**From:** Partridge, Jeff
**To:** Cooper, Trevor
**Cc:** Parkhill, David
**Subject:** FW: Outturn Forecast Outturn
**Date:** 08 March 2011 16:35:29
**Attachments:** February Actual & Forecast Outturn.DOC
DETI Forecast Outturn February 2011 - Return to DFP.XLS
**Importance:** High

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Trevor,

The Mineral slippage is due to a backlog of invoices that had not been processed due to staff absence. These will be paid in March.

The Invest NI underspend is due to late grant claims from Norbrook and NYSE which will be processed in March, and an unexpected receipt from Montupet.

NITB has incidated that Mournes SP will underspend by £0.5m, St Patricks SP by £0.2m and Causeway Masterplan by £0.2m. We have gone back to them to find out why they have profiled their budgets to be fully spent when they know of underspending, and why this was not flagged as part of February Monitoring.

Jeff

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**From:** Partridge, Jeff
**Sent:** 08 March 2011 13:18
**To:** Cooper, Trevor
**Cc:** Parkhill, David
**Subject:** FW: Outturn Forecast Outturn
**Importance:** High

Trevor,

Please see attached note and template. This is due with DFP by close today.

Happy to discuss,

Jeff

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**From:** Parkhill, David
**Sent:** 08 March 2011 11:48
**To:** Partridge, Jeff
**Subject:** Outturn Forecast Outturn

Jeff

Revised covering letter and template attached.

David

**David Parkhill**
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DFE-258045

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Copy Distribution List Below

From: Jeff Partridge

Date: 08 March 2011

To: 1. Trevor Cooper
2. David Sterling

**FEBRUARY 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 March. |
| **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 February actual outturn and forecast outturn for the remainder of the 2010/11 financial year.

4. Actual outturn for February 2011 is £21.6m compared to forecast outturn of £31.4m, an underspend of £9.8m, which is due to the following variations:

| Area | Underspend / £m | Comments |
|---|---|---|
| Invest NI Resource | 0.6 | Small underspends against promotion of innovation and enhancement of RTD |
| Energy Resource | 0.2 | Lower than anticipated expenditure on consultancy |
| Minerals Resource | 0.7 | TELLUS and NERC expenditure reprofiled against March 2011 |
| Invest NI Capital | 3.4 | Underspending against capital grants to business (£1.3m), shares & investments (£0.4m) and property (£0.5m) combined with greater than anticipated capital receipts (£1.2m) |
| NITB Capital | 4.3 | Lower than anticipated expenditure on Tourism Signature Projects (£3.5m) and tourism capital grants (£0.8m) |
| Telecoms Capital | 0.6 | Next Generation Broadband payment delayed due to audit. Will be accrued to 2010-11 financial year |
| **Total** | **9.8** | |

5. This forecast indicates that 73% of the DEL budget has been accrued in the first 11 months of the financial year which compares to 81% and 78% for the same period in 2009/10 and 2008/09 respectively.

6. DFP have advised us to profile anticipated expenditure relating to the additional February Monitoring budget allocations for Next Generation Networks capital (£0.8m), Minerals capital (£0.04m), NITB resource (£0.35m), TIL resource (£1.5m) and Invest NI capital (£3.4m) in this exercise. However, DFP have also instructed us not to increase the budgets on the attached template accordingly.

7. Slippage in NITB Tourism Signature Projects leaves 49% of their TSP capital budget allocation profiled in March 2011.

8. Invest NI's Resource and Capital performance for 2010/11 is as follows:

| **Expenditure Category** | **Expenditure to 28 Feb 11 / £000** | **2010/11 February Monitoring Position / £000** | **%** |
|---|---|---|---|
| **Resource** | 93,780 | 129,296 | 72.5 |
| **Capital** | 17,131 | 32,971 | 52.0 |
| **Total** | **110,911** | **162,267** | **68.4** |

Invest NI's performance is lower than the previous two financial years as shown in the table below:

| **Expenditure Category** | **2008/09 / %** | **2009/10 / %** |
|---|---|---|
| **Resource** | 79.3 | 80.1 |
| **Capital** | 60.8 | 77.1 |
| **Total** | **77.6** | **79.3** |

9. 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. 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.

10. I am available to discuss further.

**Jeff Partridge**

DFE-258048

Copy: David Parkhill