The 2022-2027 Mandate - Committees

The Committee for Finance

Northern Ireland Assembly
Education Service

Budget Scrutiny

The Committee for Finance is the Assembly's lead on Budget scrutiny. It co-ordinates the Assembly response to the draft budget and works to support the scrutiny carried out by the other Statutory Committees and the Audit Committee.

In this mandate, the Committee got the Department of Finance to agree to modify how information on Executive spending is presented to the Finance Committee, to go beyond tables of figures and include narrative (written explanations) about projected over and underspends, bids for extra funding, and indications of variances between projected spends and actual spends. The information provided has shown that Departments tend towards carrying financial 'pressures' throughout the year in the hope that they will get further Budget allocations. They are still managing to reconcile and balance their accounts at the end of the year, as required by law. The Committee has shared this **more detailed budget information** with other Committees to assist them in their budget scrutiny.

We have entered a new and more complicated era of Budget scrutiny. The Executive had expected to be able to agree a three-year Budget following a three-year indicative Budget allocation from the UK Government. This would have covered the financial years 2026-27, 2027-28 and 2028-29. It would have been the first **multi-year Executive Budget** for more than a decade and the idea was widely welcomed, as a way of to providing more stability and certainty of funding for everyone who receives public money. However, the allocations from the UK Government were not as generous as had been expected and, when the Finance Minister published a draft Budget for consultation at the start of 2026, it was rejected by his Executive colleagues.

Therefore, Northern Ireland left the 2025-26 financial year without an agreed Budget in place, but this didn't mean an immediate crisis at the start of the 2026-27 financial year on 1st April. In the Budget Act 2026, the Assembly agreed something called the *Vote on Account*, which has given the Executive the legal ability to spend 45% of the 2025-26 Budget at the start of the 2026-27 financial year. It is included in Budget Acts to ensure there is no gap in funding if the Budget for the next financial year is not agreed in time. This money effectively ran out at the end of September. To allow the Executive Departments and public sector to continue to function, the Permanent Secretary of the Department for Finance used legal powers granted to him by legislation to be able to allocate up to 95% of the 2025-26 Budget to the Departments. This means that the Departments and public sector can continue to function, but their budgets are very constrained and 'pressures' are growing. These 'pressures' are things that need paid for, but there is no agreed funding for, such as public sector pay rises for 2026-27.

This position is considered to be a crisis and the Department of Finance Permanent Secretary is allocating funding to Departments on a monthly basis, urging them to spend with restraint. It is expected that this money will run out by the end of February when there will be no funding left for allocation. That would be a disaster. If the Executive has not agreed a 2026-27 Budget by that point, the Secretary of State for Northern Ireland will have

to intervene and legislate for an NI Budget at Westminster. Talks are ongoing between the Executive and the Secretary of State to avert this. The Committee has continued to scrutinise this situation and has written to the Finance Minister, the Secretary of State for NI, and the Chief Secretary to the Treasury to offer suggestions and seek their views.

Issues

Balancing the Budget

The return of the Executive in February 2024, the Committee put considerable effort into seeking clarifications on the Executive Restoration Package Settlement (extra money from the treasury to encourage a resolution to the crisis). This involved significant correspondence with the Secretary of State for NI and the Chief Secretary to the Treasury on the *Budget Sustainability Plan*, the Fiscal Framework (governs how NI is funded in the UK system) and the Transformation Fund (£235 million, 5-year fund to modernise public services). The Committee has scrutinised the subsequent Interim Fiscal Framework in May 2024 and continues to scrutinise the further discussions between the Department of Finance and the Treasury that have flowed from this. This scrutiny has involved evidence sessions with economists, and a number with the Fiscal Council. A strong message coming from the discussions with the Treasury was the need for the Executive to balance its budgets and to prioritise sustainable spending. (See further information on the Fiscal Council below.)

A significant issue for discussion has been the gap between the **funding that NI receives from the Treasury** and its level of need. This need has been assessed by the UK Government as being 24% above per head funding in England. The Executive and Committee believe this should be assessed as being higher and point to funding for Wales and Scotland that is above their assessed level of need. This has fed into the current Budget discussions with the Secretary of State for NI. Ultimately, there may be a requirement to look at a new funding formula to replace the aging Barnett Formula that funds the devolved administrations on the basis of their population size.

Oversight of Civil Service Reform

This is a long-running issue for the Committee, with the Northern Ireland Civil Service (NICS) having 1000s of vacant posts. Many Departments maintain vacancies as a cost-saving measure and then are short of staff for key policy implementations. At the same time, the number of staff in the NICS has continued to grow, due to use of agency staff. There are also issues with lengthy temporary promotions and levels of sickness absence.

