

## BUDGET 2020-21 SCRUTINY TEMPLATE

Please see attached the completed budget scrutiny template completed by DAERA.

### BUDGET 2020-21 OPENING BASELINE

The Executive has agreed DAERA's 2020-21 Opening Budget allocation to be £226.1m Resource, £26.7m Depreciation and £98.5m Capital. A further £278.6m of ring-fenced Resource has been allocated for Direct Payments to Farmers. This represents 95% of the £293m that has been separately confirmed by HM Treasury and the balance will be allocated at in-year Monitoring Rounds. Further details on each of the expenditure categories is provided below.

<b>Table 1 - DAERA Opening Budget 2020-21</b>		<b>£m</b>
Resource		226.1
Resource - Replacement Funding*		278.6
Depreciation / Impairment		26.7
Capital		98.5
		<b>629.9</b>
*Represents 95% of the £293m as confirmed by HMT. Balance will be allocated in-year.		

### 2020-21 RESOURCE DEL ALLOCATIONS

On 31 March the Minister of Finance made a Statement to the Assembly on Budget 2020-21 which included the following additional allocations for DAERA.

<b>Table 2 - Resource Budget 2020-21</b>		<b>£m</b>	<b>£m</b>
<b>Opening Resource Baseline</b>			<b>195.5</b>
Brexit		18.8	
Employers Pension Contribution		7.0	
TRPSI		1.8	
Other Allocation		3.0	
<b>Total Additional Allocations</b>			<b>30.6</b>
<b>Opening Resource Baseline before EU Replacement Funding</b>			<b>226.1</b>
EU Replacement Funding			<b>278.6</b>
<b>Approved Opening Resource Baseline</b>			<b>504.7</b>

These allocations totalling £30.6m are in addition to the Department's rolled forward baseline of £195.5m and provide an opening 2020-21 Resource baseline of £226.1m (excluding EU Replacement Funding). It should be noted that only the £7.0m

allocation for Employers Pension Contributions and the other allocation of £3m have been baselined and will roll forward to Budget 2021-22. The other remaining additional allocations totalling £20.6m (Brexit £18.8m and TRPSI £1.8m) have not been baselined and will not roll forward to form opening baselines in 2021-22.

The Brexit allocation of £18.8m is to cover staff costs to continue to take forward the Department's crucial work as we move towards exit from the EU. Minister has agreed that the additional other allocation of £3.0m is used fund a residual pressure on the TRPSI Programme of £0.7m and £1.4m to take forward a number of Strategic Environmental Programmes as well as some of the Climate Change issues identified in the "New Decade, New Approach" document. The remaining £0.9m has been allocated to the Mobuoy Remediation Project.

### **2020-21 CAPITAL DEL ALLOCATIONS**

The Capital allocation of £98.5m for 2020-21 is a very positive outcome for the Department and is our highest ever allocation. **Table 3** below details the allocation across the Department as agreed by the Minister.

This funding will allow a range of key Rural Development Programmes to be progressed in 2020-21 including the Environmental Farming Scheme, the Farm Business Improvement Scheme, Leader, Rural Tourism and Forestry. These will continue to provide much needed support for rural areas as well as help protect our environment.

Minister has agreed to internally overcommit the Executive's Capital DEL allocation by £8.2m in 2020-21. This is considered prudent in the current circumstances, given the nature of Capital projects, the situation with COVID-19 and the increased risk of Capital under spends in year.

<b>Table 3 - Capital Allocations</b>		<b>2020-21</b>
		<b>£m</b>
TRPSI		3.0
Rural Business and Community Fund		4.0
RDP Leader		10.6
RDP EFS		1.9
RDP Rural Tourism		2.2
RDP Forestry		0.2
RDP FBIS		4.5
Waste Recycling Programme		10.0
Fisheries		0.5
Loughs Agency		0.6
<b>Programmes Total</b>		<b>37.5</b>
Digital Transformation		14.3
NIFAIS		2.3
Genetic Livestock Improvement IT		1.5
LIMS		1.3
<b>IT Systems Total</b>		<b>19.4</b>
Estate Development		4.0
AFBI Estate Development		2.0
CAFRE Estate Development		2.8
<b>Estate Transformation Total</b>		<b>8.8</b>
AFBI		22.2
AFBI Income		(6.0)
Collaborative and Other research		2.9
<b>Research and Development Total</b>		<b>19.1</b>
CAFRE Building Improvements and PVM		5.8
AFBI Analytical Equipment and PVM		3.8
AFBI Research Vessel		7.0
Forest Service PVM		0.9
NIEA Country Parks/Nature Reserves/Grants/PVM		1.4
Marine Division PVM		1.0
<b>Recurring Capital Total</b>		<b>19.8</b>
Climate Change (IT Platform)		1.0
Climate Change Research and Development		1.1
<b>NDNA Total</b>		<b>2.1</b>
<b>Net Capital Allocation</b>		<b>106.7</b>
<b>Overcommitment</b>		<b>8.2</b>
<b>DoF Allocation</b>		<b>98.5</b>

### COVID-19

The Finance Minister made a written Statement to the Assembly on 9 April, confirming an allocation of £1.5m for DAERA to support the Fishing Sector.

## **CONCLUSION**

Whilst DAERA has been successful in securing additional Resource and Capital allocations, the Department will continue to liaise closely with the Department of Finance particularly on additional funding that may be required in the coming months to help support rural areas as a result of COVID-19.