**OFFICIAL DAERA MINUTES**

|  |  |
| --- | --- |
| **MEETING TITLE** | Finance Committee (FC) |
| **DIVISION/BRANCH REFERENCE** | FC 46/23 |
| **VENUE** | Via Microsoft Teams |
| **DATE/TIME** | 15 November 2023 14.00-15.30 |
| **LIST OF ATTENDEES** | Fiona McCandless (Chair)Paul DonnellyNorman FultonRobert HueyJohn Joe O’BoyleDavid ReidClaire Cockerill (Deputising for Tracey Teague)Roger DowneySeamus McErleanFrancine Manikpure (Deputising for David Simpson)Lynda LoweDeclan McCarneyBriege LaffertyRichard McAuleyHelen MullanUna O’BoyleBeverley Bhatia (Secretariat) |
| **APOLOGIES** | Tracey TeagueDavid Simpson |
| **KEY POINTS DISCUSSED****Minutes and Action Points of Previous Meeting*** Members agreed minutes of 7 September 2023 meeting.
* action points from 7 September 2023 meeting confirmed as complete with memo issued 17 October 2023.

**Public expenditure update**Roger Downey: * advised that at the Finance Director’s meeting, DoF noted they await NIO direction regarding a Budget Exercise which would allow allocations prior to the start of the 2024/25 financial year;
* reminded members of the projected NI forecast Resource overspend as advised by Neil Gibson;
* advised that the Chancellor is making a statement on 22 November which will in turn provide information on the Barnett Consequential;
* confirmed that an internal Resource Budget exercise would be commissioned shortly; and
* added that the Windsor Framework exercise to secure extra funding was completed and returned to DoF on 6 November 2023 who will then forward it to HM Treasury.

**Budget 2024-27**Declan McCarney:* provided an update and summary of bids on the internal Capital Budget 2024-27 exercise completed in October;
* advised that it is unlikely that DAERA will receive Capital allocations that match our forecast requirements in the next Budget exercise, consequently, prioritisation of projects at Grade 3 level may be required; and
* advised that the exercise captured the projects that DAERA are contractually committed to at this stage, which equate to approximately £60m per year over the next 3 years.

It was highlighted to Grade 3s of their responsibilities when it comes to bidding realistically and fully utilising allocations for the intended purposes. In addition the Permanent Secretary has commissioned an Internal Audit review on Budget Management.**Contract Compliance**Lynda Lowe:* highlighted that in Quarter 2 of 2023/24, compliance by value of Purchase Orders (POs) was 99.2% exceeding the NICS target of 98% and the number of compliant POs was 99.2%; and
* confirmed that DAERA has an overall YTD compliance rate of 99.5% in 2023/24.

**Direct Award Contracts (DAC)**Lynda Lowe highlighted: * DACs over £5k in the period 1 April – 30 September 2023 and a summary of the trends over the past three years; and
* that the number and value of DACs has reduced from the same period in 2022/23.

**Prompt Payment Performance**Declan McCarney:* provided detail on the 10 and 30 Day Prompt Payment Performance for the YTD as at October 2023.
* advised that, as expected, the October 2023 10 Day performance figures dipped below the 92% target to 86.9% due the Account NI upgrade and related downtime between 7-26 September 2023;
* confirmed that the backlog of invoices was cleared in October 2023; and
* performance for YTD October 2023 was 91.5% for the 10 day target and 97.9% for the 30 day target.

**Casework Committee (CC) Update**Declan McCarney:* provided an update on the 4 business cases considered since the last update in September 2023; and
* advised that due to delays, there are more Business Cases (BCs) going to CC in the latter half of the financial year than previously estimated, creating a significant staff resource pressure to develop, review and approve BCs both in DAERA and DoF.

