



Northern Ireland
Assembly

**COMMITTEE FOR
FINANCE AND PERSONNEL**

OFFICIAL REPORT
(Hansard)

Draft Budget 2011-15

26 January 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)
Mr David McNarry (Deputy Chairperson)
Dr Stephen Farry
Mr Paul Frew
Mr Paul Girvan
Mr Simon Hamilton
Mr Mitchel McLaughlin
Mr Adrian McQuillan
Mr Declan O'Loan

Witness:

Mr Trevor Reaney) Northern Ireland Assembly

The Chairperson (Mr McKay):

I welcome Trevor Reaney, the Clerk to the Assembly/Director General to the meeting. Trevor, I invite you to make an opening statement.

Mr Trevor Reaney (Northern Ireland Assembly):

Thank you, Chairman, for the opportunity to attend the meeting on behalf of the Assembly Commission and to make some remarks. Committee members will have received the Commission's submission, on which I will make some comments and draw out some points. Following that, I am happy to take questions and to follow up on any detail that Committee members may seek.

The Commission's approach to the spending review process has been to play a full part in dealing with the pressures on public sector spending. It took the view that it should at least match savings that are expected in other parts of the public service, and it is mindful of the resolution on the Assembly's running costs that was passed in the House on 8 November 2010. It is fair to highlight that the Commission and the secretariat that seek to support Members, Committees and the Assembly are, in parliamentary institutional terms, still in their infancy. As such, over the past few years since the restoration of devolution, the Commission has sought to build the capacity and effectiveness of the institution through the support that it provides. That has been an important part of the Commission's work in recent years.

In approaching the spending review, the Commission established a target of a real cut of 13%, which exceeds the view of the House in November, the reduction in the block grant and the reduction required of Departments. Ultimately, the Commission agreed a reduction of 13.3% together with a commitment to undertake efficiency reviews to drive out further cost savings as we go through the spending review period.

It may be useful if I took a moment to explain the make-up of the Commission's budget. I ask Committee members to turn to annexe A to the report, which provides a few broad headings for costs in the Commission's 2010-11 budget and projected budgets. I will briefly explain each to assist members' understanding. The first heading is "Members costs (subject to IFRP)". The IFRP is the independent financial review panel, which is in the process of being established as the Assembly Members (Independent Financial Review and Standards) Bill passes through the House. The budget for Members' costs this year is £16.4 million. There will be an increase next year to £17.4 million, with an estimated £1 million being used to pay winding-up allowances and resettlement allowances following the election in May. That money is a one-off cost every four years. Within the budgets and estimates, we have been able to absorb that cost without seeking to bid for any additional funds.

In the remaining years, you will see that the figure is, in a sense, frozen, although there is a slight adjustment for rounding. The reason for that budget line applies equally to office costs, allowances, Members' salaries and other administrative costs. The independent panel will, in due course, establish the rates of Members' salaries and the allowances that go with that. That will be outwith the control of the Assembly and the Commission; therefore it is impossible to predict and

control what those figures will be. In constructing its budget, the Commission has, in a sense, flat-lined those costs. If the outcome of the independent panel's deliberations is to increase the budget, it would be necessary for us to seek to bid for additional funds as and when that need may arise.

The second line relates to the party allowance, which is the financial assistance to political parties. Again, the Commission takes the view in its budget to freeze that over the four years. To give effect to that would require an alteration to the regulations on party allowances. However, they have, in a sense, been frozen over that period.

Secretariat costs are, if you like, the Assembly's running costs; they represent the current budget of £26.9 million. Members will see that falling over the four years. Those costs are largely for staff who support the Assembly. They also include all the Assembly's other running costs: property, the Building's running costs, and Committee support, such as travel, refreshments, specialist advice, and so on. That is the totality of the Assembly's running costs for salaries and goods and services.

