



Northern Ireland
Assembly

Committee for Finance

Report on the Northern Ireland Fiscal Council Bill

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Powers and Membership

Powers

The Committee for Finance is a statutory departmental committee established in accordance with paragraphs 8 and 9 of Strand One of the Belfast Agreement and under Assembly Standing Order No 48. The Committee has a scrutiny, policy development and consultation role with respect to the Department of Finance and has a role in the initiation of legislation.

The Committee has power to:

- consider and advise on Departmental budgets and annual plans in the context of the overall budget allocation;
- consider relevant subordinate legislation and take the Committee Stage of primary legislation;
- call for persons and papers;
- initiate inquiries and make reports; and
- consider and advise on matters brought to the Committee by the Minister of Finance.

Membership

The Committee has 9 members, including a Chairperson and Deputy Chairperson, and a quorum of five members. The membership of the Committee is as follows:

- Matthew O'Toole MLA (Chairperson)
 - Diane Forsythe MLA (Deputy Chairperson)
 - Dr Steve Aiken OBE MLA
 - Harry Harvey MLA*
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- Gerry Carroll MLA
- Jemma Dolan MLA
- Brian Kingston MLA**
- Deirdre Hargey MLA
- Eóin Tennyson MLA

*Mr Harry Harvey replaced Mr Paul Frew with effect from 23 September 2025.

**Mr Brian Kingston replaced Mr Phillip Brett with effect from 23 September 2025.

List of Abbreviations and Acronyms used in this Report

DoF:	Department of Finance
IFAC:	Irish Fiscal Advisory Council
NDNA:	New Decade New Approach
NIAO:	Northern Ireland Audit Office
NIFC:	Northern Ireland Fiscal Council
NIPSO:	Northern Ireland Public Service Ombudsman
OECD:	Organisation for Economic Co-operation and Development
SFC:	Scottish Fiscal Commission
TD:	Teachta Dála
UUEPC:	University of Ulster Economic Policy Centre

Executive Summary

1. This report sets out the Committee for Finance’s consideration of the Northern Ireland Fiscal Council (NIFC) Bill. The Bill consists of consists of nine clauses and two schedules. The Bill does not amend any major financial, budgetary, or governance Acts. Its amendments are limited to inserting the Council into existing administrative and audit frameworks so it can function like any other statutory body.
 2. The Northern Ireland Fiscal Council (the “Council”) was established on a non-statutory basis in March 2021 following a commitment made in the [New Decade New Approach \(NDNA\)](#) document. Northern Ireland Executive agreed to the formation of the NIFC on 11 March 2021, including the chair, membership and Terms of Reference. The Minister of Finance announced the formation to the Northern Ireland Assembly on 12 March 2021.
 3. The Council is set up to bring greater transparency and independent scrutiny to the current and future state of Northern Ireland’s public finances. The Council was established based on the nine broad principles recommended by the Organisation for Economic Co-operation and Development (OECD) for Independent Fiscal Organisations.
 4. The Bill has four main parts and seeks to establish the Council on a statutory basis and provide a legislative framework to underpin the Council’s work. The Bill sets out the functions of the Council, safeguards its independence and ensures its access to information. In addition, the Bill deals with operational matters regarding annual reports, membership, finance and staffing.
 5. The Bill also gives the Department of Finance (DoF) (the “Department”) powers to introduce additional functions on the Council, or to alter or remove any of those additional functions by regulations. Any regulations will be made after consultation with the Council and other persons as the Department considers appropriate and laid before the Northern Ireland Assembly for approval.
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6. While the Bill is not necessarily lengthy or complex, it is nonetheless unusual in nature. Opportunities for a Committee to scrutinise legislation establishing a body are relatively limited, particularly where, as in this instance, the body has already been operational for a period of time.
 7. The Committee held oral evidence sessions with the Scottish Fiscal Commission (SFC), the Irish Fiscal Advisory Council (IFAC), the OECD, the University of Ulster Economic Policy Centre (UUPEC), PIVOTAL, the NIFC and the Northern Ireland Audit Office (NIAO). The Committee also held a briefing from the Assembly's Research and Information Service (RaISe). Copies of the oral evidence can be found at Appendix 4 and copies of the RaISe report can be found at Appendix 5.
 8. The Committee also received written responses from the Scottish Finance and Public Administration Committee and the Welsh Finance Committee and the House of the Oireachtas. Copies of the written responses can be found at Appendix 2.
 9. In addition to the Committee's Call for Evidence and its consideration of both written and oral briefings, Members have also drawn on the findings of the previous Finance Committee's Inquiry into an independent fiscal council. A copy of the 2021 report can be found at Appendix 5.
 10. In addition, the Committee also carried out a detailed online survey. Copies of the survey and the responses can be found at Appendix 2.
 11. The Committee sought advice from the Examiner of Statutory Rules in relation to the range of powers within the Bill to make subordinate legislation. The Examiner considered the Bill and Explanatory and Financial Memorandum and was satisfied with the rule making powers provided for in the Bill.
 12. The Committee sought legal advice on whether it would be lawful for the Audit Committee to provide a budget scrutiny function for the Council similar to the role it carries out for the NIAO and the Northern Ireland Public Service Ombudsman (NIPSO).
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13. The Committee heard oral evidence from Departmental officials and engaged with the Department on a number of issues during Committee Stage including around the potential for additional functions, including forecasting and the Council's independence from the Department of Finance (DoF). Copies of the oral evidence can be found at Appendix 4.
 14. The Department confirmed that the primary powers in the Bill to allow for the Council's core role; to assess the Executive's budget and fiscal sustainability through annual reports, without engaging in economic forecasting. The Department expressed the view that expanding the Council's remit may be reconsidered if the Executive gains further tax powers; but for now, the Department considers that forecasting is handled by other bodies, making such an expansion unnecessary.
 15. The consensus for the Council is largely positive. It gained cross party support at Second Stage debate, including positive acknowledgement of its work to date. Transcript of the Second Stage debate can be found at Appendix 4.
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Introduction

Background to the Bill

16. The **Northern Ireland Fiscal Council Bill** (the “Bill”) was introduced to the Northern Ireland Assembly by the Minister of Finance on 23 June 2025 and was referred to the Committee for Finance for consideration in accordance with Standing Order 33(1) on completion of the Second Stage of the Bill on 2 July 2025.
17. At introduction, the Minister made the following statement under section 9 of the Northern Ireland Act 1998: *'In my view the Northern Ireland Fiscal Council Bill would be within the legislative competence of the NI Assembly'*.
18. The Bill places the Fiscal Council on a statutory footing and sets out its main duties — to independently assess the Executive’s budget and the sustainability of public finances each year. It safeguards the Council’s independence, access to information and transparency, and allows its role to expand. The Bill also provides for continued financial oversight during any period when the Executive or Assembly is not functioning.
19. The Bill contains nine clauses and two schedules. The Bill has four main parts as follows:

Establishment and functions

- Formally establishes the Northern Ireland Fiscal Council as a statutory body.
 - Sets out core duties: to publish an annual budget assessment report assessing whether revenue is sufficient to meet planned spending, and a fiscal sustainability report examining the long-term health of public finances. The sustainability reports may be overall (covering all public finances, required at least every five years) or thematic (focused on specific topics in other years). All reports must be laid before the Assembly and sent to the Department.
 - Allows the Department of Finance, with Assembly approval, to give the Council additional functions through regulations.
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- Confirms the Fiscal Council’s independence, giving it full discretion in how it performs its duties. It must act objectively, transparently, and impartially, without political influence, and while it may analyse the financial impact of government policies, it cannot make policy recommendations.

Consequential amendments

- Introduces Schedule 2, which makes consequential amendments.

Interpretation

- Provides definitions of the “Department”, “a Minister” and “statutory provision” as used in the Bill.

Commencement and short title

- Provides for commencement of the Northern Ireland Fiscal Council Act (Northern Ireland) 2025 immediately after Royal Assent.

Schedules

Part 1: General

- Details the status of the Council as an independent body, with the general power to do all things it needs to do in order to carry out its functions; and that its functions should be carried out in an efficient and cost-effective manner.

Part 2: Membership and staff of the Council

- Details that the Council will comprise a chair and between two and five other members, all appointed by the Department in line with the NI public appointments code. Members serve up to five years and may be reappointed once. Terms of appointment, including pay, expenses, and rules on conflicts of interest and political activity, are set out in the appointment conditions. The legislation also outlines rules for disqualification, termination, and resignation. The Council will have a secretariat led by a Chief of Staff, with staff employed on terms similar to those of the Northern Ireland Civil Service.
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Part 3: Committees, procedure and delegation

- Part 3 specifies that the Council has authority to form committees if required. It also provides the Council with the flexibility to delegate functions to the chair, to other members, to committees or to members of staff. This does not include the primary functions in Clause 2.

Part 4: Information and disclosure

- Part 4 provides details of the Council's right of access to Northern Ireland government information required for the purpose of the performance of the Council's functions. The Council will publish all the documents it produces and clearly set out the methodology and assumptions used.
- The Council will publish at least once in each year a data statement around the quality of information and of any gaps in the data, information or explanations which shall be laid before the Northern Ireland Assembly and sent to the Department.

