



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Financial Provisions Bill: Department of
Finance and Personnel

13 November 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Dominic Bradley (Deputy Chairperson)
Mrs Judith Cochrane
Mr Leslie Cree
Mr Paul Girvan
Mr John McCallister
Mr Ian McCrea
Mr Mitchel McLaughlin
Mr Adrian McQuillan
Mr Peter Weir

Witnesses:

Mr Brian McClure	Department of Finance and Personnel
Ms Fiona Hamill	Treasury Officer of Accounts

The Deputy Chairperson: I welcome Mr Brian McClure, head of rating policy division in the Department of Finance and Personnel (DFP), and Ms Fiona Hamill, Treasury Officer of Accounts. You are very welcome. I ask either of you to make an opening statement.

Ms Fiona Hamill (Treasury Officer of Accounts): Thank you very much. As the Committee will be aware from previous discussions, financial provisions Bills are required at intervals to tidy up routine financial matters. The first draft of the Bill that we brought to the Committee for consideration included six items: the repeal of the Development Loans (Agriculture and Fisheries) Act (Northern Ireland) 1968; an amendment to the Harbours Act (Northern Ireland) 1970; two amendments for the Department of Justice (DOJ); an amendment to the Housing (Northern Ireland) Order 1981 to provide for administration costs associated with land transactions; some amendments to tidy up the Audit and Accountability (Northern Ireland) Order 2003 to do with changes in the Health and Social Care (Reform) Act (Northern Ireland) 2009; and two changes to do with the Department of Justice, the Police Rehabilitation and Retraining Trust (PRRT) and the Northern Ireland Police Fund (NIPF).

Those are the matters that the Committee previously considered. At that point, in response to questions raised by the Committee, we indicated that there was an understanding that we may need to bring forward further amendments to the Bill specifically to do with rates. That is really the principal matter that we are here to discuss today. Brian is leading policy on that, so I will hand over to him.

Mr Brian McClure (Department of Finance and Personnel): Thanks, Fiona.

As Fiona said, we are bringing forward two amendments. The first is changes in prompt payment or early payment discount, which is to be extended to ratepayers who have empty homes. The second is

to clarify the information powers that Land and Property Services (LPS) has for discovering when occupiers take up occupation. We regard those as fairly routine financial matters, and the Committee has already been briefed on the policy and had sight of the draft provisions to be inserted at Consideration Stage.

The Office of Legislative Counsel (OLC), as recently as this week, drafted two additional provisions as a result of the landlord consultation that we undertook recently and on which we gave evidence to the Committee. If the Committee is content, we will issue final provisions on those two additional measures — four measures in total — to the Committee for consideration at the very earliest opportunity. We have just taken delivery of those this week.

I will just explain what those measures are, both of which were fully supported through the public consultation that we undertook recently. One is to remove the tenancy requirement; that is, the requirement for landlords to produce a tenancy agreement. We think, and this was supported by the consultation, that that is a needless process and adds a burden to landlords and LPS. Therefore, the proposal is to remove that stipulation in the Rates (Northern Ireland) Order 1977.

The second one is to remove articles 23 and 24 from the Rates Order, which put certain requirements on tenants. The articles have never been used and have been sitting dormant in the Rates Order. The consultation responses from the Landlords' Association and the Housing Rights Service said that we should remove them. Our legal advice was that we should remove them, and that is what we think we should do anyway. Therefore, we are removing article 23. The current provision states that if a landlord defaults, LPS can recover the rates due from the tenant, and we think that that should be removed. The other provision relates to a power to allow the Department to step in and act as landlord should there be an issue of default. We think that that could be detrimental to tenants.

Both measures were fully supported through the consultation, and we are taking them forward as amendments to the Bill at Consideration Stage.

I am more than happy to take questions on that. We will provide draft provisions on both those landlord changes at the earliest opportunity.

The Deputy Chairperson: Thanks very much. LPS requested a DFP technical amendment to clarify the need for ratepayers to provide an effective date of occupation to LPS. In a previous evidence session, officials indicated to us that that amendment would help LPS with billing when rates are due. Are there any specific examples of difficulties that are currently posed by the absence of that power?

Mr McClure: The current provision is pretty vague, and what we want to do is put it beyond any reasonable doubt that LPS can secure that information from occupiers — "When did you take up occupation?" — and require them to provide a date. It does go to the heart of its bill calculation process and the recovery of rates. I cannot give you any particular examples, but you can see why LPS would want to put it beyond doubt that it has the power to ask ratepayers to tell it when they took up occupation. At the moment, the current provision in the Rates Order is just not clear enough, and we think that it needs to be bolstered.

The Deputy Chairperson: It is not entirely clear from the information in the briefing paper from 17 October who will take forward the amendment to clauses 3 and 6 of the Bill on the Department of Justice. When will the wording of those provisions be forthcoming for Committee consideration, and which Minister will table those amendments at Consideration Stage?

Mr McClure: We hope to have the wording available to you within the next week or two.

Ms Hamill: Yes. DFP is responsible for that group.

The Deputy Chairperson: They will be coming through DFP.

Ms Hamill: They will, yes.

Mr D Bradley: Yes.

The Deputy Chairperson: OK. The Committee previously sought information on the management of money by the Court Funds Office. The response is outlined in members' packs.

It explains that, under Part VII of the Judicature (Northern Ireland) Act 1978, funds held in court as cash must be transferred to the National Debt Commissioners, whose functions are carried out by the UK Debt Management Office (DMO), an agency of HM Treasury. As a result, the Court Funds Office is unable to move money about to avail itself of competitive interest rates. With reference to the DOJ response on that issue, and given the devolution of justice powers, why has the position not been amended to enable the Court Funds office here to better control the moneys that it holds?

Ms Hamill: Broadly because the Northern Ireland block uses the Debt Management Office for all its deposits. It is about fiscal security, rather than having the money sitting in commercial bank accounts gathering fees. We sweep all money — all spare resources for the Northern Ireland block — back to the DMO out of our commercial accounts. It is and has been good practice not to have large balances of public money sitting out, particularly over the past few years when there have been vulnerabilities in the banking systems.

The Deputy Chairperson: OK. You mentioned the two new measures coming from LPS. When will the Committee have sight of those?

Mr McClure: We got the first drafts through this week. We have to clear the amendments through the Minister. We will get them to you as soon as we can. We hope to have them with you within a matter of days, certainly within a couple of weeks.

The Deputy Chairperson: There are no more questions. Thank you for your evidence this morning. I look forward to receiving the new amendments when they are cleared by the Minister.