The final category is non-cash costs that relate to, as members will appreciate, depreciation and other issues such as charges for capital. Our total budget for 2010-11 is £48.4 million. Members will see the reductions. The total real cut in costs is the 13.3 % that is shown below the table. Ultimately, there is a total cash cut of 4.9%. Chairman, that gives you a breakdown of the resource element of the Commission's costs.

Perhaps I could take a moment to discuss capital costs. I refer members to paragraphs 11 to 13 on pages 5 and 6, which show the capital costs for the Assembly Commission's bids. Members will see that we have a total bid of some £11.5 million over the four years. At the top of page 6 members will see how that is broken down. The significant element of it relates to proposed repairs to the roof of Parliament Buildings. Members who have offices on the third or fourth floors might be aware that, from time to time, there are buckets in the corridors and various patching repairs have been done over the years. That significant piece of work is required.

The phasing of that, which is estimated at £6 million, is £1 million in 2011-12; £4 million in 2012-13; and £1 million in 2013-14. The other capital costs relate to IT and other matters that are required, including investments and further works to improve Parliament Buildings. Members

will be aware of our desire to make the best use of facilities in Parliament Buildings. That requires some investment of costs in, for example, Committee rooms and office accommodation.

That is a brief overview of the Commission's submission. I am happy to take questions on it. I want to draw your attention to paragraph 8 on page 3, which sets out the comparisons and benchmarks of figures that the Commission has adopted in its budget. Making comparisons against the block grant — the resolution that was passed in the House in November 2010 — and, indeed, with regard to point 8.4, which shows the 12% savings that are being introduced in the Scottish Parliament and the Welsh Assembly Government, we see that the Assembly is slightly above that. By comparison, the Commission believes that it has gone beyond the will of the House and has, indeed, exceeded some of the other comparators that are set out in the paper. That is probably enough by way of brief introduction, and I am very happy to respond to questions and provide more information.

The Chairperson:

A number of members have concerns about the extent of the real cuts to your budget, particularly about the fact that, before the Budget was announced in December, the Assembly Commission seemed to be under the impression that the cut would be about 13.3% whereas the real cut was almost 12% more than that — almost double. Can you outline the communication between departmental officials and the Assembly in the lead-up to that? Did you expect such a significant cut in December?

Mr Reaney:

It might be useful to refer to paragraph 3 on page 2. By way of background, the Commission examined the mechanism by which the Assembly is funded or, in other words, its constitutional position. It has been the practice since the establishment of the Assembly — it has worked to date — that the Assembly is provided with the funds that the Assembly Commission deems that it needs to fund the running of the Assembly. In the normal course of events, that has allowed communication between my officials and DFP officials to obtain the necessary funds and to deal with that through monitoring rounds.

Members will note that a DFP document set the Assembly Commission outwith DFP's spending review process. In that sense, the Commission's work ran in parallel with what DFP was undertaking. I had some meetings with officials, and, indeed, the Speaker met the Finance

Minister at our request. However, that highlights the need for us to find a mechanism that is more formal and more appropriate for dealing with the Assembly Commission's budget. The dual process has not, perhaps, been as helpful as it could have been. Indeed, the end product was not what the Commission expected from the draft Budget figure, and there was some surprise and disappointment at that.

Paragraphs 17 and 18 show that we have looked at the position in other places, specifically at the mechanisms by which the Scottish Parliament and the Welsh Assembly Government are funded. There is a relationship there with a Committee of their respective Houses, and the Commission presents its budget for scrutiny. As we look at what mechanisms are most appropriate in the new mandate, the initial contact between the Commission and this Committee might develop in the future in a helpful way to determine and scrutinise the Assembly Commission's budget.

Mr Hamilton:

I apologise to you, Chairperson, to members and to Trevor, as I must leave shortly to attend a funeral. Thank you for your presentation and your paper, Trevor. At the outset, I must express my unease. I knew that we had sought information from the Assembly about its budget, but I was not aware that we had explicitly sought an oral briefing on it. However, that is neither here nor there. I am a bit uneasy about the Committee delving into one particular budget area only. We have not done that in the past, and I do not think that we propose to look at other Departments' budgets this time. I am concerned about the perception of unfairness that could be created by the Committee's looking into a budget line that deals with Members' allowances and party allowances. I want to put that on record.

