



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Main Estimates and Budget (No. 2) Bill:
Mrs Arlene Foster MLA (Minister of Finance
and Personnel) and DFP Officials

17 June 2015

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Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Ms Michaela Boyle
Mr Leslie Cree
Mr Paul Girvan
Mr John McCallister
Mr Ian McCrea
Mr Máirtín Ó Muilleoir
Mr Jim Wells

Witnesses:

Mrs Foster	Minister of Finance and Personnel
Mr Mike Brennan	Department of Finance and Personnel
Mr Peter Jakobsen	Department of Finance and Personnel
Ms Joanne McBurney	Department of Finance and Personnel
Ms Emer Morelli	Department of Finance and Personnel

The Chairperson (Mr McKay): Minister, you are very welcome to the Committee. This is your first time before it, so I welcome you to your role as well. Would you like to make some opening remarks, and then we will go straight questions?

Mrs Foster (The Minister of Finance and Personnel): Thank you very much, Chair. Thank you for inviting me here today for, as you say, the first time. I look forward to a good working relationship while understanding your role as a challenge to me, but I hope that does not stop us from having a constructive relationship in what is, at the moment anyway, a very challenging area.

You will all be aware that the Department has now embarked on the legislative process of the Budget (No. 2) Bill to give formal authority to expenditure plans set out in the departmental Supply Estimates for the current financial year, that is, 2015-16. It is asking the Assembly to authorise £8.3 billion of cash and over £9 billion of resources to deliver health services, education, jobs and other public services, as well as the expenditure needed to pay benefits and pensions. Those amounts are in addition to those already authorised through the Vote on Account in February. The Budget Bill is based on what has already been agreed by the Executive in their Budget of 2015-16, which, of course, requires all parties to honour commitments that we made back in December in the Stormont House Agreement. Progressing the Bill ensures that our public services will continue to be funded through this financial year, 2015-16.

As I think you indicated, Mr Chairman, my background paper was provided to the Committee last week. Hopefully, it set out the overall context of where we find ourselves. You will all, of course, be aware that I introduced the Bill yesterday, following the detailed and, indeed, very useful Supply resolution debate on Monday 15, which was this week. I am pleased that the Supply resolution motion was agreed by the Assembly, and I look forward to the Bill continuing its passage. Assembly approval of the Bill and the associated departmental expenditure plans is, of course, a crucial stage of the existing public expenditure cycle, and failure to pass it would very much put at risk the smooth continuation of public services into the remainder of this financial year.

Equally, as I have repeatedly outlined, failure of the Executive and Assembly to find a way forward on welfare reform would put our spending plans at risk and, indeed, present Ministers and the Assembly with the unenviable, and, I would say practically impossible, task of imposing further spending reductions on what are already hard-pressed departmental budgets.

Chairman and members, you will be aware that accelerated passage is required for the legislation to ensure that Royal Assent is given before the end of July. There is a provision for that specific instance under the Assembly's Standing Order 42. Due to the unusual circumstances around this year's Budget Bill, you have not yet been able to grant accelerated passage, which can be given only on the basis that I have appropriate consultation with you. The main purpose of me being here today is to assist the Committee with scrutiny of the Main Estimates and the Bill. As you indicated, Mike and I have to leave at 11.00 am, but after I leave, other colleagues will be quite happy to take detailed questions on any issue that you have.

Of course, this is not your first engagement on the issue. There was a further stage of consultation going back many months when you were heavily involved in the draft and final Budget process. Therefore, through the Budget process, there has already been extensive consultation with the Committee on the evolution of the Main Estimates and the Budget (No. 2) Bill.

Chair, those are the key issues, and I am happy to take questions or comments.

The Chairperson (Mr McKay): Thank you, Minister, and thank you for your courteous comments. It is important that we feel that the Committee is given its role in the Budget Bill, and we greatly appreciate your presence here today, given the ongoing issues that need to be dealt with at Executive level. We certainly hope that the Executive can come to a resolution, regardless of different political views on the matter.

In the context of the 2015-16 Budget, more cuts are to be announced. The Chancellor in Westminster is to make a statement in the coming weeks, and, of course, there are further cuts to come in the autumn. Those announcements have been met with outrage, I would say, by your counterparts in Cardiff and in Edinburgh in the other devolved Administrations. I think, however, that the response of the Department here has been more muted. Is it fair to say that the Department is taking a softer approach with the Chancellor than the other Administrations?

Mrs Foster: No, I would not say that at all. When you and your colleagues indicated that we needed to challenge austerity and cuts that are coming down the line, I said that we should work with Wales and Scotland, particularly on the comprehensive spending review that is coming towards us and, indeed, as we look ahead to 2016-17 and 2017-18. That does not prevent us dealing with what is in front of us today, which is the Budget Bill. Both Wales and Scotland have set their Budgets for 2015-16, and they have dealt with welfare reform. I think, therefore, that a contradictory approach is not being taken. We will certainly work with Scotland and Wales, and I have received a request from both John Swinney and Jane Hutt for trilaterals. I am looking forward to meeting Jane in the very near future.

The Chairperson (Mr McKay): Surely it makes it very difficult for an Administration, especially when you are trying to cut your own cloth, as any Finance Minister would, when changes as significant as those announced by the Chancellor recently come without any warning. Did the Chancellor contact you or give you any information pertaining to the cuts of £30 million-plus before making the announcement in London?

Mrs Foster: No, there was no prior knowledge. I presume that, judging by their reactions, that was the case in Scotland and Wales as well and that there had not been any discussions with them. There are usually in-year cuts, as I understand it. I think that the Committee will appreciate that I have been in this position only six weeks. Indeed, in the past we have received an uplift through the year

thanks to Barnett consequentials that have come to us. Changes are made throughout the year by the Chancellor and his team, and as a result of the devolution settlement, we have the consequences of those.

The Chairperson (Mr McKay): Have you raised the possibility of improving the process with the Treasury, rather than you as Finance Minister being landed with a sudden announcement that you are going to lose —

Mrs Foster: You will recall that, when the coalition came into office five years ago, there was a great deal of store set by what was called the respect agenda for the devolved Administrations. In my previous role, I challenged that, because I did not think on some occasions that we were given the due respect that we should have been as a devolved Administration. Often, when I was in DETI, we were an afterthought. Certainly — I will stress this when I meet Treasury today — I hope that we will have a good relationship with the new Government and that we will be able to work together. Obviously, we will have to challenge, and my previous comments about that are very obvious. I hope as well that they will give us due respect as devolved Administrations and will work with us in that regard.

The Chairperson (Mr McKay): Do we have any indication as yet of what cuts are coming down the line? To the fullest extent of your knowledge at this stage, what do you foresee as the economic impacts of the roll-out of the continuing financial year?

