

FROM: DOF DALO

DATE: 23 SEPTEMBER 2024

TO: PETER HALL
COMMITTEE CLERK

GM-1607-2024

**FISCAL COUNCIL BILL – ORAL BRIEFING FROM DEPARTMENTAL OFFICIALS
25 SEPTEMBER**

Summary

Business Area: Fiscal Council Bill team, Strategic Policy and Reform

Issue: The Minister of Finance wrote to the Chair of the Finance Committee on 26 June 2024 outlining she had secured agreement from the Executive to bring forward a Fiscal Council Bill; alongside a commitment to keep the Finance Committee updated as work progresses on the legislative process. In addition to this written briefing, officials will provide an oral update on the progress towards primary legislation at the Committee's 25 September meeting.

Restrictions: None.

Action Required: To note the progress towards placing the Northern Ireland Fiscal Council on a statutory basis through the Fiscal Council Bill, by primary legislation.

Officials Attending: Tony Simpson, Wendy Lecky and Sarah Wilson.

Background

1. The Department has previously provided updates to the Committee on progress relating to the Fiscal Council Bill. Since March 2021, the Northern Ireland Council (NIFC) has been operating successfully as a non-statutory body. This Bill, however, will underpin the work of the Council on a statutory basis, safeguarding

its independence as well as ensuring it access to information, which are both vital to its role. The Bill will also provide detail on its operational matters.

2. The Executive approved the policy for the Bill and the continued engagement with the Office of the Legislative Counsel (OLC) to continue drafting on 13th June 2024. This policy document was shared with the Committee Chair by the Finance Minister in June 2024.
3. The Bill has been included in the Executive's legislative programme for this year (2024/25) and the aim is for drafting to be completed, and the Bill introduced prior to the end of this calendar year. However, the legislative programme must be managed across the Executive as a whole, including in light of resource, capacity and competing workloads across NICS.
4. The Council Chair, Sir Robert Chote, and members have also engaged with the Committee on a number of occasions. Most recently they provided evidence on 6 March 2024 and wrote to the Committee on 16 August 2024 to provide an update on the interim Fiscal Framework for NI and comments on June Monitoring. Members will also be aware that the Council plan to hold their annual conference on 22 October 2024.

Key Matters

5. Since the Minister's update to the Committee in June 2024, the Fiscal Bill Team has been continuing its work and engagement with OLC to progress finalising the draft legislation.
6. Engagement between the Bill Team and OLC is ongoing, and in particular regarding the various details of the specific functions of the Council. This is inevitably taking time so as to ensure that the underpinning legislation is clear, robust and unambiguous (as is obviously essential). However, OLC has indicated that it aims to provide a further draft of the provisions of the Bill within the coming weeks for the Bill Team's consideration (although further matters of detail are likely to necessitate further examination and clarification between us).
7. Whilst it is important that the Council is placed on a statutory footing as soon as practically possible, members will be aware from the March 2024 meeting attended by Sir Robert Chote, where he outlined that whilst legislation was important and should be put in place, he believed the foundation for success depends on good working relationships and effective information sharing. He confirmed that in the absence of legislation, the Council were functioning properly, it was accessing the information it needed and it had worked very well to date.¹

¹ NI Assembly Finance Committee, 6 March 2024

Next Steps

8. The work on the Fiscal Council Bill is continuing through the instructing and drafting process in collaboration with OLC, and the Bill Team is continuing to engage with DSO as well as OLC in order to ensure that the legislation is fit for purpose.
9. The Bill Team and the Minister will keep the Finance Committee updated as necessary and look forward to the Committee's positive contribution throughout the legislative process on the Bill.
10. Once the Bill draft is completed, approval will be sought by the Minister from the Executive to finalise the draft Bill and Explanatory and Financial Memorandum (EFM) and introduce it to the Assembly, in order for it to progress through the Assembly processes. In line with due process, the Fiscal Council Bill team will share an advance copy of the Bill and EFM on an "in confidence" basis prior to Introduction in the Assembly and the Bill Team can present the Bill to the Committee, if required. The Committee will have an opportunity to consider the draft Bill and EFM and the Bill Team can assist with any clarity required.
11. The Department will then seek to introduce the legislation to the Assembly as soon as reasonably possible in the circumstances so that it can move to the Second Stage consideration, followed by the formal Committee Stage for scrutiny of the Bill and take evidence, as required.

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