Part 5: Reporting and review of performance

- Part 5 sets out the reporting and review of performance duties for the Council. The Council must prepare and publish a report on the exercise of the Council's functions after each financial year. It must also arrange for a suitable person or body to a review and report on the Council's performance in each review period.

Part 6: Finance and funding arrangements

- Part 6 details that the Council must keep proper accounts and submit them to the Department. The Council's running costs are to be included in the Department's overall estimate presented to the Northern Ireland Assembly, as is the case with the existing non-statutory Council.

Part 7: Initial membership of the Council

- Part 7 sets out that as the Council already exists on a non-statutory basis, the current chair and members will immediately become the first members of the statutory Council. The terms and conditions, including length of term, of appointment are carried over.

Schedule 2 Consequential Amendments

- This Schedule is self-explanatory.
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Committee Approach

20. The Committee published a media sign posting notice in the Belfast Telegraph, Irish News and Newsletter seeking responses to its Bill survey. The Committee conducted a nine-week consultation on the Bill from July 29 July 20025 to 30 September 2025 and subsequently extended this exercise for a further three weeks, until 24 October 2025.
 21. The Committee received only two responses to the survey, which may reflect the timing of the consultation period during the summer recess, together with the fiscal nature of the Bill, resulting in limited public engagement.
 22. The Committee also used social media to raise awareness of and engage with the public to encourage participation in the Committee Stage of the Bill. X (formerly known as Twitter) and the Northern Ireland Assembly website were used to disseminate information on the Bill.
 23. During the period covered by this report the Committee considered the Bill and related issues at 22 meetings. The Minutes of Proceedings are included at Appendix 3.
 24. The Committee had before it the Northern Ireland Fiscal Council Bill (NIA 18/22-27) and the Explanatory and Financial Memorandum (EFM) that accompanied the Bill. The Bill and EFM are included at Appendix 1.
 25. At its meeting on 17 September 2025, the Committee agreed a motion to extend the Committee Stage of the Bill to 27 March 2026. The extension reflected the need to progress the legislation in a timely manner alongside scrutiny of the Administrative and Financial Provisions Bill, while ensuring robust and detailed consideration by the Committee. In agreeing the extension, the Committee also took account of the Assembly's Summer, Halloween and Christmas recess periods, which affected the Committees scrutiny timetable. The motion to extend was supported by the Assembly on 30 September 2025. The Minutes of Proceeding are included at Appendix 3.
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26. The Committee sought advice from the Examiner of Statutory Rules in relation to the range of powers within the Bill to make subordinate legislation. The Examiner considered the Bill and the Explanatory and Financial Memorandum and was satisfied with the rule making powers provided for the Bill.
 27. The Committee sought legal advice on whether it would be lawful for the Audit Committee to provide a budget scrutiny function for the Council similar to the role it carries out for the Northern Ireland NIAO and the NIPSO.
 28. The Committee held oral evidence sessions with a wide range of stakeholders; SFC, NIFC, IFAC, UUEPC, Pivotal, OECD, and NIAO. The Committee referred the 2021 Finance Committee report on the Northern Ireland Fiscal Council included in Appendix 5. The Minutes of Evidence are included at Appendix 4.
 29. The written and oral evidence provided to the Committee indicated strong support for the introduction of a Northern Ireland Fiscal Council Bill. There is a clear consensus that establishing the Fiscal Council in legislation is a positive and necessary step for improving fiscal transparency and scrutiny in Northern Ireland. At the same time, many stakeholders raised concerns, particularly regarding independence, powers, and resources to ensure the Council can operate effectively and maintain public confidence in its oversight role. The Written Submissions are included at Appendix 2.
 30. To assist consideration of specific issues highlighted in the evidence, the Committee commissioned a research paper from the NI Assembly Research and Information Service on the provisions of the Bill. A copy of this paper is at Appendix 5.
 31. The Committee carried out informal deliberations on the Clauses of the Bill and undertook its formal clause by clause scrutiny of the Bill at its meeting of 11 March 2026.
 32. At its meeting of 18 March 2026, the Committee agreed its report on the Northern Ireland Fiscal Council Bill and ordered that it should be published.
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Consideration of the Bill

33. The Bill is an Executive Bill introduced by the Minister of Finance. The NIFC was established on a non-statutory basis in March 2021 following a commitment made in the *New Decade, New Approach* document. The Northern Ireland Executive agreed to the establishment of the Council on 11 March 2021, including its chair, membership and Terms of Reference. The Minister of Finance announced the establishment of the Council to the Northern Ireland Assembly on 12 March 2021.
34. The Council is set up to bring greater transparency and independent scrutiny to the current and future state of the Northern Ireland public finances. The Council was established based on the nine broad principles recommended by the OECD for Independent Fiscal Institutions.
35. The Bill contains nine clauses, and two schedules has six main objectives which are as follows:
- **Establish the Fiscal Council in Law;**
 - **Ensure Independent Scrutiny of Public Finances;**
 - **Improve Transparency and Accountability;**
 - **Strengthen Governance and Independence;**
 - **Embed Long-Term Fiscal Responsibility; and**
 - **Align with Best Practice and UK-Wide Standards.**
36. Committee received 13 written submissions in response to its call for evidence and heard oral evidence from 8 of those stakeholders. The Committee also received only 2 responses to a public survey on the Bill via Citizen Space.
37. A summary of the evidence received in relation to each Clause of the Bill and the Committee's consideration of the issues raised in written and oral evidence is set out below. The Committee's consideration of the clauses of the Bill was
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informed by its online survey and the written and oral evidence it received throughout the Committee Stage of the Bill. A copy of the results of the Committee's online survey can be found at Appendix 2.

General Remarks

38. There were widely expressed views across the political spectrum on the importance of this legislation. Many stakeholders described the Bill as long overdue, noting that the Council had been operating on a non-statutory basis for several years and that formal legislative underpinning was necessary to secure its independence, authority and permanence.
39. At the second stage debate, Members emphasised that placing the Council on a statutory footing would strengthen transparency, enhance scrutiny of Executive budgets, and help rebuild public confidence in financial governance. There was also a clear sentiment that, given ongoing fiscal pressures and the scale of budgetary challenges facing Northern Ireland, the legislation should be progressed and enacted as soon as possible to provide stability, clarity and robust independent oversight of public finances.

Organisation for Economic Co-operation and Development

40. In its scrutiny, the Committee sought to consider the Bill against the OECD principles for an Independent Fiscal Institutions 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;
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8. Appropriate communication of its work; and
 9. A cycle of external evaluation
41. In its oral evidence to Committee the OECD stated, *“Overall, it is clear that the legislation was developed with OECD principles for independent fiscal institutions in mind, which we are happy to see. However, elements of the Bill rely on external processes and non-legislated practices in order to maintain adherence to those principles in a number of areas going from merit-based appointments to operational autonomy.... while those practices may appear to be solid now, without formal legislative backing, they could remain vulnerable in a different context.”*
42. The Committee carefully considered these concerns and corresponded regularly with the Department. The Department brought to the Committee’s attention the additional contexts of alignment to other ALBs. The Department highlighted that potentially, adding to this Bill might create a situation where changes need to be to the statutory basis of other ALBs. Therefore, any changes/amendments require assessment for unintended consequences.

Scottish Fiscal Commission & Irish Fiscal Advisory Council

43. The Committee also considered comparative evidence provided by the SFC and IFAC to inform consideration of the Bill and to provide insight into the operation of similar fiscal oversight bodies in other jurisdictions. Both organisations highlighted the importance of maintaining strong institutional independence, noting that fiscal councils are most effective when their independence is clearly protected through legislation. This includes transparent appointment processes, secure funding arrangements, and the ability to publish reports without political interference.
44. The evidence also outlined differences in remit between these bodies and the Council. The SFC has statutory responsibility for producing independent economic and fiscal forecasts to support the Scottish Government’s budget process, while the IFAC assesses the Irish Government’s fiscal stance and compliance with fiscal rules. In contrast, the NIFC is intended primarily to
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assess fiscal sustainability and provide analysis of the Executive's budget rather than produce economic forecasts.

45. The comparative evidence indicated that while the Bill aligns broadly with international practice in relation to independent fiscal institutions, its remit is more limited than some comparable bodies. The evidence therefore assisted the Committee in considering whether the provisions of the Bill provide an appropriate framework for the Council to operate effectively within Northern Ireland's fiscal remit.

Northern Ireland Fiscal Council

46. The Council has been supportive of the Bill, particularly the proposal to place the Council on a statutory footing. In its evidence to the Committee, the Council indicated that legislation would help strengthen the stability, credibility and long-term independence of the institution, ensuring that it can continue to provide independent analysis of Northern Ireland's public finances.
47. The NIFC also stated that the Bill broadly reflects the current functions it already performs, including analysing the Executive's Budget and assessing the sustainability of Northern Ireland's public finances.
48. The Council emphasised the importance of maintaining operational independence, particularly in relation to its work programme and the publication of its reports. The Council also noted that the Bill deliberately gives it a focused remit, centred on fiscal sustainability and analysis of the Executive's finances rather than wider economic forecasting. The Chair, Sir Robert Chote indicated that this approach reflects the nature of Northern Ireland's fiscal framework, where most revenue comes from the block grant rather than locally raised taxes.

