



COMMITTEE FOR FINANCE

MINUTES OF PROCEEDINGS

WEDNESDAY, 27 JANUARY 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 Maoliosa McHugh MLA

Apologies: None

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

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

The Chairperson conveyed the Committee's deepest sympathy to Mr McHugh following the recent death of his mother

Mr McHugh expressed his thanks to Members for their kind consideration.

1. Apologies

There were no apologies.

No notices were received from any Member of a delegation of their vote to another Member as per Temporary Standing Order 115(6).

2. Declaration of Interests

There were no declarations of interest.

Agreed: The Committee agreed that the Chairperson would write to the Chairperson's Liaison Group and the Northern Ireland Assembly Commission to express concerns in respect of difficulties arising from the use of the Assembly's video-conferencing facility which can sometimes adversely affect Members' participation in committee meetings.

3. Draft Minutes

The Committee considered the minutes of the meeting held on Wednesday, 20 January 2021.

Agreed: The Committee agreed the minutes of the meeting held on Wednesday, 20 January 2021.

Mr Frew joined the meeting at 2:04pm.

4. Matters Arising

There were no matters arising.

5. Oral Evidence Session – Department of Finance - Outcome of the January Monitoring Round

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

- Jeff McGuinness – Head of Central Expenditure Division, Department of Finance; and
- Pamela Galloway, Central Expenditure Division, Department of Finance.

The oral evidence session was recorded by Hansard.

The Committee noted a response from the Minister of Finance on its budget queries and a tabled item relating to the ring-fencing of Covid allocations.

The Committee noted that the January Monitoring Round was one of approximately 10 allocations made during the 2020-21 financial year and that in excess of £340m of resource remained unallocated.

Members highlighted concerns regarding the pressure on departments to develop novel spending approaches in the remaining months of the present financial year and to develop new schemes which may permit Arms Length Bodies (ALBs) to carry over large sums into the 2021-22 financial year. Members indicated disquiet at the continuing absence of a Fiscal Council in order to provide oversight of these differing arrangements.

While recognising the importance of targeted and necessary expenditure for the benefit of the people of Northern Ireland in meeting societal need and achieving medium term policy objectives, the Chairperson called for caution and enhanced accountability for all novel schemes or new special purpose financial disbursement vehicles in order to ensure value for money.

Mr Wells joined the meeting at 2:33pm.

Mr O'Toole joined the meeting at 2:41pm.

6. Oral Evidence – Department of Finance – Public Procurement Common Framework

The following officials joined the meeting at 3:31pm.

- Des Armstrong, Chief Executive, Construction and Procurement Delivery, Department of Finance; and
- Michael Watson, Head of Policy and Performance Division, Construction and Procurement Delivery, Department of Finance.

The Committee noted a tabled paper from the Department of Finance on the procurement framework concordat.

Agreed: The Committee agreed to commission RaISe to produce a paper on the implications of the procurement framework.

Agreed: The Committee agreed to write to the Economy, Energy and Fair Work Committee of the Scottish Parliament and the Finance Committee of the Welsh Parliament in order to seek their views on the procurement common framework.

Agreed: The Committee agreed to seek evidence from Social Enterprise NI and the Construction Employers' Federation on the procurement common framework.

7. Oral Briefing – Organisation for Economic Co-operation and Development (OCED) – Public Sector Reform – Innovative drivers for, and barriers to, change and improvements

The witness joined the meeting at 3:59pm.

The Committee noted papers relating to the OECD Policy Framework on Sound Public Governance.

Agreed: The Committee agreed to write to the Minister of Finance indicating that the Department should commission the OECD to undertake a desktop review and benchmarking study of the Executive's progress in the implementation of the OECD's recommendations arising from its governance review in Northern Ireland in 2016. The Committee also agreed that this additional review should include an assessment of the effectiveness of the implementation of reforms and, subject to confirmation by correspondence, the capability of Northern Ireland's system of government to deliver good governance.

8. Chairperson's Business

8.1 The Chairperson informed the Committee that he and the Deputy Chairperson had met informally with the Minister on 25 January 2021 in order to discuss the oral statement on the January Monitoring Round.