Mrs Foster: The Office for Budget Responsibility's (OBR) forecasts indicate that significant cuts will be coming towards us for next year and the following year. I think it is only in the third year, Mike, that we see —

Mr Mike Brennan (Department of Finance and Personnel): Yes, in 2019-2020, there seems to be a bit of an uplift on the resource DEL.

Mrs Foster: However, we have to take into account the different manifestos that were laid out before the general election. If we looked at those, we would have a fair idea about where the various cuts will come from, but we do not have any informed intelligence, if you like, from Treasury on what is happening on 8 July. In other words, we have not been told that this will happen, but, at the moment, we are making informed guesstimates on where those cuts will come.

The Chairperson (Mr McKay): Obviously, the Committee issued a report on the draft Budget, calling for "fully informed debate" and consultation on:

"the options across all departments for raising additional revenue through charges and further devolved taxes and duties."

The Committee did that as a way of giving Departments an option to try to balance some of the budgetary pressures that they are now under. What is your position on that proposal? Is it something that DFP will be prepared to recommend to the Executive? I feel that it is an area that we have not looked into enough, and, given the pressures that we are now facing into, we need to look more seriously at other revenue-raising measures where we can identify them.

Mrs Foster: This has always been a very contentious issue, Chair, as you know. When you mention water rates in this country, things tend to go viral. I think that it is time to have a very mature debate. I am not suggesting for one moment that the Executive will back that sort of revenue-raising stream, but I think that we need to have a very open debate about where our block grant comes from and what we can do within it so that the wider public can understand what we are talking about when we are having this discussion about budgets and financing schemes. In future years, we will all be recipients of correspondence and lobbying by many groups on why such and such a scheme could not go ahead or why funding has been removed. Indeed, I listened this morning to a report saying that the Department of Education has removed funding from a teacher training scheme. People need to understand why our finances are limited in that way, and I think that we need to have a full and open discussion. I would very much welcome such a discussion. The Budget review group, as I understand, is looking at that paper and will make recommendations to the Executive. I am not sure, Mike, when that Budget review group is meeting again.

Mr Brennan: It usually meets once every six months and takes reports from officials on a range of issues. Revenue raising is really a standing item for the Budget review group, and we have been

trying to identify innovative ways to raise revenue. For example, that is why there has been considerable emphasis over the last couple of years on, for example, rationalisation of the estate and generating additional receipts through capital disposals. The work of the Strategic Investment Board (SIB) and the asset management unit has been accelerating considerably over the last year or so. That is one way in which additional money can be raised for the Executive, but there are many others. As I said, the Executive mandated the Budget review group to look at that.

Mr McCallister: Welcome, Minister, in your new role, and officials. I have several points on that, Minister. You said that by 2019-2020 there might be some uplift, and you talked about looking at the manifestos. If I am right, the Conservative manifesto included a commitment to raise health spending by £8 billion by 2020. Surely, they will be stepping that up. What would our Barnett consequential be from that £8 billion? It would probably be around £200 million or somewhere in that region. Given that Health and Education are our two biggest-spending Departments, would you expect some easement in the financial situation simply because the national Government will up spending in those areas?

Mrs Foster: Yes, absolutely. We will receive the Barnett consequential from any spending that is made in those areas.

Mr McCallister: Do you think that that will be enough to ease some of the tightening on other budgets?

Mrs Foster: I am not sure that it will ease all the tightening, but it will certainly —

Mr Brennan: It will ameliorate it. The benefit of the Barnett formula is that, in times of public expenditure cutbacks, it bestows significant protection to the Northern Ireland block because roughly 70% of the Northern Ireland block is for health and education. We have what is called full comparability; in other words, 100% protection. If health and education are protected in Whitehall, the Northern Ireland block gets considerable protection from the cuts that are rolling out in Whitehall.

Mr McCallister: I think that certainly helped us in the last Parliament.

Mrs Foster: It did, yes.

Mr McCallister: Under the Stormont House Agreement, have you, in discussions with the Secretary of State, seen any prospect of the UK Government easing up and letting you do some of things, like the voluntary exit scheme? That £700 million would certainly ease some of your pressures if they allowed you to do that. Or, is it the case that, if we lose this and do not do welfare, we will lose the £700 million for the scheme and the £350 million on infrastructure? That will have an impact on jobs and construction.

Mrs Foster: The Secretary of State has been very clear that the Stormont House Agreement stands or falls together. Whether that continues to be the case is a matter for the Secretary of State. Certainly from our perspective, it was a balanced agreement; it was an agreement that was interlocked. There were things that we wanted to see and things we did not want to see in it, but it was an agreement. It was something that we all came to an agreement on back on 23 December. We have predicated the Budget on the full implementation of the Stormont House Agreement so that we can move ahead on the voluntary exit scheme. Do not forget that that is a fundamental part of departmental savings. It is important that it rolls out by August, I think the head of the Civil Service said, because, obviously, we have to give people a chance to plan. The conditional letters have gone out. If we have not got that money in place by then, it will have a huge impact on departmental savings plans, because the pay bill savings are there in the plans for this year, not next year.

Mr McCallister: He said August, last week, in this room.

What about asset sales? Under the Stormont House Agreement, you are permitted to keep money from asset sales and to use it to repay the £100 million and £114 million of fines or penalties, or to repay the Treasury. Where is the Department on asset sales? Are you still going ahead with some, or have you effectively stopped?

Mrs Foster: We have made some asset sales. We have done that to try to deal with that which we undertook to do in the Stormont House Agreement. This is difficult for some people to understand, but, conversely, we have also bought some buildings. That was to cut down on the recurring rent.

That is a saving into the future as well. So, there are two sides of the asset story, but I think that both can be very clearly explained.

Mr McCallister: The money from the asset sales was to be used for a set purpose but cannot be used for that purpose at the moment.

Mrs Foster: We have to proceed by presuming that the Stormont House Agreement will be fully implemented, just as we are proceeding with the Budget. Therefore, we are proceeding with those matters.

Mr McCallister: What happens if the Stormont House Agreement is not implemented? Do you have to repay that money?

Mrs Foster: We will not have to repay it. The asset sales will have gone through. We will have a pot of money to be dealt with, and we will have to decide what to do with that money. However, I am hopeful that we will be able to deal with it in the way in which it has been set out in the Stormont House Agreement.

Mr McCallister: The shadow Secretary of State almost used the expression, "Wake up and smell the coffee" about this. He was fairly strident in his criticisms of parties not implementing Stormont House and changes to welfare. It was clear that, even had Labour won, there were going to be no changes. You and both your colleagues, including Mervyn Storey in answer to me, have been talking about possible problems in paying benefits. Have you, with Minister Storey, identified which benefits and pensions we would struggle to pay if the Budget were not made? Have you made any contingency plans? You responded to a question of mine on Monday about the single farm payment. How are we going to manage that and the people who are dependent on benefits or the single farm payment?