Clause by Clause Consideration of the Bill

Clause 1: Northern Ireland Fiscal Council

49. **Clause 1** establishes a body corporate known as the Northern Ireland Fiscal Council (the Council).
50. Committee deliberations and stakeholder evidence show broad agreement that this is an appropriate and necessary step. Evidence from the SFC indicated that giving a fiscal body statutory status strengthens its credibility, supports access to government information, and helps develop constructive engagement with the legislature. The OECD noted that establishing the Council as a corporate body enables it to publish reports in its own name and reflects recognised international practice for independent fiscal institutions. The UUPEC, welcomed the proposal as a positive development that clarifies the Council's role and brings Northern Ireland into line with established best practice. The Committee viewed Clause 1 as providing the necessary legal foundation for an independent and durable Fiscal Council within Northern Ireland's fiscal framework.

Clause 2: Main Functions

51. **Clause 2** set out the duties of the Council to examine and report on the public finances in Northern Ireland. Under these provisions, the Council is under a statutory duty to examine and publish a budget assessment report for each financial year and a fiscal sustainability report yearly. The Council can also publish such other reports as it considers appropriate. All reports published by the Council will be laid before the Northern Ireland Assembly and sent to the Department.
52. A significant proportion of Committee deliberations focused on whether the Council should have a role in economic or fiscal forecasting. The Council advised that producing its own economic forecasts would not be appropriate given Northern Ireland's fiscal context, where most funding is received through the block grant rather than locally raised taxation. It argued that forecasting would not strengthen its ability to assess budget sustainability and could shift the organisation away from its core scrutiny role. Sir Robert Chote, during his evidence said, *"Bolting a large regional macro function on to the Fiscal Council, as it stands at the moment, is not necessarily the best way of scratching that*
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itch, even if it is a legitimate itch.” Similar views were expressed by Pivotal and the UUEPC who noted that forecasting would require additional resources and that economic forecasts are already produced by other organisations.

53. Evidence from the IFAC and the SFC indicated that forecasting can support fiscal oversight by improving understanding of economic conditions and allowing independent challenge of government assumptions. The OECD advised that the appropriate model should reflect Northern Ireland’s specific circumstances and suggested that forecasting powers may be useful if independent economic analysis is lacking. While there was no clear consensus that forecasting should be introduced at this stage, and no clear arguments were made that forecasting is currently suitable for Northern Ireland, some stakeholders suggested that flexibility could be useful should Northern Ireland’s fiscal powers expand in future.
 54. The Department has indicated that it does not support adding an economic forecasting function to the Bill at this time. The Department explained that the Council was deliberately designed to focus on assessing the Executive’s finances and fiscal sustainability, rather than undertaking wider economic forecasting or analysis.
 55. The Department noted that most of Northern Ireland’s budget is funded through the UK block grant, meaning it is not directly determined by the performance of the local economy. For this reason, it considers a forecasting role less necessary for the Council at present. It also highlighted that other organisations already produce economic analysis of the Northern Ireland economy.
 56. However, the Department acknowledged that there may be merit in expanding the Council’s role to include forecasting in the future, particularly if the Executive were to obtain additional devolved tax powers, which would make government revenues more dependent on local economic performance. The Department also noted that the Bill already allows for additional functions to be added through delegated legislation, subject to agreement by the Northern Ireland Executive, the Committee for Finance, and the Assembly.
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57. The NIAO raised concerns about the potential for overlap between its statutory role and that of the Fiscal Council. The NIAO examines the economy, efficiency and effectiveness of public spending, while Clause 2 requires the Council to examine and report on public finances more broadly. The NIAO emphasised that its work is largely retrospective, whereas the Fiscal Council's role should be forward-looking and focused on the sustainability of public finances. They suggested that a formal Memorandum of Understanding (or similar document) between both bodies, could help avoid duplication and ensure effective use of public resources.
58. Stakeholders also considered issues relating to independence, accountability and support for Assembly scrutiny. The OECD assessed Clause 2 as broadly consistent with international principles for independent fiscal institutions, noting that the Bill provides a clear mandate, operational autonomy and accountability through the requirement to publish and lay reports before the Assembly. The OECD did, however, observe that the Bill does not explicitly set out a mechanism requiring the Council to respond to requests from Assembly Committees. The Department responded that Assembly Committees already possess powers under the Northern Ireland Act 1998 to call witnesses and request information, meaning the Council would be required to engage with Committees where necessary.
59. Concerns were also raised regarding transparency and the timing of publications. The UUEPC noted that the Bill does not specify a timeframe for publication of reports and suggested that clearer deadlines would strengthen scrutiny. The Department advised that the requirement to publish reports "as soon as practicable" creates a binding legal obligation while allowing flexibility depending on the type of report. The Department further stated that the Bill requires publication of a data statement and that the Council already publishes datasets and technical material through its online databank. The Citizen Space consultation responses supported the clause, with one respondent emphasising the importance of strong financial scrutiny, particularly during periods of fiscal pressure.
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60. Following Committee consideration of reporting arrangements, the Department agreed to amend the EFM to clarify that all reports published by the Council will be laid before the Northern Ireland Assembly and sent to the Department, with the addition that such reports will also be sent to the Committee for Finance.

Clause 3: Budget assessment reports

61. **Clause 3** out the duties of the Council to examine and report on the public finances in Northern Ireland. The Council can also publish such other reports as it considers appropriate. All reports published by the Council will be laid before the Northern Ireland Assembly and sent to the Department. The budget assessment report will include an assessment of the proposed budget and provide consideration of the extent to which public revenue in Northern Ireland is enough to meet planned expenditure.
62. Following Committee consideration of reporting arrangements, the Department agreed to amend the EFM to confirm that all reports published by the Council will be laid before the Northern Ireland Assembly and sent to the Department, with the addition that such reports will also be sent to the Committee for Finance.
63. Evidence from the IFAC highlighted that assessment of the Government's Budget is the most visible and influential part of a fiscal council's work. It explained that its own budget analysis evaluates the credibility of fiscal forecasts and whether fiscal policy is appropriate in prevailing economic conditions. Such assessments inform parliamentary scrutiny and public debate and form a key basis for engagement with elected TDs. This evidence reinforced the importance of maintaining a strong statutory requirement for independent Budget assessment within the legislation.
64. The Council advised that it is broadly content with the drafting of Clause 3. However, it emphasised that the Northern Ireland Budget process can be unpredictable, with delays or changes in responsibility for budget decisions occurring at different times. The Council therefore stressed the importance of legislative flexibility, allowing it to provide analysis when most useful rather than
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being constrained by fixed statutory deadlines. The Committee also discussed whether the Council should be able to comment not only on published Budgets but also on delays or the absence of a Budget where this affects financial planning.

65. Stakeholder consultation responses were supportive of the clause but raised issues relating to timing and access to information. Citizen Space respondent suggested that the Department should have a statutory duty to provide proposed Budget information to the Council in advance of publication so that an analysis can be prepared in a timely manner. Similarly, the UUEPC again noted that the requirement to publish reports “as soon as practicable” after Budget publication could be more specific and queried whether arrangements similar to those between HM Treasury and the Office for Budget Responsibility, which allow advance access to Budget information, should be considered.
 66. In response, the Department advised that the legal requirement to act “as soon as practicable” provides a binding obligation while retaining necessary flexibility. The Department also highlighted differences between the Northern Ireland Budget process and the UK Government model, noting that decisions are taken within a multi-party Executive and relate primarily to allocation of existing resources rather than wider taxation or fiscal policy decisions. The Department outlined existing information-sharing arrangements under which the Council receives commissioning letters, departmental submissions, forecasts provided to the UK Government, and other relevant budget correspondence. It further stated that it seeks to respond promptly to ad hoc requests from the Council.
 67. The OECD assessed Clause 3 as broadly aligned with international principles linking fiscal councils to the budget process and ensuring timely publication of reports. However, it proposed that the legislation could potentially be strengthened by linking reporting requirements to fiscal events rather than strictly to the annual financial year, reflecting uncertainty in Northern Ireland’s budget timetable. The Department acknowledged these suggestions but maintained that an annual Budget assessment remains an important and consistent output of the Council.
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68. The previous Finance Committee, in 2021, similarly highlighted concerns that scrutiny should still take place even where Budget publication is delayed. Evidence from the Audit Committee welcomed the broad remit provided by the Bill and emphasised the importance of maintaining flexibility so the Council can examine cross-cutting spending issues across departments and contribute to wider understanding of economic and societal impacts.
69. The Committee also considered whether Clause 3 should be amended to give the Council the ability to assess the impact of the Executive's public finance/Budget decisions on the wider NI economy. In this context, the Committee considered a draft amendment which would require the Council to include this assessment as part of its overall assessment of Executive Budgets. Following discussion, the Committee agreed to consider an alternative draft amendment which would enable, rather than require, the Council to undertake such an assessment. This approach would provide the Council with the discretion to examine the potential economic impact of the proposed Budget where it considered it appropriate, while avoiding the creation of an additional statutory duty.
70. During deliberations on this second draft amendment, some Members expressed concerns about the proposed amendment highlighting that, although the wording was enabling rather than obliging, its inclusion could still create an expectation that the Council would routinely undertake economic impact assessments, which could have implications for the Council's resources. Some Members also noted that analysis of the wider economic impact of Budgets is already undertaken by other organisations, including academic institutions and economic research bodies, questioning whether it was necessary for the Fiscal Council to duplicate this work.
71. This second draft amendment was supported by the Chairperson and another Member. However, in light of the differing views expressed by Members, and in the absence of consensus supporting the draft amendment, the Committee agreed not to put the matter to a formal vote and to record a view of the Committee agreeing the Clause as drafted. The Chairperson indicated that this still allowed individual Members or Parties to pursue similar amendments.
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Clause 4: Fiscal sustainability reports

