

From: [Cooper, Trevor](#)
To: [Rooney, Eugene](#)
Cc: [Brankin, Bernie](#); [McFarlane, Iain](#); [Woods, Michael \(DETI\)](#)
Subject: FW: UPDATE ON ISSUES
Date: 14 August 2015 16:56:40
Attachments: [Update to E Rooney on Issues.DOCX](#)

Eugene

Attached update on issues. One i did not mention is PMS where Iain will engage with Supervisors over next couple of weeks on what they will publish accompanying their accounts.

Trevor

Final Outturn

DETI's Final Outturn performance has improved slightly from 98.7% to 98.8% Resource expenditure, and Capital remains unchanged from Provisional Outturn at 99%. The technical non cash overspend has increased by £227k (8.2) %. Submission has gone to the Minister to note 2014-15 Final Outturn.

October Monitoring

This October Monitoring exercise has not yet been formally commissioned by DFP. We will commission input to the October Monitoring on Monday 17 August with a return date of 28 August to allow sufficient time for Senior Management and the Minister to consider options before the return is submitted to the ETI Committee mid/late September.

Department for the Economy New Structure

We met with DFP to discuss UOS structure for Department for the Economy. Supply has asked us to consider splitting UOS A01 Skills and Economic Development as DFP believe that they would not have sufficient control over a UOS with a budget of £859 million.

Skills & Economic Development mainly comprises three main elements:

- Further Education & Skills (and possibly Employment Service);
- Higher Education; and
- Economic Development (old DETI).

The skills budget which is with FE is where any possible room to manoeuvre may come from. Andrea and Bernie are considering the pros and cons of:

- Further Education & Skills and Higher Education as a single UOS and Economic Development as a separate UOS;
OR
- Further Education and Skills and Economic Development as a single Unit of Service and Higher Education as a separate UOS.

Budget information and previous year's outturn is due with DFP by Friday 21 August.

Letter to Minister advising of the 2015-16 Budget position

Draft should be forwarded to you by no later than Tuesday of next week.

IAS draft report/report

There are two IAS reports which Michael will alert you to (Procurement which touches on Events Company and one on Telecoms).

RHI

Alan and Shane have been working on numbers in terms of arriving at a positive NPV in terms of April to period when we are seeking approvals to cover. Shane explained approach to DFP in meeting on 12 August. It was agreed at this meeting that when we have a draft business case that covers VFM we should share it with DFP as a **draft position** for discussion. Main point they raised was that whilst we might be able to demonstrate VFM it may not be “best VFM”. I have discussed this with Iain and suggest that we try to cover this point by looking at point in time at which forecasts were showing spend to be outside the potential budget envelope (and the later this is the better) – and look at it in the context of when we commenced action to address the tariff point as we have been taking all steps to ensure fastest possible response – so the relevant period in which there was overcompensation may be relatively short (although this does not address whether we could/should have introduced degression when communicated by DECC (possible defence on this point here may be no indication at that time that budget would be an issue as scheme was underspending and indeed budget was reduced in-year).

Second point on this is budget position – we have got a response from DECC which answers some, but not all of issues – Bernie has follow-on questions which we would hope DECC can address – best to get contact we could speak to and Bernie has email for John Mills to send on this. Supply agreed that we separately as required in terms of timing send a draft note to them in relation to budget position and they would discuss with us position/how we may take forward. Bernie and Iain can liaise on this.

Pay Remit

Advice with Andrew (and hard copy original papers) and cc'd to you (Bernie provided input on this if there are queries) – to go to our Minister and then Mike Brenan/DFP Minister.

Randox

Invest NI CEO sent sub requesting that paper be put to Executive on Randox projects – you are cc'd into advice to Andrew that sub does not actually contain supporting information that would justify an approach to Exec. I am unsure if Andrew has had a chance to speak to CEO/others on this.

Accountability/Governance DFE Workstream

DFE accountability/alb oversight project – we have submitted progress report to board – biggest issue emerging is potential resource required to deliver – we will keep a close eye on this and escalate if required but there is a lot to do in this workstream when its broken down into our understanding of constituent elements. We met with Paul and his team to update them on progress – his view was no need to send anyone to represent position of workstream at the meeting as other workstreams do not normally attend.