



COMMITTEE FOR FINANCE

MINUTES OF PROCEEDINGS

WEDNESDAY 13 JANUARY 2021

Senate Chamber, Parliament Buildings, Belfast

- Present: Dr Steve Aiken (Chairperson)
Mr Paul Frew (Deputy Chairperson)
Ms Jemma Dolan MLA
Mr Matthew O'Toole MLA
Mr Jim Wells MLA
- Video-conference: Mr Jim Allister MLA
Mr Pat Catney MLA
Mr Philip McGuigan MLA
- Apologies: Mr Maolíosa McHugh MLA
- In Attendance: Mr Peter McCallion (Assembly Clerk)
Mr Phil Pateman (Assistant Assembly Clerk)
Ms Kate McCullough (Assistant Assembly Clerk)
Mr Neil Sedgewick (Clerical Supervisor)
Ms Heather Graham (Clerical Officer)

The meeting commenced at 2:02pm in public session

Agreed: The Committee agreed to adopt the revised agenda included in tabled items.

1. Apologies

Apologies were as indicated above.

The Committee noted that notice had been received from Maolíosa McHugh MLA to delegate authority to Jemma Dolan MLA to vote under Temporary Standing Order 115(6) on any issue, if necessary.

2. Declaration of Interests

There were no declarations of interest.

3. Evidence Session - Draft Budget 2021-22 – Minister of Finance

The Minister and an official joined the meeting at 2:04pm

- Conor Murphy MLA – Minister of Finance
- Joanne McBurney – Budget Director, Public Spending Directorate, Department of Finance.

The oral evidence session was recorded by Hansard.

The Chairperson advised the Committee that he and the Deputy Chairperson had met informally with the Minister on Monday 11 January 2021 in order to discuss issues relating to the progress of the draft Budget 2021-22 and that a note of the meeting had been included in tabled papers.

Philip McGuigan joined the meeting at 2:44pm

The Committee noted that the Minister advised that there had been some discussion of the draft Budget 2021-22 at the Executive Committee meeting on 12 January 2021 and that it was anticipated that further related discussions and possible agreement of the draft Budget would take place at the Executive Committee meeting on 14 January 2021. The Minister indicated that a written and oral statement to the Assembly marking the commencement of a 6-week public consultation would likely follow.

The Minister set out the reasons for the delay to the budget process including delays to the UK Government Comprehensive Spending Review and discussions at the Executive including in respect of the use of around £140m of Reinvestment and Reform Initiative (RRI) borrowing for social housing and the loss of around £45m of EU funding.

The Minister indicated that around £3bn of covid support had been received in 2020-21 and this would reduce to £0.5bn in 2021-22. The Minister advised that he was working with colleagues in other devolved legislatures in order to seek enhanced flexibility from HM Treasury in respect of the roll-over of unspent covid funds to 2021-22 including those relating to the voucher scheme and £150m of rates rebates.

The Minister reported that he anticipated that the 2021-22 budget would be a “stand still” budget where there would be limited re-allocations and limited increases to departmental budgets. The Minister indicated that the draft Budget 2021-22 did not currently include funding for all New Decade New Approach commitments and for the Troubles Permanent Disablement Payment Scheme.

Agreed: The Committee agreed to write to the First Minister and deputy First Minister highlighting the importance of timely budget scrutiny and asking for an explanation and clarification as to why the draft Budget 2021-22 had not been considered by the Executive before 12 January 2021 and seeking commentary on the acceptability of previous draft budget submissions from the Minister.

Agreed: The Committee agreed to write to the First Minister and deputy First Minister highlighting concerns in respect of the reported absence in provision from the draft Budget in respect of the Troubles Permanent Disablement Payment Scheme particularly given recent related court action which it was understood compelled the Executive in this regard.

Agreed: The Committee agreed to write to the Department indicating the Committee's support for the full take-up of the reported £200m pa of available Reinvestment and Reform Initiative (RRI) borrowing and seeking clarity in respect of: the timescales for the consultation; the consequences if the Budget Bill does not proceed by accelerated passage; and the extent to which HM Treasury is to permit the re-profiling of Fresh Start capital.

Agreed: The Committee agreed to seek legal advice from the Assembly Legal Services on the consequences of the Budget Bill not proceeding by accelerated passage including the legality of a related Vote on Account.

The Committee noted that in line with Standing Orders, the Committee had previously agreed without meeting to circulate the Minister's letter of 22 December 2020 (relating to the draft Budget 2021-22) to statutory committee chairpersons.

4. Written Evidence - Department of Finance - January Monitoring Round (2nd Phase)

The Committee considered the written update on the Department for Finance's January monitoring position.