72. **Clause 4** set out the duties of the Council to examine and report on the public finances in Northern Ireland. The Council can also publish such other reports as it considers appropriate. All reports published by the Council will be laid before the Northern Ireland Assembly and sent to the Department. There are to be two kinds of fiscal sustainability report: “overall” reports and “thematic” reports.
 73. An overall fiscal sustainability report will consider, and provide commentary on, public revenue, public borrowing and accumulated debt, expenditure and other matters as the Council considers appropriate generally. In a thematic report, the Council can choose to report on a particular topic, and the thematic reports will consider the same matters as an overall report but limited as appropriate depending on the topic being assessed.
 74. Given that the overall budget sustainability position may not change significantly year to year, the Council is required to deliver an overall report at least once every 5 years. A thematic report must be completed in the years when an overall one is not completed. The fiscal sustainability reports will also include views on public services delivery regarding past and future delivery in Northern Ireland, delivery comparisons in other jurisdictions and other matters as the Council considers appropriate.
 75. Following Committee consideration of reporting arrangements, the Department agreed to amend the EFM to confirm that all reports published by the Council will be laid before the Northern Ireland Assembly and sent to the Department, with the addition that such reports will also be sent to the Committee for Finance.
 76. The Department advised that the functions set out in Clause 4 largely reflect the Council’s existing terms of reference and provide a broad remit to assess the sustainability of public finances. The focus remains on the Executive’s finances rather than wider economic forecasting, which the Department considers appropriate given Northern Ireland’s reliance on the block grant. The
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Department highlighted that delegated legislation could expand functions in future if further fiscal powers were devolved. The Department also stated that other organisations already undertake economic forecasting locally and that expanding the Council's remit into this area at present would not represent an effective use of resources.

77. The Council initially raised concerns about how a distinction between “overall” and “thematic” reports would operate in practice. Following clarification from the Department, it confirmed that it is broadly content with the drafting. The Council's understanding is that it may choose each year whether to produce an overall or thematic report, provided that at least two overall reports are produced per decade. The Council considers this arrangement reasonable and emphasised the importance of retaining flexibility to publish reports at times and on subjects that are most useful.
 78. The UUEPC questioned whether requiring an overall report only once every five years is sufficient. They suggested that five years may be too long given recent economic shocks and changes in spending pressures. It proposed that an overall report every three to four years might better align with Spending Review cycles. In response, the Department stated that the legislation sets a minimum requirement but does not prevent the Council from producing overall reports more frequently if circumstances require. The five-year provision allows flexibility in more stable periods while still ensuring regular comprehensive review.
 79. The Committee also explored possible topics for thematic reports. Stakeholders suggested areas such as Health, Education, wastewater infrastructure, public service reform and efficiency. Discussion also touched on whether politically sensitive issues, such as the “cost of division,” could fall within the Council's remit. While some acknowledged that such issues relate to fiscal sustainability, others cautioned that they involve political judgment. The general view was that the Council should retain discretion to select themes based on where analysis would be most useful, rather than being directed towards specific politically sensitive topics.
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80. Questions were raised about how much discretion the Council has under Clause 4. The Council noted that the wording requires it to “consider” certain matters, which implies discretion, but also uses the term “must include commentary,” which could be interpreted more strictly. The Department clarified that the drafting ensures overall reports are comprehensive, while thematic reports allow greater discretion to focus on selected areas. The Department maintains that the clause provides the flexibility the Council seeks while ensuring clarity and legal certainty.
81. Evidence from the SFC indicated that a broad remit has been beneficial in allowing them to publish sustainability reports, update papers and other analysis at key points in the fiscal cycle. These reports have supported parliamentary debate on long-term pressures such as demographics and climate change. The previous Finance Committee’s recommendations highlighted the value of multi-year sustainability analysis and cross-jurisdictional comparison.
82. Citizen Space consultation responses, although only two responses, both were supportive of the clause, with one respondent describing the sustainability report as a key source of comprehensive financial analysis.

Clause 5: Power to confer additional functions

83. **Clause 5** enables the Department to confer additional functions on the Council, or to alter or remove any of those additional functions by regulations. Any regulations must be made after consultation with the Council and other persons as the Department considers appropriate and laid before the Assembly for approval.
84. During Second Stage debate, Members sought assurance that the Council’s independence would not be undermined by the power afforded to the Department under Clause 5. Concerns focused particularly on whether allowing the Department to amend the Council’s scope and functions could expose it to political influence. In response, the Department emphasised that operational independence is a core principle underpinning the Bill. It stated that the
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legislation has been drafted to ensure that the Council may carry out its work objectively and free from direction or control. The Department further noted that any changes to functions would require affirmative Assembly approval.

85. Members requested clarification on the scope of the powers contained in Clause 5. The Department advised that the provision relates to the Council's statutory functions as set out in Clause 2 and is intended to provide flexibility as the fiscal landscape evolves. While removal of functions is considered unlikely, the power has been included to allow for amendment or enhancement of existing functions without the need for primary legislation. The Department said it would consult before making any regulations. It also noted that, because the issues could be significant or affect more than one Department, Executive approval would likely be required under the Northern Ireland Act 1998. The Finance Committee would also have a role in scrutinising the proposals.
 86. The Council advised that it is reassured by the drafting of the Bill and does not consider Clause 5 to pose a risk to its independence. It stated that independence in practice depends not only on legislation but also on institutional behaviour and culture. The Council reported that it has not experienced pressure to moderate or withhold analysis and that public bodies have generally cooperated in providing information. It further emphasised that statutory safeguards remain important but confirmed that the current drafting does not cause concern.
 87. The Audit Committee expressed support for the intention to future-proof the legislation, recognising that the Council's role may expand over time. However, it stressed that any power enabling amendment of functions must not adversely affect operational independence. The Audit Committee highlighted the importance of safeguarding independence in line with the OECD Principles of Corporate Governance and emphasised the need for a clear separation between Fiscal Council analysis and Departmental policymaking. It acknowledged that the requirement for Assembly approval of regulations provides an important safeguard.
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88. The SFC indicated that it does not advocate for expansion of its own remit and instead operates strictly within its statutory functions. Where its work has broadened, this has largely occurred through interpretation of existing powers or in response to OECD recommendations and parliamentary engagement, rather than through major legislative change. It also emphasised the importance of clearly defining a fiscal council's role within the wider institutional landscape to avoid duplication and maintain credibility.
89. The OECD assessed Clause 5 as aligned with principles relating to accountability to the legislature, noting the role of the Assembly in approving regulations. Notwithstanding this, following Committee consideration, the Department agreed to add a further safeguard by amending the EFM to confirm that the Committee for Finance will be included among those to be consulted before regulations are made under this Clause.
90. Citizen Space consultation responses were limited in number but supportive of the clause. One respondent commented that it appropriate that a body established by statute should have its remit amended through statutory procedures, subject to democratic oversight.

Clause 6: How the Council is to perform its functions

91. **Clause 6** states that the Council has full discretion in carrying out its duty to produce an annual budget assessment and fiscal sustainability report under Clause 2. In doing so, it is not subject to direction or control by any named parties. Although this reflects the general legal position for statutory bodies, it is set out explicitly given the importance of the Council's role and relevant OECD principles. The clause safeguards the Council's operational independence, allowing it to decide how it fulfils its functions.
92. When carrying out its work, the Council may consider the likely financial impact of published or proposed departmental policies, but it cannot make recommendations on those policies or alternatives. It must act objectively, transparently and impartially, without political influence.
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93. During Second Stage debate, Members raised whether additional safeguards were needed to protect the Council's independence. The Department reiterated that independence from political influence is a prerequisite for an effective fiscal institution and stated that the Bill is drafted to ensure the Council can present analysis objectively and free from direction or control. The Department also stated that the Bill safeguards the Council's operational independence for the future, enabling it to determine how it fulfils its work programme in accordance with OECD principles.
 94. The Department further clarified that Clause 6(1) provides the Council with complete discretion in carrying out its functions as set out in Clause 2. The Department advised that the Council is under no obligation to undertake work or analysis suggested by Ministers, Assembly Committees, Members or other stakeholders. However, it noted that the Council may choose to take such requests into account when determining its work programme.
 95. Comparative evidence from the SFC highlighted that similar bodies operate within clearly defined limits which prevent them from becoming involved in political debate. The SFC explained that it analyses government policy but does not assess opposition proposals or promote alternative policy options. This approach helps maintain public confidence in its neutrality. Evidence also highlighted that independence depends not only on legislation but on practical factors such as transparent appointments, secure funding arrangements and clear institutional processes.
 96. The OECD broadly welcomed the approach taken in Clause 6, stating that it supports non-partisan analysis and operational autonomy. However, it observed that the Bill does not include detailed provisions requiring regular engagement with the Assembly or wider stakeholders, which are features of some fiscal councils internationally. The Department responded that transparency requirements, including publication of reports, already support engagement in practice.
 97. The Council expressed support for Clause 6 and described it as an important safeguard for maintaining independence in the future. It advised that it has
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been able to comment openly on sensitive fiscal issues without interference and does not consider the current drafting to restrict its work. The Council noted that while independence ultimately depends on how institutions operate in practice, statutory protections remain important should circumstances change.