As with most budgets, staffing costs seem to take up by far the bulk of your budget. Your submission shows that staff costs account for about £25 million or £26 million out of a £48 million total budget. I notice that a pay-and-grading review is referred to. What provoked that?

Mr Reaney:

That issue arose shortly after the Assembly was first instituted in 2002, if my memory serves me correctly.

It was an exercise that was commenced by the then Commission to determine the appropriate

rates of pay for staff in a parliamentary institution. In Scotland, Wales and Westminster, there are different arrangements and pay structures relevant to the work of a parliamentary institution. In 2002, the Commission commenced a process that was put in abeyance during suspension; it was picked up again on the restoration of devolution. The Commission has been anxious to move that exercise to a conclusion, and it seeks to do so in the pay negotiations for the past financial year.

Mr Hamilton:

Have you an estimate of what that might cost or can you not reveal that?

Mr Reaney:

You will forgive me for being a little bit hesitant, as the Commission needs to enter into negotiations; therefore I am reluctant to divulge publicly specific figures that might compromise those negotiations. However, in making a decision, the Commission is very aware of the current pressures and has sought to be modest in its approach.

Mr Hamilton:

In my experience, very few pay-and-grading reviews result in a reduction or freezing of wages. What is the overall pay bill made up of? I realise that there are salaries, wages and national insurance, but are bonuses included?

Mr Reaney:

Perhaps, Chairperson, I could return to an earlier point. Of the £26.9 million that was voted for 2010-11, £17 million is salary; the other £9 million or £10 million is running costs: goods, services, utilities and so on.

Mr Hamilton:

Fair enough. Does that £17 million for salaries, wages and national insurance include bonuses?

Mr Reaney:

It covers wages, insurance and pension costs, including some allowances for IT, for example, and typing. Staff also receive a £1,000 allowance in respect of their work at the Assembly. Those are all issues that the Commission has been seeking to resolve in the pay-and-grading exercise.

Mr Hamilton:

You said “staff”; what staff receive that allowance and for what?

Mr Reaney:

If my memory serves me correctly, it was introduced by the Commission in 2001. At that time, the Commission determined that it was a necessary addition to reflect the work of the Assembly. It is a contractual condition, and it has remained in staff’s pay and conditions. It is something that the Commission is mindful to try and address to have a salary scale for staff that is appropriate to the work of the Assembly without any allowances being added to it.

Mr Hamilton:

Do all staff receive it?

Mr Reaney:

Yes.

Mr Hamilton:

A £1,000 bonus every year for all staff?

Mr Reaney:

All staff.

Mr Hamilton:

It is not related to performance; it is just a standard bonus. Is there a particular reason for it?

Mr Reaney:

It is a standard allowance; it is not a bonus. I should differentiate between the terms. It is related to the work of the Assembly.

Mr Hamilton:

And that is being maintained?

Mr Reaney:

It is currently there, and —

Mr Hamilton:

And it is factored in?

Mr Reaney:

It is factored in, yes.

The Chairperson:

The Committee met two weeks ago to discuss this issue. We invited the Audit Office and the Assembly Commission to provide a written submission and the option of presenting oral evidence to the Committee. The Assembly Commission took up the latter option. That is why Trevor is here today.

Mr McNarry:

Welcome, Trevor. Can you outline for me the impact that the proposed reductions would have on the Commission's legal responsibilities?

Mr Reaney:

If you are referring to the draft Budget proposals —

Mr McNarry:

I have to refer to the draft Budget proposals —

Mr Reaney:

Rather than the Commission's budget —

Mr McNarry:

And the draft Budget.