Mrs Foster: Again, you are presupposing that the Stormont House Agreement will not be implemented. We are planning for success, but we are also planning in case success does not happen. So, we have been discussing how we can find other ways of paying out those issues.

Be under no illusion about this. I have listened around the Executive table to all my colleagues indicate the very dramatic impact that this Budget Bill and the Stormont House Agreement not going ahead will have on public services, not just on pensions and welfare benefits. I listened to the Enterprise Minister talk about stopping writing business for Invest Northern Ireland and to the Regional Development Minister set out very clearly that he will not be able to do things, which, actually, for me, was quite alarming, because it would lead to health and safety issues on roads. I am sure that, given the number of people who met their death on roads this year, we would not want to go down that road. Each Department has set out very clearly what will happen if it does not have access to the accruing resources as a result of the Budget Bill going ahead and if the Stormont House Agreement is not implemented in full with welfare reform going through. It is a very critical time.

Mr D Bradley: Morning, Minister, and welcome to the Committee. Just to continue on the point that John raised, as you said, this Budget is contingent upon agreement being reached. If agreement is not reached, how long can the Budget carry us?

Mrs Foster: There are two ways to deal with welfare reform. I think we have been very clear about that. Obviously, we would prefer if it was implemented here in the Northern Ireland Assembly, and we could deal with the top-ups that we have come to agreement on. The alternative is that Westminster legislates on welfare reform. I do not think that any of us would welcome that, given that welfare has been a devolved matter for Northern Ireland going back not just to 1998 but to the creation of the state. Therefore, if the Secretary of State has to intervene, it will be very regrettable, but it may be the only way forward. I say that, given the state of the public finances at present.

Mr D Bradley: I know that you are going to meet a Treasury Minister later today. Can you give us any indication of what topics will be discussed?

Mrs Foster: Given what the Chancellor had to say yesterday about the Budget, I can only imagine that that will be top of the agenda in the context of how we are going to deal with what is perceived to be a £600 million deficit. As you know, I have been very clear on that. In the Supply resolution debate, I said that the Budget was predicated on the implementation of welfare reform and that if it is implemented we will have a balanced Budget. So, it is predicated on welfare reform going ahead, and

we will have a discussion on that. We will also have a discussion on the issues that I mentioned to the Chair, such as respecting the devolved institutions and working together for the good of our respective jurisdictions. I think that that is important as well. Of course, this is the first time that I will have an opportunity to meet the Chief Secretary to the Treasury. So, there is that as well.

Mr D Bradley: Thanks for that. In previous years there has been a bit of a struggle to ensure that all the financial transaction capital (FTC) is spent and that none is returned to the Treasury. In the previous year, I think that, had it not been for the University of Ulster project, we would have been under quite considerable pressure in that respect. What is the current situation regarding FTC?

Mrs Foster: It is all committed at present, but some of it is committed to the new Northern Ireland investment fund, which we are setting up in conjunction with the European Investment Bank. I know that there are risks associated with some of the projects that FTC has been allocated to, not least the Arc21 project. I think that £50 million has been allocated to that, and, as yet, there is no planning permission for it. We are very mindful of that, but we now have that safety net of the Northern Ireland investment fund. I think that it is a good move. I am sure that the Committee is aware that we are scoping out the scale of that investment fund, what it should look like and what it should get engaged in. That work will be completed very soon, is it not, Mike?

Mr Brennan: Yes, you are about to receive the feasibility study that Deloitte has been undertaking for the EIB. That should be with you in the next few weeks.

Mr D Bradley: Thanks for that. There is a belief out there that the FTC is Belfast-centric. Can you give us an assurance that all of the region will benefit from it?

Mrs Foster: If anybody knows me, Dominic, they will know that I will not be Belfast-centric. I represent the most westerly constituency in Northern Ireland, and, therefore, it will be my desire to see FTC used right across Northern Ireland. Of course, we need projects in order to do that, and we need to be imaginative. I hope that colleagues will help with bringing forward such projects.

Mr D Bradley: Thanks very much, Minister.

Mr Girvan: Glad to have you along, Minister. Costs are already accruing and running up due to the non-implementation of the Stormont House Agreement. Some people are talking about what could happen should the Chancellor and the Westminster Government propose additional in-year cuts. I appreciate that that might be one area. Is there a running figure of the costs that we have incurred to date that will come out of this year's Budget, which we will debate?

Mrs Foster: Of this year's Budget, £114 million will be taken out of the block grant in penalties. For next year — it is predicted on the current GB welfare system as opposed to the system that we have here in Northern Ireland — the projection is £196 million.

Mr Girvan: I wanted clarification —

Mrs Foster: As to how much is already —

Mr Girvan: Correct.

Mrs Foster: I know that it was —

Mr Brennan: It was £13 million, then £87 million, then £114 million going up to £196 million, but that, as the Minister says, is based on the presumption that existing welfare policy stays the same in GB.

Mrs Foster: Yes, so there is the potential for that £196 million to increase if the welfare policy changes in Great Britain.

Mr Girvan: That would potentially affect us because of the adjustment on our AME.

Mrs Foster: Yes.

Mr Girvan: I am more worried about the debate that will take place next week on the Budget and its way forward. We have already had the Supply resolution debate, where we agreed to spend beyond our limit should non-implementation go ahead.

Mrs Foster: Just to be clear, Paul, we will not be able to go ahead if non-implementation takes place, because Treasury will not allow us to do that.

Mr Girvan: So, Treasury will automatically, at that stage —

Mrs Foster: It will step in.

Mr Girvan: It will step in at that stage. Because of that, we will have ceased to deliver a function of the finance management of our own country. The Budget debate will probably focus around that area. That is where it will focus from my point of view, but other people's views might be slightly different. Is there any possibility that we will have additional moneys from Westminster?

Mrs Foster: No, we will not be getting any additional moneys from Westminster for welfare reform. That is not just the view of the current Government; it is also the view of the shadow Secretary of State for Northern Ireland, who was very clear that he could not explain to his constituents why Northern Ireland was getting more money than they were getting. I can understand that fully. We had decided, in Northern Ireland, to top up and make the welfare cuts that were coming from Westminster more palatable and easier to deal with for people who are vulnerable. I think that that was the right thing to do. We have a whole range of ways of doing that, but, unfortunately, because of the failure to vote through the Welfare Reform Bill, we now have no capacity to have those top-ups.