98. The UUEPC and Pivotal emphasised that an effective fiscal council must be able to challenge government decisions where necessary. They noted that independence also depends on practical matters such as access to information, adequate resources and cooperation from Departments. Both stakeholders suggested that there should be clear routes for the Council to raise concerns with the Assembly if its independence or access to data were ever limited.
99. A specific issue raised, concerned the provision preventing the Council from making policy recommendations. While stakeholders agreed that policy decisions should remain with elected representatives, the UUEPC questioned whether the wording might discourage comparative analysis or scenario testing. The Department clarified that the Council may still assess the effects of policies and undertake analytical work, provided it does not advocate particular policy choices.
100. Consultation responses, although only two, were supportive of the clause. One respondent highlighted the importance of allowing the Council to publish independent analysis, including where findings may be challenging or politically sensitive. The NIAO also considered that the provisions support the Council's ability to operate objectively as an arm's-length body.

Schedule 1, Part 1: Status of the Council

101. **Part 1** details the status of the Council as an independent body, with the general power to do all things it needs to do in order to carry out its functions; and that its functions should be carried out in an efficient and cost-effective manner.
 102. Stakeholder feedback on this Part 1 of the Schedule was limited. Citizen Space responses supported the provision and one respondent noted that it would be
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inconsistent for a body tasked with overseeing public finances not to operate in a cost-effective way.

103. The UUEPC commented that the requirement for efficiency should apply to all public bodies and is therefore appropriate. However, it also emphasised that, in the interest of balance, the Council must be provided with sufficient resources to enable it to discharge its functions properly. UUEPC suggested that efficiency should not be interpreted in a way that constrains the Council's ability to meet its statutory duties to an appropriate standard.
104. In response, the Department agreed that all public bodies should operate efficiently. It outlined the existing budgetary process whereby the Council prepares its cost estimates and submits them to the Department. These are then considered by the Sponsor Branch and included within the Department's overall estimate presented to the Assembly. The Department stated that it is for the Council to request a level of funding which reflects the resources it considers necessary to discharge its functions.

Schedule 1, Part 2: Membership and Staff

105. **Part 2** sets out how the Council is made up and how it is staffed. It provides that the Council must consist of a Chair and between two and five other members, all appointed by the Department in line with the public appointments process. Members can serve for up to five years and may be reappointed once. The Department determines the terms and conditions of appointment, including pay and allowances, and these terms must cover matters such as declarations of interests and political activity to protect the Council's independence.
106. Part 2 also sets out the rules on disqualification, resignation and removal from office, including circumstances where an appointment ends automatically or where the Department may remove a member for reasons such as incapacity or failure to carry out their duties. In addition, it requires the Council to appoint a Chief of Staff and allows it to employ other staff, with terms and conditions approved by the Department.
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107. At Second Stage Debate, questions arose regarding the disqualification and the terms and conditions around it. The Department advised that the EFM will be amended to clarify the disqualification provisions in the Schedule. In particular, provision 8(1)(d) will confirm that bankruptcy within the previous ten years includes equivalent insolvency arrangements in other jurisdictions. The Department also clarified that provision 8(3), relating to disqualification from Assembly membership under the Northern Ireland Assembly Disqualification Act 1975, applies to individuals holding certain public offices, including MPs, members of the judiciary, civil servants, members of the armed forces or police, members of Dáil Éireann, and members of legislatures outside the Commonwealth.
108. In relation to the membership, the Committee sought clarification on why the Bill allows flexibility to change the number of Council members by regulation. The Department explained that the Bill provides for between two and five members, in addition to the Chair, to allow flexibility as membership changes and to enable overlap between outgoing and incoming members. This helps maintain continuity and transfer of knowledge. The Department further advised that the regulation-making power would allow membership numbers to be adjusted in future if the Council's functions expand, without requiring primary legislation. Any change would be subject to Affirmative Assembly approval to ensure scrutiny.
109. The SFC outlined that its members are appointed through open competition, with an independent recruitment panel and parliamentary approval following ministerial nomination. This additional parliamentary stage was described as strengthening transparency and independence.
110. The OECD raised concerns that the Bill does not include explicit merit-based appointment criteria within the legislation itself. While appointments would follow the Code of Practice for Public Appointments, the OECD advised that reliance on external guidance rather than statutory safeguards could weaken long-term protection against political influence. It suggested that the legislation could be strengthened either by specifying required expertise, such as
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experience in economics or public finance, or by introducing a secondary approval stage involving the Assembly.

111. The Department specified that all appointments will be made in line with the Commissioner for Public Appointments' Code of Practice, which requires open competition and merit-based selection overseen by an independent assessor. It advised that including fixed qualification requirements in legislation could reduce flexibility as the Council's role develops and future skill requirements change. The Department also noted that introducing parliamentary approval arrangements would require further consideration given Northern Ireland's institutional framework.
 112. Evidence from the UUEPC highlighted governance concerns arising from the DoF both appointing the Council and being subject to its scrutiny. UUEPC suggested that the Committee could have an oversight role in reviewing recruitment processes and selection criteria to help ensure appointments remain merit based. UUEPC also noted that no quorum requirement is specified in legislation and suggested that a Chair plus two members may be insufficient to provide a range of views. The Department advised that quorum arrangements are operational matters and are therefore better addressed through the Council's standing orders rather than in legislation. It also confirmed that appointments and dismissals can only take place in accordance with the provisions set out in the Bill and that recruitment panels will include an independent assessor appointed through the Commissioner for Public Appointments.
 113. Pivotal raised broader concerns about future risks to independence. While acknowledging that working relationships between the Council and the Department have been positive to date, it noted that this may not always be the case. Pivotal therefore suggested that clearer requirements relating to qualifications and experience could strengthen confidence in appointments over the longer term.
 114. Evidence from the IFAC highlighted the importance of appointing members based on relevant expertise and maintaining balance within membership,
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including consideration of diversity, as factors supporting credibility and effectiveness. Citizen Space consultation responses were limited but supportive of the proposed membership arrangements.

115. During Committee deliberations, Members questioned whether the proposed appointment and removal arrangements were sufficient to safeguard the independence of Fiscal Council members.
 116. The Department advised that, once the Council is placed on a statutory footing, appointments for the Chair and members will be made through an open public appointment's competition conducted under the Commissioner for Public Appointments for Northern Ireland. The Department explained that, although the relevant Minister will make the final appointment decision, the Minister will not be involved in the interview panel process. This process is intended to ensure appointments are made independently and on merit.
 117. Following evidence to the Committee regarding transparency in appointment processes, the Department agreed to amend the EFM to clarify that the Committee for Finance will receive timely notification of any changes to Council membership. The Department indicated that this measure is intended to support transparency and ensure that the Committee is kept informed of developments relating to the Council's composition.
 118. Citizen Space consultation responses supported the proposed arrangements and agreed that appointments being made by the DoF were appropriate.
 119. The OECD assessed the provisions as partially aligned with international principles relating to fixed terms and dismissal. It noted that the Bill clearly sets out term limits, reappointment rules and grounds for dismissal, which support institutional stability. However, the OECD suggested that the legislation could be strengthened by explicitly providing for staggered appointments. This would help ensure continuity of leadership and avoid situations where several members' terms expire at the same time. Experience in other fiscal institutions indicates that appointing successors before existing terms end can support smoother transitions.
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120. The Department acknowledged the importance of maintaining continuity and advised that the permitted membership range of two to five members, in addition to the Chair, allows appointments to overlap in practice. This flexibility is intended to enable staggered turnover without the need to specify such arrangements directly in legislation.
121. Comparative evidence from the SFC emphasised that independence depends in part on secure appointment terms and clear dismissal arrangements. In Scotland, parliamentary approval is required both for appointments and dismissals of Commissioners, providing an additional safeguard against political influence and reinforcing shared ownership between government and Parliament.
122. Pivotal also commented that appointments to the Council should reflect clearly defined qualifications, expertise and experience to ensure members are suitably equipped to carry out the role effectively.
123. The OECD assessed the provisions relating to remuneration as poorly aligned with OECD Principle 2.4 on remuneration and conflict of interest. While the Schedule addresses remuneration, the OECD noted that the legislation does not explicitly set out conflict-of-interest requirements or specify whether appointments are full-time or part-time. The OECD advised that the Bill could be strengthened by including clearer provisions on declarations of interest and by specifying the nature of appointments in the legislation itself.
124. The Department stated that the EFM makes clear that appointment terms will address declarations of interest, political activity and matters that could give rise to public controversy or compromise the Council's work. The Department further advised that the expected time commitment for the Chair and members will be set out in the public appointment's competition documentation.
125. The NIAO noted that references within the Schedule to remuneration and staffing matters being determined "with the approval of the Department" could give rise to concerns about independence. It suggested that such wording may be perceived as allowing the Department influence over matters that could affect the Council's operational autonomy.
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126. During Committee briefings, Members considered whether additional provisions were required to prevent “institutional capture” and to ensure independence, while still allowing individuals with relevant Departmental experience to apply for roles within the Council.
127. The Department advised that current civil servants would not be able to apply directly for positions within the Council and would first need to leave the Civil Service before applying. It also noted that membership roles, including the Chair, are intended to be part-time positions.
128. The OECD raised concerns regarding the requirement that staff terms and conditions must receive Departmental approval. It advised that fiscal councils should normally have autonomy to recruit staff and determine pay and employment conditions without approval from finance ministries. The OECD noted that reliance on Departmental approval could create perceived or actual pressure on a fiscal council to maintain positive relationships with the Department it scrutinises. It considered that greater staffing autonomy would better protect operational independence.
129. Evidence from the IFAC provided comparative experience. IFAC explained that, while its own staffing arrangements require ministerial approval, fiscal councils should ideally have flexibility to decide how their allocated budgets are used, including decisions on staffing, systems or external support. IFAC indicated that strong financial safeguards such as fixed budget ceilings and independent audit arrangements can provide sufficient accountability without detailed departmental control over staffing decisions.
130. The Council acknowledged Committee concerns about future political uncertainty and the provision requiring Departmental approval of staff terms and conditions. While it indicated that some provisions could potentially be tightened, it cautioned against overly prescriptive legislation. The Council emphasised that effective working relationships and ongoing oversight by the Assembly are often more important in practice than detailed statutory wording.
131. The NIAO provided evidence that its own organisation operates with full autonomy in setting staff terms and conditions, subject to internal governance
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arrangements. It highlighted that such autonomy supports recruitment and retention of specialist skills. NIAO advised that attracting suitably qualified staff, particularly specialists such as economists, may require competitive terms and conditions and suggested benchmarking arrangements against comparable audit and fiscal institutions in other jurisdictions.

