Department of
Enterprise, Trade and Investment
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From: Bernie Brankin

Date: 08 February 2011

To: 1. Trevor Cooper
2. David Sterling

JANUARY ACTUAL AND FORECAST OUTTURN FOR THE REMAINDER OF THE 2010/11 YEAR

Issue:	DFP require Permanent Secretaries and Finance Directors to sign off on actual and forecast outturn to ensure accuracy of information.
Timing:	Immediate. The return is due with DFP by close today, Tuesday 8th February and an uncleared return has been forwarded to DFP.
Need for referral to the Executive:	No need for referral to the Executive.
Presentational Issues:	Treasury, the Enterprise Trade and Investment and Finance and Personnel Committees take a keen interest in this return.
Freedom of Information:	Fully disclosable.
Programme for Government /PSA Implications:	Progress against PSA/PfG targets is broadly on track at this stage, although the downturn in the global economy and the impact of the credit crunch are likely to affect overall achievement of some PSA targets in the longer term.
Financial Implications:	Departments are required to identify reduced requirements as early as possible.
Legislation Implications:	Not Applicable.
Statutory Equality:	Not Applicable
Recommendation:	That you consider and clear the return.

BACKGROUND

1. DFP require Permanent Secretaries and Finance Directors to sign off on monthly actual and forecast outturn to ensure accuracy of information.

2. Heads of Divisions in DETI and Chief Executives in NDPBs approve actual and forecast outturn at the lowest level of expenditure on a monthly basis.

3. I attach the January actual outturn and forecast outturn for the remainder of the 2010/11 financial year.

4. Actual outturn for January 2011 is £45.4m compared to forecast outturn of £51.6m, an underspend of £6.2m, which is due to the following variations:

Area	Underspend / £m	Comments
Invest NI Resource	1.2	Lower than anticipated expenditure on demand led resource grants reprofiled to Feb 2011.
Invest NI Capital	2.5	Lower than anticipated expenditure on Capital Grants to Business and Property Services reprofiled to Feb 2011.
InterTrade Ireland Resource	0.3	Increased ITI Employee Pensions Contribution received.
NITB Capital	2.2	Delayed expenditure relating to First Derry Presbyterian Church reprofiled for Feb 2011.
Total	**6.2**	

5. This forecast indicates that 65.5% of the DEL budget has been accrued in the first 10 months of the financial year which compares to 73.6% and 70.7% for the same period in 2009/10 and 2008/09 respectively. The reduction in accrued expenditure this financial year is mainly due to Invest NI lower level of accruals.

6. Invest NI's Resource and Capital performance for 2010/11 is as follows after taking account of reductions put forward in February monitoring:

Expenditure Category	Expenditure to 31 Jan 11 / £000	2010/11 Proposed February Monitoring Position / £000	%
Resource	81,314	129,296	62.9
Capital	17,421	32,971	52.8
Total	**98,735**	**162,267**	**60.8**

7. Invest NI performance is lower than previous financial years as can be seen in the table below:

Expenditure Category	2008/09 % expenditure to Jan 09	2009/10 % expenditure to Jan 10
Resource	70.5	71.3
Capital	53.9	72.2
Total	**69.1**	**71.5**

8. You have already written to Invest NI asking why accrued expenditure is less than previous years and have sought assurance that the remaining budget will be accrued to this financial year. While Invest NI has not responded to your specific queries to date, Alastair Hamilton has provided his assurance that he is satisfied that the Invest NI forecast is the most accurate that can be provided at this stage. It is on this basis that we are submitting the return to DFP and Treasury.

9. I am available to discuss further.

Bernie Brankin

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Copy: Jeff Partridge
David Parkhill