Mr Girvan: I want to go back to a point that was made about the conversations that are going to take place between the Scottish Administration, the Welsh Administration and us on a way forward. I understand that they have not devolved the welfare aspect. Are all those discussions about going out with a begging bowl or are they about taking a stand on austerity cuts and opposing them? If the other jurisdictions oppose the cuts, their Barnett consequential will incur similar penalties.

Mrs Foster: I have not had the opportunity to meet the Scottish or the Welsh Finance Ministers, but those meetings will take place very soon. As I understand it, they oppose the rate at which the Tory Government are dealing with the deficit, and they would wish to deal with it in a different way. It is not that they do not want to deal with the deficit. Of course, we need to deal with the national deficit, which, at its height, was over £150 billion. That is a huge amount of money. That has now come down to £75 billion. Therefore, it is about how we deal with cutting that deficit to get into a position of balance again. There will be differing views as to how that is done, and I understand that that is where the differences lie between the Scottish, the Welsh and ourselves and the Administration in London.

Mr Girvan: I just want some clarification on this matter. My difficulty is with the length of time that we are taking to implement the Stormont House Agreement. If we do not do that, how do we make those in-year cuts with a very small part of the financial year left? We are hearing all sorts of rumours about dragging this out until we run out of money in February, but potentially, come August, if we do not have certain things in place by the autumn, we will have six or seven months of the financial year to make all those savings and pull back. Will that not create a bigger problem in our public services such as education and health?

Mrs Foster: The longer we take on welfare reform, the more difficult it becomes to deal with public finances. Therefore, it is my view that welfare should be dealt with very quickly. In fact, it should have been dealt with before now, but it needs to be dealt with now.

The Chairperson (Mr McKay): I just want to ask a quick supplementary question on that issue. Paul referred to the bigger economic question around the deficit. Would you side more with the Treasury and George Osborne's approach to dealing with the deficit to date and over the next four years or would you be more sympathetic to what the likes of John Swinney and others are saying, which is that there needs to be more public sector investment and more expenditure to keep the wheels of the economy moving?

Mrs Foster: There is no doubt that the way in which George Osborne has been looking at the deficit has worked for parts of England, given the way that the economy is now growing in parts of south-east England. However, it is more of a challenge for the regions of the United Kingdom, and I could see

that when I was the Enterprise Minister. We had challenges that parts of England did not have, and those challenges exist in Scotland and Wales as well. I want to discuss with my colleagues in Scotland and Wales how we can make a proposal that will assist our part of the United Kingdom; in other words, that we go forward with a proposal from, in my case, Northern Ireland to try to explain to the Treasury why we have to deal with it differently in Northern Ireland. I will be taking a Northern Ireland approach; I want to be very clear on that. Obviously, at a United Kingdom level, we have to deal with the deficit, and I totally understand that, but, from a Northern Ireland perspective, we have very specific needs, not least our connectivity with the rest of the United Kingdom and our exports and how we deal with those things. I will be taking a Northern Ireland approach to the deficit.

The Chairperson (Mr McKay): Is the local approach a view that there should be an increase in public spending?

Mrs Foster: The local approach will be predicated on what is good for Northern Ireland. We will discuss that with Scotland and Wales when it comes.

The Chairperson (Mr McKay): So, you are not sure whether you want to see more public spending here.

Mrs Foster: I have been in this job for six weeks, Daithí, and I have to talk to other colleagues about what they need for their own Departments for growth. For me, it is all about growth. How do we facilitate growth in Northern Ireland? To me, the private sector must drive growth in Northern Ireland. How can we drive private sector growth and what is the best way to do that? I will discuss that with colleagues in the Executive, and then we will formulate a view as to how we should take that forward. I will not do this alone; I will do it with the rest of the Executive.

The Chairperson (Mr McKay): When would you expect to come to a position on that? The likes of the Scottish Minister are already shouting from the rooftops that we need to see more public sector spending and a change in economic policy to ensure that we deliver our public services.

Mrs Foster: Unfortunately, I have had the little matter of a hole in my Budget to deal with over these past six weeks. Once we have welfare reform in place, and a Budget in place to deal with the fundamentals of running the economy in Northern Ireland, then we can seek to talk about other issues.

Ms Boyle: I welcome you, Minister, in your new role, and I wish you well.

Is it the case that DFP and DETI will now cease any pursuing of the devolution of air passenger duty? Businesses here that are affected are crying out for that to happen. Dublin and the South are now taking a disproportionate share of the tourism market as a result of the high tax here.

Mrs Foster: Of course, we do have air passenger duty devolved for band 2 international travel. That devolution cost the block a number of millions of pounds. Under the Azores ruling, and we are all aware of that in the debate around corporation tax, if we are to have that devolved to us in Northern Ireland, we have to take the cost. The cost of air passenger duty on band 1 would be quite a considerable cost to the block.

It is not a case of us not wanting to have air passenger duty reduced — abolished, some would argue — for band 1. We would argue strongly that, as a regional airport in the United Kingdom, we are very much disadvantaged in relation to air passenger duty. We have been arguing at a UK level that air passenger duty should be reduced and/or abolished. There was debate on that issue recently in the House of Commons.

It is important that we recognise that air passenger duty is a tax and is having a disproportionate impact on us in Northern Ireland. However, if we were to ask for the devolution of that tax, it would cost the block a considerable amount of money. To be blunt, it is a balancing act. I know that the airports are keen to have the matter dealt with, but we have to balance that against all the other competing demands.

Ms Boyle: Will the commitment to promote the well-being measurement in the new Programme for Government, which was supported by your predecessor, be something that you will continue to support?

Mrs Foster: It is something I will continue to support. Of course, I cannot commit to it being in the new Programme for Government because that is after this mandate and into the next, but it is certainly something that we will put forward to the Programme for Government team.

Mr Cree: It is a difficult year this year, as we said the other day. We have two competing priorities, if you like. We have the Budget as a whole, and then we have the more detailed movements within the Budget when we look at the constituent parts of it. We are still dealing, Minister, with the final Budget as was. When do you expect to introduce the June monitoring round figures?

Mrs Foster: Those figures are now with officials. I indicated to you in the House that there was not very much money coming in. There are certainly quite a lot of bids being made. That said, colleagues are putting forward only absolutely essential bids. There are no fairy tale bids coming through in this monitoring round. They are very tight, and I am pleased about that. That said, there is still a big gap between the bids that are being made and the amount of money that we have to deal with those bids — or, rather, the lack of money.

Do we have a timescale for June monitoring, Mike?

Mr Brennan: Ideally, a paper would be presented to the Executive before the summer recess, so that the Minister could make a statement just before break up. We are looking to have it to the Executive in probably two weeks from now.