132. NIAO further noted that, in situations where there is no functioning Executive, discussions with departmental accounting officers regarding staffing or budget decisions could place an oversight body in a difficult position. It suggested the Committee may wish to consider whether existing arrangements would allow the Council to recruit and retain the specialist expertise required.

Schedule 1, Part 3: Committees, Procedure and Delegation

133. **Part 3** specifies that the Council has authority to form committees if required. It also provides the Council with the flexibility to delegate functions to the chair, to other members, to committees or to members of staff. This does not include the primary functions in Clause 2.
134. The UUEPC noted that the legislation does not specify quorum requirements for Council or committee meetings. It suggested that the absence of minimum attendance levels in legislation could limit assurance that decisions reflect a sufficient range of views.
135. The Department advised that quorum arrangements are operational matters and are therefore more appropriately determined by the Council through its standing orders or operating manual rather than being prescribed in legislation. The Department noted that a similar approach is taken under the Northern Ireland Act 1998, where in Assembly standing orders, rather than legislation, set quorum requirements. The Department further emphasised that appointment and dismissal arrangements are already clearly defined within the Bill and that appointments will follow the Commissioner for Public Appointments' Code of Practice, including oversight by an independent assessor.
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136. No additional stakeholder concerns were raised regarding the Council's ability to establish committees or delegate functions. Evidence received indicated general acceptance that operational flexibility is necessary to allow the Council to organise its work efficiently while retaining responsibility for its core statutory duties.

Schedule 1, Part 4: Information and Disclosure

137. **Part 4** of the Schedule sets out provisions relating to transparency and the Fiscal Council's access to information required to carry out its statutory functions. These provisions cover both the publication of an annual data statement and the Council's legal right to obtain information from government departments.

138. The Schedule requires the Council to publish an annual data statement setting out the information used in carrying out its work, including the methodology and assumptions underpinning its analysis. This is intended to promote transparency and allow the Assembly and the public to understand the evidence base supporting the Council's reports. The OECD advised that these provisions are well aligned with international principles relating to transparency in the operation of independent fiscal institutions. The requirement to publish data and supporting material was viewed as supporting accountability and strengthening confidence in the Council's analysis.

139. Following Committee consideration, the Department agreed to amend the EFM to clarify that the annual data statement will also be provided to the Committee for Finance, in addition to being laid before the Assembly and sent to the Department.

140. Part 4 also provides the Council with a statutory right to access government information required for the performance of its functions. Committee deliberations focused on whether these access powers are sufficiently robust in practice. During Committee briefings, Members asked whether the right of access provided in the Bill was strong enough to ensure Departments provide information when requested.

141. The Department advised that the legislation gives the Council a legal right to access all government information necessary to carry out its functions, including preparation of budget assessments and sustainability reports. This would also include information regarding ALBs. Memoranda of Understanding (MoUs) have already been agreed between the Council and all Northern Ireland Departments and the Northern Ireland Office, setting out arrangements for information sharing and expected response times. These MoUs will be reviewed once the Council is placed on a statutory footing.
142. The Department further advised that where information is not provided, issues may be escalated within departments, to the relevant Minister, and if necessary to the Executive or the Assembly. Committee scrutiny would also apply, and judicial review would remain available as a final safeguard.
143. The OECD considered the Bill to be broadly well aligned with international standards because it provides a legal right of access to information. However, it noted that the legislation could be strengthened by including clearer escalation mechanisms within the Bill itself where access is delayed or refused.
144. The UUEPC raised similar concerns, noting that the legislation does not specify timelines for departments to respond to requests or clearly set out escalation routes. It suggested that delays or refusals could potentially be reported formally to the Assembly or the Finance Committee. UUEPC and Pivotal welcomed clarification that existing MoUs already include response times and escalation arrangements.
145. The NIFC advised that it has experienced good cooperation from departments and has received requested information where available. However, it welcomed the statutory right of access as an important safeguard for the future and consistent with international best practice. In giving evidence, Sir Robert Chote stated, *“One of the pleasures of having done the role over the past four and a half years has been how supportive and willing Departments and public bodies... have been to provide the information that we need on a realistic timetable.”*
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Schedule 1, Part 5: Reporting and Review of Performance

146. **Part 5** of the Schedule sets out the Council's duties in relation to reporting and performance review. The Council is required to prepare and publish an annual report after each financial year outlining how it has carried out its functions. The Schedule also requires the Council to arrange for periodic independent reviews of its performance, to assess how effectively it is fulfilling its role.
147. Committee deliberations focused mainly on accountability arrangements and how the Council reports to both the Assembly and the Department. The Department subsequently agreed to amend the EFM to clarify that the Council's annual report will also be shared with the Committee for Finance.
148. During Second Stage debate, Members sought clarification on the Council's accountability to the Assembly and the Executive. The Department explained that the Council is intended to operate as a non-departmental public body, with the Department acting as sponsor Department. This reflects the Council's classification and existing arrangements, whereby the Department supports administrative and budgetary oversight while the Council operates independently in carrying out its analytical functions.
149. The OECD considered the provisions to be well aligned with international principles relating to accountability to the legislature, noting in particular the requirement for reports to be laid before the Assembly. The OECD also welcomed the inclusion of periodic independent performance reviews, describing external evaluation as an important mechanism for maintaining standards and ensuring continued relevance over time.
150. Comparative evidence from the SFC highlighted the value of external reviews. The Commission advised that it had undergone an independent evaluation shortly after becoming statutory, which proved beneficial in refining its role and working practices. Evidence suggested that an early review period, as proposed in the Bill, could therefore be appropriate.
151. The Council advised that the reporting arrangements set out in the Bill reflect its current practice. It stated that, while it remains accountable to the Department
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for budgetary matters, it views the Assembly, and particularly the Committee for Finance as a key stakeholder. The Council noted that it routinely briefs the Committee following publication of major reports and considered the requirement to formally lay reports before the Assembly to be appropriate and consistent with its independent status.

152. Some stakeholders raised questions about wider accountability expectations beyond publication of reports. Pivotal suggested that the Bill provides limited clarity on whether the Council is required to respond formally to Assembly Committees, the public or other stakeholders, or how disputes between the Council and the Department might be resolved in future. UUEPC similarly noted that escalation arrangements are more likely to be addressed through partnership agreements or MoU's rather than through legislation.
 153. Discussion also focused on arrangements for reviewing the Council's performance. The Bill provides that the Council itself determines the terms of reference for external reviews and appoints the reviewer. UUEPC expressed concern that this approach could affect the perceived independence of the review process and suggested that there may be a role for the Finance Committee in overseeing either the reviewer or the review terms.
 154. The Department advised that OECD principles recommend external evaluation mechanisms and that it is appropriate for the Council to draft the terms of reference for such reviews. However, the Bill requires consultation on those terms, and it is anticipated that both the Department and the Finance Committee would be included in that consultation process.
 155. During Committee deliberations, the Department agreed to update the EFM to reflect the inclusion of the Committee of Finance. Therefore the Council must arrange for a suitable person or body to a review and report on the Council's performance in each review period, publish the report and share not only with the Department but also the Committee for Finance.
 156. Pivotal also raised concerns about how disagreements between the Council and the Department might be handled in future, noting that while relationships are currently positive, governance arrangements should remain robust under
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different circumstances. UUEPC reiterated that escalation mechanisms could be addressed through partnership agreements rather than legislative provision.

