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Date: 2 March 2026

Dear Peter

## **NORTHERN IRELAND FISCAL COUNCIL BILL – COMMITTEE DELIBERATIONS**

Thank you for your letter of 26 February 2026, which provides the department with helpful further detail on the Committee's deliberations. While the department has been keeping abreast of the evidence throughout, your correspondence has been particularly valuable in clarifying the key issues we now need to consider. The department also appreciates the thorough and thoughtful scrutiny the Committee has applied to the Bill, ensuring it is both robust and fit for purpose.

### **Overarching Principles**

The department understands the desire of the Committee to be kept informed on the work of the Council, which is already currently custom and practice, although noted not explicit in the draft Bill. In considering this principle, the Bill Team has reviewed an extensive range of other ALB legislation. Since these provisions are not included in the legislation of other ALBs, adding them to this Bill could unintentionally give the inference that other ALBs lack equivalent requirements. These were matters we had also considered during the drafting of the Bill to ensure consistency of approach and alignment within the NI statute book.

However, the department suggests this could be addressed as an amendment to the Explanatory and Financial Memorandum to ensure that the Finance Committee receive: copies of reports, updates regarding any change in members/recruitment; and other general information or key issues, which will keep the Committee informed of its work and any changes in the body in a timely manner.

### **Queries for Department**

You raised a number of specific queries, and the response to these is as follows:

1. It has been confirmed through our sponsorship arrangements, that the Council currently has adequate resource for public engagement and affairs, which mainly occur when a report is being published. In December 2025, the Council sought

additional administrative support and secured an Executive Officer to join the team. Whilst not solely focussing on public engagement, this support does have responsibility for assisting in organising these planned engagements and issuing the necessary public relations information. Other staff and members also have a role as needed in this activity. The legislation is unlikely to increase the level of resource required from current levels.

2. The legislation enables that the Council has a right to access all government information which it may require for the purpose of the performance of its functions to produce budget assessments and fiscal sustainability reports. From an operational point of view, the Council have put Memorandum of Understandings (MoU) in place between the Council and all departments and more recently the NIO. These set out the arrangements for the regular exchange of information including information requests throughout all parts of the departments in line with its functions. It is anticipated that the MoUs will be reviewed once the Council is in statute and the Council will continue to have the ability to make these agreements going forward.

In relation to the Framework Agreement, at a local level, these are referred to as Partnership Agreements. Following the Council becoming a statutory body, the department and the Council will establish a Partnership Agreement. This will set out a governance framework and guidance which makes clear on responsibilities regarding challenging and seeking clarity from the department when issues arise.

Regarding a mechanism for dispute resolution, should routine engagement with the sponsorship team not resolve a particular matter, it is anticipated that the Chair, in the formal relationship with the sponsoring department, will write formally to the departmental Senior Sponsor (currently Tony Simpson, Deputy Secretary) requesting a review of a decision, then, if required, the department's Permanent Secretary. This is consistent and aligns with governance practice for other NDPBs, even if not set out in statute.

The Council can also write to/request to give evidence to the Committee, to set out their concerns. As a last resort, a Judicial Review can be initiated if the department's decisions are unlawful, irrational or procedurally unfair. We know from recent events that NI courts can actively scrutinise departmental decisions.

3. The department can confirm that Clause 6(1) provides the Council with complete discretion on carrying out their functions, as set out in Clause 2, so is under no obligation to undertake exercises suggested by Ministers, Assembly Committee or Members or other stakeholders. However, the Council can take into account requests when deciding on their work programme.
4. A public appointments process, in line with the Commissioner for Public Appointments Code, is aligned and consistent with the other independent NDPBs across the public service. The Code is a comprehensive, robust document which must be followed to ensure Ministerial public appointments are made fairly, openly, and solely on merit. It clearly sets out how candidates are attracted, assessed, and selected so that every appointment is carried out through a transparent and consistent process. The Code protects the integrity of the public appointment

process and contains seven key principles, these being: Merit, Diversity, Equality, Openness, transparency and Independence, Integrity, Proportionality and Respect. Members can view a copy of this code here: [CPANI Code of Practice for Ministerial Public Appointments](#). In addition, to inform the selection criteria within the candidate information booklet to recruit members through the public appointments process, there is the necessity to conduct a skills audit which will be developed in conjunction with the Chair and Chief of Staff.

5. Schedule 1, Part 5 sets out the reporting and review arrangements for the performance of the Council. The Council must prepare and publish a report on the exercise of the Council's functions after each financial year. In addition, the legislation requires an external review, by a suitably qualified person or body, every 4 years - however the first review must take place before the third 31 March following Royal Assent. This will enable the new Council to become established and fully operational, before the review takes place, but this will be before the end of a 3-year period.

