



Northern Ireland
Assembly

Committee for Finance

OFFICIAL REPORT (Hansard)

Main Estimates 2024-25; Statement of
Excesses; and Budget (No. 2) Bill:
Department of Finance

19 June 2024

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Matthew O'Toole (Chairperson)
Dr Steve Aiken
Miss Nicola Brogan
Mr Paul Frew
Miss Deirdre Hargey
Mr Eóin Tennyson

Witnesses:

Ms Joanne McBurney	Department of Finance
Mr Patrick Neeson	Department of Finance
Ms Angela Ross	Department of Finance

The Chairperson (Mr O'Toole): I welcome Joanne McBurney from the Department of Finance along with Angela Ross and Patrick Neeson. Joanne, who is well known to us, is the director of the public spending directorate; Patrick Neeson is head of the Supply division; and Angela Ross is from the Supply division. Thank you for your patience.

At the meeting on 5 June, we asked for confirmation of how far the 65% Vote on Account provision would take Departments into the current financial year — when will the Budget provided for in the Vote on Account run out — and for information on the consequences should the Committee not grant accelerated passage. The habitual question that we ask is: what will happen if we do not do that? In advance of today's session, officials highlighted that both of those points are addressed in paragraphs 24 to 26 of the briefing paper.

We note your patience — thank you very much — and invite you to make an opening statement.

Ms Joanne McBurney (Department of Finance): Thanks, Chair. Patrick will make the opening remarks, and then we will all be available to answer questions.

Mr Patrick Neeson (Department of Finance): As the Committee is aware, the Budget Bill is based on the Main Estimates for 2024-25. The Main Estimates position sets out the departmental spending plans for the year based on the Budget for 2024-25 that was agreed by the Executive in April. The Main Estimates are set out in the detailed document that has been provided to the Committee.

The Budget (No. 2) Bill provides the legal authority for Departments to incur expenditure and use resources as set out in the Main Estimates. Also, it allows the Assembly to hold Departments accountable for managing their resources within the limits authorised.

One consideration for the Committee is whether to agree to accelerated passage for the Bill. As you know, we rely on accelerated passage to ensure that it reflects the Executive's up-to-date expenditure plans and to ensure that Departments have access to the cash required to deliver services based on those expenditure plans. Routinely, the Committee is asked to agree to accelerated passage and does so. We, as officials, and the Minister are appreciative of Committee support on that.

Until the Budget (No. 2) Bill receives Royal Assent, Departments are constrained by the spending limits set out in the Vote on Account in the Budget Act that was passed earlier this year. The Budget Act provided legislative cover for cash and resources based on 65% of last year's position.

The Chairperson (Mr O'Toole): This is probably a very cringeworthy analogy, but the 65% is the current overdraft limit. Say I am a student with an overdraft who is worried about how much of it I can spend: where are we now and when do we run out of money?

Ms McBurney: We could not — sorry, Patrick, for jumping in.

The Chairperson (Mr O'Toole): I know that I am asking a complicated question, because we are talking about detailed departmental returns.

Ms McBurney: It is not even that it is a complicated question to answer; we just do not have the answer in front of us. It is 65% of each Department's spending limit, and it will be different for each Department depending on how much cash it has drawn down.

We could provide that number if we did a bit of analysis. That would tell you where the Departments are today, but it is very hard to use it to predict where they will be in a month's time or in two months' time. There are peaks and troughs in the expenditure of Departments, so it is very difficult to predict the point at which a Department will run out of cash other than to say our estimate is that it will be around the time that the Budget (No. 2) Bill receives Royal Assent. For some Departments, it will be very tight. Is that fair, Patrick?

Mr Neeson: We have done some analysis on how quickly Departments may draw down the cash. If it happens at the same pace as last year, we think that Departments might start to run out in September/October.

The Chairperson (Mr O'Toole): I think that you indicated at an earlier session — I cannot remember when — that you had hoped to have the Budget (No. 2) Bill passed before the summer. Was it your hope that it would receive Royal Assent over the summer or did you always expect its Final Stage to be pushed into September?

Ms McBurney: We always expected that the Final Stage would be put back to September because of the summer recess. We had hoped to introduce it before the summer recess.

The Chairperson (Mr O'Toole): OK. Patrick, I will let you go on with your opening statement.