Mr Reaney:

In bald terms, the draft Budget would have a very severe impact on the ability of the secretariat to support Members and Committees. It could impact across a range of services: clerking services to Committees, research services, legal advice and so. In simple terms, if the draft Budget figures were adopted, by year 4 the Commission would be some £6.5 million short of what it estimates it

needs to support the Assembly effectively. To implement that level of cuts would require a significant reduction in staffing. It may also, if the Commission and Assembly were so minded, result in a reduction in Members' salaries, office costs allowance and the financial assistance that is given to political parties to try to recover that £6.5 million. It would have a significant impact.

Mr McNarry:

From what you see at the moment, is there any prospect that the draft Budget will reduce the Commission's own budget to such a level that it would interfere with the Commission's performance of its legal responsibilities?

Mr Reaney:

The Commission is engaged in discussions on the broader point of the differential between the Commission's budget and the draft Budget figures, and it hopes that that differential can be resolved. It is helpful to emphasise the work that will be undertaken by the proposed efficiency reviews. The Commission recognises that it can achieve further savings — but through a process of review and identification and in a planned and managed way. At its meeting yesterday, the Commission agreed the establishment of a project board to take forward that work and we expect it to deliver some additional savings. However, the extent of the proposed savings in the draft Budget would have a severe impact on the services that are provided.

Mr McNarry:

In the same manner, will you outline the direct effect there could be on services to Committees such as this and to MLAs such as us? Will you also outline what effect there could be on the excellent assistance that Members receive from the Business Office and Hansard, which is evident here today? If the draft Budget was to go through, would those services be downgraded? Will those services be maintained at the level to which we are accustomed, or is there room for some shaving that would not be detrimental to their performance?

Mr Reaney:

The broad principle of “can we do better and can we be more efficient?” has been accepted. The Commission recognises that and is moving forward with reviews that will help to drive out great savings and efficiencies.

Mr McNarry:

I get this every time, Trevor. Everyone who sits in that seat tells me that they are carrying out reviews, yet those reviews always seem to be carried out after the horse has bolted. We have an issue that directly impinges on a Budget on which we must make up our minds. I am more interested in the now rather than tomorrow, which is why I am asking the question. I am happy — although I am a bit cross sometimes — with the assistance that MLAs receive. I will not embarrass the staff here, but the staff on this Committee, like other Committees on which I serve, are very good and reliable and I want to protect that. However, I am anxious that, despite what you are looking to in the future and what might happen with efficiencies, we will lose some of it if the draft Budget is implemented. Is that the case?

Mr Reaney:

Yes. It would not be possible to maintain the same level of service that is provided for Committee and plenary meetings. We would also have problems dealing with the significant volume of legislation; it simply could not be coped with if we had to absorb such significant cuts, because we would have to make a significant number of staff redundant if the proposed cuts were introduced. If the 5% year-on-year cuts were also applied to Members' costs, it would result in a significant reduction in the OCA. Furthermore, and forgive me for straying into this territory, but as we cannot reduce the number of MLAs, the only way to reduce costs would be to reduce the salaries that are paid to MLAs, and that would have to be done to try to balance the books. However, that is a very worst-case scenario.

As I said earlier, the Commission is seeking to resolve that —

Mr McNarry:

Are you saying that, if we were to reduce the number of MLAs — I note that you have not given a number — and make other reductions in our organisation, perhaps this budget would fit? Is this a draft budget designed for something that has not happened yet?

Mr Reaney:

Mr Speaker. Sorry, Chairperson —

Mr McNarry:

Gosh, you are doing well.

Mr Girvan:

Promoted twice in two days.

Mr Reaney:

It is not be for me to comment on what motivates a particular draft budget. It is for those who put the figures there to present them. However, on the number of MLAs, the structure of this organisation, the number of Committees, and so on, we all recognise that at some point in the future there will be some change. However, those are political decisions. All I can say about that is that, when those changes take place, the Commission will respond to them. In the interim, the budget that the Commission has approved is to support the 108 MLAs and the range of Statutory and Standing Committees that exist at present.

Mr McNarry

In particular over the four years?

Mr Reaney:

Yes, over the four years.

