**DAERA FINANCE COMMITTEE (FC) MEETING**

**15 November 2022 @ 14.00-15.30**

**Webex Video Conference**

**Minutes**

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| | **Attendees:** | **Brian Doherty (Chair)**  **Roger Downey**  **Robert Huey**  **Tracey Teague**  **Briege Lafferty**  **Declan McCarney**  **Lynda Lowe**  **William Peel**  **Paul Donnelly**  **David Reid**  **Seamus McErlean (Deputising for Norman Fulton)**  **Kathryn Clarke**  **Helen Mullan (Secretariat)** | | --- | --- | |  | **Beverley Bhatia (Secretariat)** | | **Apologies:** | **Norman Fulton** | |  |  | |  |
| |  |  |  | | --- | --- | --- | |  | **Description** | **Paper Reference / Action Owner** | | **1.** | **Apologies and Minutes and Action Points of Previous Meeting** | **FC 33/22a**  **FC33/22b** | |  | The Chair welcomed members to the meeting and noted the apologies.  Members agreed the Minutes of the 8 September 2022 Finance Committee meeting.  All Action Points (AP) with the exception of that attributed to David Reid were noted and agreed as Complete.  David Reid noted that they are in the process of finalising the relevant procurement contracts and expect to issue the same by late November. David asked that the AP remains in place until he can confirm this has been completed. |  | | **2.** | **Third Monitoring Round – Paper For Discussion** | **FC 34/22** | |  | Briege Lafferty 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 Cost of Living issues currently, facing the Department.  Briege noted the Department’s position in respect of the Resource and Capital budgets, highlighting the pressures and easements across the groups, outlining our proposals for going forward.  Roger Downey asked that all business areas continue to engage with In Year Financial Planning Branch (IYFPB) regarding capital projects and their ongoing progress. Roger emphasised the importance of engaging with IYFPB colleagues on all Capital projects and their progress at the earliest opportunity. IYFPB will soon commence the Estimated Provisional Outturn (PO) exercises and a considerable focus will be on Capital projects within these exercises.  Members engaged in considerable discussion about the paper including the proposed recommendations and the increased uncertainty for financial planning.  Robert Huey noted the risks and inherent uncertainties within VSAHG with the recent outbreaks of Avian Influenza and increasing herd incidence rates of bTB in NI. Robert assured colleagues that VSAHG continues to monitor both situations closely and confirmed that the financial support sought was a combination of compensation (statutory requirement) and related costs.  Members also discussed the current risks surrounding the c£600m forecast overspend in Block funding across the NICS and the potential implications of these across the Department.  Tracey Teague asked that it be noted that the successful delivery of all projects depended largely on having the appropriate staff resource available with the appropriate skills and capability.  Brian Doherty asked Grade 3s to consider the importance of ‘Building Capability’ within their Group to ensure the Department can meet its objectives.  Members agreed all recommendations in the Third Monitoring Paper. |  | | **3.** | **Update Budget 2022-25 – Verbal Update** |  | |  | William Peel provided a verbal update on the Budget 2023-26 position.  Although there remains no DoF timetable in place for a 3 year budget exercise, in the interest of being prepared, Future Years Financial Planning Branch (FYFPB) commissioned a Budget Information Gathering exercise covering the 2023-26 period with returns due on 2 November, to ascertain the pressures within the Department. Some returns remain outstanding, and the branch is engaging with colleagues directly to address this.  When a formal DoF exercise is commissioned, FYFPB will then refine this information to allow a return to be submitted.  With the Chancellor’s Autumn statement due on 17 November, FYFPB will review this to assess any impacts for the Department. |  | | **4.** | **Staff Affordability Paper** |  | |  | Declan McCarney outlined the plan was to bring a Staff Affordability paper to the Capacity and Capability meeting on the 5 December.  Declan outlined that a review of staff affordability is required due to:   * staff supply being now available to fill vacancies, at some grades very quickly; * uncertainties around pay inflation; and * a consideration of combining EU Exit into Business As Usual Headcount Limits. |  | | **5.** | **AFBI Finance Update** | **FC 35/22** | |  | Kathryn Clarke presented the AFBI Finance Paper.  Kathryn advised that AFBI has indicated initial migration exercises to the new Finance system appeared positive. She also advised that in order to retain the focus she has asked for weekly updates on the progress.  In addition Kathryn advised that the NIAO has started its audit of the 2021-22 accounts, a full audit team was in place and was expected to be so until March 2023.  Roger Downey also advised that AFBI had recently met a deadline to deliver its RoFP pack to FRB and acknowledged the work involved in AFBI to achieve these positive steps  Members discussed the paper at length and any issues facing AFBI. |  | | **6.** | **Casework Committee Update** | **FC 36/22** | |  | Roger Downey presented this paper and noted the varied range of Business Cases that had been presented for consideration by Casework Committee (CC).  He also referenced a recent note he had sent to colleagues requesting an updated list of all Business Cases that business areas propose to present to CC by 30 June 2023. |  | | **7.**  **8.**  **9.** | **REB BC/PPE Test Drill Report**  **Contract Compliance**  **Direct Award Contracts** | **FC 37/22**  **FC 38/22**  **FC 39/22** | |  | Lynda Lowe presented each of these papers.  **REB BC/PPE Test Drill Report**  Lynda provided an overview of the paper and reminded members of the importance of Business Areas being fully aware of the legislative boundaries within which they were operating.  David Reid acknowledged the importance of the test drills and the lessons learned from the process. He also noted that Rural Affairs Division is currently completing a review exercise and once finalised he intends to share details of their experience as lessons learned for all Groups.  Seamus McErlean advised that colleagues should ensure they are using the correct pro-formas.    **Contract Compliance**  Lynda provided an overview of this paper and highlighted a reduction in performance of 94% compliance in September.  Lynda reminded all that the procurement team is happy to engage with Business Areas to provide training and assistance where necessary.  Brian Doherty reminded all of the availability of this support and underscored the importance of achieving the target.  **Direct Award Contracts**  Lynda provided an overview on this paper and reminded members that DACs should be avoided where possible.  Members noted the content of the papers presented. |  | | **10.** | **Prompt Payment Statistics** | **FC 40/22** | |  | Declan McCarney presented the paper and noted the 10 day and 30 day prompt payment targets were met for October.  Members noted the content of the paper presented. |  | | **11.** | **Aged Debt Analysis** | **FC 41/22** | |  | Lynda Lowe presented the Aged Debt Analysis paper.  Lynda noted Action Point from FC September 2022 for Declan McCarney to issue a note to G3s to be circulated to business areas in an effort to give some guidance on addressing older debts.  Declan completed this on 16 September and it was noted how helpful and effective it was.  Overall the aged debt had reduced by £0.6m to £2.1m. In the 12 months to September 2022 there was a reduction in aged debt of £0.5m.  Lynda reiterated the available support to Business Areas on any concerns relating to Aged Debt. |  | | **12.** | **AOB** |  | |  | Lynda Lowe asked members to ensure that all outstanding Stewardship returns are provided as soon as possible.  Brian Doherty closed the meeting at 15.30. |  | |  |