



Northern Ireland Fiscal Council Bill

A response to the NI
Committee for Finance



September 2025

Introduction

Background

- 1.1 This short paper provides a response to the Northern Ireland Fiscal Council Bill as requested by the Chair of the Committee for Finance.
- 1.2 The Bill places the existing non-statutory Northern Ireland Fiscal Council (NIFC) on a statutory footing, it creates a corporate body to examine and report on Northern Ireland's public finances through annual Budget Assessment Reports and Fiscal Sustainability Reports and provides governance, information-access and reporting provisions.

2. Comments by clause

Clause 1 — Establishment

2.1 Creates a clear legal status.

- **Comment:** None.

Clause 2 — Main functions

2.2 It sets out a duty to examine and report and requires two outputs – a Budget Assessment Report and a Fiscal Sustainability Report.

- **Comment:** there is no specific timeline for publication of reports (e.g., within X working days from publication of Budget or at the very least “within the typical public consultation period”). There should also be a requirement to make supporting data publicly available to aid transparency and wider analysis by researchers, media and the public.

Clause 3 — Budget Assessment Reports

2.3 The Budget Assessment Reports are required to cover an assessment of adequacy of revenue and planned expenditure.

- **Comment:** The timeline for reporting is “as soon as practicable after budget publication”. This could perhaps be more specific. Also, given precedent in GB, should the NIFC have access to the budget in advance to provide an assessment in timely manner (as per OBR)?

Clause 4 — Fiscal Sustainability Reports

2.4 Requires an FSR to be published every year, which can be an overall report (at least every 5 years) and a thematic report.

- **Comment:** The legislation currently gives the Council flexibility but there is an argument that perhaps every 5 years is too infrequent and could be reduced to 3 years. This reflects recent history with economic shocks, changes in government and a need to align with Spending Reviews. Separately, the non-recommendation rule (in Clause 6) could potentially limit comparative or what-if analysis.

Clause 5 — Power to confer additional functions

2.5 This clause gives flexibility to increase functions with Assembly approval.

- **Comment:** None.

Clause 6 — How the Council performs its functions

2.6 The Council should not be subject to direction by Ministers/ Departments/ Assembly. It is allowed to conduct analysis of policy effects and the Council's objectivity, transparency and impartiality is made clear.

- **Comment:** Although the Council should consider policy effects but not make recommendations (i.e. that is a political decision), is there a risk this could be interpreted in a way that restricts comparative and what-if/ sensitivity analysis? The desire should be to give explicit support for a menu of options.

Schedule 1 — Part 1 (Status; general powers; efficiency)

2.7 The Council is not a servant of the Crown and must undertake its work in an "efficient and cost-effective" manner.

- **Comment:** The requirement for "efficiency" should apply to all public bodies always and therefore, for balance, it should also be made clear that the Council be given sufficient resources to discharge its functions to an appropriate standard.

Schedule 1 — Part 2 (Membership and staff)

2.8 The Council should comprise a Chair plus two to five members, fixed-term (≤ 5 years, renewable once). There is clear criteria for membership, appointments are made by the Department and a Chief of Staff and secretariat are to be employed.

- **Comment:** No quorate levels have been set for meetings. A Chair plus two members seems low to bring a range of opinion to the Council, perhaps a minimum of Chair plus four members could be considered. The appointment and dismissal of council members rests with the Department of Finance, which raises a potential conflict of interest, as DoF has appointment control over the organisation that is to independently analyse and critique its work. Could appointments be confirmed by the Finance Committee to bring some independence?

Schedule 1 — Part 3 (Committees and authority to perform functions)

2.9 Allows for committees to be established (and membership to include non-Council members) and sets out who can undertake functions.

- **Comment:** As above, no quorate levels have been set for meetings.

Schedule 1 — Part 4 (Information and disclosure)

2.10 Sets out a need to produce an annual data statement (sources, methods, assumptions, data gaps) and also the Council's right of access to NI government information.

- **Comment:** there are no timelines for DoF (or other departments) to provide data/ respond to data requests. Also no route to escalate reasonable data requests if access is delayed/denied (e.g. could this be reported to the Assembly or Finance Committee?). In addition to a right to request/ receive information, there should also be a responsibility for NIFC to make detailed information publicly available to support transparency. Perhaps not possible, but is there a way to legislate for HMT and HMRC to facilitate reasonable information requests?

Schedule 1 — Part 5 (Reporting and review of performance)

2.11 An annual report is to be published on the Council's functions and a review of the Council to be conducted every 4 years.

- **Comment:** The terms of reference of the review and the individual appointed to conduct that review are to be determined by the Council itself. This impacts the independence of the review. Is this a role for the Finance Committee?

Schedule 1 — Part 6 (Finance and funding)

2.12 Sets out a requirement to produce proper accounts, is subject to audit by the C&AG and accounts are to be laid before the Assembly.

- **Comment:** The Council is to be funded by DoF, this could also be seen to impact independence (similar to Schedule 1 Part 2 point above).

Schedule 1 — Part 7 (Initial membership)

2.13 Provides for continuity of membership from Interim Council.

- **Comment:** This approach seems reasonable to ensure continuity at least in the short term, but if appointments are to be confirmed by the Finance Committee (see comment to Schedule 1 Part 2 above), then it may be appropriate for initial

members to be similarly confirmed. Separately, there needs to be consideration to the timing of departures and new appointments to ensure significant Council experience is not lost in a short period of time. Perhaps phased appointments with one appointment (and departure) each year over the 5 year term of a chair.

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