

Joint DETI/DEL – DFP Stocktake

25 March 2016

1. Introductions

In attendance

DETITrevor Cooper
Bernie Brankin
Terry Coyne**DEL**Stephen McMurray
Andrea Quail**DFP**Peter Jakobsen
Michelle Scott

2. Roles and Responsibilities for DfE

Stephen and Trevor spoke to the new Finance Division structure for DfE.

Action In light of the revised organisation structure for DfE, Supply & DfE to consider responsibility for signing off and submitting business cases.

3. June Monitoring

DETI and DEL officials registered the following June monitoring pressures (in addition to the £20m skills allocation)

Renewable Heat Incentive	£30.6m (TBC)
FE College EYF Scheme	£8m
Corporation Tax (DETI)	£2m
Invest NI (Randox)	£1m
Social Enterprise Hubs	£1m

There was a comprehensive discussion about Renewable Heat Incentive (RHI). DETI officials provided an update on audit work and outlined other areas that may come under consideration in terms of management of the issues going forward, including the investigation of State Aid implications. DFP recorded their support of DETI's ongoing actions in respect of this financial pressure ~~to explore all opportunities to reduce the RHI liability~~ and asked to be kept informed. In relation to the June Monitoring bid, DFP highlighted that they would expect DfE to meet as much of this pressure as possible from within existing baselines before bidding for additional funds.

DETI and DEL officials pointed out there are no surplus funds within budgets transferring to DfE at this time.

Action DETI will continue work to firm up RHI cost projections. The position around opportunities to reduce the RHI budget pressure will be subject to ongoing engagement.

4. Main Estimates

There was a brief discussion about the ongoing work on the DfE estimate. In relation to the number of function lines within the estimate, DFP highlighted the role of both DFP and the Assembly in relation to changes to the form and content of the Estimates.

5. Budget 2016

The timetable for Budget 2016 was discussed, and DFP officials highlighted the need for early engagement on material issues, including tuition fees, Apprenticeship Levy and the related funding for skills development in advance of lower corporation tax in April 2018. The issue of profiling the PMS receipt was raised by DETI officials, and it was agreed that best endeavours should be made to profile the receipt. However, it was accepted that this would likely mean significant end loading in terms of any repayment profile and that this end loading would be managed as a central issue given the nature of the work out. It was also accepted that decisions may be required at a future date from the Executive if the repayment profile were to extend beyond the originally envisaged ten years. Given the amounts involved, it was agreed there would be ongoing engagement on this issue.

Action DETI officials to continue to engage with DFP on timing and magnitude of PMS receipt profiling.

DETI officials also raised the work SIB is undertaking in relation to the Investment Strategy and stressed the need for DFP to ensure it is clearly linked to the capital budget exercise. DFP reported there has been engagement between DFP and SIB to ensure no duplications between the exercises, and agreed to flag the issue with senior management.

Action DFP to raise the SIB ISNI exercise with DFP senior management.

6. Live Casework

Commonwealth Youth Games – DETI reported work on the revised business case is ongoing

Strand Hotel Case – DETI provided an update on the proposed assistance, DFP stressed that the Invest NI and DETI position was correct - should additional public funding be provided, the case will be reassessed at this higher level of intervention

SUPL 2 – DETI reported this project remains on hold

DETI officials raised the HMS Caroline project, which to date has been below DFP delegated limits. DETI reported that the project might require DFP approval depending on the nature of a contract proposed for long term moorings. DETI officials agreed to engage with DFP once the situation is clarified.

7. Future operation of casework committees

DETI & DEL officials confirmed casework committees would continue to operate. DFP highlighted the need to ensure papers are received five working days before the committee sits to allow adequate time for review. There was also a discussion on the number of cases requiring urgent consideration and it was agreed that deadlines suggested by policy teams would be more robustly tested.

8. Department Specific Issues

The following department specific issues were discussed

DETI – Invest NI use of Prior Approval

It was agreed that DETI would share the departmental policy on prior approval with DFP

DETI – PPEs

It was agreed that the PPE arrangements set out within casework would be reviewed to ensure adequate detail was provided and PPEs are undertaken within reasonable timeframes

DETI – Peace II Clawback

There was discussion around clawback in relation to PEACE II projects, and DETI agreed to consult with SEUPB

DEL – Apprenticeship Levy

DFP gave an update on the exercise to estimate the financial impact of the Apprenticeship Levy on public bodies in NI. DFP also highlighted the need to develop a local policy response in time for Budget 2016.

DEL – University Tuition Fees

DFP stressed the importance of progressing the policy decisions in relation to Tuition Fees, given the implications for Budget 2016. DEL

officials outlined the current consultation process and that it is ultimately an Executive decision for the new Assembly.