Mr Neeson: Thank you. As I was saying, the Budget Act provides cover for cash and resources based on 65% of last year's position. As we have discussed, that affects the timing of the Budget (No. 2) Bill.

The Assembly debate on the Supply resolutions is scheduled for Monday 1 July. That will seek Assembly approval for the Main Estimates for 2024-25 and the Statements of Excesses, which relate to several items over a number of different years. We provided the details of the Statements of Excesses to the Committee. The Public Accounts Committee, at its meeting on 21 March, recommended that the relevant cash and resources be provided, so we are acting in response to its recommendation on those Excesses.

The Main Estimates also highlight the areas that rely on the sole authority of the Budget Act. As members know, the vast majority of spend by Departments is done on the authority of statutory powers that have been provided through legislation. Where that is not possible, 'Managing Public Money' explains that it may be possible for Departments to rely on the Budget Act alone for certain expenditure, with Department of Finance approval. That can happen under certain conditions that I am sure that the Committee are familiar with: the service must last more than two years and expenditure must be no more than £1.5 million in a year.

The instances of where sole authority occurs have been detailed in the briefing paper that has been provided to the Committee. As members will see from that, there are some occasions where the amounts for which approval has been sought are greater than the £1.5 million limit. For several of those instances, legislation is being developed. For example, the planned financial provisions Bill will capture a number of them, particularly those in relation to the Executive Office.

Finally, as members will be aware, the position set out in the Main Estimates will change during the year as a result of decisions taken through in-year monitoring rounds. Those changes will be reflected in the Supplementary Estimates and associated Budget Bill that will be introduced towards the end of the financial year, usually in February

Those are my opening remarks: I am happy to take any questions.

The Chairperson (Mr O'Toole): Thank you for coming and giving us the briefing. Again, thank you for being patient. You were waiting outside and then you had to listen to us go through our correspondence. That was not designed to be a punishment; it was purely happenstance.

June monitoring. What is the craic? How much is going to be doled out in June monitoring?

Ms McBurney: I will comment on the timing of June monitoring first and then talk about the funding available. The last time that I was here, we had a discussion on that, and I suppose that there is a little more clarity now. The Finance Minister wrote to the First Minister and deputy First Minister on 30 May, seeking an Executive meeting on 27 June to agree the June monitoring round. That was raised again at last week's Executive, and, subsequently — last Friday, 14 June — the Finance Minister wrote again to the First Minister and deputy First Minister, outlining the need for clarity for Departments on June monitoring. As Departments are considering the actions that will be required to live within their budgets, it is important to provide certainty on any further allocations as soon as possible.

The Chairperson (Mr O'Toole): I just want to understand this, Joanne. The Finance Minister is ready to present a position on June monitoring to the Executive, but the Executive Office, or people within it, have not agreed to its going on the agenda yet.

Ms McBurney: We do not have a date for it yet. The Finance Minister would be ready for a meeting on 27 June.

The Chairperson (Mr O'Toole): Sorry. Has she requested 27 June or has that been agreed?

Ms McBurney: She has suggested 27 June, and that is her preferred date.

The Chairperson (Mr O'Toole): Basically, she has to wait on the First Minister and deputy First Minister to agree to that.

Ms McBurney: We need the Executive to agree to a date for that.

The Chairperson (Mr O'Toole): Is there a specific objection that you are aware of?

Ms McBurney: Not that I am aware of. The last time I was here, you raised the issue of the pre-election guidance. The Finance Minister has considered the relevant guidance and is of the view that the June monitoring round is normal and routine business of the Executive and that, given the need to provide certainty to Departments, it is appropriate to proceed with the June monitoring round during the pre-election period. The Minister is very keen to provide that certainty.

The Chairperson (Mr O'Toole): On the quantum, there is quite a big range because we are waiting on Estimates from London, which cannot be laid until there is a new Government, or until there is a Parliament, for a start. Are we to expect a monitoring round of £200 million-plus or are we going to get a much smaller one of £65 million?