Mr McNarry:

I will now let you look into your crystal ball. How do you defend the Commission against the accusation that is out there? It is implicit in the paper. It is strange that, of all the cuts that are to be made, the severest ones are into the Commission, in percentages. You have already addressed that. How do you defend the Commission from the accusation — there is nothing personal in this — that it is too fat? It is said that it is overweight, that it should be leaner and that you are not doing anything to make it leaner, but the Minister of Finance and Personnel and the Executive are doing something. They are doing that for you.

Mr Reaney:

The Commission is mindful of the need to be as lean and mean as it can be. As such, the staffing levels and the complement of the Commission have been reducing. If we look back to 2007, when a review of the secretariat was undertaken, the staffing level at that time was 463. Our current budget is for 440, and, under these figures, we are pushing that down to 410. With efficiency reviews, we anticipate going beyond that. Therefore, the Commission is addressing its need to be efficient and streamlined, and it will continue to do that.

Mr O’Loan:

Thank you for attending, Trevor. Let me address the point that Simon Hamilton made about his anxieties about the chief executive of the Assembly coming before the Committee. The Assembly Commission’s role is different to that of any other Department. Departments are Executive Departments. They have scrutiny Committees and, we take opinion from those Committees. However, there is nothing equivalent in nature to the Assembly Commission, which runs the Assembly. It has a very important task in ensuring that there are resources available to enable the Assembly to carry out its important democratic function. When there is an important debate about the resource that is given to the Assembly Commission to do its job, it is proper that this Committee asserts itself and gets the full evidence in front of it.

A very unsavoury situation has emerged, in that the Assembly is now challenging one of the Executive Departments — the Department of Finance and Personnel — and others involved in the leadership of the executive process. For that to happen in the public arena does not paint the whole workings of government in a good light. It does absolutely the opposite. I place the blame where it rests. It is a situation that should not have arisen.

The Assembly Commission did its job very well. It faced the responsibilities well ahead of time. It saw the difficult economic situation that we were in and that there was an onus on it to take its share of the burden. Trevor has explained very well how it addressed that. It offered a 13·3% reduction in real terms, which, as he points out, is significantly ahead of the overall budgetary reduction coming from London. It was putting into effect the will of the Assembly and ahead of reductions that were emerging in equivalent legislatures in the devolved regions of the UK. We have seen no reason at all why such a different view was taken in the draft Budget.

Quite a bit of my question has already been addressed. However, you spoke in very broad terms about the effect on the running of the Assembly and on individual Members, but you did not quantify that in detail. Is there a reason that you did not do that? Can you say how many staff would be lost if the draft Budget were to go through?

Mr Reaney:

I am happy to go into the detail. Obviously, there have been some projections around suggested reductions in staff numbers and office cost allowance (OCA). However, the figures are indicative

and are not, therefore, precise. Nevertheless, if all the cuts in the draft Budget were applied to the secretariat's running costs — this does not touch Members — our staff numbers would fall to well below 300.

Mr O'Loan:

From?

Mr Reaney:

Our current projection of 410.

Mr O'Loan:

Therefore, more than a quarter of the staff would be lost should all the cuts be applied. What is the scope for a broader apportionment, and what would the consequences of that be?

Mr Reaney:

If there were a broader apportionment, we would probably be looking at perhaps another 70 or 80 below the 410 staff having to go; and if we applied that to office cost allowance, we would see that drop from where it currently sits at almost £76,000 to £61,000 or £62,000. There would, therefore, be a reduction there of around £14,000 a Member. Indeed, as I mentioned earlier, although we cannot reduce the number of MLAs to try to constrain the pay bill, the salary of an MLA would probably fall by £8,000 to accommodate that cut. Those are indicative, blue sky figures. However, they indicate the scale of the impact of the draft Budget figures.

Mr O'Loan:

Over the years, I have seen the service that staff provide directly to Committees here improve, in particular the service from Research and Library staff and the very important background staff. We get very high-quality research and support, which are necessary to the Committee. Significant recruitment exercises had been going on during that time. Are you, therefore, content that staffing has got a level at which Members of the Assembly are being adequately supported to do their job?

