

REQUEST FROM: FINANCE COMMITTEE – RESPONSE TO COMMENTS FROM MEMBERS ON THE BILL

Point 6 – The Committee would request a formal response from the Department in relations to issues raised by Members at the meeting on 8 October.

Members' Comments

Members would request clarification from the Department of Finance on the scope of the functions that could be conferred or removed as a result of Clause 5 of the Bill.

Departmental response –

- This Clause relates to functions, as set out in Clause 2 of the Bill.
- The functions of the Council may need to evolve as the fiscal landscape develops. Whilst the functions are flexible and allow the Council to examine a range of areas, Clause 5 allows for additional duties to be added.
- This Clause also allows for removal of functions, however this is unlikely but is included in the Bill to provide flexibility should a current function in the Bill require amended/enhanced, in which case it would be removed and replaced.
- Delegating this power allows for these developments or amendments without requiring primary legislation. Clause 5 also states that before making these regulations, the Department must consult with the Council and other relevant stakeholders, of which the Finance Committee would be one.
- Given that any requirements to confer additional functions would fall under the Northern Ireland Act 1998, Section 20 and the Ministerial Code, in that it would be cross-cutting, controversial or significant, it would be brought to the Executive for approval and the Finance Committee for scrutiny.
- An affirmative resolution is required under this Clause, for any amendments.

Members' Comments

The Committee would also ask for the views of the Department of Finance in relation to paragraph 5(3) of Schedule 1 to the Bill, noting that this was not included in the Delegated Powers Memorandum.

Departmental response –

- The Department has omitted this delegated power in error, as the focus of the Delegated Powers Memorandum was on the main clauses of the Bill. However, a revised Memorandum is attached with this update.
- In relation to this provision, as the OECD principles state, the right membership with the right leadership is essential if a fiscal institution is to be effective. As the functions of the Council may need to evolve as the fiscal landscape develops this could impact the number of members required to enable the Council to carry out its important work effectively.

Members' Comments

Members would also request clarification from the Department of Finance about the need for flexibility to change numbers (of Fiscal Council Members) by regulation.

Departmental response –

- At present the Bill provides for the number of members, in addition to the Chair, to range from 2 to 5 – this is to allow for flexibility in membership as members change and allows for overlap to exchange skills and knowledge.
- The additional flexibility, allowing regulations for changes to the range of numbers of members if required, without the need for primary legislation, is also to enable changes to that range, should, for example, the Council functions and role expand in a manner that would require an increase in membership. This provision will enable the Council to effectively carry out its functions and as above, would support the OECD principles.
- As above, an affirmative resolution is required under this Clause, for any amendments.