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Dear Jim,

UPDATE ON ESTABLISHMENT OF A FISCAL COUNCIL / TERMS OF REFERENCE FOR THE FISCAL COUNCIL

Thank you for your recent correspondence in relation to the Fiscal Council. Firstly, the Committee is seeking an update in relation to the establishment of the Council and secondly has also requested its terms of reference.

You will be aware that the Committee was provided with briefing in relation to the Fiscal Council back in May 2020 (GM-1311-2020), where officials had indicated that this work had to pause as the Department had to focus on the immediate COVID-19 response. In recent weeks however, officials in the Department are now actively refocussing on this issue, and consideration is being given to what the Council's terms of reference might be, and how members could be appointed.

The Finance Minister has said that he remains committed to establishing a Fiscal Council as set out in New Decade New Approach and has indicated that his key objective is to put a Fiscal Council in place that has the right people with the right expertise to perform a well-defined role. A clearer indication on how this will be taken forward will be possible once the work of officials has been sufficiently advanced.

With regards to the terms of reference for the Fiscal Council, as a starting point, the New Decade New Approach document indicates that the new Council should prepare an annual:

- Assessment of the Executive's revenue streams and spending proposals; and
- Report on the sustainability of the Executive's public finances.

Officials expect to provide the Committee with progress updates as this work continues to develop.

Yours sincerely,

Ciara McKay

CIARA MCKAY DEPARTMENTAL ASSEMBLY LIAISON OFFICER