper production facilities.

Agreed: That the Committee for Finance has considered SR 2021/24 The Rates (Coronavirus) (Emergency Relief) (No. 2) (Amendment) Regulations (Northern Ireland) 2021 and has no objection to the rule.

Mr Catney left the meeting at 4:27pm.

14. SR 2021/25 -The Superannuation (Commission for Survivors of Institutional Abuse) Order (Northern Ireland) 2021.

Agreed: That the Committee for Finance has considered SR 2021/25 The Superannuation (Commission for Survivors of Institutional Abuse) Order (Northern Ireland) 2021 and has no objection to the rule.

15. Correspondence

15.1 The Committee noted an index of incoming correspondence.

15.2 The Committee noted a response from the Department of Finance’s Departmental Solicitor’s Office (DSO) regarding the Ireland/Northern Ireland Protocol.

15.3 The Committee considered correspondence from the Construction Employers’ Federation on the Public Procurement Common Framework.

Agreed: The Committee agreed to write to the Department seeking clarity on “under threshold” opportunities and access for NI firms.

Agreed: The Committee agreed to seek to reschedule the briefing on the draft budget with the Construction Employers’ Federation for 24 February 2021 and to include consideration of the Public Procurement Common Framework.

15.4 The Committee considered correspondence from BT regarding the Public Accounts Committee (PAC) report on Digital Transformation and Landweb Contracts.

Agreed: The Committee agreed to forward the correspondence to the PAC, for its information.

15.5 The Committee considered correspondence from the Department of Finance regarding proposals to bring revised building regulations relating to the energy performance of nearly zero energy buildings.

Agreed: The Committee agreed to seek from the Department a written briefing at the start of the consultation and an oral briefing summarising responses at the conclusion of the consultation and prior to any final policy decision-making.

15.6 The Committee noted a response from the Department of Finance in respect of various covid-19 business support schemes.

Agreed: The Committee agreed that the Chairperson would write to the Minister for the Economy and Minister of Finance to urge them to develop new covid-19 business support schemes in order to address unsupported or poorly supported business sectors.

15.7 The Committee noted a response from the Department of Finance regarding covid support to airports and State Aid rules.

15.8 The Committee considered correspondence from the Committee for Justice regarding accelerated passage for the Damages (Return on Investment) Bill.

Mr Frew declared an interest as a member of the Committee for Justice and to express his fundamental concerns relating to the Damages (Return on Investment) Bill.

Mr Wells left the meeting at 4:34pm.

Agreed: The Committee agreed to write to the Department of Finance asking to be copied in to the response to the Committee for Justice on the extent of the related liability as estimated by the Government Actuary's Department (GAD) and confirming HM Treasury cover.

15.9 The Committee noted restricted correspondence from a member of the public.

Agreed: The Committee agreed to consider the correspondence in closed session owing to its sensitive nature.

15.10 The Committee considered a response from the Department regarding expenditure under the sole authority of the Budget Act.

Agreed: The Committee agreed to defer consideration of the correspondence until 17 February 2021.

15.11 The Committee considered correspondence received from the Department of Finance indicating confirmation of suggested changes to the Estimates document in respect of Sole Authority of the Budget Act.

Agreed: The Committee agreed to defer consideration of the correspondence until 17 February 2021.

Agreed: The Committee agreed to write to the Department to seek an update on the progress of the Bill which is to amend the Government Resources and Accounts Act (Northern Ireland) 2001.

15.12 The Committee considered the Annual Report of the Lay Observer for Northern Ireland 2019-20.

Agreed: The Committee agreed to forward the report of the Lay Observer to the Committee for Justice, for its information.

Agreed: The Committee agreed to write to the Department to seek an update on the progress of the secondary legislation relating to the Legal Complaints and Regulation Act (Northern Ireland) 2016 which establishes the role of the Legal Services Oversight Commissioner.

15.13 The Committee noted the amended weekly composite information request to the Department of Finance.

Agreed: The Committee agreed to write to the Minister of Finance to request the Committee's participation in: the development of the Terms of Reference (ToR); the determination of the membership; and the decision as to whether (and the extent to which) the Fiscal Council for Northern Ireland will be established in legislation. It was further agreed that a draft letter be circulated to Members for approval prior to issue.

16. Forward Work Programme

The Committee considered the Forward Work Programme.

Agreed: The Committee agreed to write to the Department to seek clarity as to the progress of any relevant primary legislation for the remainder of the mandate.

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

17. Any Other Business

There was no other business.

Mr Wells rejoined the meeting at 4:44pm.

18. Date, time and place of next meeting

The next meeting of the Committee will be held on **Wednesday, 17 February 2021 at 2:00pm** in the **Senate Chamber**.

The meeting moved into closed session at 4:49pm.

19. Confidential Oral Briefing: Procedural Advice on the Budget Process

The Committee considered procedural advice in respect of the progression of the Budget Bill.

Agreed: The Committee agreed that the Chairperson should write to the Minister of Finance – copying the Speaker of the Northern Ireland Assembly - to indicate Members' concerns in respect of the high level of outstanding resource allocations for the 2020-21 financial year. The Committee further agreed that the Chairperson should express its uncertainty as to whether it will provide confirmation that there has been appropriate consultation with it in line with Standing Order 42(2) and that consequently it was presently undecided as to whether to support either accelerated passage for the anticipated Budget Bill or the suspension of Standing Orders in order to allow the passage of the Bill in less than 10 days. It was further agreed that a draft letter be circulated to Members for approval prior to issue.

Mr Aiken left the meeting at 5:12pm.

Mr Frew assumed the role of Chairperson at 5:12pm.

The Committee adopted an additional agenda item.

20. Correspondence from a concerned former NICS Employee

The Committee considered restricted correspondence from a former employee of the NICS.

The Committee noted that, notwithstanding the range of issues detailed within the correspondence, it had no role in undertaking scrutiny of individual Human Resource related matters.

Agreed: The Committee agreed to write to the individual to outline that the Committee for Finance has no role in examining individual cases as highlighted within the correspondence and to decline consideration of any further related correspondence on this matter.

The meeting was adjourned at 5:17pm.

Dr Steve Aiken OBE MLA
Chairperson
Committee for Finance
17 February 2021