Ms McBurney: As we have discussed previously, we had been expecting significant Barnett consequential as a result of the Westminster Main Estimates. Unfortunately, Parliament was prorogued before those Main Estimates were introduced, which means that there is potential for the amounts to change if an incoming Government take different decisions. As I have said before, Departments are now taking the decisions necessary to live within their budgets, so it is important that

they get confirmation of any available funding as soon as possible. Again, having considered the position, the Finance Minister has now indicated that she is willing to accept a degree of risk to provide allocations to Departments based on the assumptions around those previously indicated amounts.

The Chairperson (Mr O'Toole): By indicating, "We are going to get this money from London, so I am going to disburse money on the basis of what I think we will get", is there any pre-election risk? The Finance Minister is judging that a June monitoring round is normal and routine, but is it normal and routine to say, "I think I am going to get 200 million quid from the Treasury"? Would it not be more normal and routine to be cautious and say, "What I legally know I definitely have is this amount of about £65 million, but the bigger amount that I might expect or assume I am going to get is not normal or routine because it is not certain yet"?

Ms McBurney: I do not think that there is any impact on the pre-election guidance. Sometimes it is normal to make assumptions. You have to weigh up the pros and cons of both approaches. We know about the pressures that Departments face, and the Treasury has indicated that the amount of money would be in that ballpark. There may be changes but they are not likely to be huge because Westminster Departments will face the same pressures regardless of what Government are in charge. It is reasonable to make assumptions at this stage.

There is also a need to provide certainty to Departments to avoid two risks: the risk that Departments do not make decisions, which could lead to overspends, or the risk that Departments take decisions that they would not need to make once they get an allocation. That certainty outweighs any risks from assumptions about the level of funding, and it is important to give it to Departments.

The Chairperson (Mr O'Toole): If I were playing devil's advocate, I might say that it would be 10 days' worth of risk and that it is unlikely that Departments will run out of cash in 10 days. Given that we think that the cash position will be stable enough until at least September, will they really be under much pressure within a 10-day window, even if that is a bit tight?

Ms McBurney: It is not about running out of cash; it is about the decisions that they need to make in order to live within their budgets. As we found out in 2023-24 and 2022-23, the later in the year that you leave it to make decisions, the harsher those decisions are or you might not be able to make decisions.

The Chairperson (Mr O'Toole): The accounting officers could bear that risk. The Finance Minister would bear a degree of risk by saying, "I am willing to take the risk that this money will come in Main Estimates from London and that hopefully — fingers crossed — there will be a bit more if a different Government are elected". The alternative to that would be you or someone else in the Department saying to the relevant accounting officers, "We are relatively certain that we will be able to disburse more money". You can see all the statements and where everything is, so you can read the runes. Accounting officers could make those decisions, could they not?

Ms McBurney: I would not be comfortable with that position, because each accounting officer could make the decision that the full amount of money was coming their way. That would put us at a huge risk of overspend. The clarity is there. The Finance Minister will make her assumption of the risks, informed by our advice, and bring that to the Executive. The risk is relatively low, because additional funding routinely comes through later in the year as well as through the Main Estimates.

The Chairperson (Mr O'Toole): OK. It will be at least £200 million, then. We have talked about that number so often that it would be —.

Ms McBurney: The amount allocated will be —.

The Chairperson (Mr O'Toole): Will it be closer to £300 million or £200 million?

Ms McBurney: I do not think that it will be close to £300 million.

The Chairperson (Mr O'Toole): It will be closer to £200 million. OK.

Ms McBurney: Well, it will be somewhere in the middle.

The Chairperson (Mr O'Toole): Somewhere in the middle. OK. I sound like Bruce Forsyth in 'Take Your Pick!'.

I have a couple of other points in relation to the Statements of Excesses and the Bill. There are a few Statements of Excesses of different sizes in your paper. The largest one appears to be the teachers' superannuation variation, which is £11 million. Is there anything that we should be concerned about, or is that simply an accounting issue to do with the pensions superannuation position?

Mr Neeson: We pressed the Department of Education on that, because it occurs in relation to the teachers' pension scheme in two years. The Department talked about a new financial system that it had introduced and how the out-turn of that arrived too late for an actuarial review. When the review happened in 2022, some of the additional charges were not taken into account. The review arrived too late for those charges to be captured in time. The Statements of Excesses are put to the C&AG and the PAC, and they make recommendations. If they think that there are any issues that Departments need to take into account, the PAC will make recommendations to the Department.