Mr Cree: The chances are that we will not really have that detail before we put the Budget to bed.

Mrs Foster: Of course, the two are not linked.

Mr Cree: No, but they are linked in reality for some of our colleagues.

Mr Brennan: As you know, virtually every year, the June Estimates are signed off after the Main Estimates and the Budget Bill have progressed through the House. It is inevitable with the timescales. In fact, I can remember June monitoring statements being made in September. Ideally, the Executive would sign off when —

Mr Cree: We had it last year, yes.

Mrs Foster: Yes, that was last year.

Mr Cree: That was a very different year.

I think that it was Dominic who touched on financial transactions capital. I have been watching that for a long time. I do not think that we really handle it very well. In fact, I believe that some Ministers may not even understand what it is. Do you know yet, Minister, if we used all our capital last year, bearing in mind that this year it will be 11.6% of the capital budget?

Mr Brennan: The Minister will make a statement on the detail of the provisional out-turn, but the indications are that there will be no capital surrender to Treasury at all. I think we are only talking of millions in the single digits circulating round the system. All capital was spent and no FTC was surrendered to Treasury.

Mr Cree: Good.

Minister, we were discussing yesterday the Mental Capacity Bill. That will cost a lot of money, and that is not factored in for the current year.

Mrs Foster: No, it is not.

Mr Cree: That would be a further pressure.

Mrs Foster: It would, and I indicated as much to the former Finance Minister as he was about to introduce the Bill. In fact, I think, he might have written to himself to say that the money was not available. It might have been a crossover of dates.

Mr Cree: The big thing, Minister, is to get a Budget put to bed for sure. I am just wondering — it was not really a Budget we decided on Monday, but the prelude to the Budget. Do you reckon that it will comply with Her Majesty's Treasury's guidelines for devolved Administrations?

Mrs Foster: We want to discuss with the Chief Secretary to the Treasury how he views what we are doing. We have had a view from the Secretary of State on what we are doing with the Budget. It is largely a positive one, although, like me, she would not choose the Budget. We heard a little bit from the Chancellor yesterday on his views, and I want to talk to the Chief Secretary to the Treasury today about how he views the process that we are in.

Mr Ó Muilleoir: Good morning, Minister.

Mrs Foster: Good morning.

Mr Ó Muilleoir: I do not know if you get congratulations or commiserations for taking on this job.

Mrs Foster: Both.

Mr Ó Muilleoir: I apologise for being late this morning. Good luck with your meeting later today. I have a piece here from the FT: "IMF warns of damage caused by needless austerity policies". I do not know if the Chief Secretary to the Treasury has seen that, but it is something that we should share with him and Mr Osborne.

I welcome your determination and conviction to fight for the people of this region. Your statement is welcome. I also welcome your intention to meet your counterparts in Wales and Scotland. I do not know if there is a date set for that. I take it that you also hope to meet Mr Osborne. I think that you put it well yourself: his policies have certainly been good for England, certainly good for London, but we part company with him in that they are not good for us. I always travel in hope, Minister, and am confident that we will resolve the difficulties over the next few weeks. I base that on no inside information. Let us say we do find a way through the difficult maze that we are in and come out the other side. Mr Osborne took some money out of the block grant immediately he came into office — I think you said around £39 million. He is talking about more cuts between now and 2018. I am not sure of the figure, but it is around £700 million or £800 million. I wonder how you will approach that with him. Do we just take that? If we had all voted for the Tories here — thankfully, we did not — we would be going to Mr Osborne and saying, "Good job, well done". But where do you say to the Treasury, "Stop"? We cannot continue to build the economy if we do not have a workable Budget.

Mrs Foster: Thank you. I know that you are the eternal optimist, and I hope that your optimism comes to fruition. I am quite sure that the Chief Secretary to the Treasury has the 'Financial Times' in front of him every morning and that I will not have to point out any articles to him.

Turning to the policy that has been pursued and will be pursued, I understand it from the point of view that, when London, as the capital city, succeeds, the money comes in and the United Kingdom economy grows. However, I do not represent London. I represent a part of Northern Ireland. Therefore, it is incumbent on me, and everybody here, to make sure that our voice is heard on what is best for Northern Ireland as a region of the United Kingdom. Yes, we benefit from London and the United Kingdom doing well, but we have to make sure that that is spread out. As somebody from Fermanagh and South Tyrone, it probably means more to me than to some other people in the Assembly. I am determined that all the regions of the United Kingdom have their voice heard. That is certainly something that I take very seriously indeed.

The Stormont House Agreement set out spending power for Northern Ireland in the region of £2 billion over the coming years. We can talk about the negative impact of the non-implementation of welfare reform and the cost that that is having for Northern Ireland at present, but, to take your point of view and be optimistic, if we were to implement the Stormont House Agreement, we would have access to money that we do not otherwise have access to. Therefore, it was a good agreement. We should go back to it and move ahead with what was promoted in the agreement, particularly things like the

voluntary exit scheme. That is money that we would not otherwise have to deal with public sector reform. We need to get back to the Stormont House Agreement and its implementation.

Mr Ó Muilleoir: Thank you for that, Minister. You should carry with you not only the views of the members here. I met representatives of three business organisations over the last 10 days — the Institute of Directors, the CBI and the Hotels Federation — and I was taken by the fact that they also part company with the British Government's economic policy. The CBI would probably be the most conservative of the three, but all three believe that we need more investment and more public spending.

I can certainly say, on behalf of Sinn Féin, that we will fulfil any commitments that we made in the Stormont House Agreement, and, hopefully, we will make some progress on that in the days ahead. However, in my view, Mr Osborne cannot take money out in-year under the Stormont House Agreement. That would be a breach of the agreement.

I wish you well today and in the days ahead. We do not like to mention flags in this part of the world, but I hope that you will carry the flag for business and public services.

Mrs Foster: Máirtín Ó Muilleoir tells the Minister to fly the flag: I love it. *[Laughter.]*

Mr D Bradley: He did not say which one though. *[Laughter.]*

Mrs Foster: That is true.

Mr I McCrea: We know that he meant the Union flag.

Mr Wells: I want to follow on from what Paul said about your trilateral meetings with the devolved Ministers of Scotland and Wales. There is a view that, if you come together as a cabal and campaign with the Chancellor, given the force of the articulate voice of the three Ministers, he would capitulate and give extra money. Have you discussed that with your colleagues in Wales and Scotland, and do you see much merit in that argument?

Mrs Foster: I have not had the opportunity to discuss it with them yet. I certainly do not see much merit in the argument in-year. I do see merit in us coming together for the comprehensive spending review, so that Treasury fully understands where we, as regions of the United Kingdom, are coming from, what our needs are and where we believe that, if we had investment, it would pay back in the future.

