



OFFICIAL DAERA MINUTES

MEETING TITLE	Finance and Major Projects Committee (FMPC)	
DIVISION/BRANCH REFERENCE	FMPC 43/24a	
VENUE	Clare House and MS Teams	
DATE/TIME	13 November 2024 14.00-16.00	
LIST OF ATTENDEES	<p>FMPC MEMBERS Shane Lynch Brian Doherty</p> <p>Julie Thompson</p> <p>David Reid Roger Downey</p> <p>OTHERS IN ATTENDANCE Briege Lafferty Richard McAuley Nuala Hennessy Declan McCarney Nichola Patton Francine Manikpure</p> <p>Gary Humphries Helen Mullan</p> <p>Beverley Bhatia</p>	<p>Non-Executive Board Member (Chair) Deputy Secretary, Strategic Planning & Corporate Services Group (via MS Teams)</p> <p>Deputy Secretary, Environment, Marine & Fisheries Group Chief Executive, NIEA Finance Director</p> <p>Finance Deputy Director Deputy Finance Director (via MS Teams) Head of In Year Financial Planning Head of Programme and Project Support Head of Future Years Financial Planning Head of AFBI Sponsor and Public Appointments In Year Financial Planning In Year Financial Planning (via MS Teams) In Year Financial Planning (Secretariat)</p>
KEY POINTS DISCUSSED		
MINUTES AND ACTION POINTS OF PREVIOUS MEETING		
<ul style="list-style-type: none"> Members agreed minutes of 11 September 2024 Finance and Major Projects Committee meeting. Action points from 11 September 2024 meeting, three of the five confirmed as complete, two ongoing. 		
JANUARY MONITORING ROUND 2024-25		
<p>Nuala Hennessy:</p> <ul style="list-style-type: none"> advised that whilst the January Monitoring Round has not yet been formally commissioned by DoF, the internal DAERA exercise has been completed in preparation for it; confirmed that the October Monitoring Round return concluded on 11 November 2024, with DAERA receiving an additional £3.6m Resource DEL 		

allocation and an additional £2.0m Executive Earmarked Capital DEL Allocation for Tackling Rural Poverty and Social Isolation (TRPSI);

- highlighted Resource DEL and Capital DEL issues identified within the Department and made recommendations thereon;
- proposed that Grade 3s should carry out a review of all vacancies within their business area; and
- reminded members that budget holders should continue to monitor all budgets closely to live within current allocations and requested that any emerging easements should be brought to the attention of Finance Division as soon as possible.

There were significant discussions between members regarding staff cost budgets and vacancies within the Department. Members also discussed the Resource DEL and Capital DEL issues and proposals.

Members **agreed** that proposals within the paper be forwarded to the Permanent Secretary and the Minister for consideration.

Members further **agreed** the proposal that Grade 3s carry out a review on all vacancies currently registered with NICS HR and provide assurance to the Committee that they are content with all vacancies registered - **Action Point**

UPDATE ON BUDGET 2025-2028

Nichola Patton:

- provided an update on the current Budget 2025-28 position;
- detailed the DAERA Budget 2025-26 return made to DoF on 9 October 2024;
- confirmed that all Resource DEL and Capital DEL bids support the Draft Programme for Government priorities;
- advised that the Executive had agreed that the Resource DEL baseline for Budget 2025-26 would be the opening Budget 2024-25 adjusted to remove earmarked items;
- informed that the position regarding Earmarked Funding for agriculture, agri-environment, the wider economy and fisheries had now changed as per the Chancellor's 30 October 2024 Budget announcement and this funding has now been baselined within the Executive's Resource DEL allocation for 2025-26 and beyond;
- added that the Minister has indicated that he would seek for this funding to be classified as 'Executive Earmarked' as part of the ongoing Budget 2025-26 exercise;
- noted that Windsor Framework allocations would also be allocated as part of a separate exercise in due course; and
- advised that as the Executive now knows its opening Resource DEL and Capital DEL envelopes for next year, DoF aims to circulate a Budget Executive paper for discussion in the next few weeks to help set a one-year budget for 2025-26, before the start of the incoming financial year.

OVERVIEW OF MAJOR PROGRAMMES AND PROJECTS

Declan McCarney:

- detailed DAERA's 18 Major Programmes and Projects (MPP) and the risks identified;
- highlighted that six MPPs have a high-Risk Potential Assessment classification and 12 MPPs have been classified as either medium or low risk;
- provided a summary of changes from the last update to the Committee in May 2024;
- confirmed that in line with the DAO 05/23 the majority of the MPPs have appropriately appointed and trained SROs and Project Managers;
- added that where this is not the case, the individuals are awaiting the appropriate training to become available; and
- advised that on 19 September 2024, the Permanent Secretary and Minister agreed that the Animal Health Sciences Building could move to the next stage.