157. The Scottish Parliament's Finance and Public Administration Committee provided evidence of parliamentary practice whereby annual evidence sessions are held with the SFC following publication of its accounts. These sessions allow ongoing scrutiny of performance and governance and were presented as an example of effective legislative oversight.
158. The Audit Committee highlighted that some Members had suggested strengthening independence by transferring certain oversight responsibilities, including reporting arrangements, away from the Department. While supportive of safeguarding independence, the Audit Committee noted that assuming additional responsibilities could have resource implications given its existing workload and capacity.
159. Citizen Space consultation responses, although only two, both were supportive of the reporting and review provisions.

Schedule 1, Part 6: Finance and Funding

160. **Part 6** of the Bill sets out the finance, funding and audit arrangements for the Council. It provides that the Council must keep proper accounts and submit them to the Department. The Council's running costs will be included within the Department's overall estimate presented to the Assembly. The Comptroller and Auditor General will audit the Council's annual accounts, and the Council will fall within the remit of the Audit (Northern Ireland) Order 1987, allowing examinations of economy, efficiency and effectiveness.
 161. During Committee deliberations, members questioned what additional funding would be required once the Council is placed on a statutory footing, whether the Assembly would be fully consulted on funding needs, and how value for money for taxpayers could be ensured. The Department agreed to update the EFM to include the Committee for Finance. The Council must keep proper accounts and submit them to the Committee for Finance and Department.
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162. Members also explored whether multi-annual funding commitments would be more appropriate. In response, the Department set out the rationale for classifying the Council as a Non-Departmental Public Body (NDPB) rather than a Non-Ministerial Department (NMD). It explained that guidance in Managing Public Money NI and Cabinet Office classification guidance indicates that NMD status should only be used in rare and specific circumstances.
163. The Department's assessment concluded that the Council did not meet the criteria for NMD status. Treasury and the Office for National Statistics had given an indicative view that NDPB classification was appropriate. The Department advised that independence can be achieved within the NDPB model, as demonstrated by other independent bodies. It also noted that an NMD would still require a sponsoring Minister and that additional accountability arrangements would be required in the absence of such oversight. The Department stated that existing in-year monitoring processes could provide additional funding if the Council's remit expanded.
164. The Committee heard evidence from a range of stakeholders on funding models and independence. The SFC explained that it operates with a rolling three-year budget, with one confirmed year and two indicative years, and that this approach aligns with OECD principles designed to reduce the risk of sudden funding cuts. It noted that full multi-year commitments would provide stronger protection. The SFC confirmed that although its funding is provided by government, it has full control over how it spends its allocation, and that transparency and accountability are key safeguards.
165. The OECD stated that it has no preferred model internationally for whether funding should be set by the legislature, but emphasised that what matters most is transparency, independence safeguards, and a clearly identified, distinct budget line. The OECD raised concern that including the Council's costs within the Department's overall estimates, rather than as a separate budget line, could weaken financial independence and recommended multi-year funding commitments to provide stability.
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166. The Department advised that the Council should be established as a non-departmental public body (NDPB) rather than a non-ministerial department (NMD). This assessment was informed by guidance set out in Managing Public Money NI and wider UK guidance on the classification of public bodies, which indicates that NMD status should only be used in exceptional circumstances. The Department concluded that the Council does not meet the criteria required for classification as an NMD.
167. The Department explained that, as an NDPB, the Council's budget would be set and overseen by the Department of Finance as the sponsoring department, rather than being funded directly through the block grant and Assembly Supply process. The Department highlighted that this approach is consistent with the arrangements for most arm's-length bodies in Northern Ireland. The Department further advised that if additional funding were required in future, existing in-year monitoring processes could be used to provide further resources.
168. The Department therefore considers that establishing the Council as an NDPB would not diminish its operational independence, noting that a number of other independent public bodies in Northern Ireland operate under similar arrangements.
169. The Council indicated that it does not have a strong preference for changing the proposed funding model. It emphasised that any model could work if there is transparency and good working relationships. It stressed that certainty and clarity of funding are critical given the Council's small size, as even modest reductions could significantly affect capacity. It also underlined that any expansion of statutory functions would require additional resources to avoid diluting existing work.
170. The IFAC outlined a different model, where its budget is set in legislation and is not part of the annual Estimates process. This arrangement protects the budget from unilateral reduction by a Minister, as any change requires legislative amendment. However, IFAC highlighted practical limitations: its budget was linked to inflation, while staffing costs rose faster, leading to pressures. It also
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noted that it does not have full autonomy over staffing decisions, as Ministerial approval is required for certain appointments and grade changes. IFAC stressed that legislative protection of funding is important because the body evaluates the same Department that funds it.

171. Other stakeholders raised concerns about perceptions of independence. The UUEPC and Pivotal highlighted potential pressure points, particularly where funding decisions rest with the Department being scrutinised. They suggested that the Assembly or the Finance Committee should have sight of both the Council's funding request and the Department's final allocation to ensure transparency, especially where there is a significant gap between the two. The OECD similarly recommended establishing a distinct budget line. Citizen Space responses were limited but supportive of the clause.
172. The NIAO confirmed that it is content to audit the Council and that its statutory powers would apply. However, it noted that references in the Bill to actions requiring "approval of the Department" could be perceived as affecting independence. It also emphasised that appropriate funding mechanisms are fundamental to independence, drawing comparison with the NIAO, whose budget is determined by the Assembly's Audit Committee.
173. The Assembly's Audit Committee outlined its current statutory roles in relation to the NIAO, the Northern Ireland Public Services Ombudsman and aspects of Assembly Commission expenditure. It indicated that any expansion of its remit to include the Council would require consideration of capacity and statutory authority.

Schedule 1, Part 7: Initial membership of the Council

174. **Part 7** provides that, because the Council already exists on a non-statutory basis, the current Chair and members will automatically become the first members of the statutory Council once the Bill comes into operation. Their existing terms and conditions, including the length of their appointments, will carry over to the new statutory body. The intention is to ensure continuity and avoid disruption as the Council transitions to a statutory footing.
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175. During Committee consideration, issues were raised about continuity, accountability and the appointments process. The UUEPC considered the approach reasonable in order to maintain short-term stability. However, it noted that if future appointments are to be subject to confirmation by the Finance Committee, then consideration could be given to applying similar confirmation to the initial members to ensure consistency. UUEPC also highlighted the importance of managing the timing of departures and new appointments to avoid a loss of corporate memory and expertise. It suggested that staggered or phased appointments, for example one appointment and departure each year over a five-year term, could help preserve experience and institutional stability.
176. The Department stated that all appointments to date have been notified to the Finance Committee. It agreed that phased departures would be helpful and confirmed that it is planning for a staggered approach to future appointments in order to maintain continuity.

The Bill's Overarching Issues

177. While there was clear support for the Bill from all stakeholders who provided evidence to assist the Committee's scrutiny, a number of suggestions were made regarding how the Bill might be strengthened. For the most part, these suggestions related to the independence of the Council, stakeholder engagement and operational autonomy.
178. The Committee explored these themes in detail. However, many of the issues raised did not lend themselves easily to amendments within specific clauses or schedules, as might be the case with a more policy-driven Bill. This made it more challenging for the Committee to determine how such suggestions could be applied within the framework of the Bill whilst still ensuring flexibility that the Council requires.
179. The Committee also considered the Bill in the wider context of alignment with other ALBs. Members noted that amending provisions within the Bill or the EFM could potentially have a 'ripple effect' for other ALBs. In particular, adding provisions to this Bill might create expectations for similar changes to the
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statutory basis of other ALBs. The Committee therefore considered that any amendments would require careful assessment to avoid unintended consequences and impact on the alignment of ALBs.

180. In addition, the Committee was mindful to avoid becoming engaged in matters that could be considered ‘HR issues’ and took this into account when considering the Bill. The Committee also considered the rationale provided by the Office of the Legislative Counsel for drafting the legislation in its current form and reflected on what would be appropriate to include in the Bill or the EFM.
181. During the Committee’s final deliberations on the Bill, discussions centred on outstanding issues arising from its earlier scrutiny and whether these should be pursued further, or whether doing so was unnecessary or undesirable. The outcome of these discussions was the identification of overarching principles which the Committee asked the Department to apply to the Bill. These were:
- i. The Committee wished to be kept informed of the work of the Council, including having ready access to the Council’s outputs through appropriate notification; and**
 - ii. The Committee should be notified in a timely manner of any planned or actual changes to the Council’s membership.**
182. The Committee also sought assurance from the Department on a number of issues, namely:
- i. That the Council will have adequate resources for any public engagement or communications activity it wishes to undertake;**
 - ii. That the Council has the ability to enter into agreements or memoranda of understanding with other bodies, and that the Partnership/Framework Agreement between the Department and the Council will provide a mechanism for dispute resolution;**
 - iii. That the ‘complete discretion’ provided under Clause 6(1) in carrying out its functions under Clause 2 enables the Council to decline**
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requests to undertake work that falls outside its core functions or where requests are excessive;

- iv. That guidance from the Commissioner for Public Appointments for Northern Ireland (CPANI), together with Departmental processes, ensures that appointments to the Council are informed by an appropriate skills audit; and**
- v. Whether there is a requirement for an early review once the Council is established on a statutory basis.**

183. The Department acknowledged the Committee's wish to be kept informed about the work of the Council, noting that this already occurs in practice, although it is not explicitly set out in the Bill. The Department reiterated that including such provisions in the legislation could create inconsistency with other ALBs, as similar requirements are not normally included in their statutes. Instead, the Department proposed addressing this through amendments to the EFM, ensuring that the Committee receives copies of reports, updates on membership changes, and other key information about the Council's work.