It is really the corporation tax argument. I know that there have been discussions about that recently, but the whole reason behind us having the devolution of corporation tax powers is that, in the future, we can have more jobs and therefore pay more taxes into the UK Exchequer. I have always thought that it becomes a virtuous circle. We want to be able to say to Treasury, "Here is what we need in Northern Ireland to make Northern Ireland a stronger economy, and you will benefit from the fact that Northern Ireland is a stronger economy". That is the sort of argument that I will put to the Treasury. I assume that that is the argument that Scotland and Wales will want to project as well.

Mr Wells: Do you see any circumstances in which the Chancellor can be persuaded to come up with £100 million pounds?

Mrs Foster: For?

Mr Wells: To bridge the gap that we face.

Mrs Foster: No. We came to an agreement in December — the Stormont House Agreement — under which, as I have indicated, we had access to £2 billion. Therefore, I cannot see there being any credibility in us going back and looking for more money, when we have essentially defaulted on the agreement that we made in December. That is an agreement that we all came to after a round of talks in December.

Mr I McCrea: I suppose that I should start by recognising the positivity that is coming from Sinn Féin today. The Chair has been positive —

The Chairperson (Mr McKay): We are always positive.

Mr I McCrea: Máirtín Ó Muilleoir has been positive. In fact, he gave a commitment that Sinn Féin will commit to whatever deals were made. Minister, you and I and other colleagues spent many hours in the run-up to Christmas trying to ensure that we got an agreement. Therefore, it is important that we get to that point.

The First Minister, despite his health issues, came back to deal with the important issues, including having meetings with the Secretary of State, to try to get agreement. Have any further meetings taken place? Are such meetings ongoing? Have the Executive parties been meeting to discuss the matter further to try to get an agreement on welfare reform? If so, are there positive soundings coming out, or are things just as they were?

Mrs Foster: There have not been any meetings that I am aware of to try to resolve the welfare issue. As you know, the First Minister was very clear on what needed to be done. He said that, if there were alternatives, they should be brought forward, and that, if those alternatives were within the financial envelope, were legally doable and could be operationally provided, they would be put into any paper or regulations that came forward. We have not had any alternative suggestions.

Indeed, when the Welfare Reform Bill fell, I got the sense that everybody was standing around, scratching their head and asking, "What happens next?". If I had not come forward with the Budget, we would be in a very, very serious situation. We are in a serious situation as it stands, but the only way in which to move forward on this is to go forward with this Budget. There have been derogatory remarks in the media about a "fantasy Budget" and that sort of thing, but let me assure you, Chair, that I am not delusional. I know exactly what I am doing on the issue, and I was very clear in the Assembly that the Budget is predicated on welfare reform being implemented. That is the only basis on which this Budget can go forward.

Mr I McCrea: Everybody was wondering what would happen if the Welfare Reform Bill did not pass. What is next? There is a dose of reality, and you have been doing your best to put across that reality in what you are trying to do. What is the reality when it comes to time limits? Where are we at with time limits? There are people talking about July, August or September. Where are we in that respect?

Mrs Foster: We are all very aware that August is a pretty dead month when it comes to what can happen and what goes on. Therefore, if we are to have the implementation of the Stormont House Agreement, which includes access to the voluntary exit scheme money, we have to see movement on welfare reform very, very soon. That has to happen; otherwise, the Budget, which has been predicated on welfare reform happening, will not go ahead.

Mr I McCrea: Finally, there was some debate between the Committee and you over the accruing resources issue.

Mrs Foster: Yes.

Mr I McCrea: As you will be aware, the Committee got a different opinion from the one that you received. Where do things stand? We need to make sure that Departments know clearly where they stand.

Mrs Foster: I am hoping that that will not become an issue. If the Budget Bill passes, we will not have to get into the discussion about accruing resources. My legal advice from the Departmental Solicitor's Office is very clear: if there is no Budget (No. 2) Act, there is no limit, and therefore no authority to act. I know that the advice given to the Committee says otherwise, but I am very satisfied with the advice that I got on the issue.

The Chairperson (Mr McKay): I assure you, Minister, that our legal advice was not fantasy legal advice.

Mrs Foster: I am not suggesting that it was.

The Chairperson (Mr McKay): Obviously, there is a difference of opinion on the matter of accruing resources and on what happens if the Budget is not agreed. Will you seek a second opinion from the Department's perspective?

Mrs Foster: It is the Departmental Solicitor's Office advice, so I generally do not do that. I could, of course, say the same to you about getting a second opinion. I hope that it will not become an issue and that we will not have to concern ourselves with whether the Committee or the Departmental Solicitor's Office is right on that issue. I hope that it does not come to that point.

Mr Girvan: Minister, we are dealing with accelerated passage for the Bill: what will happen should that not be granted?

Mrs Foster: We will simply run out of time, and the Budget (No. 2) Bill will not pass in time to get Royal Assent in July.

The Chairperson (Mr McKay): Minister, on what basis does DFP consider that there has been appropriate consultation with the Committee, as required under Standing Order 42(2)?

Mrs Foster: As you know, these are not new figures. They have been before you since January this year, particularly from the consultation on the draft Budget at that time. We have sought, at all times, to give you the information that you require on the figures in the Budget. Indeed, my colleagues will remain behind today if there are any detailed questions on the figures in the Bill.

The Chairperson (Mr McKay): Thank you very much, Minister.

Mrs Foster: Thank you.

The Chairperson (Mr McKay): There are a couple of questions coming out of the session with the Minister. There was a debate in the Chamber this week, and the Minister mentioned, as she always does, the deficit of £9.6 billion, which is sometimes referred to as £10 billion, that arises from the net fiscal balance report. What strikes me about the use of the figure from the report is that it has not been accredited. Is there any feeling in the Department that it should accredit those figures before they are used publicly and in political discourse?

Mr Peter Jakobsen (Department of Finance and Personnel): Not that I am aware of. I used to work in that area, and I produced those figures, but that was five years ago, so I am not sure what exactly is going on. That is Tony Simpson's area. I know that the report closely follows the methodology that is used by the Scottish Government, which is a recurrent figure by the Office for national Statistics (ONS). The methodology is sound.

The Chairperson (Mr McKay): It is not the exact same.

Mr Jakobsen: No, there are very small differences.

The Chairperson (Mr McKay): There is a different calculation for VAT, and VAT is one of the main taxation revenues.

Mr Jakobsen: That is right. Whatever methodology you use, you will probably get a figure of between £8 billion and £11 billion. Yes, you can play around with the methodology and the margins, but, in broad terms, it is around that sort of scale.

