



## COMMITTEE FOR FINANCE

### MINUTES OF PROCEEDINGS

WEDNESDAY, 17 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 Maolíosá 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.

The Committee noted that notice had been received from Jemma Dolan MLA to delegate authority to Maolíosá McHugh MLA and from Matthew O'Toole MLA to delegate authority to Pat Catney MLA to vote as required 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**

#### **3.1 Revised Agenda**

The Chairperson referred Members to a revised agenda in tabled items to include an additional oral evidence session from the Department on the Spring Supplementary Estimates; Vote on Account and the proposed Budget Bill (NI) 2021.

*Agreed:* The Committee agreed to adopt the revised agenda.

#### **3.2 Informal Meeting**

The Chairperson advised Members that the Chairperson and Deputy Chairperson had met informally with the Minister of Finance on 16 February 2021 regarding the establishment of the Fiscal Council and the Fiscal Commission. Members noted that the Fiscal Council may be established shortly with interim Terms of Reference and that the Committee's views will be sought as to their revision and in respect of the future legislative underpinning of the Fiscal Council. Members also noted that the Fiscal Commission when established will report before the next Assembly election.

*Agreed:* The Committee agreed to give further consideration to the Fiscal Council and Fiscal Commission once, as anticipated, a statement is made by the Minister of Finance.

*Mr McHugh joined the meeting at 2:02pm.*

#### **3.3 Carry-Over of Unspent Resources**

The Chairperson referred to recent media reports welcoming that, following a covid-19 related financial reconciliation exercise in England, a further £300 million of funding has been made available to the Executive and HM Treasury is to permit the carry-over of this into the 2021-22 financial year.

#### **3.4 Victims' Pension Scheme**

The Chairperson referred Members to correspondence in tabled items from the Minister of Finance in response to issues previously highlighted by the Committee in respect of the Victims' Pension Scheme. The Committee noted that the Minister had advised that unspent resources were expected to be used to meet covid-19 pressures. The Committee also noted an assurance that funding will be made available for the Victims' Pension Scheme and that there is not expected to be a delay to the commencement of the Scheme.

### **4. Draft Minutes**

The Committee considered the draft minutes of the meeting held on Wednesday, 17 February 2021.

*Agreed:* The Committee agreed the minutes of the meeting held on Wednesday, 17 February 2021.

## **5. Matters Arising**

There were no matters arising.

*Agreed:* The Committee agreed to a revised order of agenda items owing to the technical difficulties experienced with the video conferencing system.

## **6. SR 2021/30 The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2021**

The Committee considered SR 2021/30 – The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2021.

*Agreed:* The Committee agreed to write to the Department in order to express its concerns in respect of the limited timeframe for scrutiny and to ascertain why it was not possible for the regulations to be brought forward to the Committee prior to Christmas so as to permit more detailed consideration of any potential consequences.

*Agreed:* That the Committee for Finance has considered SR 2021/30 – The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2021 and has no objection to the rule.

*Mr Frew joined the meeting at 2:14pm.*

## **7. Correspondence**

7.1 The Committee noted an index of incoming correspondence.

7.2 The Committee considered a response from the Department of Finance regarding expenditure under the sole authority of previous Budget Acts.

*Agreed:* The Committee agreed to seek an oral briefing on the use of sole authority and to write to the Department to ascertain why it has not proceeded to provide a full and proper explanation of expenditure incurred under the sole authority of the Budget Bill (NI) 2021 in the 2020-21 Spring Supplementary Estimates (SSEs). The Committee further agreed to ask the Department to provide an addendum/correction slip to the current SSEs in order to provide a full and proper explanation as to the reasons for the use of sole authority.

7.3 The Committee noted a response from the Department regarding the review of the financial process.

- 7.4 The Committee noted a response from the Minister of Finance regarding capital expenditure and relating to the lessons learned from the related recent Public Accounts Committee report.
- 7.5 The Committee noted correspondence from Jim Shannon MP regarding Single Farm Payments and the response of the Department of Agriculture, Environment and Rural Affairs in respect of the advice of an independent panel and the subsequent use of judicial reviews.

*Agreed:* The Committee agreed to write to the Department of Finance – copying the correspondence to the Committee for Agriculture, Environment and Rural Affairs - requesting its assessment of any potential liabilities as a result of compensation for historic incorrect single farm payments and where responsibility may lie for meeting such liabilities.

- 7.6 The Committee noted a response from the Chairperson of the Economy, Infrastructure and Skills Committee of the Welsh Parliament regarding the Public Procurement Common Framework.
- 7.7 The Committee noted a response from the Convenor of the Economy, Energy and Fair Work Committee of the Scottish Parliament regarding the Public Procurement Common Framework.
- 7.8 The Committee noted correspondence from the Committee for Communities to the Minister of Finance regarding the Sports Sustainability Fund.

*Agreed:* The Committee agreed to write to the Department for Communities and the Department of Finance to request that it be kept updated on the development of support schemes for sports clubs.

- 7.9 The Committee noted correspondence from the Committee for Communities to the Minister of Finance regarding the UK Shared Prosperity Fund.
- 7.10 The Committee noted correspondence from the Committee for Justice indicating that it has requested a copy of the Executive Office response to the Committee for Finance regarding the Troubles Permanent Disablement Payment Scheme.
- 7.11 The Committee considered a request from the Carnegie UK Trust to brief on its work regarding public sector reform.