8.2 The Committee noted the imminent introduction of a Private Member's Bill (PMB) on the reform of defamation law which is anticipated to fall to the Committee for Finance for the Committee Stage.

Agreed: Drawing from Mr Frew's amendment to the Functioning of Government Bill (and the experience of Ms Dolan with the proposed Zero Hours Contract Bill), the Committee agreed that the Chairperson would write to the Committee on Procedures to suggest that it gives consideration to setting out clear procedures (and amending Standing Orders as appropriate) in order to allow committees, if they so choose, to include the sponsor of a PMB as an ex-officio member of that Committee during the appropriate stages of the passage of the PMB in order to allow the sponsor to ask questions of witnesses and provide clarity to the Committee.

8.3 The Chairperson and Members welcomed the recent announcement of a well-deserved "thank you" payment to health and social care workers.

9. Correspondence

9.1 The Committee noted an index of incoming correspondence.

9.2 The Committee noted the Northern Ireland Statistics and Research Agency (NISRA) quarterly report on sickness absence for the Northern Ireland Civil Service July-September 2020.

9.3 The Committee considered correspondence from the Department of Finance on the Review of the Financial Process and the 2020-21 Spring Supplementary Estimates (SSE) 'dry run' process.

Agreed: The Committee agreed to write to Department of Finance to request that, - further to a previous undertaking – Part III Note G of the template should be amended in order to

ensure explanations were provided when specific legislation did not provide authority for expenditure and instead authority was required from the Budget Act. The Committee also agreed to seek an update on the SSE 'dry run' process when complete and the associated booklet at its next iteration.

Agreed: The Committee also agreed to write to the Minister to seek the likely timescale for the establishment of the Fiscal Council and indicating Members' concerns in respect of the pressure on departments to develop novel spending approaches in the remaining months of the present financial year and to adopt new schemes to permit ALBs to carry over large sums into 2021-22, without the oversight of the Fiscal Council.

9.4 The Committee noted correspondence from the Committee for the Economy in respect of Covid support funding for students and other excluded groups.

9.5 The Committee noted the Public Accounts Committee (PAC) report on the LandWeb Project and Digital Transformation.

Agreed: The Committee agreed to schedule a briefing on this report once PAC has concluded its work.

Mr O'Toole declared an interest as a member of the Public Accounts Committee.

Agreed: The Committee agreed to write to the Minister again indicating concerns around the pressure on departments to disburse unspent capital funds this year and achieve rapid spending progress in capital projects in 2021-22 and urging the Minister to take into account the lessons learned from previous capital projects (including Landweb and Digital Transformation) and, subject to confirmation by correspondence, to encourage departments to be cautious and ensure value for money in awarding contracts and to apply a more critical assessment to the inclusion of providers particularly where they have a history of sharp practice or excessive profit-taking at the expense of the tax payer.

9.6 The Committee considered correspondence from the Department of Justice in respect of legal challenges taken by contractors during the procurement process.

9.7 The Committee noted a response to the Committee for the Executive Office from the Department of Finance in relation to EU Structural Funds.

9.8 The Committee noted the weekly composite information request to the Department.

Agreed: The Committee agreed to extend the timescales for the departmental response on the Procurement Board.

10. Forward Work Programme

The Committee considered the Forward Work Programme.

Agreed: The Committee agreed to reschedule the oral briefings from NIPSA and other groups on Public Sector Reform to April or May 2021, subject to the availability of witnesses.

Agreed: The Committee agreed to reschedule the planned briefings on Public Sector Reform and from the Construction Employers' Federation on the PAC report on capital projects to an alternative date in April or May 2021.

Agreed: The Committee agreed to consider a RaISe briefing on freeports and state aid on 3 February 2021.

Agreed: The Committee agreed to schedule oral evidence on the draft Budget 2021-22 from the Ulster University Economic Policy Centre and Pivotal on 10 February 2021.

The Committee noted that at its meeting on 17 February 2021, it would be asked to consider accelerated passage for the Budget (No.1) Bill 2021.

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

11. Any Other Business

There was no other business.

12. Date, time and place of next meeting

The next meeting of the Committee will be held on **Wednesday, 3 February 2021** at **2:00pm** in the **Senate Chamber**.

The meeting was adjourned at 4:54pm.

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