The Chairperson (Mr McKay): If you are going to commit resource in the Department for a net fiscal balance report, which will be a significant amount of work in itself, why would you not go over that last hurdle of ensuring that it is accredited with what is referred to as the "national statistics quality mark", which ensures that the documentation and the statistics meet the code of practice and protocols? There is no assurance there whatsoever. Even if the figures are right — I am not saying that they are — it is waste of money, because there is no accreditation.

Mr Jakobsen: I do not think that it is a waste of money. The methodology is sound, because it is based on the Scottish methodology, which is accredited by the ONS. I think that a lot of resource has

to go into getting it accredited in the first place. That means a lot of extra hurdles, and a lot of extra work has to go into getting that accreditation. That would be —

The Chairperson (Mr McKay): How much work would it take?

Mr Jakobsen: To be honest, I do not know. That question is really one for the people who are leading on it: Colin Sullivan and Tony Simpson. We can ask them to come back to you on that, if that would be helpful.

The Chairperson (Mr McKay): Yes.

Mr Wells: May I just follow up on that, Mr Chairman? There is a claim that it could be as low as £3 billion. I heard that on 'The Stephen Nolan Show', funnily enough. *[Laughter.]*

Mr I McCrea: It must definitely be right, then.

Mr Wells: It must be true. A former MP was saying was that his view is that it could be as low as £3 billion. Is there any set of circumstances in which that could be right? *[Laughter.]*

The Chairperson (Mr McKay): That is an easy one.

Mr Jakobsen: I do not know. I do not lead on this work, so I have not got the details. Sorry.

The Chairperson (Mr McKay): Barnett was referred to on a couple of occasions. Obviously, the Committee is reviewing that and writing a report on it. There is a view among some economists that the North is going to converge, if you were to look at the North being assessed on the basis of need. Now, obviously, Wales has a lot of difficulty with Barnett, and it is argued that, if the North's position were calculated the basis of a needs-based assessment, we would be very close to slipping under that needs-base level. Is that something to which the Department gives serious consideration? Is it on its radar?

Mr Jakobsen: Again, we might need to come back to you on that. It is the other side of the house that looks after that. However, I do know that there was a needs assessment carried out some years ago. From memory, that turned out to be roughly where we were with Barnett. There was not much difference. It all depends on what indicators are used to measure need. Therefore, the answer really depends on the methodology used, and, of course, that has to be agreed by the Treasury if you go down that route. I think that the answer really depends on what needs indicators you use and what weight you attach to those individual indicators.

Mr Ó Muilleoir: I want to pick up on Mr Wells's point about the other devolved Administrations. He was asking whether Mr Osborne will listen, but it seems to me that any contact between us and our counterparts in Scotland and Wales has been useful to us. Of course, there are our counterparts in the South as well, but this particularly concerns the devolved Administrations. I think that presenting a united front is important, and I am bewildered by the fact that any British politician can say that there is no special case to be made for this region. That is just absolutely bewildering. Where have those people been? Where were they between 1969 and 1999, for example? I wonder whether, in that context, Chair, you are in touch with your counterparts on the Finance Committees of Wales and Scotland. If you are not, can we ensure that that happens as well so that we are kept informed of how their Committees are responding to what will be a crisis, if Mr Osborne fulfils his commitment to take many more billions out of the Budgets between now and 2018? Certainly, all the devolved regions will face the crisis. No doubt, London will do magnificently well during that period. I want to know whether you are in touch with the other Committee Chairs? I know that you travelled to Scotland, and I presume that you met with your counterpart that time.

The Chairperson (Mr McKay): We had a good engagement with the Scottish Finance Committee, but I suppose that that was before the reality of the most recent announcement from the Chancellor hit.

I do not know what members think. Is it worthwhile writing to the two Committee Chairs to see how their respective Committees are dealing with the issue?

Mr Cree: It would not do any harm.

The Chairperson (Mr McKay): OK.

Mr Cree: Folks, I feel that we are short of some hard numbers. We talked earlier about asset sales. How much would be going to the credit of whatever in the current Budget from asset sales?

Ms Joanne McBurney (Department of Finance and Personnel): The amount that was built in to help address the repayment of the loan and the £114 million in welfare reform penalties was £50 million, to be raised by the work of the asset management unit. That work is ongoing. The June monitoring round will see some of that attributed to Departments. There will still be some left, and the unit has figures that it is working on. It has identified assets to that value, but it is working through that process and getting the assets to the level of agreement at which it is sure that the money will be generated this year. I do not think that there is a great risk around generating that level of asset sales.

Mr Cree: We have been talking about the £60 million figure for a long time, yet we do not really know what has been sold and what credits have been received, if any.

Ms McBurney: I do not have the figures in front of me, but the June monitoring round will see —

Mr Cree: We are not going to get those until after the day.

Ms McBurney: As is the usual process, the Main Estimates are based on the Budget position, and then the June monitoring round normally falls after that. It will address that process. I think that the level of actual sales generated this year is probably around £5 million to £6 million. There are definite plans for sales coming up to perhaps £15 million or £20 million, and asset management unit has provisional figures for the rest of the £50 million. That was certainly in the most recent report that I saw from it.

Mr Cree: We have also been told that there will be savings from flexible working, but, again, we do not have a handle on that.

Ms McBurney: I do not have those figures in front of me either, but the work of the asset management unit on the property review is ongoing, and there will be savings falling out of that, but those have not been factored in, other than in what Departments have been certain of when they have been doing their plans.

Mr Cree: It is the same thing with the voluntary exit scheme. There are savings anticipated there. They are notional figures really, but what figures are in the Budget?

Ms McBurney: Departments will have based their assumptions around the voluntary exit scheme on living within the Budget that was agreed back in January, what savings they needed to generate and what would be generated this year to allow them to live within that. I do not have the detail, because it is not our area —

Mr Cree: Does that mean that it is a net receipt, or is it a credit?

Ms McBurney: It will not be a receipt. It will be savings. It will mean fewer costs from the voluntary exit scheme via a reduction in staff costs, as opposed to generating income.

Mr Cree: It will be retained within Departments.

Ms McBurney: Yes, Departments have balanced their budget on the basis of the allocations that they were given, and that includes making some savings from that. They will not be handing money back as a result.

Mr Cree: We need to know that sort of thing, because, across all Departments, that can amount to quite a sizeable sum of money, yet we are doing it blind.

Ms McBurney: We are not doing it blind, because the area that is taking forward the voluntary exit scheme is looking at the savings that would be generated under —

Mr Cree: Yes, we are looking at it, but what are they? We are talking about having the Budget debate in the next couple of weeks. What are the hard numbers? You do not have them.