*Agreed:* The Committee agreed to invite the Carnegie UK Trust to provide oral and written evidence on public sector reform.

- 7.12 The Committee agreed that, notwithstanding a number of recently received responses, the weekly composite information request was an accurate record of information sought by the Committee.

## **8. Forward Work Programme**

The Committee considered the draft Forward Work Programme.

*Agreed:* The Committee agreed to receive the planned research briefing from the Assembly's Research and Information Service (RaISe) and further briefings from the Department of Finance on the SSEs and the associated Budget Bill and from the Construction Employers' Federation at its meeting on 24 February 2021.

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

## **9. Oral Evidence: Department of Finance - 2021-22 Draft Budget - Department of Finance allocation**

*Officials joined the meeting at 2:34pm by videoconference.*

- Stewart Barnes, Finance Director, Department of Finance;
- Janis Marynowski, Head of Financial Management Branch, Department of Finance.

This oral evidence session was reported by Hansard.

*Mr O'Toole joined the meeting at 2:50pm.*

The Committee noted: the briefing paper from the Department of Finance; the January 2021 Investing Activity Assembly Report; and responses from some Assembly committees on the 2021-22 Draft Budget.

*Agreed:* The Committee agreed to write to the Department to seek clarity on: the forecast income for the 2021-22 financial year; the extent of the carry-over of resource which will be required to fund business rates support in 2021-22; the forecasted costs to establish regional hubs; and (further to previous correspondence) an assessment of the Department's support through the provision of shared services and NI Direct in order to facilitate the delivery of the new draft Programme for Government (PfG) outcomes.

## **10. Oral Evidence: Department of Finance – draft Budget Bill 2021, Spring Supplementary Estimates (SSEs) and Vote on Account**

*Officials joined the meeting at 3:02pm by videoconference.*

- Joanne McBurney, Acting Budget Director, Department of Finance
- Jonathan McAdams, Head of Supply Division, Department of Finance
- Roisin Kelly, Supply Officer, Department of Finance.

This oral evidence session was reported by Hansard.

The Committee noted the Departmental briefing papers and a copy of the SSEs, Vote on Account and proposed Budget Bill. The Committee also noted a response from the Minister on accelerated passage for the Budget Bill.

*Mr Aiken left the meeting at 3:13pm and Mr Frew assumed the role of Chairperson.*

*Mr Aiken rejoined the meeting at 3:38pm and re-assumed the role of Chairperson.*

*Agreed:* The Committee agreed to write to the Department to request further information on: the spending areas in the reconciliation exercise in England which gave rise to £300 million allocation to the Executive; whether the resource authorised under the Vote on Account will or can provide support for the funding of new services; a breakdown by department of spending relating to Public Private Partnerships (PPP) and Private Finance Initiatives (PFI); and a more detailed explanation of the use of cash advances from the Consolidated Fund.

Members discussed the consequences of a delay to the passage of the anticipated Budget Bill (NI) 2021.

Members noted the Department of Finance’s assertion that failure to grant accelerated passage would inevitably lead to departments running out of money before the end of March and the consequent discontinuation of the provision of funding to staff and organisations some of which may be engaged in the provision of essential covid-19 supports.

Members expressed considerable reservations in respect of the use of accelerated passage for the Budget Bill (NI) 2021.

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 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 Philip McGuigan Maoliosa McHugh Matthew O’Toole		Jim Allister Paul Frew Jim Wells

The motion was carried.

*Agreed:* The Committee further agreed to copy the relevant correspondence to the Minister and the Business Office, for their information.

**11. Oral Evidence: Northern Ireland Committee – Irish Congress of Trade Unions and Nevin Economic Research Institute – 2021-22 Draft Budget**

*Witnesses joined the meeting at 4:22 pm by videoconferencing*

- Owen Reidy, Assistant General Secretary, Irish Congress of Trade Unions
- Paul MacFlynn, Senior Economist at the Nevin Economic Research Institute.

The oral evidence session was reported by Hansard.

The Committee noted the submission by NIC-ICTU on the draft budget 2021-22.

The Chairperson declared an interest stating that he is a member of Unite.

*Mr Allister left the meeting at 4:55pm.*

The Chairperson noted that, due to another engagement, Mr Reidy had to leave the meeting.

*The witness (Mr Reidy) left the meeting at 5:03 pm.*

*Ms Dolan left the meeting at 5:05pm.*

## **12. Oral Briefing: Assembly Research**

The Committee noted: the Assembly Research paper on the Q3 2020-21 outturn; the Department of Finance outturn information for Q3 and forecast for Q4; and the tabled Assembly Research paper on capital and resource bids made during the pandemic.

*Agreed:* The Committee agreed to defer consideration of the research briefing until its meeting on 24 February 2021.

## **13. Any Other Business**

Mr Catney proposed that, in light of recent speculation relating to strategic reviews of the future operations of Ulster Bank and the Bank of Ireland in Northern Ireland, the Committee should invite representative of the banking sector to provide a briefing to the Committee.

*Agreed:* The Committee agreed to ask Mr Catney to develop his proposal for consideration at a future meeting.

## **14. Date, time and place of next meeting**

The next meeting of the Committee will be held on **Wednesday, 24 February 2021** at **2:00pm** in the **Senate Chamber**.

*The meeting was adjourned at 5:24pm.*

**Dr Steve Aiken OBE MLA**  
**Chairperson**  
**Committee for Finance**  
**24 February 2021**