The Chairperson (Mr O'Toole): OK. I will go to Committee members now.

Dr Aiken: Thanks, Joanne. You have already answered most of my questions. We are potentially looking at an autumn statement or an autumn Budget. Bearing in mind where we are with monitoring rounds, I take it that we will be looking at a Budget (No. 3) Bill this year. That is my first question.

Ms McBurney: At this stage, I would not anticipate that, though you can never rule anything out. You are absolutely right: there will be a fiscal event — an autumn statement — and there will have to be a spending review. The uncertainty is around whether that will be a one-year spending review or a multi-year spending review. Those spending reviews tend to look forward and are not for this year. It is too early to say whether there will be any additional funding coming through the autumn statement, but I think that we would be able to wrap that up in the normal Budget Bill and associated Supplementary Estimates. We always keep our options open when we do not know what is going to happen.

Dr Aiken: Thanks for that. My second question is: if the position on June monitoring is not put to the Executive at the next Executive meeting, there is only one meeting left before we reach summer recess, is there not?

Ms McBurney: I am not sure on the dates that have been set for the Executive meetings. If the June monitoring round does not go before the Executive at a scheduled meeting, I would hope, given its importance, that an additional meeting would be called. However, we are waiting on clarity on the timing of the Executive meetings for the discussion on the June monitoring round.

Dr Aiken: Just for clarification, have we had any indication from Treasury on how soon after 4 July we will get the Main Estimates?

Ms McBurney: We have had no indication on that yet from Treasury. To be fair to Treasury, I imagine that it will not know until it knows who the incoming Government are and is able to brief their Ministers. We would not want to wait for that outcome. We would be happy to proceed in advance of that to provide clarity for Departments on the funding that is available.

Dr Aiken: Thanks, Joanne. That is all, Chair.

Miss Hargey: Thanks very much to all three of you. At the minute, there is an assumption that a ballpark figure of £200 million to £250 million will be allocated. Obviously the Finance Minister has written twice to have that on the Executive agenda next Thursday, and it could be allocated after that meeting. It has been blocked from, or has not appeared on, the Executive agenda. Have any further information requests come back from TEO, or is it just —?

Ms McBurney: Not that I am aware of.

Miss Hargey: There has been no response to those two requests.

Ms McBurney: No. Certainly, no response giving any clarity on the timing.

Miss Hargey: OK. I was going to ask, Joanne, about the impact of not moving ahead. For organisations that are funded by Departments, there are important dates at the end of this month and critical issues there for workers who are working with some of the most vulnerable. I assume that some of the requests for funding that have come in for June monitoring concern the education workers' pay and grading review, and Health, obviously. We are keen to see the money being allocated to, as you said, give certainty to Departments.

You have already answered my other question on what the impact could be if it does not happen by next week and whether there is space for an additional meeting. You said that the longer this goes on, the greater the concern about Departments' ability to plan and spend.

Ms McBurney: Yes. Even a small delay can have an impact. There is that twofold risk. It either increases the risk of overspend or leads to decisions being made that might not have needed to be made had the Departments had the information. It is very hard for Departments to judge how much money they will get out of a monitoring round because it is ultimately for the Executive to decide that. It will come as no surprise to you that I cannot get into the details of bids but, as you would expect, the bids that we have received far outweigh the funding available, so there are decisions to be taken.

Miss Hargey: Yes, but we could allocate £250 million next Thursday?

Ms McBurney: Yes. The Finance Minister has indicated that she is willing to proceed, based on the information that she has, and allocate that amount of money.

Miss Hargey: Thank you.

Mr Frew: Thank you, Joanne. It seems that everything here is being done with risk. Four weeks ago, we had accumulated about £0.25 billion to distribute. Last week, you said that the only real hard cash that was available, at the present time, was £60 million or thereabouts. That is a big range to be at risk.

Ms McBurney: The full amount would not be at risk, because Treasury had provided indications of what we could anticipate from the Westminster Main Estimates. We have looked at that and the overall position and provided advice. Our advice would be — the Finance Minister has considered the matter herself and this is her position — that the risk of proceeding with this is relatively small. Given what we know and where we think we are with the financial position, the risk of not proceeding is much greater. We need to provide clarity to Departments.