Ms McBurney: The Budget is based on Departments living within the allocation that was given to them in January. That will include the savings that they need to make from the voluntary exit scheme. Obviously, if the voluntary exit scheme does not go ahead, there is a risk around those numbers. I am sorry that I do not have individual figures for the Departments and information on the pressures that they will face if the voluntary exit scheme does not go ahead, but I imagine that individual Committees should have those figures.

Ms Emer Morelli (Department of Finance and Personnel): I think that the head of the Civil Service provided some detail at his evidence session last week.

Mr Cree: Yes, but those were notional as well.

Ms Morelli: They are notional insofar as they have yet to be realised, but, once the Stormont House Agreement is implemented, they will be.

Mr Cree: There could be quite a lot of money involved in that, and we just do not know. It is smoke and mirrors still. We are not really getting down to the hard, nutty bits in it. We need to know what the figures are, because, collectively, they are quite significant. It is not enough to have them as a built-in easement for Departments.

Ms McBurney: It is not an easement for Departments; it is the savings that Departments have planned to generate that will allow them to live within the hard budget figure that they have been given. It is that budget figure that is being voted through as the Budget (No. 2) Bill.

Mr Cree: Yes, but there is no budget line for us to get into the nitty-gritty of it.

Ms McBurney: There will not be a budget line for those savings, because they will be in the pay costs, which will fall to the individual —

Mr Cree: Let me be quite brutal: we do not know what is hidden in some other figure. We need to know what the savings are and whether they are going to be achieved. We really have to hold you to account to see what has been projected to be saved and what has been saved.

Ms McBurney: Part of the work on the voluntary exit scheme will involve capturing those figures. Unfortunately, we are not in charge of scheme. Individual Committees will — as, I am sure, this Committee has — ask departmental finance directors to project those savings and assess the risks.

Mr Cree: We do not have them.

Ms McBurney: We do not have that level of detail either, but the people taking forward the voluntary exit scheme will have the projected savings and the projected costs of the scheme, and individual Departments will have the details of the savings that they are proposing to generate from the scheme.

Mr Cree: If we had a review of the financial processes, which I have been preaching about for years, we would have more detail and all know what was going on.

Ms McBurney: As you know, the Department brought forward a review of financial processes. Unfortunately, that was stalled.

Mr Cree: Yes, to your credit, you did, but it is still stuck in the Executive. Every so often, I keep jaggging the Minister to move it on. He said last year that he would. This year, I asked the new Minister what will happen, and she did not really answer. It is not good enough that one person can hold back the expressed will, not only of this Committee, which did so much work on it, you will remember, Chair, but the Department and the Executive. It is farcical.

Ms McBurney: Obviously we would be keen to see the review of financial processes —

Mr Cree: Will we all understand it? Will those of us who did not receive accountancy training, and even those who did, be able to understand it?

The Chairperson (Mr McKay): The Minister gave an assurance in a plenary sitting that there will be a breakdown of savings for each Department. When will that be forthcoming?

Ms Morelli: The head of the Civil Service is chairing a working group to finalise the position. The commitment is that he will bring that forward.

The Chairperson (Mr McKay): When?

Ms Morelli: I think that it will be in the coming weeks.

The Chairperson (Mr McKay): In the coming weeks. Therefore, when should we have those figures: by the end of July?

Ms McBurney: It is not within our remit at all. We are not part of the working group.

The Chairperson (Mr McKay): What, if any, provision has been made in the Main Estimates for the carry-forward of year-end underspends from 2014-15 through the budget exchange scheme?

Ms McBurney: The Main Estimates are based on the 2015-16 Budget position, which was agreed in January, so they do not have anything built in for the carry-forward of funding from 2014-15. When the Budget was set, we did not know what level of funding was going to be carried forward. That will be taken account of in the June monitoring round and adjusted in spring Supplementary Estimates.

The Chairperson (Mr McKay): Do members have any other questions?

Mr Cree: One of my questions to the Minister on Monday was on the opening Budget position, and I did not get an answer to it. We really need to know what the opening Budget position is.

Ms McBurney: The opening Budget position is the position that was set in January.

Mr Cree: No, because we should now know what the budget exchange scheme has produced.

Ms McBurney: You will know that when the Minister makes her statement on provisional out-turn.

Mr Cree: We have not got that either.

Ms McBurney: Once the Minister makes her statement on that, you will have those figures.

Mr Cree: That is for that Monday, too.

Ms McBurney: Yes, but that would never be built into a Main Estimates position. It is always —

Mr Cree: It should be.

Ms McBurney: Well, it never is. It is always —

Mr Cree: You cannot work with smoke and mirrors any more.

Ms McBurney: Sorry, but it is not smoke and mirrors. The Main Estimates are always predicated on the previous year's Budget position. The budget exchange scheme is addressed in the June monitoring round.

Mr Cree: You need to move on and do things in time, and you need to let us see exactly what the figures are in time, not always in arrears — or, for the Excess Vote, two years in arrears.

Ms McBurney: We only become aware of budget exchange scheme figures when Departments give us their provisional out-turn in May, but they have to wait until they are well progressed with their accounts. We could not factor those in. Given the time that it takes to get the information from the Departments and to quality-assure that information, we could not factor them in in time to produce a Main Estimates document.

Mr Cree: What about moving the whole Budget process back one month?

Ms McBurney: We would not get Royal Assent in time.

Mr Cree: Move it back one month.

Ms McBurney: Do you mean that we should ask for the provisional out-turn figures earlier?

Mr Cree: Yes.

Ms McBurney: With the financial year ending on 31 March, Departments would not be able to provide those figures in time.

Mr Cree: I can tell you that, in the real world, businesses can do that in a matter of weeks. We have got to get to that stage.

Ms McBurney: Departments provide their provisional out-turn figures to us at the beginning of May, and those have to be quality-assured. Unfortunately, at the moment, Departments would not be able to provide them earlier.

Mr Cree: When will those figures come to pass?

Ms McBurney: The Minister will announce them when she makes a statement on the provisional out-turn.

Mr Cree: At the out-turn stage, which is after the Budget.

Ms McBurney: It is after the Budget (No. 2) Bill, but they are taken account of at the same time as June monitoring.

Mr Cree: We have got to improve.

Mr Ó Muilleoir: I just want to thank our colleagues for coming in and giving us a presentation. There are a lot of imponderables out there. It is a difficult time to be in the Department that you are in and in the position that you are in. We apologise if some of us sound a bit frustrated at the impasse that we are in, but it is certainly not your fault, so thank you for coming with the information today. We will continue to work to make your job easier in the time ahead.

Mr Cree: That is our PR man speaking. *[Laughter.]*

The Chairperson (Mr McKay): Good cop, bad cop. Thanks very much, folks.