### **Assessment/Analysis of wider impact on Economy of Fiscal Policy**

The Committee has asked the department to consider the deliberations around whether the Executive Budget should be assessed for its wider economic impact. There are a number of issues to consider in this regard. Firstly, if it was agreed that the Council's functions should expand to take account of this, clear instructions would be needed on what that specific function would be, to provide the precision required to develop it into legislation.

Economic forecasting as a role of the Council, has been raised previously. As the Committee will be aware, the majority of the Executive's budget comes from the 'block grant' and is not determined by the performance of the local economy. Therefore, the remit of the Council has been focussed on the Executive's finances rather than including functions on economic assessment or analysis, for example. This is a view shared by the Chair of the Council, based on his experience here and elsewhere.

However, there would be merit in considering expanding the Council's functions into forecasting in light of any future decisions taken by the Executive to seek further tax powers, should these be taken, given more of the Executive's revenue would then be determined by local economic conditions. When the Scottish Fiscal Commission's legislation was being developed/taken through, they already had in place devolved tax powers and were receiving more, so their legislation was developed to suit their own circumstances. The Fiscal Council Bill however enables secondary legislation to be developed and should this need arise, and as set out under Clause 5, any additional functions of the Council, given its cross-cutting nature, will need to be agreed by the Executive, the Finance Committee and Assembly.

In addition, other bodies already undertake economic analysis and assessment for the local economy such as the Ulster University's Economic Policy Centre, the Economic and Social Research Institute, Ernst & Young and Danske Bank. At this time, it is not considered an effective use of resources for the Council to move into this space. The Committee may also wish to note that within Whitehall, it is the House of Commons research team who produce economic briefing and updates, so this may be something they would wish to consider for the benefit of all Committees; and the Department for

the Economy also produce a monthly economic update in addition to an economic commentary three times per year, which can be found at [Economic briefing | Department for the Economy](#).

Finally on this matter, the Council already consider economic, or social matters, in their reports as relevant. As an example, their sustainability health report had a focus on a wide range of economic and statistical information and analysis to provide the relevant context to that work. We would expect that this will continue for future reports as an important contextual piece on the issues they are assessing.

I trust this information is helpful and the Departmental Bill team look forward to their further engagement with the Committee at their attendance on Wednesday 4 March 2026.

Yours sincerely

**DEPARTMENTAL ASSEMBLY LIAISON OFFICER**



**NORTHERN IRELAND  
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27<sup>th</sup> February 2026

Ref:2026/015

Dear Gerard,

**Re: Committee deliberations on the Fiscal Council Bill**

At its meeting on 25<sup>th</sup> February 2026, the Committee for Finance continued its deliberations on the Fiscal Council Bill. As you are aware, Members have used the Committee Stage of this Bill to gather written and oral evidence on this Bill. Additionally, the Committee Team has had useful meetings with the Departmental Bill Team when a number of useful clarifications and other information has been provided. This type of engagement is very important and also appreciated.

**Background**

**Evidence**

The Committee has received oral/written evidence from a range of key stakeholders on the Bill including:

- The Scottish Fiscal Commission (SFC)
- The Irish Fiscal Advisory Council (IFAC)
- The Organisation for Economic Co-Ordination and Development (OECD)
- The Northern Ireland Fiscal Council (NIFC)
- The Northern Ireland Audit Office (NIAO)
- Pivotal
- The Ulster University Economic Policy Centre (UUEPC)
- The Scottish Finance and Public Administration Committee

While this is not necessarily a lengthy or complex Bill, it is unusual. There are not many opportunities for a Committee to scrutinise a Bill that is setting up a body even, as is the case here, when the body has been operational for a period. As well as the

Committee's own Call for Evidence and consideration of written and oral briefings, Members have referred back to the previous Finance Committee's Inquiry on an independent fiscal council.

### **OECD Principles**

Additional to that, the Committee has sought to consider the Bill against the OECD principles for an Independent Fiscal Institution, as follows:

1. Local ownership;
2. Independence and non-partisanship;
3. A legislatively defined mandate;
4. Appropriate resourcing;
5. A legislatively defined relationship with the parliament;
6. Appropriate access to information;
7. Transparency;
8. Appropriate communication of its work; and
9. A cycle of external evaluation.

### **Overarching Issues**

While there was clear support for the Bill from all the stakeholders who contributed evidence to support the Committee's scrutiny, there were suggestions made to Members regarding how the Bill might be improved. For the most part, these suggestions relate to the **independence** of the Council, **stakeholder engagement** and **operational autonomy**. These are issues which resonated with Members and the Committee's discussions have explored these themes thoroughly. Many of these issues did not fit neatly into specific clauses or schedules, as might be the case with a policy-driven Bill, making it more difficult for Members to decide how they might be applied to the Bill.