The Chair knows that I tend to take a prudent approach on these things. We have had discussions on that previously. It is a position I am comfortable with.

Mr Frew: I understand why you are moving forward, but if something went wrong and some of that £0.25 billion did not appear, how would we rectify that? Would it be the October monitoring round, or is there a device before that?

Ms McBurney: Again, our options would be open. It could be the October monitoring round, or we could do something earlier if needs be. We also have to look at the likelihood of further funding becoming available later in the financial year. For example, the Treasury has indicated that we will get Barnett consequential for pension increases for non-Civil Service pay bodies in the Main Estimates, but the Civil Service increases will come with the Supplementary Estimates. There is still a chance that, if funding does not come in the Main Estimates, it could come at a later point. We need to weigh that up before we take any action, and that was all done in reaching the conclusion that we are happy to proceed to allocate that amount of money at this point.

Mr Frew: Is 27 June the preferred date for the Finance Minister?

Ms McBurney: It has been the preferred date. The Finance Minister wrote on 30 May setting that out.

Mr Frew: There is a duty on the Finance Department to publish the outcome of each monitoring round within seven days of approval by the Executive Committee. If that is 27 June, it means that there is a duty on the Department of Finance to publish on 4 July. There is a duty on the Minister of Finance to lay a statement before the Northern Ireland Assembly, some 14 days after that, specifying the

changes to each Department's net budget allocation as a result of that exercise. I take it that the statement will have to be made in September.

Ms McBurney: I imagine that it could be done by a written ministerial statement, and that is the usual process because it is a technical statement.

Mr Frew: OK. You do not foresee any problems because of recess?

Ms McBurney: No. If we go ahead with 27 June, it will allow an oral statement in the Assembly before recess. However, if we delay until after 27 June, there will not be an ability for the Assembly to discuss it. It will be done via a written ministerial statement, or else the Assembly would have to be recalled. Therefore, 27 June works for the Assembly to allow the discussion and the questions and answers after an oral statement.

Mr Frew: Can a written ministerial statement be laid before the Northern Ireland Assembly during recess?

Ms McBurney: Yes.

Mr Frew: Yes. However, then there is no recourse for questions.

Ms McBurney: Exactly, whereas, if it happens on 27 June, we can have an oral statement that allows for questions and answers. If it is during recess, I imagine the Finance Minister will be more than happy to come back in September, but then we will be nearly at the October monitoring round, and we are past the post. From a scrutiny point of view, it would obviously be much better for it to happen immediately.

Mr Frew: While the Minister seeks agreement in the Executive for 27 June, she does not necessarily have to wait the seven days and the 14 days to make the statement.

Ms McBurney: She will do it before that.

Mr Frew: She is going to do it before that?

Ms McBurney: Yes. Those are the outer limits, and we normally move a lot more quickly than that.

Mr Frew: Thank you. I will leave it there.

The Chairperson (Mr O'Toole): Has anybody else indicated? Eóin Tennyson. You are on mute, Eóin. We cannot hear you.

The Committee Clerk: We have an issue. The mike is showing as open, but we are not getting any sound. We will go to Broadcasting very quickly and see whether there is an issue there.

The Chairperson (Mr O'Toole): I have one quick question while we await Eóin coming in. Are we at the point where it is almost preposterous to go through the charade of requesting and parrying accelerated passage? I asked the Clerk about this. I do not think that there has ever been a Budget Bill that has not passed using accelerated passage, but there is an increasingly pointless charade where the Minister and the officials say, "We wish we did not have to do this", despite the fact that it happens every time, and we go through the charade of saying, "We should not do this". Would it be better if we agreed that this is what happens or came up with a different approach? It is not simply for you, Joanne. It is for the Committee as well.

Ms McBurney: It is not for me to say what the correct processes are. I agree that the Department asks for accelerated passage every time, and that is also the case in other jurisdictions, because of the time-bound limit of what has to be agreed. If there was a process that worked better for the Committee, I would be very happy.

The Chairperson (Mr O'Toole): While we are waiting on Eóin Tennyson, we can —.

