

Mr Paul Johnson,
Chairman
The Independent Fiscal Commission NI
9 Lanyon Place
Belfast
BT1 3LP

By E-Mail to: info@fiscalcommissioni.org

1st February 2022

Dear Mr Johnson,

Invitation to submit feedback on The Independent Fiscal Commission NI Interim Report

Thank you for your invitation to submit feedback on The Independent Fiscal Commission NI Interim Report.

SIB is very supportive of the thrust of the report but has the following response to one of the questions the Commission has posed.

Do you agree with our understanding and representation of the current Northern Ireland context?

The context is, understandably, largely retrospective in terms of the economic environment and demography rather than looking to what will be needed in the next 30+ years. The data it draws on are pre-Covid and pre-Brexit. The region will need a fiscal framework that supports the future strategic, geopolitical, social and demographic context.

Work on the Investment Strategy suggests that proposals for any further devolution of fiscal powers will need to take account of:

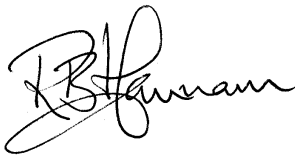
1. The perception of considerable historic under-investment in infrastructure, with demonstrable backlogs in maintenance and consensus on the need for greater infrastructure investment to address current constraints on development (including for water and waste-water).
2. The requirement for greater investment in public infrastructure to meet increased demands from an aging population, a changing economic environment and growing environmental concerns the need for decarbonisation, and a recognition that different funding mechanisms will be required to achieve this.

3. The need for longer term ability to plan expenditure and move to multi-year budgeting.

Consideration might also be given to the state of readiness within Central Government to maximise the value from any additional investment unlocked by a broader range of fiscal powers. Many parts of Government are in the process of recovering their service delivery from the impacts of COVID whilst at the same time progressing reform initiatives to improve the efficiency and effectiveness of public services in the future.

This is relevant as context so that readers of the Report understand the balance to be struck by Government between using any additional fiscal flexibilities to maintain a decent quality of services on a status quo basis whilst simultaneously trying to progress reform and the step changes envisaged within the Programme for Government and New Decade New Approach documents.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Brett Hannam', written in a cursive style.

Brett Hannam
Chief Executive