

From the Minister of Finance

Peredur Owen Griffiths MS
Chair of the Senedd's Finance Committee

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Peredur, a chara

COR-1244-2024: INQUIRY INTO FISCAL INTERGOVERNMENTAL RELATIONS

Thank you for your letter of 08 May 2024 in relation to the Committee's inquiry into Fiscal Intergovernmental Relations.

Your letter relates to a dispute that the Executive has raised with the Treasury in 2022. This dispute relates to the funding for the Troubles Permanent Disablement Scheme. This is a scheme which makes payments to individuals who have been permanently disabled as a result of an injury related to the conflict here.

The nature of the Executive's dispute is that the Scheme that was designed and legislated for by the British Government is substantially broader in scope, in terms of eligibility, than that which was agreed by the local political parties here as part of the Stormont House Agreement. The Regulations which introduced the Scheme were made by the Secretary of State at Westminster in January 2020, in the absence of the Executive.

The Executive therefore believes that the British Government has an obligation to meet the cost of the Scheme. This is based on the principle set out in the Statement of Funding Policy that "*where ... decisions of UK government departments or agencies lead to additional costs for any of the devolved administrations, where*

other arrangements do not exist automatically to adjust for such extra costs (e.g. if the Barnett formula doesn't apply), the body whose decision leads to the additional cost will meet that cost."

In terms of the current status of the dispute, the process was paused in October 2022 when Executive Ministers left office. Treasury officials indicated that the process could not be taken forward in the absence of the Executive. Given the return of the Executive, I intend to engage with Treasury to seek to restart the dispute process.

I hope this is helpful but please get in touch if you require any further details.

Is mise le meas

A handwritten signature in black ink, reading "C. Archibald." with a period at the end. The signature is written in a cursive, flowing style.

**DR CAOIMHE ARCHIBALD MLA
MINISTER OF FINANCE**