



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Dr Steve Aiken, OBE MLA  
Chairperson to the Committee for  
Finance  
Northern Ireland Assembly  
By email

Your ref: 2021.274  
13 July 2021

Dear Dr Aitken,

Thank you for your letter of 28 May about the devolved budget process, following the Committee for Finance meeting. I would like to offer my sincere apologies for the delayed response.

I am sorry to hear that members of the Committee were disappointed with my previous letter. I would like to reassure the committee that this has nothing to do with the Treasury's interest in devolved matters; it simply reflects the distinct roles of officials compared to ministers. The decision on the timing of fiscal events is a matter for the Chancellor, who will make a decision based on a wide range of factors, including taking into account the devolved administrations. It would therefore not be appropriate for HM Treasury officials to appear before a committee of the Northern Ireland Assembly to explain this decision.

It may help the committee to consider the information here:  
[www.gov.uk/government/publications/the-new-budget-timetable-and-the-tax-policy-making-process/the-new-budget-timetable-and-the-tax-policy-making-process](http://www.gov.uk/government/publications/the-new-budget-timetable-and-the-tax-policy-making-process/the-new-budget-timetable-and-the-tax-policy-making-process).

The link above sets out the Government's position on Budget timing. That policy making process remains the ambition of the Government. 2019 and 2020 have been extraordinary years due to the calling of a general election and the uncertainty generated by the global pandemic. It was right in both of these cases that we deviated from an Autumn Budget timetable to find a more suitable time in the calendar for the Budget.

As mentioned above, in making the decision on when to hold the Budget a wide range of factors will have been considered, including any impacts on the devolved administrations. The Treasury has frequent engagement with the devolved administrations at Ministerial level (including through the Finance Ministers' Quadrilateral) and at official level to ensure we have a full understanding of these impacts.

However, as the past two years have shown, there may always be other prevailing reasons as to why an Autumn date is not sensible or practical. How the Northern Ireland Executive construct their processes to account for this possible uncertainty is a matter for them, though I do understand the additional difficulty it creates.

That said, the Executive's block grant funding is largely set at spending rounds or spending reviews rather than at Budgets. Even in 2019 and 2020 we delivered these events in the Autumn so that departments, devolved administrations and local authorities all had sufficient time to set their spending plans for the following financial year.

I welcome the formation of the new independent Fiscal Council and its role in providing oversight and scrutiny to financial matters in Northern Ireland.

I hope this letter has been useful in setting out our position on this matter. Thank you for taking the trouble to make me aware of these concerns.

Yours sincerely,

A handwritten signature in black ink, reading "Steve Barclay". The signature is written in a cursive style with a horizontal line crossing through the middle of the letters.

RT HON STEVE BARCLAY MP