



Northern Ireland
Assembly

**COMMITTEE FOR
FINANCE AND PERSONNEL**

**OFFICIAL REPORT
(Hansard)**

Financial Provisions Bill

23 September 2009

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Ms Jennifer McCann (Chairperson)
Dr Stephen Farry
Mr Simon Hamilton
Mr Mitchel McLaughlin
Mr David McNarry
Mr Declan O'Loan
Ms Dawn Purvis

Witnesses:

Ms Deborah McNeilly) Department of Finance and Personnel
Ms Brenda Shearer)

The Chairperson (Ms J McCann):

The next item on the agenda is the proposed amendments to the Financial Provisions Bill. We will hear evidence from Ms Deborah McNeilly, head of the finance branch of the Department of Finance and Personnel (DFP), and Ms Brenda Shearer, central expenditure division. We are running behind schedule; therefore, we will go straight to questions unless members have any specific points to make or wish to hear a quick briefing from the officials. If Deborah or Brenda want to expand on any particular issue, perhaps they could do that through the questions.

Mr O'Loan:

I am comfortable enough with the removal of clause 4, but how on earth have the amendments

relating to expenditure for children and young persons and sustainable development only surfaced at this stage?

Ms Brenda Shearer (Department of Finance and Personnel):

As the member knows, financial provisions legislation is used to mop up all sorts of financial issues. The Office of the First Minister and deputy First Minister (OFMDFM) is taking the opportunity presented by the Bill to regularise expenditure for sustainable development purposes.

Mr O'Loan:

Yes, but the Bill has already been introduced to the Assembly and those issues were not discussed then. What has happened in the meantime? Why is there a sudden need for those amendments?

Ms Shearer:

At present, they are both covered under the sole authority of the Budget Act (Northern Ireland 2009), and we are using the Bill as an opportunity to regularise the position. They were not put forward in the first draft of the Financial Provisions Bill.

Mr O'Loan:

Are they both covered?

Ms Shearer:

They are under the sole authority of the Budget Act (Northern Ireland 2009), so the position will simply be regularised.

Mr O'Loan:

Do you mean that the provisions being included could be done anyway?

Ms Shearer:

They are being done currently.

Mr O'Loan:

Do you mean that the Department is expending money on children —

Ms Shearer:

On children, young people and sustainable development; yes.

Mr O'Loan:

So what is the purpose of the legislation?

Ms Shearer:

The sole authority of the Budget Act (Northern Ireland 2009) can only be used as a temporary measure. Normally, one tries to regularise the expenditure, and we are taking this opportunity to do so.

Mr O'Loan:

There has been a lot of controversy over children's issues and how that should be managed and funded. In a former era, there were Executive programme funds for schemes involving children, but those were then rejected. Instead, it was agreed that money would be put out to Departments for them deal with the situation. Joint authority with Departments might have been all right if it were co-ordinated, but that had not worked. Suddenly, we are back to something that is very similar to Executive programme funds.

Ms Shearer:

Examples of the expenditure for which it would be used include support for the participation network unit, which takes the lead on play and leisure policy.

Mr O'Loan:

Exactly; areas that have reached a crisis situation because the existing mechanisms for them were not working.

Dr Farry:

I expect that the long title of the Bill means that making these amendments is doable. Is the scope of the Bill flexible enough to add what are in effect two new clauses? Is it broad enough to allow that to happen?

Ms Shearer:

Yes, it is. The Bill is intended to mop up financial issues, and both proposed new clauses have

been cleared by the Office of the Legislative Counsel.

Dr Farry:

What sort of process is used to trawl through the Departments to see what types of situations need to be addressed? Surely, neither of those two issues is particularly new to OFMDFM; they have been part of its responsibility for quite some time. One would have thought that they would have emerged when the first draft of the Bill was being put together, rather than coming in at this stage. What systems are involved in producing the legislation?

Ms Shearer:

We wrote to all Departments in 2007 and the information was gathered in 2008. It has taken a long time for the Bill to pass through the various stages. The Departments produce the provisions that are included in the legislation, and this is the first stage at which those two issues have been identified.

Dr Farry:

Clause 4 will be removed. Is there an intention to bring that back with different wording, if not in this Bill, then in a future piece of legislation, or is it superfluous?

Ms Deborah McNeilly (Department of Finance and Personnel):

It is intended to review clause 4 in the context of the wider work taken forward on reporting and accounting for the statement of rate levy and collection account, and it will also be looked at in the context of rate legislation. The clause does not provide for its intended objective as it is currently drafted, and we have been advised that the Financial Provisions Bill is no longer —

Dr Farry:

The Rates (Amendment) Bill passed its Second Stage yesterday, so the opportunity to do that is going.

Ms McNeilly:

That provision will be made in subsequent legislation. The intention of clause 4 was to align the budgets of the Department with our estimates and accounts so that there would be fewer reconciliations.

Dr Farry:

The Minister said that there would not be another rates Bill for quite some time. The Rates (Amendment) Bill is the combination of a two- or three-year policy review on rates.

Ms McNeilly:

That is fine. We can continue to treat this as a reconciling item, as opposed to something that is treated exactly the same. We are content with the situation.

Dr Farry:

OK, so you can manage without it being included in that legislation. Thank you.

Mr McLaughlin:

I support the amendments and the removal of clause 4. Does the introduction of the amendment about children and young persons in any way restructure the Programme for Government responsibilities of other Departments, or would it be regarded as an ancillary and additional facility?

Ms Shearer:

It is not an additional facility. It is being carried out by OFMDFM; the amendment is simply to regularise this expenditure.

Mr McLaughlin:

Does it in any way remove or diminish the existing responsibilities or public service agreements contained in the Programme for Government?

Ms Shearer:

No.

Mr McLaughlin:

Did you consider that there was an opportunity to insert an amendment in relation to older persons? Do you think that there was an opportunity missed?

Ms Shearer:

That would have to be proposed by one of the Departments; we are merely the facilitators of the

Bill. No Department has brought that issue to the attention of DFP.

Mr McLaughlin:

A number of schemes bounce about the system and no one takes ownership of or responsibility for them. I would like the Committee to follow through on the issue of older persons and raise it as something that we would like to see addressed.

Mr McNarry:

Is there a budget?

Ms Shearer:

The budgets have been set. In 2009-2010, the budget for children and young people is about £729,000 and for 2010-2011 it is £1.6 million. The sustainable development budget for those years is around £120,000 per annum.

Mr McNarry:

The amendments are, therefore, encompassed within a budget. They do not require increases or reductions; they are within the existing budget.

Ms Shearer:

They are accounted for in the current OFMDFM budgets.

Mr McNarry:

It would be useful if it were explained at presentation time that there is a budget that is for the sole use of OFMDFM, but I am sure that that will be explained.

Ms Shearer:

I take that point.

Mr McNarry:

That makes Mitchel's comments relevant.

The Chairperson:

Has OFMDFM contacted its scrutiny Committee about this?

Ms Shearer:

Apparently, it was discussed at its August meeting, and it has been cleared by the First Minister and the deputy First Minister as suitable for inclusion.

The Chairperson:

The OFMDFM Committee should contact our Committee to see what we think of it. Will we get time to do that before the Consideration Stage?

Ms Shearer:

Yes. The Consideration Stage is scheduled for 3 November.

The Chairperson:

Thank you for attending this afternoon's Committee meeting.