

FROM: Trevor Cooper

DATE: 23 December 2011

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TO: 1. Andrew Crawford
2. Arlene Foster MLA

JANUARY MONITORING 2011/12 – Further Invest NI Adjustments

Issue: To provide details of further Invest NI adjustments to be addressed as part of January Monitoring.

Timing: **URGENT.** These adjustments form part of the return for the second stage of January monitoring and are due with DFP by Tuesday 3 January.

Need for referral to the Executive: Executive approval is not required for these adjustments as they are de minimis.

Presentational Issues: None.

Freedom of Information: It may be possible to claim exemption for this submission as policy under consideration.

Programme for Government /PSA Implications: None identified at this stage.

Financial Implications: The additional adjustments include further reduced requirements of £1.9m Capital Grant, a reallocation of £1.2m from Capital Grant to Direct Capital and £0.25 Resource transfer to DEL.

Legislation Implications: Not Applicable.

Statutory Equality: These adjustments have no impact on statutory equality issues.

Recommendation: a) That you consider the information below and confirm that you are content that we include the matters set out in this minute in a DETI submission to DFP and to the ETI committee on 3 January.

Background

1. We submitted details of DETI's proposed adjustments for January Monitoring to you on Wednesday 30 November. We then submitted additional briefing on adjustments to PMS and Annually Managed Expenditure (AME) budgets on 5 December. In addition, we provided further briefing on exchange rate gains and losses on 20 December.

Invest NI Further Adjustments

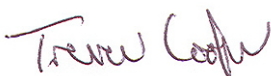
2. Invest NI has advised of additional reduced requirements of £1.9m Capital Grant. This comprises £1.2m of University Funds and £0.7m from the purchase of an industrial site which will not proceed in this financial year.
3. The release of budget held for the University Funds amounts to £2.4m. These projects are proceeding but Invest NI anticipates that there will be no drawdown in 2011/12. Invest NI has offset this release with an additional requirement of £1.2m for restructuring loans. Therefore Invest NI also proposes to transfer £1.2m Capital Grant to Direct Capital for two new cases which require restructuring loans.
4. In addition, Invest NI proposes to transfer £0.25m Resource to DEL for the Jobs Fund.
5. Therefore the key DETI monitoring proposals required for the second stage of January monitoring will be as set out in Table 1 below.

Table 1: Summary of proposed reductions

£ millions	Non Cash	Resource	Capital Grant	Capital	Total
Reduced Requirements					
Invest NI - Programme related		(3.0)	(4.9)	(6.0)	(13.9)
Invest NI additional receipts		(0.5)		(1.0)	(1.5)
PMS Loan Interest		(1.1)			(1.1)
Other de minimis reductions (net)		(0.2)	(0.8)		(1.0)
Invest NI Non Cash	(0.6)				(0.6)
<u>TOTAL REDUCTIONS</u>	<u>(0.6)</u>	<u>(4.8)</u>	<u>(5.7)</u>	<u>(7.0)</u>	<u>(18.1)</u>

Recommendation

6. That you note the above and, if content, confirm that DETI can present these additional proposals to DFP and the ETI Committee.
7. I would be happy to discuss.


TREVOR COOPER

cc David Sterling
Colin Lewis
David Thomson
Alastair Ross, MLA, Assembly Private Secretary
Bernie Brankin
Jeff Partridge
Philip Angus
David Beck