**DAERA FINANCE COMMITTEE (FC) MEETING**

**28 June 2022 @ 14.00-15.30**

**By Webex**

**Minutes**

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| **Attendees:**  | **Brian Doherty (Chair)****Robert Huey****Tracey Teague****Seamus McErlean (Deputising for Norman Fulton)****Paul Donnelly****Mark Livingstone (Deputising for Fiona McCandless)****Roger Downey** **Briege Lafferty****William Peel****Lynda Lowe****Nuala Hennessy** **Claire Holterman (Secretariat)****Helen Mullan (observer)** |
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| **Apologies:** | **Fiona McCandless****Norman Fulton** |

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| **Agenda Item** | **Description** | **Paper Reference / Action Owner** |
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| **1.** | **Apologies and Minutes of Previous Meeting** | **FC 19/22** |
|  | The Chair welcomed members to the meeting and noted the apologies.Members agreed the Minutes of 10 May 2022 meeting. There were no actions arising from the meeting on 10 May 2022. |  |
| **2.** | **First Monitoring Round 2022-23** | **FC 20/22** |
|  | Nuala Hennessy presented the paper highlighting the Department’s Resource DEL and Capital DEL proposals in this exercise. The Contingency Planning Envelope of £688.9m was discussed, along with the significant level of funding still unallocated to Department’s by DoF, which has not been included in this initial allocation. The uncertainty due to the lack of an Executive, an agreed Budget and formal In Year Monitoring process and the impact this is having on financial planning within the Department, was highlighted.It was noted that Points of Entry (PoE) Costs and Costs of Living pressures are being taken forward in separate exercises with DoF and so are outside the scope of the First monitoring Round.Ring fenced Budgets were highlighted and in particular EU Replacement funding, which has been based upon the allocations from the Agricultural Programme Board. The management of Farm Payments, along with the funding and potential uptake of the Soil Nutrient Health Scheme, which is in its first year, were discussed.Resource DEL pressures across the various funding streams, including staff costs, TB Compensation and the EU Fund for Disease Eradication were outlined and the projected pressures to be addressed at the First Monitoring Round identified. As noted above, DoF have indicated an additional sum is being held centrally and may become available to Departments later in the year.In terms of Capital DEL, the pressures on the initial allocation along with Reduced requirements from business areas were noted. The key focus is on business areas spending their Capital DEL allocations and having contingency plans in place to achieve this. The risk to Capital DEL spend, the impact due to staff availability and the previous pattern of reduced requirements later in the financial year were raised.**Action Point****Business areas to review the Capital proposals in the paper (Table 18) and return next week with comments on their planned spend and potential Capital outcome.**The Committee noted recommendations (a, b, c, e, g, h, o, p, s, t, u).The Committee agreed all other recommendations in the paper. | **All Grade 3/ Business areas** |
| **3.** | **Update on Budget 2022-25** | **FC 21/22** |
|  | William Peel presented the paper on Budget 2022-25. This paper covered the current status of Budget 2022-23, the DoF Budget Update exercise on the Cost of Living Crisis requirements and business as usual pressures for 2022-23.The business as usual pressures and revised ring-fenced capital profiles for 2023-24 and 2024-25 were outlined although at present DoF are not seeking any additional Capital DEL Bids. On The recent update from the Minister of Finance on the Chancellor’s Cost of Living Announcement and Budget Update the following were highlighted -benefit payments that will apply to Northern Ireland (energy is a devolved matter which does not automatically apply), the available Barnett consequential for funding pressures including potential pay rises.There are no plans to commission future years Budget exercises at present due to the current uncertainty with the Executive.Members noted the contents of the paper.  |  |
| **4.** | **AFBI Finance Update** | **FC 22/22** |
|  | Lynda Lowe presented the AFBI Finance Update paper.The Provisional Outturn result for AFBI was noted for 2021-22. The outcome was a good result within their target budget tolerance.The paper outlined AFBI’s Opening Budget position and First Monitoring Round requirements. An update was provided on the AFBI Royalty Income position. There is some urgency to resolve the position and AFBI have agreed a settlement in principle. It has since been confirmed by AFBI that the AFBI Board is content that Queens University proceeds to settlement.There was an update on AFBI’s new digital platform rolled out in April 2022 and the progress to date.AFBI continue to refine their Strategic Cost Model following discussion and engagement with DAERA. Discussions around the delivery of the AFBI work programme took place.Members noted the contents of the paper.  |  |
| **5.** | **Contract Compliance** | **FC 23/22** |
|  | Briege Lafferty presented the paper and noted that compliance in terms of value of POs was 98.8% in Quarter 4 of 2021-22, which is above the Compliance target of 98% published by Account NI in the Monthly Operational Report. The overall compliance was over 98% in 2021-22.Members noted the contents of the paper. |  |
| **6.** | **Direct Award Contracts** | **FC 24/22** |
|  | Briege Lafferty presented the paper covering the summary of the Direct Award Contracts over £5k for 2021-22, highlighting new awards and DAC modifications. The trends over the prior 4 years were also discussed and the need to implement procurement, notably portal contracts.Members noted the content of the paper. |  |
| **7.** | **Prompt Payment Statistics** | **FC 25/22** |
|  | Briege Lafferty presented the paper on prompt payment statistics including the 10 and 30 day Prompt Payment figures. The target was 92% for 2021-22 which DAERA exceeded.Discussion took place around the Group analysis of the performance.**Action Point****Details to be forwarded to Finance on issue of Interreg payments made by SEUPB, to facilitate discussion with counterparts.** | **Paul Donnelly** |
| **9.** | **AOB** |  |
|  | **Action Point****Terms of Reference of Finance committee to be reviewed to see if there any actions needed to report recommendations from the Finance Committee to the Departmental Board.** Meeting finished at 15.00.The next meeting is scheduled for 7 September 2022 and is already in Members’ diaries. |  **Finance** |
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