**DAERA FINANCE COMMITTEE (FC) MEETING**

**07 September 2021 @ 14.00-15.30**

**Webex Video Conference**

**Minutes**

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| **Attendees:**  | **Roger Downey (Chair)****Paul Donnelly****Fiona McCandless****Robert Huey****Jason Foy (Deputising for Norman Fulton)****Marcus McAuley (Deputising for Tracey Teague)****Sharon McFlynn****Declan McCarney** **Lynda Lowe** **Nuala Hennessy****Helen Mullan (Secretariat)** |
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| **Apologies:** | **Brian Doherty****Tracey Teague****Norman Fulton**  |
|  | **Seamus McErlean** |

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| **Agenda Item** | **Description** | **Paper Reference / Action Owner** |
| **1.** | **Apologies and Minutes and Action Points of Previous Meeting** | **FC 23/21** |
|  | The Chair welcomed members to the meeting and noted the apologies.In relation to the minutes of the 8 June 2021 meeting, Members agreed the Minutes. There were no action points from the meeting on 8 June 2021.  |  |
| **2.** | **October Monitoring Round – Paper For Discussion**  | **24/21** |
|  | 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. Members had considerable discussion about the paper including the proposed recommendations and the increased uncertainty for financial planning caused by the NI Protocol and COVID-19. It was agreed that COVID specific bids would be submitted to DoF, as part of this monitoring round.In addition INTERREG easements of £1.3m Resource and £2.6m Capital are to be declared to DoF.Lynda confirmed that the NI Points of Entry (NI Protocol) is outside the scope of In-year Monitoring. Fiona McCandless advised that UKG has indicated, in principle, that it will fund the costs of implementing the SPS requirement as set out in the Northern Ireland Protocol. The FBC for the permanent infrastructure to deliver the SPS checks has now been finalised and is currently progressing through the necessary approval processes.   Fiona also advised that the continued uncertainties around the NI Protocol had implications for the design and scale of the permanent infrastructure and for staffing levels.  Members agreed all other recommendations in the paper.  |  |
| **3.** | **Budget 2022-25 – Paper for Discussion**  | **FC 25/21** |
|  | 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. The Resource Budget process will follow a two stage approach, with this **first stage** providing information for a September Executive meeting where the Executive decides its priorities and how much it is prepared to divert funding from baselines to those priorities. Business areas were asked (within Annex A) to identify: * strategic priorities;
* areas for exemption from reductions;
* revenue Raising/Super Parity Options;
* information on reductions; and
* Resource Funding Pressures.

The **second stage** will involve invitation of bids, but has not yet been commissioned. In relation to the first stage, Lynda Lowe highlighted the salient points of the Budget 2022-25 paper and acknowledged the significant effort made by all business areas to meet the proposed reductions. Lynda also highlighted the revenue raising efforts made by the Department in an effort to mitigate any proposed cuts. It was also noted that as a Department DAERA is the one of the most impacted by EU Exit and has also suffered significant cuts in the past. Pressures have been identified within both Resource and Capital and these pressures and their related implications for the Department were discussed at length by members of the Finance Committee.The Finance Committee agreed the recommendations to* note the details of the Stage One return to DoF; and
* agree to the submission of Resource and Capital bids to the Minister.
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| **4.** | **Staff Affordability – a) Exit and b) Non EU Exit** | **FC 26/21****FC 27/21** |
|  | Lynda Lowe presented the papers of Staff Affordability for both Non EU Exit & EU Exit.1. **EU Exit**

DoF accepts that DAERA is one of the departments most affected by EU Exit and the Department continues to engage with DoF on this matter.Total EU Exit Resource funding of £25.9m for 2021-22 has been provided between HMT and the NI Executive. Members discussed requirements for future years and noted that NI Protocol Staffing requirements are being reviewed separately as part of the FBC for operationalising the NI Protocol.The Finance Committee noted the paper.1. **Non EU Exit**

Lynda reiterated that all information within the paper is based on the most up to date reports received from NICS HR.Lynda highlighted the increase in overall vacancies since last reported in May as Groups continue to add to the number registered with NICS HR. Lynda noted the implications of this which were acknowledged by the Committee.Salient Points highlighted by Lynda included:* Since 1 April, the BAU SIP has increased by 28.50 FTE.
* When comparing the position now to this time last year, April 2021 is down 22.17 compared to April 2020. However, August 2021 is up 4.43 compared to August 2020.

Lynda also advised all that having been previously provided details of the vacancies registered with NICS HR, each Group is invited to review these vacancies and advise FPB of any vacancies which are no longer required. Members noted the content of the paper. |  |
| **5 - 9.** | **Papers to Note:****AFBI Finance Paper** **Casework Committee update****Aged Debt Analysis****Contract Compliance****Direct Award Contracts** | **FC 28/21****FC 29/21****FC 30/21****FC 31/21****FC 32/21** |
|  | Members noted the content of the papers FC 28/21 to 32/21 presented. |  |
| **10.** | **AOB** |  |
|  | The meeting closed at 15.30.  |  |

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