Agreed: The Committee agreed to write to the Department seeking clarity in respect of: the repayment of rates relief by supermarkets and seeking an explanation in respect of the limited information provided in monitoring round spreadsheets.

5. Draft Minutes

The Committee considered the minutes of the meeting held on Wednesday 16 December 2020.

Agreed: The Committee agreed the minutes of the meeting held on Wednesday 16 December 2020.

6. Matters Arising

6.1 January Monitoring Briefing

The Committee considered correspondence from the Committee for Infrastructure referring to the Minister for Infrastructure's reported failure to brief the Committee on January Monitoring.

Agreed: The Committee agreed to write to the Minister for Infrastructure highlighting the importance of ensuring scrutiny of monitoring rounds by statutory committees and to copy this to statutory committee chairpersons.

Agreed: The Committee agreed to write to the Minister of Finance asking him to reinforce the monitoring round guidance with all departments.

6.2 Public Procurement Common Framework

The Committee noted correspondence from the Committee for the Economy regarding the Public Procurement Common Framework.

7. Evidence Session: Amending the Building Regulations (Northern Ireland) 2012 – ARUP

The Committee noted the cancellation of this oral evidence session.

8. Evidence Session: Amending the Building Regulations (Northern Ireland) 2012 – United Kingdom Accreditation Service (UKAS) and the Director of Fire Safety Engineering Research and Technology (FireSERT), Ulster University

Witnesses joined the meeting at 3:27pm

- Hugh Taylor, Director of External Affairs, UKAS
- Professor Ali Nadjai, Director of FireSERT, Ulster University

The oral evidence session was recorded by Hansard.

The Committee noted issues relating to the use of relevant British Standards and the development of fire safety testing matrices for Northern Ireland Housing Executive tower blocks.

Agreed: The Committee agreed to write to both witnesses to thank them for attending the oral evidence session and to apologise for the quality of the video conferencing.

9. SR 2020/332: The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) (No. 3) Regulations 2020

The Committee considered SR 2020 No. 332 The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) (No. 3) Regulations 2020

Agreed: That the Committee for Finance has considered SR 2020 No. 332 The Business Tenancies (Coronavirus) (Restriction on Forfeiture: Relevant Period) (Northern Ireland) (No. 3) Regulations 2020 and has no objection to the rule.

Agreed: The Committee agreed to write to the Department suggesting that consideration should be given to extending the restriction of forfeiture provisions, in line with Rates Relief, until the end of the first quarter of financial year 2021-22.

10. SR 2020/342: The Financial Assistance (Coronavirus) (Airports) Regulations (Northern Ireland) 2020

The Committee considered SR 2020/342: The Financial Assistance (Coronavirus) (Airports) Regulations (Northern Ireland) 2020

Agreed: That the Committee for Finance has considered SR 2020/342: The Financial Assistance (Coronavirus) (Airports) Regulations (Northern Ireland) 2020 and has no objection to the rule.

Agreed: The Committee agreed to write to the Department seeking clarity on state aid rules post-EU exit and how these will affect financial assistance schemes for the airports and other covid related business support schemes.

11. SR 2020/354 The Financial Assistance (Coronavirus) (No. 2) (Amendment No. 2) Regulations (Northern Ireland) 2020

The Committee considered SR 2020/354 The Financial Assistance (Coronavirus) (No. 2) (Amendment No. 2) Regulations (Northern Ireland) 2020.

The Committee noted the relevant report by the Examiner of Statutory Rules highlighting a typographical error in the Rule. The Committee also noted assurances from the Department that the typographical error was minor and would be corrected at the earliest opportunity.

Agreed: That the Committee for Finance has considered SR 2020/354 The Financial Assistance (Coronavirus) (No. 2) (Amendment No. 2) Regulations (Northern Ireland) 2020 and has no objection to the rule.

The Committee also noted that in the Seventeenth Report by the Examiner of Statutory Rules (ESR), Session 2020 – 2021, published 16 December 2020, the ESR did not draw the attention of the Assembly to rule S.R. 2020/308: The Rate Relief (Coronavirus) (Amendment) Regulations (Northern Ireland) 2020.

12. Chairperson's Business

There was no Chairperson's Business.

13. Correspondence

13.1 The Committee noted an index of incoming correspondence.

13.2 The Committee noted correspondence from the Department indicating that quarterly updates were to be provided for the Dormant Accounts Fund.

The Committee recorded its thanks to Mr Wells for raising and pursuing the important issue of access to the Dormant Accounts Fund.

13.3 The Committee noted the Departmental response providing clarification on the proposed provision of £150m of rates support in 2021-22.