Mr Reaney:

The Commission undertook a Members' survey around 18 months ago, and, at that time, very high levels of satisfaction were reported with the range of services provided. Indeed, another

survey will be undertaken within the next few weeks to gauge the response again. Generally, the level of service is of a high quality and is very supportive to Members and their work. However, there is always room for improvement, and we will continue to seek to do that. Nevertheless, the level of service is high, and it serves the institution well.

Mr O'Loan:

Simply, is the draft Budget acceptable to the Assembly Commission?

Mr Reaney:

The simple answer is no. The Commission has come to its position, and it believes that the budget that it has agreed is the appropriate way forward. I indicated that the Commission is in discussions and seeks to resolve the issue, and I sincerely hope that that can be done.

Mr O'Loan:

Finally, you say that the process to set the Assembly's budget requires further consideration. That is clearly right. As I said at the outset, this is a very unsavoury business and should not have been allowed to happen.

I note the quotation that you took from the departmental guidance. I know for a fact that what DFP says there about the Northern Ireland Audit Office (NIAO) is plain wrong. That is not a full statement of the due process, as currently stated, that is used to support the NIAO. We certainly should not take that statement at face value or even as a proper statement of what should pertain at the moment. Does the Assembly Commission feel that, under what it understands to be the current rules, it has been adequately and properly dealt with by the Department?

Mr Reaney:

The Commission views the current situation as very unfortunate but is making every effort to resolve that and to reach a satisfactory outcome.

Mr O'Loan:

I fully understand the discretion that Trevor exercises. I hope that we can get out of this one. As I say, it has cast the whole Assembly in a very bad light.

Mr McLaughlin:

I will pick up on issues that you have, to some extent, touched on in answers to previous questions. I take on board that we are not the relevant scrutiny Committee, but the issues are referred to in your presentation. The issue of the Assembly-specific allowance was raised, and I have heard it quoted as an extravagance or as an issue that must be addressed, partly in defence of the approach that is reflected in the Commission's draft budget. The wording is:

“the Commission's desire to have a pay structure which does not include an Assembly specific allowance.”

Is that the actual position or does the Commission have a policy direction? You said earlier that it is a contractual obligation. Are you in a position to indicate how that issue can be resolved and, in a sense, regularised?

Mr Reaney:

To repeat an earlier answer, the Commission wants to set salary scales for staff in the Assembly that are appropriate for the work that they do and that do not require any additional allowances, such as the one to which you refer. The pay and grading exercise is just concluding, and we will shortly enter into negotiations with trade union side. The Commission's strategy to address that issue is included in that.

Mr McLaughlin:

You mentioned contractual obligations. Does that mean that you cannot simply change terms of reference or terms of employment? Is it a legacy issue that goes back to days when the Assembly's ability to sustain itself may have been open to question? I understand that that was part of the rationale, going back to 2002. However, does the review include the removal of that allowance as a specific term of reference?

Mr Reaney:

Yes. You mentioned the contractual entitlement. It is a contractual —

Mr McLaughlin:

I understand that.

Mr Reaney:

We cannot unilaterally make any change. The aim, in consultation with trade union side, is to negotiate an agreement that resolves the issue.

Mr McLaughlin:

I am interested in paragraph 17, which I interpret to indicate considerable unease with how the process of setting the Commission's budget is conducted at present. If issues arise from the draft Budget, can you give us an indication that, as the person responsible, you were consulted before that figure emerged?

Mr Reaney:

We received an informal indication — although there was no formal communication — that that was the thinking. The Speaker wrote to the Minister of Finance and Personnel on 15 November to advise him that the Commission's target was a 13% real cut. That was the basis on which the Commission proceeded and kept the Minister informed —

Mr McLaughlin:

That is in your presentation. I am quite sure that other Departments were consulted and engaged with. Did anyone from DFP or someone who represents the Executive sit down with you specifically to discuss the variance between the position that was indicated and the final position?

