

Assembly Section

Clare House
303 Airport Road West
BT3 9ED
Tel No: 02890 [REDACTED]
email: [REDACTED]@dfpni.gov.uk



Department of
**Finance and
Personnel**
www.dfpni.gov.uk

Mr Shane McAteer
Clerk
Committee for Finance and Personnel
Room 419
Parliament Buildings
Stormont

20 October 2015

Dear Shane,

**PROPOSED CAP ON PUBLIC SECTOR EXIT PAYMENTS: GOVERNMENT
CONSULTATION AND LEGISLATIVE OPTIONS IN NORTHERN IRELAND**

My letter of 16 September 2015 notified the Committee of a HM Treasury consultation on proposals to cap redundancy/exit payments made in the public sector. Information was provided on the background and scope of the proposed policy, and also the legislative options to implement the policy in Northern Ireland. I also advised that engagement at official level has indicated that HM Treasury preferred position is for a single United Kingdom wide legislative approach to implement this policy. That approach would require a Legislative Consent Motion in the Assembly.

I can now confirm that HM Treasury has formally requested a Legislative Consent Motion for clauses in the Westminster Enterprise Bill to cap public sector exit payments to extend in Northern Ireland.

Minister of Finance and Personnel has responded directly to Secretary of State for Business, Innovation and Skills, the Rt Hon Sajid Javid MP to confirm agreement in

principle to the approach for a Legislative Consent Motion, subject to agreement of the Executive and consultation with the Committee for Finance and Personnel.

Following agreement in principle the normal approach would involve circulation of a draft policy paper to Executive Ministers requesting their approval to be given at a next available meeting of the Executive. However it is uncertain that an Executive meeting at which this matter could possibly be discussed will occur in the immediate future, and in time to allow the necessary amendment to be tabled to insert the relevant Northern Ireland clauses into the Enterprise Bill. This amendment must be laid in advance of the House of Lords reporting stage for the Enterprise Bill. Reporting stage is not yet formally scheduled however departmental engagement at official level with HM Treasury indicates it is expected to occur in late November/early December.

Given these circumstances Minister Foster has now written to First Minister and Deputy First Minister to request agreement for a decision under the urgent procedure provided for in paragraph 2.14 of the Ministerial Code:

- a. to agree the extension to Northern Ireland of provisions in the Westminster Enterprise Bill to cap public sector exit payments, and
- b. to seek the agreement of the Assembly to this by means of a Legislative Consent Motion.

As advised in my previous letter on 16 September Departmental officials are available to provide further evidence to the Committee on this matter as required.

You may wish to bring this further update to the attention of the Committee.

Yours sincerely



GEAROID CASSIDY
Departmental Assembly Liaison Officer