184. Through its sponsorship arrangements, the Department confirmed that the Council currently has sufficient resources to support public engagement and communications, which mainly occur when reports are published. In December 2025, the Council secured additional administrative support through the appointment of an Executive Officer, who assists with organising engagements and issuing communications, alongside other staff and members as required. The Department indicated that placing the Council on a statutory footing is unlikely to increase resource requirements beyond current levels. However, the Chairperson raised a concern that the Council had to seek approval for this additional resource, rather than having the authority to implement such staffing changes directly and asked that this concern be recorded.

185. The legislation provides the Council with the right to access government information needed to carry out its functions. In practice, the Council has MoU with Departments and the Northern Ireland Office to facilitate regular information sharing, which will be reviewed once the Council becomes

statutory. A Partnership Agreement will also be established between the Council and the Department to set out governance arrangements and responsibilities. If disputes arise, issues may be escalated within the Department, raised with the Assembly Committee, or ultimately challenged through judicial review.

186. The Department confirmed that Clause 6(1) gives the Council full discretion in carrying out its functions and it is not required to undertake work suggested by Ministers, Assembly Committees, Members or other stakeholders, although it may take such requests into account when determining its work programme.
 187. Appointments will be made through the Commissioner for Public Appointments for Northern Ireland Code of Practice, ensuring a fair, open and merit-based process consistent with other independent NDPBs. The process is guided by principles including merit, diversity, equality, transparency, integrity and respect, and will be informed by a skills audit developed with the Chair and Chief of Staff.
 188. Schedule 1, Part 5 requires the NIFC to publish an annual report on the exercise of its functions and provides for an independent external review every four years, with the first review to take place within three years of Royal Assent.
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Clause by Clause Scrutiny of the Bill

189. Having considered the written and oral evidence received on the Bill and the reassurances from the Department via amendments to the Bill's EFM, the Committee undertook its formal Clause-by-Clause consideration at its meeting on 11 March 2026 - see Minutes of Proceedings in Appendix 3 and Minutes of Evidence in Appendix 4.

Clause 1

190. The Committee was content with this Clause as drafted by the Department.

Clause 2

191. The Committee was content with this Clause as drafted by the Department, noting the Department's amendment to the EFM.

Clause 3

192. The Committee was content with this Clause as drafted by the Department, noting the Department's amendment to the EFM.

Clause 4

193. The Committee was content with this Clause as drafted by the Department noting the Department's amendment to the EFM.

Clause 5

194. The Committee was content with this Clause as drafted by the Department noting the Department's amendment to the EFM.

Clause 6

195. The Committee was content with this Clause as drafted by the Department.

Clause 7

196. The Committee was content with this Clause as drafted by the Department.

Clause 8

197. The Committee was content with this Clause as drafted by the Department.

Clause 9

198. The Committee was content with this Clause as drafted by the Department.

Schedule 1 Part 1

199. The Committee was content with Schedule 1 Part 1 as drafted by the Department.

Schedule 1 Part 2

200. The Committee was content with Schedule 1 Part 2 as drafted by the Department, noting the Department's amendment to the EFM.

Schedule 1 Part 3

201. The Committee was content with Schedule 1 Part 3 as drafted by the Department.

Schedule 1 Part 4

202. The Committee was content with Schedule 1 Part 4 as drafted by the Department, noting the Department's amendment to the EFM.

Schedule 1 Part 5

203. The Committee was content with Schedule 1 Part 5 as drafted by the Department noting the Department's amendment to the EFM.

Schedule 1 Part 6

204. The Committee was content with Schedule 1 Part 6 as drafted by the Department, noting the Department's amendment to the EFM.

Schedule 1 Part 7

205. The Committee was content with Schedule 1 Part 7 as drafted by the Department.

Schedule 2 Part 1

206. The Committee was content with Schedule 2 Part 1 as drafted by the Department.

Schedule 2 Part 2

207. The Committee was content with Schedule 2 Part 2 as drafted by the Department.

Long Title

208. The Committee was content with the Long Title as drafted by the Department.

Explanatory and Financial Memorandum

209. The Committee was content with Bill's Explanatory and Financial Memorandum, subject to the Department's proposed amendments to the EFM being made which clarify that the Finance Committee will be kept informed about the work of the Council. This will include providing copies of reports, updates on membership or recruitment changes, and other key information about the Council's work. The amendments to be inserted into the EFM are as follows **in bold and underlined**:

I. Clauses 2, 3 and 4: Main functions, Budget assessment reports and Fiscal sustainability reports.

Clauses 2, 3 and 4 set out the duties of the Council to examine and report on the public finances in Northern Ireland. Under these provisions, the Council is under a statutory duty to examine and publish a budget assessment report for each financial year and a fiscal sustainability report yearly. The Council can also publish such other reports as it considers appropriate. All reports

published by the Council will be laid before the Northern Ireland Assembly and sent to the Department, **and the Committee for Finance.**

II. Clause 5: Power to confer additional functions

Clause 5 enables the Department to confer additional functions on the Council, or to alter or remove any of those additional functions by regulations. Any regulations will be made after consultation with the Council, **the Committee for Finance** and other persons as the Department considers appropriate and laid before the Northern Ireland Assembly for approval.

III. Part 2: Membership and staff of the Council

The period of appointment and other terms of appointment, including remuneration and expenses are all to be detailed within terms and conditions of the position within the Council as laid out in the appointments process. The terms of appointment will cover the areas of declarations of interests, political activity and public controversy which would compromise the work of the Council.

Provision 8 outlines the criteria on disqualification from appointment.

Regarding Provision 8(1)(d) which defines that a person is disqualified from appointment if within the last 10 years has been made bankrupt within the meaning of Article 9 of the Insolvency (Northern Ireland) Order 1989, this includes being, or having been, the subject of an analogous arrangement anywhere in the world.

Regarding Provision 8(3) and reference to ‘disqualified from being a member of the Assembly under the Northern Ireland Assembly Disqualification Act 1975 as applied by section 36(1) of the Northern Ireland Act 1998’, specifically, this means a person is disqualified for membership of the Northern Ireland Assembly if they are a member of the House of Commons; holds any of the judicial offices; is employed in the civil service of the Crown; is a member of any of the regular armed forces of the Crown; is a member of any police force; is a member of the

Dàil Éireann; or is a member of the legislature of any country or territory outside the Commonwealth.

Paragraphs 9, 10, and 11 detail the criteria on automatic termination of appointment, termination of appointment by the Department and resignation.

The Council will put in place a secretariat and support staff headed by a Chief of Staff. Terms and conditions of employment are to be determined by the Council. It is expected that these will be in line with the Northern Ireland Civil Service arrangements.

The Department will ensure that the Committee for Finance receives timely notification of any changes to Council membership.

IV. Part 4: Information and disclosure

The Council will publish at least once in each year a data statement around the quality of information and of any gaps in the data, information or explanations which shall be laid before the Northern Ireland Assembly and sent to the Department **and the Committee for Finance.**

V. Part 5: Reporting and review of performance

Part 5 sets out the reporting and review of performance duties for the Council. The Council must prepare and publish a report on the exercise of the Council's functions after each financial year **and share with the Department and the Committee for Finance.**

It must also arrange for a suitable person or body to a review and report on the Council's performance in each review period, publish the report **and share with the Department and the Committee for Finance.**

VI. Part 6: Finance and funding arrangements

Part 6 details that the Council must keep proper accounts and submit them to the Department, **copied to the Committee for Finance.** The Council's running costs are to be included in the Department's overall estimate

presented to the Northern Ireland Assembly, as is the case with the existing non-statutory Council.

210. The Department will establish a formal governance agreement once the Council becomes statutory. After the Bill is enacted, the Department and the Council will create a Partnership Agreement setting out governance arrangements, responsibilities, and how the Council can challenge or seek clarification from the Department when issues arise.

Links to Appendices

Appendix 1: Memoranda and Papers from the Department for Finance

[Northern Ireland Fiscal Council Departmental Papers and Correspondence](#)

Appendix 2: Written Submissions

[Northern Ireland Fiscal Council Written Submissions](#)

Appendix 3: Minutes of Proceedings

[Northern Ireland Fiscal Council Minutes of Proceedings](#)

Appendix 4: Minutes of Evidence

[Northern Ireland Fiscal Council Minutes of Evidence](#)

Appendix 5: Research Papers & Reports

[Northern Ireland Fiscal Council Research Papers & Reports](#)

Appendix 6: List of Witnesses that gave evidence to the Committee

- The Scottish Fiscal Advisory Commission
- The Northern Ireland Fiscal Council
- The Irish Fiscal Advisory Council
- The OECD
- University of Ulster Economic Policy Centre
- Pivotal
- Department of Finance
- Northern Ireland Audit Office

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