To consider these and wider issues, the Committee agreed to launch an **Inquiry** in October 2025 on the **Culture and Performance of the Northern Ireland Civil Service (NICS)**. This builds on work on the capacity and capability of the NICS undertaken by the NI Audit Office and the Public Accounts Committee and widens it out. The Committee has heard from a range of witnesses and received considerable written evidence. The Inquiry is wide-ranging and it is expected that a ‘first phase’ report on the Inquiry will be published in February 2027, prior to the dissolution of the Assembly in March 2027, before the election in May. This report will have findings and recommendations to direct the next phase of the Inquiry which will be taken up by the next Finance Committee. (See further information on this inquiry below.)

Legislation

Deaths, Still-Births and Baby Loss Bill

When the Death, Still-Births and Baby Loss Bill was first outlined to the Committee (before its introduction to the Assembly), it did not include provision for Baby Loss Certificates for babies who are lost before 24 weeks, when the change to 'still-birth' begins. During this period of *pre-legislative* scrutiny, the Committee successfully lobbied the Department to include this provision in the final Bill. When the Committee sought to extend the Committee Stage of the Bill, the Minister and departmental officials attempted to apply pressure to curtail the period of extension. A compromise was reached and the Committee tabled no amendments to the Bill, although individual MLAs (some on the Committee) did table amendments which may be considered controversial.

The Committee was very pleased to make Baby Loss Certificates a legislative reality. Subsequent to Royal Assent, regulations were agreed by the Committee and Assembly bringing forward Baby Loss Certificates and over 8,000 have been issued. The Committee continues to work to raise awareness of Baby Loss in conjunction with its partners, Forget Me Nots and SANDS. (Regulations are secondary legislation, known as delegated legislation, made by a Minister under powers given in a parent Act.)

Administrative and Financial Provisions Bill

This was an extremely broad bill that made legislation on behalf of a number of other Departments as well as the Department of Finance. Normally, administrative and financial provisions bills would be regular occurrences and are usually brought forward separately. However, a considerable period had elapsed since any such bills had been brought forward, so there were a number of issues that Departments asked the Department of Finance to legislate for on their behalf. The Bill's long title is: *'A Bill to Make further provision with respect to the administration and financing of public services in Northern Ireland, in particular measures to provide powers to undertake certain activities, to enable charging for certain activities and to modify arrangements for financial governance'*. It was introduced to the Assembly on 23rd June 2025 and started Committee Stage on 2nd July 2025. The Committee reported on 11th March 2026 and the Bill was passed by the Assembly and received Royal Assent on 28 October 2026.

The Committee was very conscious that **this Bill was unusual** in that it made provisions for the Infrastructure, Economy, Education, Agriculture, Executive Office and Communities Departments, as well as the Department of Finance itself. This meant the Committee not only scrutinised all the provisions of the Bill itself but asked other statutory committees to scrutinise the provisions relevant to them. The Committee collated and interrogated responses from the other committees and engaged with the Infrastructure and Education Departments to agree amendments to be brought at Consideration Stage of the Bill. Additionally, the Committee sought the removal of Clause 20 of the Bill and the Assembly agreed this at Consideration Stage.

Northern Ireland Fiscal Council Bill

At the same time as it scrutinised the Administrative and Financial Provisions Bill, the Committee also considered the NI Fiscal Council Bill. The Bill received Royal Assent on 7th October, becoming an Act.

While the Fiscal Council was already established as part of the 'New Decade, New Approach' deal, it had not been put into law. This Bill provided for that to be done. (A fiscal council is an **independent body set up by government to evaluate its tax (fiscal) policy and expenditure**.)

The Committee engaged extensively with relevant stakeholders, including similar bodies in neighbouring jurisdictions, as well as the Organisation for Economic Co-operation and Development (OECD), which developed the key principles on which independent financial institutions are based and assessed. The Committee agreed amendments to the Explanatory and Financial Memorandum (EFM) to the Bill for Clauses 2, 3, 4 and 5 and Schedule 1 Parts 2, 4, 5 and 6 of the Bill. These were supported by the Assembly. The majority of the changes sought to the EFM were to ensure that the Committee had sight of all the work of the Council and to ensure maximum transparency of its operation.

Marriage and Civil Partnership Bill

The Committee Stage of the Bill began on 21st April 2026. The Long Title of the Bill is: *'A Bill to Make provision as to the persons who may solemnise marriage; to make provision about the minimum age for marriage and civil partnership; and for connected purposes'*. Essentially, the Bill **raises the minimum age of marriage to 18** as part of a global campaign to end child marriage. Additionally, the Bill seeks to put into law agreements that have existed since 2017 allowing marriages to be conducted by belief groups such as the Humanists. With regard to this, the Bill sets out the processes through which those able to solemnise marriages are regulated.

The Committee has found during its evidence gathering that the Bill is not controversial. Most of the focus of those that have provided views relating to the provisions of the Bill have sought to ensure that the dignity of marriage is respected through careful regulations of the bodies and officiants who can solemnise marriages. The Committee has heard from a range of witnesses and is due to report on its deliberations on 13th November 2026. The Committee will consider whether it wishes to make amendments to the Explanatory and Financial Memorandum to the Bill, but Committee amendments to the Bill itself are not anticipated.