Following discussions with the Departmental Bill Team, the Committee has considered the Bill in the additional contexts of **alignment to other ALBs**, i.e. there could be a **'ripple effect'** on other ALBs by augmenting what is already in the Bill/EFM. Potentially, adding to this Bill might create a situation where changes need to be made to the statutory basis of other ALBs. Therefore, any changes/amendments require assessment for unintended consequences.

Additionally, the Committee avoids becoming engaged in anything that can be seen as an **'HR issue'** and kept this in mind with regard to the Bill. The Committee further considered the context of **OLC's rationale** for drafting in the way it has set down the legislation and what is appropriate to include in the Bill/EFM and what is not.

### **Committee's Overarching Principles for the Bill**

Therefore, at the meeting on 18<sup>th</sup> February, the Committee's discussions centred on any outstanding issues that remained from its prior scrutiny and whether these should be pursued or whether that was not necessary, or not desirable. An output from these discussions were **overarching principles** that the Committee would ask that the Department applies to the Bill. These are:

1. The Committee would wish to be aware of the work of the Council, i.e. have easy access to all the Council's outputs through notification; and
2. The Committee should have real time awareness/notification of any planned or actual changes to its composition.

The Committee seeks to avoid Members being 'blindsided' or being informed through the media.

### **Queries for Department**

The Committee would seek to be satisfied by the Department that:

1. The Council will have adequate resource for any **public engagement/affairs** that it wishes to undertake;
2. That the Council has the ability to make agreements or undertake understandings with other bodies, and that the **Framework Agreement** between the Department and Council would provide a mechanism for **dispute resolution**;
3. That the 'Complete Discretion' (Clause 6(1)) that the Council has in carrying out its functions under section 2 would mean that it has the ability to demur from undertaking exercises that are not appropriate to its main functions, or an excessive number of queries;
4. That the CPANI guidance and Departmental practices ensure that recruitment to the Council is based on an appropriate skills audit; and
5. Whether there is a further requirement for an early review once the Council is established on a statutory basis.

### **Assessment/Analysis of Wider Impact on NI Economy of Fiscal Policy**

There has also been discussion during the Committee's deliberations regarding the Council's ability to assess and provide analysis of the impact of Executive Budgets on the wider NI economy, or that this assessment or analysis would, or could, be provided as part of the Council's fiscal sustainability reports. It would be helpful if the Department could provide a view, providing details if it does not believe that this is the case, and whether this would be difficult/inappropriate to achieve.

As indicated above, it is difficult to apply broad principles to particular clauses, however, it might be summarised as below:

#### **Clause 1 - Northern Ireland Fiscal Council**

- No issues

#### **Clause 2 - Main Functions**

- The Committee should be notified and receive the Budget Assessment Report and any other reports.

#### **Clause 3 - Budget assessment reports**

- Impact on the NI Economy issue highlighted above.

#### **Clause 4 – Fiscal sustainability reports**

- Impact on the NI Economy issue highlighted above.

#### **Clause 5 – Power to confer additional functions**

- The Committee should be notified.

#### **Clause 6 – How the Council is to perform its functions**

- Department to respond to queries 1, 2 and 3 highlighted above

**Clause 7 – Consequential amendments**

- No issues.

**Clause 8 – Meaning of certain expressions**

- No issues

**Clause 9 Commencement and short title**

- No issues.

**Schedule 1, Part 1 - Status of the Council**

- No issues.

**Schedule 1, Part 2 – Membership and Staff**

- The Committee should be notified about changes, etc.
- Query 4 re CPANI guidance and Departmental practice highlighted above.

**Schedule 1, Part 3 – Committee, Procedures and Delegation**

- No issues.

**Schedule 1, Part 4 – Information and Disclosure**

- Outputs/reports should be copied to the Committee.

**Schedule 1, Part 5 – Reporting and Review of Performance**

- Annual Report to be copied to the Committee, as should the report on the Review of the Council's Performance.
- Query 5 re early review highlighted above.

**Schedule 1, Part 6 – Finance and Funding**

- The Council's Statement of Accounts should be copied to the Committee, as should the C&AG's report on this.

**Schedule 1, Part 7 – Initial Membership of the Council**

- No issues.

Again, Members would like to take this opportunity to extend their thanks for the Minister for his engagement regarding this Bill, and to the Departmental Bill Team for their briefings, both oral and written, and looks forward to welcoming them again to the meeting on 4<sup>th</sup> March.

Yours sincerely

**Peter Hall**  
**Clerk to the Committee for Finance**