Mr Frew: Just on that point, this Committee would not want to lose the duty or responsibility and/or power to grant accelerated passage or at least write to the Speaker to grant accelerated passage. That is a good thing. I am always uncomfortable with the wording of the question to grant accelerated passage; it states that we have had appropriate consultation. I am very uneasy about that because, quite clearly, we never have appropriate consultation, because of the detail. For us to go through the detail thoroughly, including the noughts, the commas and everything else — it has always sat uncomfortably with me. The question that is put to us, as a Committee, is the wrong one. I agree with the power that the Committee has in the process, but the wording gets me every time.

Ms McBurney: I do not think that we have any discretion on the wording, but we can check. Again, it is about the time-bound nature of what we are doing and the speed with which we need to do it. I agree: it is a chunky document, with a lot of detail. We try our best to facilitate whatever briefing we can provide. I do not disagree with you, but I do not think that it is within our gift to change the wording.

The Chairperson (Mr O'Toole): Eóin is, I think, now audible. No. We will wait to see whether we can get Eóin back in. Eóin is wearing headphones; I do not know whether that is part of it.

Has there been specific advice from any part of the Civil Service, whether the Executive Office or your Department, that suggests that it would be inappropriate, or that it might be seen to be inappropriate, for the devolved Government to publish a vast spending programme — we can call it June monitoring, but it is a significant spending programme — a week, or less than a week, out from an election? Are you, as civil servants, genuinely comfortable with that?

Ms McBurney: I have not seen any guidance that would preclude that. As we said the last time we were here, we have looked at the guidance that was issued by the Executive Office to officials, which makes it clear that it is on a case-by-case basis. It also states that the Executive should continue to function as usual. The June monitoring round is entirely usual and has no direct impact on the UK Government election.

The Chairperson (Mr O'Toole): It is not functioning as usual in the sense that this is a pre-election period. If it were functioning as usual, there would not be any pre-election guidance.

Ms McBurney: Yes, but the guidance is quite clear:

"The Executive and the Assembly will continue to function during the election campaign and officials should continue to provide" —.

The Chairperson (Mr O'Toole): Ministers have been in the Chamber, but "continue to function" is different from a massive programme of spending, which is what —.

Ms McBurney: It is not a massive programme of spending. The Budget was the massive programme of spending. This is changes to that. It is routine for us to make those changes, and —.

The Chairperson (Mr O'Toole): A quarter of a billion pounds is quite significant. Are departmental officials responsible for, for example, publicising this? Are press officers asked to send press releases and set up media opportunities for Ministers to announce that spending, days from an election? Is that genuinely the position?

Ms McBurney: Yes, we announce the outcome of the June monitoring round. The tone of those press releases is carefully gauged to make sure that it is appropriate. We also have to gauge the impact on the UK election and weigh that against the importance of providing that clarity for Departments. The guidance is clear: you should consider things on a case-by-case basis. We have considered the guidance, as our Minister has, and determined that it is appropriate. If there were something to the contrary, that could also be considered, but, at this point in time, that is our position.

The Chairperson (Mr O'Toole): I personally find it very strange, given that it is a matter of days before an election. Accounting officers are aware of the amount of money; you have confirmed it here today. I know that that is not specific departmental allocations, but there would be a risk of bringing the Civil Service into disrepute, frankly, if there were a situation in which Civil Service press officers, for example, were facilitating large-scale media opportunities around spending allocations days from an election. That would be a shocking position.

Ms McBurney: As I said, the media engagement is carefully gauged. This is about informing the Assembly of the allocations and ensuring that the Departments have certainty. As I said, accounting officers cannot work on the assumption that they will get any allocations until those have been confirmed; they must live within the budget that they have been given until the Executive agree additional funding for them.

The Chairperson (Mr O'Toole): Say that it was agreed on Thursday 27 June at the Executive and then announced immediately afterwards, or on the Friday or the Monday. That would be one week between this being agreed and publicised. Are we genuinely saying that devolved government will crash to a halt and that public services will crash because accounting officers do not get confirmation? I find that genuinely baffling.

Ms McBurney: We have not said that anything will crash. What we have said is that certainty is important for Departments. It is a judgement call.

The Chairperson (Mr O'Toole): This is pre-election guidance.

Ms McBurney: The pre-election guidance does not preclude this, according to my reading of it, and I have not seen anything to suggest otherwise. It is a judgement call.

