

COMMITTEE FOR FINANCE AND PERSONNEL

MINUTES OF PROCEEDINGS

**WEDNESDAY, 4 FEBRUARY 2015
ROOM 30, PARLIAMENT BUILDINGS**

Present: Mr Daithí McKay MLA (Chairperson)
Ms Michaela Boyle MLA
Mrs Judith Cochrane MLA
Mr Leslie Cree MBE, MLA
Mr Paul Girvan MLA
Mr John McCallister MLA
Mr Ian McCrea MLA
Mr Adrian McQuillan MLA
Mr Máirtín Ó Muilleoir MLA
Mr Peter Weir MLA

In Attendance: Mr Shane McAteer (Assembly Clerk)
Mr Phil Pateman (Assistant Assembly Clerk)
Mrs Clairita Frazer (Assistant Assembly Clerk)
Miss Alison Ferguson (Clerical Supervisor)
Miss Heather Graham (Clerical Officer)

Apologies: Mr Dominic Bradley MLA (Deputy Chairperson)

The meeting commenced at 10:24am in public session.

Agreed: that agenda items 4, 5 and 6 are covered by Hansard and the Official Report published on the Assembly's website

1. Apologies

Apologies are detailed above.

2. Draft Minutes of Proceedings of 28 January 2015

Agreed: that the minutes are published on the Assembly website.

3. Matters Arising

Table of requests for information from the Department of Finance and Personnel (DFP)

The Committee noted the summary table of requests for information from DFP which provided an update on any matters arising not covered elsewhere on the agenda.

Review of the Operation of the Barnett Formula

Agreed: that, in order to inform the further evidence from expert witnesses, the written submissions received on the Review of the Operation of the Barnett Formula are uploaded to the Committee's webpage.

Arising from the evidence received on 28 January 2015 and press coverage of the Westminster passage of the Corporation Tax (Northern Ireland) Bill, the Committee noted concern over aspects of how the cost to the Northern Ireland Executive of any reduction in corporation tax rates will be calculated following devolution of the power to the Assembly. In particular, as previously highlighted in the Committee's Report on the Draft Budget 2015-16, the concern relates to whether the value of the benefits accruing to the UK Government from increased economic activity arising from reduced corporation tax rates in Northern Ireland, including additional yield from income tax and VAT and reduced welfare payments, will be offset against the costs to the block grant.

Agreed: to write to the Minister seeking further information on this issue and an assurance on efforts to secure agreement from the UK Government on the matter.

Máirtín Ó Muilleoir joined the meeting at 10:25am

4. Budget Bill (Northern Ireland) 2015 – DFP Briefing

The Committee received a briefing on the Budget Bill (Northern Ireland) 2015, including the Spring Supplementary Estimates 2014-15 and the Vote on Account 2015-16 from the following DFP officials:

- Emer Morelli, Head of Supply, Public Spending Directorate;
- Peter Jakobsen, Public spending Directorate.

Agreed: that the Committee is satisfied that there has been appropriate consultation with it on the public expenditure proposals contained in the Budget Bill (Northern Ireland) 2015 and is content to grant accelerated passage to the Bill in accordance with Standing Order 42 (2).

Agreed: to issue the draft letter informing the Speaker of the Committee's decision on accelerated passage.

Agreed: to circulate the DFP briefing paper for this evidence session to the other statutory committees for information given the cross-cutting interest.

Agreed: that the DFP officials will provide follow up information as discussed during the session.

Judith Cochrane joined the meeting at 10:30am

Adrian McQuillan left the meeting at 10:45am

Peter Weir joined the meeting at 10:45am

Paul Girvan left the meeting at 10:48am

Peter Weir left the meeting at 10:50am

Paul Girvan re-joined the meeting at 10:51am

Peter Weir re-joined the meeting at 10:51am

5. Public Procurement: Cross Departmental Performance on the Implementation of Social Clauses – DFP Briefing

The Committee received a briefing on Public Procurement: Cross Departmental Performance on the Implementation of Social Clauses from the following DFP officials:

- Des Armstrong, Director, Central Procurement Directorate;
- Gareth Johnston, Policy and Performance Division, Central Procurement Directorate

Agreed: that the DFP officials will provide follow up information as discussed during the session.

Agreed: to note and forward the correspondence received from the Construction Employers Federation on the Investment Strategy Northern Ireland (ISNI) Delivery portal to DFP for a response to the issues highlighted pertaining to its remit.