13.4 The Committee noted the Departmental response regarding recruitment underspend at NISRA.

This Committee noted that related recruitment efficiency and HR issues will be discussed as part of its consideration of NICS reform.

13.5 The Committee considered correspondence from the European Union Select Committee to Michael Gove MP regarding the implementation and operation of the Protocol on Ireland/Northern Ireland.

Agreed: The Committee agreed to write to the House of Lords European Union Select Committee seeking clarity on a number of related issues including in respect of: EU and UK VAT systems; the legal status of unilateral declarations; parliamentary scrutiny of the Joint Committee, EU Legislation applying in Northern Ireland, the arbitration panel, the partnership council and the Ireland/ NI Protocol Specialised Committee.

Agreed: The Committee agreed to write to the Department seeking clarity from the Departmental Solicitor's Office on the hierarchy of UK/EU legislation as applied to the NI Protocol and the limits of the primacy of the European Court of Justice in respect of the Protocol and related matters.

13.6 The Committee noted correspondence from the Committee for the Executive Office to the First Minister and deputy First Minister regarding committee scrutiny of Common Frameworks.

13.7 The Committee considered correspondence from the Committee for the Executive Office to the Department for Finance regarding EU Structural Funds at the end of the transition period and the implications for Northern Ireland.

Agreed: The Committee agreed to ask the Department to forward a copy of the response on EU Structural Funds to the Committee for Finance.

13.8 The Committee noted correspondence from the EU Affairs Manager including a response from HM Treasury to the House of Lords EU Committee regarding a European Union proposal for a regulation to establish the EU Single Window Environment for Customs (CSW).

13.9 The Committee noted correspondence from the Department including a response to the Committee's queries to Land and Property Services regarding turnaround times for the Localized Restrictions Support Scheme.

13.10 The Committee considered a response from the Department including an update on its engagement with the Association of Northern Ireland Travel Agents (ANITA).

Agreed: The Committee agreed to forward the response to the Committee for the Economy, for information.

Agreed: The Committee agreed to write to the Executive Office indicating the Committee's concerns at the absence of progress in bringing forward a support scheme for this sector and seeking clarification if relevant consideration is being undertaken.

13.11 The Committee considered correspondence from the Department including a response regarding the Common Framework on Statistics.

Agreed: The Committee agreed to forward the response to the EU Affairs Manager for information.

13.12 The Committee noted correspondence from the Department regarding changes to the Civil Service Nationality Rules arising from the end of the EU Exit Transition period.

13.13 The Committee considered correspondence from the Department including a holding response regarding dilapidation payments and proposed changes to legislation.

Agreed: The Committee agreed to forward the response to Lisney Chartered Surveyors, for information.

13.14 The Committee noted further correspondence from the Department relating to the Localized Restrictions Support Scheme

13.15 The Committee noted correspondence from Spiral Hosting Ltd regarding Ulster Bank's reported application to the High Court in respect of the transfer of its business holding to NatWest.

Agreed: The Committee agreed to write to the Committee for the Economy highlighting concerns around the development of a banking monopoly and the impact on jobs and the furtherance of trade in Northern Ireland.

Agreed: The Committee agreed to inform Spiral Hosting Ltd of the action taken by the Committee.

13.16 The Committee noted correspondence from the Committee for Economy regarding the ending of covid Support Schemes

13.17 The Committee noted correspondence from the Committee for Economy regarding maintaining and developing air connectivity.

13.18 The Committee noted the weekly composite information request to the Department.

The Committee noted the routine papers circulated on 8 January 2021.

14. Forward Work Programme

The Committee considered the Forward Work Programme.

Agreed: The Committee agreed to write to the Department seeking details of all January monitoring round bids (both covid and non-covid-related) with a view to sharing the responses with RaISE for analysis.

Agreed: The Committee agreed to receive oral evidence from Building Control NI on 3 February 2021 regarding amendments to Building Regulations (NI) 2012.

Agreed: The Committee agreed that it was content with the Forward Work Programme for January – April 2021.

15. Any Other Business

There was no other business.

16. Date, time and place of next meeting

The next meeting of the Committee will be held on **Wednesday 20 January 2021** at **2:00pm** in the **Senate Chamber**.

The Committee agreed to move into closed session at 4:37pm

17. Written Evidence - Department of Finance - RHI Disciplinary Process

The Committee noted Departmental correspondence relating to the RHI disciplinary process.

Agreed: The Committee agreed to write to the Department seeking clarification on a number of issues.

The meeting was adjourned at 4:42pm

**Dr Steve Aiken MLA
Chairperson
Committee for Finance
20 January 2021**