Mr Reaney:

In advance of this, the Commission was operating to establish its own budget in the normal way that it does. I made contact on a small number of occasions with DFP officials and met to discuss the issues to inform them of the Commission's approach. In the course of those discussions, they indicated the view that has appeared in the draft Budget.

Mr McLaughlin:

I want to associate myself with the remarks about the due diligence that the Commission has taken to match and surpass some of the targets set. Your performance, and your submission compared with other Departments', indicates and vindicates that.

I am particularly interested to know how such a significant difference of opinion can emerge in a process that is meant to be dynamic and interactive. The draft Budget contains a figure that is approaching twice what you submitted. You have given us a clear rationale and set out the basis on which you approached the task and the savings that you identified. I hear, from what you say today, that you may be able to identify some further savings.

How can such a difference emerge? Or are we talking about something else altogether? Is this about putting manners on the Commission and, by extension, the Members? Has there been any engagement, prior to the setting of the draft Budget, that indicates that at least there was a genuine discussion and debate, even if people had different outcomes in mind? Or are we dealing with a different dynamic altogether?

Mr Reaney:

Let me go back to the quotation from the DFP document. There was not an expectation on DFP's side that it would engage with the Commission. That is clear from DFP's document. In previous Budget discussions, the Commission has not proactively engaged with DFP. The understanding has been that the Assembly Commission determines its budget and then that is provided. It is for the Assembly Commission to determine. I took the view that I should keep in contact with DFP officials during the process, as did the Speaker with the Minister of Finance and Personnel. The Commission's position throughout those discussions was very clear, and that was articulated formally to the Minister on 15 November.

Is that a satisfactory process? From the Commission's point of view, it is not. That is why it has previously looked at systems in other places and wishes to have in the next mandate some discussion around having a system that is more effective and appropriate to a parliamentary institution, rather than to a Government Department, which is under the control of the executive arm of government.

Mr McLaughlin:

Before the Assembly comes to the debate and the final decision on the Budget, is the engagement of a quality that would indicate that some kind of accommodation or acceptable joint position can be achieved?

Mr Reaney:

It is my sincere desire, and the Commission, which met yesterday, is hopeful that that can be achieved.

Mr McLaughlin:

That does not quite answer my question. This Committee has to consider for its report whether

this is something that it wishes to comment on. The process is already under some significant time pressure. If there are loose ends to be tied up or issues that need to be resolved, the Committee should consider how it can use its influence with DFP to facilitate that.

I accept absolutely that you would wish to have that agreement. This is not fair to say, but I am looking for some indication as to whether you are engaged in the type of meaningful dialogue that makes a resolution of the issue possible.

Mr Reaney:

The answer to that is yes. I am hopeful, and the dialogue is ongoing. I sincerely hope that an accommodation can be reached at the end that is satisfactory.

Mr McLaughlin:

The Committee may want to consider recording its concerns with the Department and to seek an assurance from the Minister.

Mr McNarry:

Supplementary to what Mitchel has said, there will be a take-note debate on the draft Budget in the Assembly on Monday. Will the Chairperson of the Commission or someone nominated by the Commission speak in that debate to put forward the Commission's view on the draft Budget?

Mr Reaney:

I do not think that the Commission has considered whether it will make a contribution to that debate, but it will keep it in mind.

Mr McNarry:

Hang on, this is Wednesday and the debate is on Monday. There are elected representatives on the Commission who should be putting forward their views in the House. I would welcome hearing those views, and I would be concerned if Commission members were reluctant to speak in the debate. They take questions in the Assembly, and I would be concerned that the Commission is pushing something on to this Committee that it is not prepared to do itself. Indeed, a doubt is creeping into my mind that that may be the case.

Mr Reaney:

There is no hesitation on the part of the Commission to explain or defend its budget submission; that is not the issue. As I expressed earlier, there is a desire to get a resolution, and, if that can be achieved quickly, the issue will have been dealt with. The Commission will consider whether it wants to make a contribution in due course.