Adrian McQuillan re-joined the meeting at 11:10am

Paul Girvan left the meeting at 11:13am

Ian McCrea left the meeting at 11:30am

Peter Weir left the meeting at 11:40am

Peter Weir re-joined the meeting at 11:44am

6. Public Procurement: Other Issues – DFP Briefing

The Committee received a briefing on Public Procurement: Other Issues from the following DFP officials:

- Des Armstrong, Director, Central Procurement Directorate;
- Gareth Johnston, Policy and Performance Division, Central Procurement Directorate

Agreed: that the DFP officials will provide follow up information as discussed during the session.

Agreed: to schedule an oral briefing on the planned Strategic Investment Board (SIB) Review of the implementation of the Programme for Government commitment on social clauses.

Agreed: to commission Assembly research on how Northern Ireland compares to other jurisdictions in maximising social benefit from public procurement.

Ian McCrea re-joined the meeting at 11:50am

Paul Girvan re-joined the meeting at 11:51am

Paul Girvan left the meeting at 11:53am

Máirtín Ó Muilleoir left the meeting at 12:00pm

Judith Cochrane left the meeting at 12:10pm

Peter Weir left the meeting at 12:12pm

Máirtín Ó Muilleoir re-joined the meeting at 12:15pm

Máirtín Ó Muilleoir left the meeting at 12:2 pm

Peter Weir re-joined the meeting at 12:21pm

John McCallister left the meeting at 12:22pm

Máirtín Ó Muilleoir re-joined the meeting at 12:29pm

7. SR 2015/15 The Public Service (Civil Servants and Others) Pensions (Consequential Provisions) Regulations (Northern Ireland) 2015

Agreed: that the Committee has considered SR 2015/15 The Public Service (Civil Servants and Others) Pensions (Consequential and Amendment) Regulations (Northern Ireland) 2015 and recommends that it be affirmed by the Assembly

8. SR 2014/290 The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014

Agreed: that the Committee has considered SR 2014/290 The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 has no objection to the rule.

9. SR 2015/20 The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2015

Agreed: That the Committee has considered SR 2015/20 The Rates (Making and Levying of Different Rates) Regulations (Northern Ireland) 2015 has no objection to the rule.

10. Correspondence

The Committee noted the following pieces of correspondence:

- DFP Minister – Report on the Inquiry on Flexible Working in the Public Sector in Northern Ireland

Agreed: to note the correspondence in advance of the oral briefing from DFP on the Department's response to the Inquiry Report.

- DFP – Men’s Aid Association NI

Agreed: to note in advance of an oral briefing by DFP on the outcome of its consultation on this issue and also to forward the DFP response to the original correspondent for information in the meantime.

- DFP – Land & Property Services: Local Revaluation briefings
- DFP – Departmental monthly forecast outturn returns, August and September 2014
- DFP – Observation of Innovation lab
- Committee for Enterprise, Trade and Investment – ERDF Investment for Growth and Jobs Programme 2014-2020
- Committee for Enterprise, Trade and Investment – Inquiry into economic growth and job creation following reduction in corporation tax

Agreed: to note and to seek a copy of any DFP comments in order to inform a potential Committee response.

- Committee for Enterprise, Trade and Investment – NI Economic Strategy Year 1 & 2 Monitoring Reports
- Committee for Enterprise, Trade and Investment – Banking Issues
- Committee for Social Development – Bank Accounts and Welfare Reform
- Chairpersons’ Liaison Group – Note on Key Issues discussed on 20 January 2017
- Local Government Chronicle Article – Barnett Formula

Agreed: to explore the possibility of taking expert evidence from the article author, Rob Whiteman, Chief Executive, Chartered Institute of Public Finance & Accountancy

- Consumer Council – Consumer Outlook Index Report, January 2015 and Press Release
- Assembly Research and Information Service – Publications update October 2014 – January 2015
- Construction Employers Federation – Response to ISNI Report

Agreed: to note and to forward to SIB also for a response to the issues highlighted.

11. Committee Work Programme

Visit to Leinster House, Dublin

Members noted that the previously planned visit to Leinster House for an informal meeting to discuss areas of mutual interest with the Oireachtas Joint Committee on Finance, Public Expenditure and Reform was now likely to take place April/May 2015.

Members considered a draft of the Committee work programme.

Agreed: that the Committee work programme will be updated to reflect decisions taken today and published on the Committee's website.

12. Any other business

Agreed: that, in terms of its future scrutiny of Estimates, the Committee will request that DFP provides, in advance of the related oral briefing, the background information on the breakdown of the changes between the opening and closing budgetary positions of departments.

13. Date, Time and place of Next Meeting

The next scheduled meeting of the Finance and Personnel Committee will be held on Wednesday, 11 February 2015 at 10:00 am, Room 30, Parliament Buildings.

The Chairperson adjourned the meeting at 12:35 pm.

Mr Daithí McKay MLA
Chairperson
Committee for Finance and Personnel
11 February 2015