Northern Ireland Assembly

Committee for the Economy

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From: Peter McCallion, Clerk to the Committee for the Economy

To: Peter Hall, Clerk to the Committee for Finance

Date: 26 September 2025

Our Ref: EC2025:464

Subject: Administrative and Financial Provisions Bill – Departmental oral and written evidence

As you are aware, the Department for the Economy launched an 8-week consultation on relevant aspects of the Administrative and Financial Provisions Bill on 6 June 2024. There was a very limited and largely positive response. The Department briefed the Committee on this in September 2024.

Some of the provisions of the Bill relate to a new power to allow DfE to provide financial assistance where it is likely to be in the interest of the economy of Northern Ireland (including grants, loans, guarantees, indemnities and others). This seems to have followed commentary from the Northern Ireland Audit Office (NIAO) in respect of covid business grant schemes which were operated by Invest NI. NIAO contended that DfE was in fact operating the schemes and that had the relevant vires been in place, the related expenditure would have been included in the Department's annual report and accounts. NIAO consequently qualified DfE's annual report and accounts.

NIAO also commented on the 2022-23 DfE annual report and accounts in respect of Tourism NI as follows:

- Tourism NI charges a fee for its Quality Grading Scheme. It appeared that it charged such fees for visitor attractions despite not having the vires to do so – this seems to have stopped in 2023. NIAO indicated that the related income was therefore irregular.
- Tourism NI also waived the fees for the certification of tourist accommodation during covid – again it had no vires to do so, this too was recorded as being irregular.
- Tourism NI delegated the operation of the co-operative marketing fund to a 3rd party – it had no vires to do so – this too was recorded as being irregular.

Some of the new provisions appear to be intended to address these Tourism NI issues.

Additionally provisions have been included to also allow the Department to operate grant or loan schemes in future. The grant or loan schemes include the management of Financial Transaction Capital (FTC) grant/loan schemes which are used to stimulate private sector investment and can include a requirement to payback all or some of the FTC. Currently FTC has to be managed by TEO. The Department is seeking the vires through the Bill in order to manage FTC etc. itself which would be accompanied by a published guiding statement which would set out when the relevant powers would or wouldn't be used.

Further to the above, DfE does not currently have a power to provide loan funding to the universities for major capital projects. By providing this power to DfE, these loans will move from TEO/SIB to DfE. The Department argued that this will improve accountability, regularity and propriety.

The Department also advised that Section 1 of the Employment and Training Act (Northern Ireland) 1950 allows DfE to make arrangements in respect of the selection of, and training for, employment, including apprenticeships. However, this requires approval from DoF in advance. DfE is seeking vires through this Bill which would only require DoF approval if usual delegation limits were to be exceeded.

The Department also advised that it previously had the power to form companies until this was transferred to Invest NI. The Department indicated that there have been occasions where DfE has had to request that Invest NI forms a company and that the absence of this power has limited the delivery options available to DfE in some cases. The Department is now seeking the power to form a company where this would benefit the economy.

The Department advised that NIAO had suggested that certain smaller Departmental accounts, which must be prepared in accordance with particular statutory frameworks, should be absorbed within the main Departmental accounts. It was argued that this is an efficiency which will offset the need for separate certification and the laying of separate reports. The Bill would provide the vires for these revised arrangements.

At its meeting of 24 September 2025, the Committee received further oral and written evidence from the Department for the Economy in respect of the Administrative and Financial Provisions Bill.

The Committee agreed to respond to the Committee for Finance indicating its support for the relevant clauses of the Bill, as they address the findings of the NIAO and as the consultation produced no objections.

I will forward links to the Official Report for the relevant evidence sessions.

If you require further information or clarification in respect of the above, please do not hesitate to contact me.

Peter McCallion
Clerk to the Committee for the Economy