

Executive has golden opportunity for reforming Budget, says NI Fiscal Council

Last month's UK Spending Review offers the Executive a golden opportunity to agree a reforming three-year Budget, according to the new independent fiscal watchdog.

Speaking as the Fiscal Council published its first major outputs – an assessment of the Spending Review's implications for Stormont and a reference guide to NI's public finances – Chair Sir Robert Chote said that stakeholders across the political spectrum had told the Council that seven successive single-year Budgets had stymied long-term thinking and policy action in areas such as health care and infrastructure.

He said: "You might argue that there could have been more long-term thinking even in the absence of a multi-year Block Grant settlement, but there is certainly opportunity for it now. The immediate challenge for the parties is to agree a shared set of priorities for the Draft Budget – in practice, what proportion of the additional resources provided in the Spending Review to devote to health and then which objectives to prioritise thereafter."

Alongside its assessment of the Spending Review, the Council published '*The public finances in Northern Ireland: a comprehensive guide*', which steps back and looks at where the Executive's money comes from and goes to, and how it is managed, legislated for and reported on.

Sir Robert added: "The way decisions on spending and tax flow through the Executive, the Treasury, Stormont and Westminster is sometimes a mystery even to those involved. Each year we have been asked to report on the Executive's Budget and the long-term sustainability of its finances, but we thought it would be sensible to start with a background guide that lays the groundwork for these."

The Guide is not designed to push particular recommendations, but the Council has highlighted 'ten takeaways' to look out for on issues including the politics of Budget-making, the adequacy of published data, 'super-parity' and the relatively narrow focus of Budget discussion.

Notes to editors:

1. The Northern Ireland Fiscal Council was created in March 2021 following the 2020 New Decade New Approach agreement to increase transparency and independent scrutiny of Northern Ireland's public finances.
2. Its members are Sir Robert Chote, former head of the UK Office for Budget Responsibility, Maureen O'Reilly, an independent economist and adviser, Esmond Birnie, senior economist at Ulster University, and Alan Barrett, head of the Economic and Social Research Institute in Dublin.
3. The Council's assessment of the Spending Review can be viewed here: <https://www.nifiscalcouncil.org/publications/response-spending-review-2021>
4. The comprehensive guide can be viewed here: <https://www.nifiscalcouncil.org/publications/public-finances-ni-comprehensive-guide-november-2021>
5. The 'ten takeaways' can be viewed here: <https://www.nifiscalcouncil.org/news/public-finances-ni-comprehensive-guide-november-2021>
6. Further information on the Northern Ireland Fiscal Council is available here: <https://www.nifiscalcouncil.org/>
7. Follow us on Twitter [@NIFiscalCouncil](https://twitter.com/NIFiscalCouncil)
8. For media enquiries, please contact Debra Whyte on 07557 631683.