The Chairperson (Mr O'Toole): May I suggest that the Department goes to the head of the Civil Service — who is being blocked, by the way, from appearing at this Committee by the First Minister and deputy First Minister — and gets specific guidance from the head of the Civil Service and the Executive Office on whether, days from an election, it is appropriate to publish June monitoring? I think that that would be appropriate.

We may have sorted out Eóin Tennyson. Eóin?

Mr Tennyson: Thank you, Chair, and sorry about that. This is more of a comment and a proposal than a question, because I think that the officials have quite comprehensively covered the key issues relating to June monitoring.

I am of the view that monitoring rounds are a routine function of government. It is not launching Budget policy; it is reallocating an amount of money that is not insignificant, but is small in relative terms. It is important that that is done as early as possible in the financial year, for all the reasons that have been set out about giving Departments certainty. There are government-funded programmes that may have a 30 June deadline; there is a risk that, if those programmes cease in the absence of certainty, it will be a lot more costly to get them back online.

I do not believe that it should be beyond the Executive to carry out the basic functions of government in the run-up to a UK general election. I think that the Executive meeting should go ahead on 27 June so that decisions can be made in respect of it. On that basis, given the risks that officials have articulated today, my view is that the Finance Committee should write to the First Minister and deputy First Minister to make our view clear. Frankly, I do not think it acceptable that not only this Committee but, it seems, the Finance Minister cannot get a response from the Executive Office on an issue that is too serious for this kind of dysfunction.

The Chairperson (Mr O'Toole): Can I be clear about what you are asking for, Eóin? If you are asking that the Committee write to the Executive Office asking for the position on June monitoring and for its view on the appropriateness or otherwise of publishing it before an election, which I think is what you are saying, I think that that is a reasonable thing to do.

Mr Tennyson: I am happy to do that, Chair, but I do not see any reason why the First Minister and deputy First Minister cannot at least issue a response to the Finance Minister. Nor do I see any reason why an Executive meeting to consider this issue, which is vital for our public finances, should not take place.

The Chairperson (Mr O'Toole): The First Minister and deputy First Minister do not write the pre-election guidance. As I understand it, it is signed off by the head of the Civil Service, and Ministers interpret it.

Mr Tennyson: It is, Chair, but Ministers ultimately make the decisions around the interpretation of that guidance.

The Chairperson (Mr O'Toole): Indeed, as I have just said.

Miss Hargey: I concur with Eóin. I think that this is the normal function. It is essential, for the reasons that the officials here today have pointed out. I know the impact on the ground, even for organisations that are waiting to hear. We have heard from the Health Minister and other Ministers in the Assembly Chamber that they need certainty. It is called June monitoring; we have known for the past two months that it would come in June. I would much prefer it to come by next week if possible, so that there can be an oral statement in the Assembly before the recess. My view is that it is the normal run of the mill, in the grand scheme of funding that we deal with in the overall Budget. We knew that it was coming: we have been talking about it in this Committee for the past two months.

The Chairperson (Mr O'Toole): We did not know two months ago that there would be an election.

Miss Hargey: We just need to get on with it. Hopefully, TEO will agree to put it on the agenda and this vital money can be allocated to give that certainty next Thursday.

Dr Aiken: My concern about the whole process is the lack of certainty about what is in the June monitoring round. I am glad that we have had some clarification from Joanne that it is about £250 million, which I understand is the figure that is being talked about for various Departments to do the rest of it. My concern is that, if it is not tabled with the Executive Office, what happens? There has to be a concern there. I also feel that bringing it just before an election is an issue that we should have cognisance of. I hear members saying that a lot of this is in the normal run of routine business. There is an election, and we have already been told that the Programme for Government is not going forward because Westminster is in purdah and because of what is going on with the Government leading up to the election. It seems a bit strange that we are doing the same thing here with the Budget. Those are just my views.