Mr McNarry:

I am all for you. However, it seems that you are hedging your bets, and if you are going to do that, you should not waste my time. I am all for giving people any assistance that I can, but, until such times as I know what your Commission is going to do, I am reluctant to give it my support. Furthermore, although I welcome you here, I would have thought that the Chairperson of the Commission should be sitting beside you today and giving this Committee the respect that it deserves. You have put a doubt in my mind that must be cleared. I will not be used.

Mr Reaney:

The Commission is not seeking to use this Committee in any shape or form. Commission members are happy for me to come and provide evidence and information. They will seek to fight their own corner in their own way.

The Chairperson:

Mitchel, are you proposing that the Committee should record its concerns in writing now, make those concerns part of its report or both?

Mr McLaughlin:

I do not want to pre-empt the report. However, if we were to communicate now a concern about how the issue of the Commission's budget has been addressed, the response could inform whether we make any further comment in the report.

The Chairperson:

Do Committee Members agree with that approach?

Mr O'Loan:

I do not want to nit-pick, but the Committee normally does its decision-making after evidence has

been heard. I am unsure how you want to proceed.

The Chairperson:

That is OK.

Mr O'Loan:

Sorry, what way do you want to do it?

The Chairperson:

We will take the decision after Stephen speaks.

Dr Farry:

I do not want to rehearse everything that has been said, Trevor. However, there is an institutional issue with the independence of the Assembly versus the Executive of which we must be conscious. There is also a parallel to be drawn with the technical arrangements for the funding of the Audit Office, which is also independent of the Executive. Those new arrangements could be of interest. What happened in the past in the context of an ever-rising tide did not really bring those issues into stark relief, and it is only when the tide begins to fall that things become a lot more acute.

Have you explored the nature of the relationships between the Executives and the other Parliaments and Assemblies in these islands, and whether those provide any lessons on how we should handle the issue over the coming weeks? We should be particularly mindful of the fact that we have at least one Parliament with an 800-year tradition that is well used to fighting its corner. How do things work in Westminster, Cardiff and Edinburgh?

Mr Reaney:

In the other institutions, which are referred to in paragraphs 17 and 18 of the paper, particularly the two devolved institutions in Cardiff and Edinburgh, there is a relationship between the Commission or corporate body and a Committee, and, in some cases, the institution's Finance Committee, which scrutinises the Budget.

The relationship and decision-making is between the Commission and a Committee of the House. The executive side is advised of the figures that have been agreed. Those figures are

automatically incorporated into any Budget figures, which are dealt with at a later date. The Commission will look to that model. Exactly how it might work in practice in the Northern Ireland Assembly is a matter for debate. That is where the Commission wishes to go.

Dr Farry:

What happens in Westminster?

Mr Reaney:

In Westminster, the relationship is perhaps even cruder. The House Commission decides what it wants and is given it automatically. There is no relationship with any Committee of the House.

Dr Farry:

The Assembly may not want to strike out that far.

Mr McQuillan:

I want to raise one wee point before we finish. I agree with what David said. I, too, would have expected the Commission to come out on Monday with the gloves off to fight for its budget determinedly. Now we hear that it might speak on it or it might not. Certainly, it should have taken that decision yesterday. It will not meet again before Monday. Is that correct?

Mr Reaney:

I can only repeat that discussions are ongoing that will, hopefully, resolve the issue. In which case, it may not be necessary to say anything in the House. To go back to comments that other Committee members made, the Commission believes that the matter is not one that should be sorted out in the Chamber but is for another place. If progress is not made, the Commission may review its position.

Mr McQuillan:

No position will be finalised before Monday. I would have thought that it would do no harm at least to put a marker down.

Mr Reaney:

We will discuss that issue with the Commission again before Monday.

The Chairperson:

Thank you very much, Trevor.

Mr Reaney:

Thank you very much for your time, Chairman. Thank you, members.