Legislative Consent Motions (LCMs)

Ministers table Legislative Consent Motions to ask for the Assembly's approval to extend the application of a Westminster Bill to Northern Ireland. There was an issue for the Finance Committee around a Legislative Consent Motion for the *Data (Use and Access) Bill*. The Department laid a Legislative Consent *Memorandum* with draft LCM (in the Business Office). Usually at this point, a process is triggered under Standing Order 42A which gives the Committee 15 working days to report on the provisions in the Bill which refer to devolved

matters. However, this Bill had passed the point at Westminster where it could be amended, so the Assembly's consent or otherwise didn't count. The Committee wrote to the Speaker and the Department's motion was denied. The Minister subsequently brought a motion to note the Bill. The Committee was concerned by what it saw as the Department's lack of understanding of the LCM process and the timescales within it.

Subsequent to correspondence from the Committee, the Committee on Procedures has gained Assembly approval to change the Standing Orders governing Legislative Consent Motions.

During this period, the Committee has reported on the Property (Digital Assets Etc.) Bill which the Committee supported, the Public Office (Accountability) Bill on which the Committee reserved its opinion, and the Cyber Security and Resilience (Network and Information Systems) Bill which the Committee supported. In the case of the latter two LCMs, the Committee added addenda to its initial reports. The limited time in which a Committee can report meant that further work was required. The Committee on Procedures changes to Standing Orders will provide more time, so that committees will not be forced to report so quickly. It is to be hoped this will mean committees not having to reserve their positions on LCMs.

Inquiries

The Committee undertook an **Inquiry into the Northern Ireland Banking and Financial Services Landscape** between October 2024 and June 2025, launching a report in September 2025. This inquiry was unusual as it looked at what is a primarily Reserved Matter – ie, not devolved to the Assembly. However, the Committee knew that the UK Government is developing a Financial Inclusion Strategy and Committee members wanted to provide NI-focused evidence to the Westminster Committee taking that forward.

The Inquiry focused on the situation for local consumers and businesses, highlighting a range of issues specific to NI, including our high dependence on cash, the faster closure of our bank branch network, the opening of Banking Hubs here, the high level of financial and digital illiteracy here, the high level of credit union usage and the lack of government support for these, as well as issues linked to the high proportion of rural dwellers in NI. The Committee wrote to Westminster's Financial Inclusion Committee to highlight the issues raised by the Finance Committee inquiry and press for these to be addressed in the Financial Inclusion Strategy.

The Finance Committee fed into the Economy Minister's consultation on modernising and expanding legislation around credit unions. The Committee also wrote to the Finance Minister regarding a number of issues it would like the Executive to pursue. Subsequently, the Department of Finance has provided the Committee with a number of updates on ongoing work relating to the Inquiry, as have a number of other stakeholders, including the Financial Conduct Authority (FCA). Additionally, some of the Committee's recommendations have been included in the recently introduced Credit Unions (Amendment) Bill, much to the Committee's satisfaction.

The Committee's **Inquiry into the Culture and Performance of the NI Civil Service** builds on work on the Committee has already been doing around the NICS, as well as

incorporating the capacity and capability of the NICS work undertaken by the NI Audit Office and the Public Accounts Committee and widening it out. The Committee has heard from a range of witnesses and received considerable written evidence. The Inquiry is wide-ranging and it is expected that a 'first phase' report on the Inquiry will be published in February 2027, prior to the dissolution of the Assembly in March 2027, before the elections in May. This report will have findings and recommendations to direct the next phase of the Inquiry which will be taken up by the next Finance Committee.

Party Loyalty

The Committee has members from Sinn Fein, the DUP, Alliance, SDLP and People Before Profit, and it is chaired by the Leader of the Opposition, Matthew O'Toole MLA. Therefore, party-political perspectives are sometimes evident. When the Minister wanted to pressure the Committee into a short extension of the DSBBL Bill Committee Stage, the Minister's (Sinn Fein) party colleagues argued strongly for the Committee to avoid an extension, if possible. This was despite the general view that the 30 working days for Committee Stage set down in Standing Orders is considered to be unworkable.

Relationship with the Minister

The relationship with the Minister has generally been good. The Committee has dealt with 2 Ministers over the period: Dr Caoimhe Archibald for the first year; and John O'Dowd since February 2025. The Committee was impressed by Dr Archibald as a first time Minister, as she was very much over her brief and able to engage in discussion with the Committee without having to defer to her officials. She appeared to want a good relationship with the Committee and this was achieved despite some issues around delayed papers. Mr O'Dowd is an experienced minister and generally gets on well with the Committee. The Committee has found that the Department does not always share all the information it holds on a particular issue.

Innovations - As mentioned above, the Committee has delivered modifications to the way the Department conveys Budget information, so making it much more accessible and easier for the other Committees to scrutinise their Department's performance. The Committee is also making a lot more use of captioned video to disseminate its work. Additionally, Committee input has helped to change the way in which Standing Orders deal with Legislative Consent Motions.

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