Members discussed the oversight and monitoring of Programmes and Projects and asked that consideration be given to streamlining the data capture for FMPC and NICS Board along with highlighting progress against milestones and expenditure profiles – **Action Point**

SIB REPORT – ROOT CAUSES OF DELAY AND COST OVERRUNS IN MAJOR CAPITAL PROJECTS

Declan McCarney:

- highlighted that the Permanent Secretary has requested that the Committee consider if there are any actions DAERA and its ALBs need to take in light of this SIB Report;
- advised that the SIB report covers the NIAO Assessment of major capital projects, previous reviews and SIB analysis of the root causes;
- highlighted the key findings within the SIB report;
- advised that the NIAO report into major capital projects defined 'major' as anything over £25m; and
- confirmed that DAERA and its ALBs have seven major capital projects.

Members discussed the SIB report and current measuring metrics. Members concluded that the SIB Report should be issued to the MPP Senior Responsible Officers (SROs) asking for their view on the report and if there are any mitigating actions DAERA could implement – **Action Point**

CASEWORK COMMITTEE UPDATE

Nichola Patton:

- provided an update on the three business cases considered since the last update in September 2024 - Knowledge Transfer (KT) Model (Farming for sustainability scheme), Innovation Strategy Implementation Project OBC and AFBI Finance System;

- highlighted a summary of business cases with estimated Casework Committee dates;
- requested members to note the Casework Committee tracker; and
- requested members consider the Better Business Case guidelines and Departmental delegations.

Members discussed the Better Business Case guidance and agreed to the creation of a Casework Committee business case checklist which should set out legislative and delegated authority – **Action Point**

AFBI FINANCE UPDATE

Francine Manikpure:

- provided an update on AFBI's current financial position;
- highlighted detail of the October Monitoring Round outcome and the January Monitoring Round return to DAERA;
- confirmed that the AFBI Finance System Solution business case is now with DoF for consideration following the Casework Committee approval on 15 October 2024;
- provided an update on an Animal Feed contract; and
- confirmed that the new AFBI Finance Director will take up post on 25 November 2024.

Members discussed the issues in relation to the Animal Feed contract and Francine advised that AFBI has provided assurances regarding improvements in the monitoring of contracts and that they are updating their systems accordingly.

THE FINANCIAL MANAGEMENT INTERNAL AUDIT REPORT

Declan McCarney:

- advised that Internal Audit's Final Report on the review of DAERA financial management; budget setting and control that was issued on 26 June 2024;
- advised that the purpose of the review was to provide an opinion on the risk management, control and governance arrangements established by Management over setting, management and control of Budgets across DAERA Business Areas; and
- advised that five of the six recommendations have been fully implemented and one has yet to be implemented.

Shane Lynch highlighted the recommendation *strengthening the oversight role of the Finance & Major Projects Committee* and requested the Terms of Reference be amended – **Action Point**

UPDATE ON EQUALITY SCREENING

Roger Downey:

- reminded members on the requirements for departments regarding equality duties under Section 75 and Schedule 9 of the Northern Ireland Act 1998 as part of the Budget 2024-25 process;

- advised that DAERA completed the Budget 2024-25 Allocations screening in July 2024 and confirmed that the screening template is published on the DAERA website;
- highlighted the savings reallocated internally and the assessment of them under Section 75; and
- added that the Department will continue to monitor these savings at subsequent Monitoring Rounds and at Provisional Outturn to ensure that this is the case and take action where necessary.

AGED DEBT ANNUAL OVERVIEW

Briege Lafferty:

- provided a summary of the debt position as at 30 September 2024;
- highlighted that debt has decreased from the last update as at 31 December 2023; and
- advised that Finance Division are engaging with business areas to manage older debts.

PROMPT PAYMENT OF INVOICES

Briege Lafferty:

- informed that the new Procurement Act 2023 will come into effect on 24 February 2025;
- highlighted that one of the key changes within the Act, is that an invoice must be paid within 30 days of receipt as opposed to the date validated;
- added that a proposal for a Private Members Bill on prompt payment has been brought forward proposing an automatic payment of interest on late payments;
- confirmed that DAERA's current 30-working day prompt payment performance as at 30 September 2024 is 98.5%, which is above the Finance Shared Services target of 97% for all Departments; and
- advised that Finance Division will continue to monitor supplier invoices received in DAERA and will actively work with business areas to ensure invoices are paid within the target.

ANY OTHER BUSINESS

- The next meeting is scheduled for 5 February 2025.

Shane Lynch closed the meeting at 15.55.

ACTION POINTS/OFFICIAL RESPONSIBLE/TARGET DATE:

- Amend wording in FMPC Terms of Reference (ToR) to include Monitoring Round proposals. To be completed by 5 February 2025 – In Year Financial Planning Branch
- Create a Casework Committee business case checklist which should set out legislative and delegated authority. Update to be provided to the next FMPC meeting in February 2025 – Future Years Financial Planning Branch

- Grade 3s carry out a review on all vacancies currently registered with NICS HR and provide assurance to the Committee that they are content with all vacancies registered – To be completed by 5 February 2025 – Financial Planning Branch
- Consideration be given to streamlining the data capture for FMPC and NICS Board along with highlighting progress against milestones and expenditure profiles – May 2025 - Programme and Project Support Branch
- Issue the SIB report to the Senior Responsible Officers for the seven DAERA Major Capital projects and ask for their view on the report and if there are any mitigation actions DAERA could implement. To be completed by 5 February 2025 - Programme and Project Support Branch

**Minutes written
by:** Beverley Bhatia

Date: 14 November 2024