The Chairperson (Mr O'Toole): May I suggest that, as per a couple of linked suggestions, we write to the Executive Office to get guidance on its interpretation of the status of June monitoring and how it interacts with pre-election guidance? May I also suggest, particularly given that there is some doubt over whether we are going to have the head of the Civil Service in front of us next Wednesday, that we write to ask for her view? The head of the Civil Service is responsible for its impartiality and, ultimately, that is what is at stake here. It is not about what individual Ministers think; it is the impartiality of the Civil Service. I will put on record my view that I do not think that it is a defensible or plausible situation that spending £250 million of public money, days from an election, when no plausible argument has been forwarded that announcing that money 72 hours later would, somehow, result in the discontinuation of services. I do not think that that has been claimed, nor do I think that it would be credibly claimed by these officials. I personally think that there is a very strong argument that doing this days from an election would be, at best, compromising Civil Service impartiality. It will be important to get the views of the head of the Civil Service about that.

Dr Aiken: Surprisingly enough, Chair, I agree with you.

The Chairperson (Mr O'Toole): OK. Deirdre, through the Chair?

Miss Hargey: I put on record that I believe that plausible arguments have been made by officials who work on this on a daily basis and bring these processes forward annually. As I said, it is called June monitoring and we knew that it was coming and that it was going to come in June. We also knew that that was going to happen in the context of an election. I do believe that this is in the normal run of what happens in this period every single year. I have no problem with a letter. Eóin made a suggestion as well, so an addendum needs to be added to the letter.

The Chairperson (Mr O'Toole): Let me put on the record that I do not think that anybody would say that it is not essential that we get money disbursed: it clearly is. However, given the state of public services and the fact that people are expecting it, what I said was that — I remain of this view — the idea that 72 hours or whatever it is, or even a week's difference, between this money being announced and allocated going to lead to specific services or programmes being discontinued, which is the claim or implication that has been made — I do not find that plausible. I do not, I am afraid. It is literally a few days, and in a few days, what is at stake is Civil Service impartiality.

Mr Frew: Are we conflating two issues here? If the Budget Bill is not passed, we run out of the 65% —

The Chairperson (Mr O'Toole): We are talking about June monitoring, not the Budget Bill.

Mr Frew: Well, there are two aspects. There is the Budget Bill, which will be next week. The same political arguments could be used for that. Then you have the June monitoring round. There is more potential for Departments running out with regard to their 65% rather than the reallocation of £0.25 billion through the June monitoring round. I am happy to support the letter seeking clarification around this period of purdah and what the Civil Service and Ministers should do with regard to guidance. To be honest, however, I would be the first to criticise the Department if we did not have June monitoring rounds in June. I am not against a June monitoring round, nor am I against the timing, but I support seeking the clarification that the Committee requires.

Mr Tennyson: I associate myself with Deirdre's remarks. I have every confidence in the ability of officials to manage the decision-making that happens in the pre-election period and to communicate that in a way that upholds the impartiality of the Civil Service. I believe that that is entirely possible in this instance. I think that, in fairness, we have glossed over the issue, but Deirdre gave the example of those third sector organisations that may need that certainty and have project deadlines, etc, that will be affected. It is also true that, if Ministers are going to have to make decisions about stopping certain services in order to live within budget, the sooner that they can take those decisions, the better, because the later you leave that in the financial year, the deeper those cuts may have to be. Whilst, on the face of it, a few days or a couple of weeks might not seem much, in a tight budget scenario, it can be significant. I do not believe that there is any reason not to proceed with that. I do not think that every time that an election is called at UK level, government in Northern Ireland should grind to a halt. Therefore, I remain steadfast in my view that it is in everybody's interest that this progresses at pace and before the election.

The Chairperson (Mr O'Toole): I think that we have all aired our views fairly fulsomely on this, and we have agreed actions going forward. I should just say for the record that I do not think that there is any arguable reason why a Budget Bill or the Main Estimates should not proceed. I think that they much more closely qualify as routine. Part of the reason that I know that is from my own experience as a civil servant. I know for a fact that not too many journalists will write about Main Estimates or the Budget Bill, because they never do. There will be journalists who write about and cover lots of extra money being allocated to Departments. Anybody in this room who pretends that that is not the case, I am afraid, is being disingenuous. Those points have been well put on the record. We will correspond with the head of the Civil Service and the First Minister and deputy First Minister to ask for clear views on the points that have been raised today about Civil Service impartiality and the June monitoring round.

I think that we will leave it at that, unless anybody has any other questions. I think that we have mostly exhausted our evidence session. In that case, thank you very much, Joanne McBurney, Patrick Neeson and Angela Ross.