



Northern Ireland
Assembly

Committee for Finance and Personnel

**OFFICIAL REPORT
(Hansard)**

**Spring Supplementary Estimates and
Budget Bill**

1 February 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Conor Murphy (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Mr Leslie Cree
Mr Paul Girvan
Mr David Hilditch
Mr Paul Maskey
Mr Mitchel McLaughlin

Witnesses:

Mr Michael Brennan	Department of Finance and Personnel
Mr Jeff McGuinness	Department of Finance and Personnel

The Chairperson: We have Michael Brennan and Jeff McGuinness from the central expenditure division.

Mr Michael Brennan (Department of Finance and Personnel): The Committee will be aware that the Estimates process is where the Assembly gives legislative authority to Departments to incur expenditure. I understand that we provided a background paper to the Committee, which should set out the context. We are here to take any questions that you have following the background paper.

The Committee has been closely involved in the evolution of the Estimates, from the very start last June when the Main Estimates were brought to the Committee and through three monitoring rounds. That brings us to the culmination of the financial cycle, which are the Estimates before you today.

We produced a background paper because the previous Committee had concerns, particularly about transparency and the inability to reconcile the Budgets through to the Estimates. A reconciliation table at annexe A explains how Main Estimates evolve during the year until we get to the final sign-off on the legislative authority approval.

The Estimates have built-in headroom for three specific issues; that allows Departments additional space to incur spend should certain events unfold. One of those is in relation to the Department of Agriculture, where the Estimates have built-in headroom of some £15 million. That is to cover the event of the European Commission giving a formal judgement on how much the Department of Agriculture needs for CAP disallowance. Two minor headrooms are built into the Department of Enterprise, Trade and Investment leading to the Irish Open golf championship coming to Portrush and the possibility that it may have to make additional capital spend before the end of this financial year.

The Vote on Account is just an approval process to give Departments additional spend at the start of the financial year. It gives, on average, 45% of what a Department needs to get it through until the Main Estimates approval process in June. That is a quick canter through.

The Chairperson: Thank you. It is not in relation to these specific documents and this year's process, but we had some discussion about the review that you talked about last week and which the Minister talked about in the statement on the monitoring rounds. We hope that when you come next week you can bring some information. We wrote seeking more detailed information on how the Department of Finance and the other Departments propose to interact with the Assembly as part of that review. We will be asking for information next week in relation to that because I am not sure that the explanation in the letter from the Department covered all the points that we asked about, or was satisfactory in that regard.

I am conscious that you will be coming back next week with more detail on the issue. Members will study the documents and come back for a more detailed session with you next week. Thank you very much.