Roger Downey reminded members of the timelines involved in BC approvals.**AFBI Finance Update**Francine Manikpure presented the update paper on AFBI’s current financial position advising:* AFBI’s 2022-23 Annual Report and Accounts was laid before the Assembly on 6 November 2023;
* AFBI‘s internal Third Monitoring Round return;
* confirmation from AFBI that an action plan from the Lessons Learned report on the Finance Systems issues is progressing and will be shared with DAERA when ready; and
* a Full Business Case (FBC) for a replacement vessel is underway but encountering delays.

It was agreed that AFBI provides a schedule of actions to be taken by March 2024, including the approval processes required that would ensure the projected replacement vessel expenditure takes place this financial year. The Committee noted the good work having the 2022-23 Annual Report and Accounts completed and approved by their Board.**update on Plan to manage bTB Programme costs**Robert Huey:* updated the committee on the implementation of amended surveillance activities within the bovine Tuberculosis (bTB) programme;
* detailed savings to date following the implementation of amended surveillance activities on 21 August 2023 and provided estimated savings for 2023-24;
* highlighted the associated risks with these changes including the possibility of increased disease levels; and
* confirmed that a bTB compensation consultation will issue shortly.

It was agreed that there would be separate discussions between VSAHG and FFRAG to firm up the figurework on the ‘average animal cost’ and salvage income.It was also agreed that VSAHG would produce a financial update on the projected 2023-24 savings and overall costs in the bTB programme each month to Finance Division.**Third Monitoring Round (TMR) 2023/24**Briege Lafferty:* presented the paper which summarised outcomes of the internal Third Monitoring Round (TMR), highlighted pressures and easements and made recommendations thereon;
* highlighted that DAERA responded to the DoF ‘2023-24 Budget Cover Transfers (BCTs)’ exercise and anticipated a further DoF exercise imminently to align with the Estimates process for Whitehall Departments to provide the opportunity to adjust budgets;
* outlined the pressures identified in the TMR and the recommended proposals; and
* acknowledged that the paper was written prior to receiving details of the projected bTB savings and there were a number of moving parts and as such the figures may be subject to change.

Members agreed the recommendations within the paper.**Staff Cost Affordability**Declan McCarney:* highlighted the Department’s headcount and affordable staffing position;
* acknowledged that salary pressures were identified within the TMR;
* proposed that new affordable Headcount Limits (HCLs) would be introduced to simplify approval processes for Business as Usual (BAU) vacancies with a one out one in basis; and
* proposed that once HCLs have been agreed, the new Capacity and Capability Committee should consider staffing allocations to align to changing priorities rather than reflecting historical need.

Members agreed in principle to the reintroduction of affordable HCLs.**ANY OTHER BUSINESS*** Roger Downey requested that business areas familiarise themselves with the updated Managing Public Money NI (MPMNI) and noted that memos have issued to Senior leaders within DAERA from both Katrina Godfrey and him.
* Roger highlighted that engagement with the NIAO on the Annual Report and Accounts 2022-23 was ongoing.
* Lynda Lowe noted that following the Departmental Board (DB) session on Risk Management, Katrina Godfrey requested a Risk Management paper be brought to the next DB and that Strategic Planning Branch would assist with aligning Group plans to the Corporate Risk Register.
* The next meeting is scheduled for 6 February 2024.

Fiona McCandless closed the meeting at 15.50. |
| **ACTION POINTS/OFFICIAL RESPONSIBLE/TARGET DATE:*** Action 1 - AFBI to provide a schedule of actions to be taken by March 2024, including the approval processes required that would ensure the projected replacement vessel expenditure takes place this financial year. To be completed by 15 December – David Simpson.
* Action 2 – VSAHG to liaise with FFRAG to firm up the figurework on the ‘average animal cost’ and salvage income. To be completed by 15 December – Robert Huey.
* Action 3 - VSAHG to produce a financial update on the projected 2023-24 savings and overall costs in the bTB programme each month to Finance Division. First month to be completed by 15 December – Robert Huey.
 |
| **Minutes written by:** Beverley Bhatia | **Date:** 16 November 2023 |