**DAERA FINANCE COMMITTEE (FC) MEETING**

**10 November 2021 @ 14.00-15.30**

**By Webex**

**Minutes**

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| **Attendees:**  | **Brian Doherty (Chair)****Paul Donnelly****Fiona McCandless****Robert Huey****Seamus McErlean (Deputising for Norman Fulton)****Marcus McAuley (Deputising for Tracey Teague)****Sharon McFlynn****Roger Downey** **Richard McAuley****Lynda Lowe** **Helen Mullan****Gemma Robinson****Claire Holterman (Secretariat)** |
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| **Apologies:** | **Tracey Teague****Norman Fulton**  |
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| **Agenda Item** | **Description** | **Paper Reference / Action Owner** |
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| **1.** | **Apologies and Minutes and Action Points of Previous Meeting** | **FC 33/21** |
|  | The Chair welcomed members to the meeting and noted two apologies.Members agreed the Minutes of the 7 September 2021 meeting. There were no actions arising from the meeting on 7 September 2021.  |  |
| **2.** | **January Monitoring Round 2021-22** | **FC 34/21** |
|  | Lynda Lowe presented the paper highlighting the Department’s Resource and Capital proposals in this exercise and the financial implications of the Business as Usual, EU Exit, NI Protocol and COVID-19 issues being faced by the Department. Lynda brought to members’ attention that the January Monitoring Round is the final opportunity to make changes to the Department’s Budget. In line with previous years, Financial Planning Branch will be commissioning Estimate Provisional Outturn exercises in January, February and March. Members are advised to complete these as accurately as possible and to outline emerging pressures or easements as part of these, to ensure we maximise usage the Department’s budget for the financial year. Both Roger Downey and Lynda Lowe advised that all business areas should be mindful of their responsibilities to spend allocated budgets and that any potential easements should be notified to Finance at the earliest opportunity. The need to ensure credibility in engagement with DoF was outlined from the level of Capital easements at October and January Monitoring Rounds, given that business areas confirmed in October that there were no further reductions required. Members discussed the paper including the proposed recommendations and the increased uncertainty caused by staffing on the ability of business areas to utilise Budget. The potential funding and staffing requirements arising from uncertainty around the EU-UK Trade and Cooperation Agreement was flagged, along with a possible reduced requirement this financial year in Rural Affairs Search and Rescue Programme.The position around SPS Regulatory Inspection Capability spend and requirements at Points of Entry was discussed.Members agreed all recommendations in the paper.  |  |
| **3.** | **Budget 2022-25**  | **FC 35/21** |
|  | Lynda Lowe presented the paper on the Resource and Capital funding requirements that will inform the final response to DoF on the Budget 2022-25 Process Information Gathering exercise. Members were updated on the recent Budget Bilateral and the funding priorities for DAERA.It was noted that Resource and Capital proposals are with the Minister for approval. DoF is keen to get formal budget returns from DAERA given their desire to launch a 12 week Budget Consultation.Members agreed the recommendations in the paper. |  |
| **4.** | **Staff Affordability – a) EU Exit and b) Non EU Exit** | **FC 36/21****FC 37/21** |
|  | Lynda Lowe presented the papers of Staff Affordability for both EU Exit & Non EU Exit.1. **EU Exit**

The number of EU Exit posts and their costs for the next three financial years, included in the bids as part of the 2022-2025 Budget Information Gathering Exercise were discussed. Business areas in August identified a requirement for a total of 934 EU Exit funded posts, excluding NI Protocol and Green Growth. The current EU Exit baseline in future years is £18.8m which will be sufficient to fund the current EU Exit staffing complement of 348 FTE. EU Exit staff pressures have been included in the recent Resource Stage 2 proposals to the Minister, in respect of the Budget 2022-2025 Information Gathering Exercise.Members discussed the content of the paper in respect of current SIP, the pressures the Department is facing as a result of recruitment and filling vacancies and alignment to delivering DAERA priorities.  Members noted the content of the paper.1. **Non EU Exit**

Lynda highlighted the current SIP and vacancy position confirming 334 BAU vacancies at 1 October 2021, along with the low level of increase in FTEs. The SIP position by Group at 1 April and 1 October 2021 and the vacancy position, against HL and APC for BAU Staff was outlined along with the RAG status. The need to monitor the SIP position and review vacancies to confirm if any are to be withdrawn was highlighted.The paper also outlined the projected BAU Salary funding position for the current 2021-22 year and for three future years. Members noted the content of the paper. |  |
| **5.** | **AFBI Finance Paper** | **FC 38/21** |
|  | Sharon McFlynn presented the AFBI paper providing an update on the current financial position. This included an update on Royalty Income and the 2020-21 Annual Report and Accounts.Members noted the contents of the paper.**Action Point****Provide detail on how the engagement with Boehringer Ingelhein impacts on the resolution of the settlement agreement and any financial implications for this financial year.****Provide an indicative time frame as to when the Accounts will be signed.**  | **Sharon McFlynn****Sharon McFlynn** |
| **6.** | **Contract Compliance** | **FC 39/21** |
|  | Richard McAuley presented the paper and noted that compliance in terms of value of POs was 99.29% in Quarter 2 of 2021-22, which is above the Compliance target of 98% published by Account NI in the Monthly Operational Report. It was also confirmed that PPSO proactively engages with business areas 6 months prior to the end of contracts to mitigate against the need to use a DAC.Members noted the content of the paper. |  |
| **7- 9.** | **Papers to Note:****Direct Award Contracts****Aged Debt Analysis****EAPPE Test Drilling Report** | **FC 40/21****FC 41/21****FC 42/21** |
|  | Members noted the content of the papers FC 40/21 to 42/21 presented. |  |
| **10.** | **AOB** |  |
|  | Dates for future Finance Committee meetings in 2022 will be aligned with Departmental Board Meetings and circulated to Members.The meeting closed at 15.00.  | **Secretariat** |

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