

Dear Mr Johnson,

On behalf of the Alliance Party, thank you for the opportunity to meet with members of the Fiscal Commission for Northern Ireland last month. We greatly valued the opportunity to engage with you early in the process.

The Alliance Party welcomes the establishment of the Fiscal Commission. We support the devolution of additional fiscal powers to the Northern Ireland Assembly, which will better enable local taxation and spending levels to reflect local priorities.

We believe that it is important that the Fiscal Commission should draw heavily on the fiscal devolution experience of the Scottish and Welsh parliaments, while at the same time recognising Northern Ireland's unique position as a post-conflict society where devolution is historically fragile, and the only part of the UK with a land-border with another country. Furthermore, the commission's work should reflect the opportunities arising from Northern Ireland's unique access to the both the UK and the EU markets, insofar as this is relevant to taxation powers.

We recognise that following the RHI scandal, trust in the Northern Ireland government's financial management capabilities are at an all-time low. As well as taking account of the potential benefits of tax-varying powers for Northern Ireland, the Fiscal Commission should take account of Northern Ireland's capacity and capability to manage such powers, and what could be done to enhance them.

Any analysis of tax raising powers should go hand in hand with an analysis of Northern Ireland's budgetary processes and the associated scrutiny, because the benefits of any additional revenue generated will only flow if they properly managed through an open and transparent budget process. The work of the Fiscal Commission and the Fiscal Council should be complementary in this regard.

We would also be supportive of the Fiscal Commission considering how enhanced fiscal powers might align with the objectives of an Infrastructure Commission for Northern Ireland, similar to that which exists in Scotland, to maximise the impact of additional revenues over the long-term.

Finally, while the Fiscal Commission's focus will be on how tax-varying powers could improve Northern Ireland's economic competitiveness, simultaneously the Fiscal Commission could also consider how tax-varying powers could help Northern Ireland achieve the aim of lowering its carbon emissions and transitioning towards a greener economy.

Thank you again for your time last month, and we look forward to continuing to work with you constructively in the future.

Yours sincerely,

David Morrow  
Policy and Research Officer for Andrew Muir MLA